

DOCKET NO. UM 1768

**Cover Sheet for Submission of  
2016 Annual ETC Certification Reports**

Name of Eligible Telecommunications Carrier: Pine Telephone System, Inc.

Filing date: August 15, 2016

Is this: Original submission? \_\_\_\_\_

OR

Revised submission? X – to include attachments

Person to contact for questions:

Name Delinda Kluser

Phone number 541-932-4411

E-mail address [dkluser@ortelco.net](mailto:dkluser@ortelco.net)

Documents included in this filing (please check applicable items):

\_\_\_\_\_ CAF/ICC Support (47 CFR § 54.304)

\_\_\_\_\_ Rate Floor Data (47 CFR § 54.313(h)) – if separate from Form 481

X Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422)<sup>1</sup>

\_\_\_\_\_ Form 690 (Mobility Fund per 47 CFR § 54.1009)

\_\_\_\_\_ Affidavit for High-Cost Support

-----  
**Filing deadlines:** The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by July 1, 2016. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

\_\_\_\_\_  
<sup>1</sup> Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the FCC.

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2017
<030> Contact Name: Person USAC should contact with questions about this data	Delinda Kluser
<035> Contact Telephone Number: Number of the person identified in data line <030>	5419324411 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	dkluser@ortelco.net
Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@pntelco.net

<110> Has your company received its ETC certification from the FCC?  (yes / no )

<111> If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?  (yes / no )

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

532392OR112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Yes



**(300) Unfulfilled Service Request  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code

532392

<015> Study Area Name

FINE TEL SYSTEM INC.

<020> Program Year

2017

<030> Contact Name - Person USAC should contact regarding this data

Delinda Kluser

<035> Contact Telephone Number - Number of person identified in data line <030>

541924411 ext.

<039> Contact Email Address - Email Address of person identified in data line <030>

dkluser@rtelco.net

<300> Unfulfilled service request (voice)

[Redacted]

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

[Redacted]

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	512192
<015>	Study Area Name	PERK TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Linda J Loney
<035>	Contact Telephone Number - Number of person identified in data line <030>	5429154411 (ext.)
<039>	Contact Email Address - Email Address of person identified in data line <030>	lloney@perksys.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	DISH - 2014-2015M 1007
<020>	Program Year	2014
<030>	Contact Name - Person USAID should contact regarding this data	DeJanda, Christ
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419424411 ext:
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkcunha@state.gov.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	532392QR510 .pdf

**(600) Functionality in Emergency Situations  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542102
<015>	Study Area Name	FILE 156 BOSTON 100
<020>	Program Year	2012
<030>	Contact Name - Person USAC should contact regarding this data	Belinda Blumer
<035>	Contact Telephone Number - Number of person identified in data line <030>	617-441-1800
<039>	Contact Email Address - Email Address of person identified in data line <030>	ok@newcast.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	5323920R610.pdf









**(900) Tribal Lands Reporting Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code 512392  
 <015> Study Area Name PINE TEL SYSTEM INC.  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kluser  
 <035> Contact Telephone Number - Number of person identified in data line <030> 5419224411 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> dkluser@artelco.net

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select Yes or No or Not Applicable

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

**(1000) Voice and Broadband Service Rate Comparability Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	522392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluse#
<035>	Contact Telephone Number - Number of person identified in data line <030>	541324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluse#orte@o.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

\_\_\_\_\_  
 Name of Attached Document

Yes - Pricing is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. territories where the eligible telecommunications carrier receives support

<1020> Broadband comparability certification

<1030> Attach detailed description for broadband comparability compliance

\_\_\_\_\_  
 Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

**(1200) Terms and Condition for Lifeline Customers  
Lifeline  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Delina Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	541.324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

532320R1210.pdf
-----------------

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220>	Link to Public Website	HTTP	<a href="http://www.puc.state.or.us/Pages/rspf/otap.aspx">http://www.puc.state.or.us/Pages/rspf/otap.aspx</a>
--------	------------------------	------	---

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

**(2000) Price Cap Carrier Additional Documentation**  
**Data Collection Form**  
*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

<010> Study Area Code 532392  
 <015> Study Area Name PINE TEL SYSTEM INC.  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kluser  
 <035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortelco.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information



(2000) Price Cap Carrier Additional Documentation (Continued)

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

Name of Attached Document Listing  
Required Information

Name of Attached Document Listing  
Required Information

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan  
Carrier certifies to 54.313(f)(1)(iii)

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)} Yes - Attach Certification

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} No - No New Community Anchor

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)  
 Data Collection Form

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@rtelco.net

Financial Data Summary	
(3027) Revenue	5582864
(3028) Operating Expenses	4563296
(3029) Net Income	-139266
(3030) Telephone Plant In Service(TPIS)	39569143
(3031) Total Assets	22906193
(3032) Total Debt	18573560
(3033) Total Equity	3308757
(3034) Dividends	0

<010>	Study Area Code	N21192
<015>	Study Area Name	PJIN 250 0201EM 400
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	DeLinda K Dunne
<035>	Contact Telephone Number - Number of person identified in data line <030>	8439124411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	delinda@usac.com

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information \_\_\_\_\_

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481. Name of Attached Document Listing Required Information \_\_\_\_\_

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area. Name of Attached Document Listing Required Information \_\_\_\_\_

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0619 July 2013
---	--

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	PINE TEL SYSTEM INC.
Signature of Authorized Officer:	CERTIFIED ONLINE <span style="float: right;">Date 06/29/2016</span>
Printed name of Authorized Officer:	Delinda Kluser
Title or position of Authorized Officer:	Vice-Pres, Manager
Telephone number of Authorized Officer:	5419324411 ext.
Study Area Code of Reporting Carrier:	532392 <span style="float: right;">Filing Due Date for this form: 07/01/2016</span>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent Firm:	
Signature of Authorized Agent or Employee of Agent:	Date:
Name of Authorized Agent Employee:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments











**Pine Telephone System, Inc.**  
**2016**  
**PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN**

**PREAMBLE**

This document is an integral part of the Company's 2016 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule, to the requisite regulatory authorities.

Pine Telephone System, Inc. advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology (vendor)-driven support, weather, or other emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

**UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015**

Per the Universal Service Administrative Company (USAC), during the calendar year 2015, Pine Telephone System, Inc. received a total of \$3,456,900 in USF support funds. The breakdown of the funding to the point of filing is:

- \$1,805,952 High Cost Loop Support
- \$ 771,618 Connect America Fund-Intercarrier Compensation Support
- \$ 844,227 Interstate Common Line Support
- \$ 35,103 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and

operating expenditures; USF is expended in the same proportion as its contribution is to the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 for CAPEX was \$188,676 (4%) ; for OPEX \$4,563,296 (96%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

## **PROGRESS REPORT**

### **2015**

Upgrading FTTH ONT: This project is still in progress. As of 12/31/2015, a total of 18 TelStrat CPE FTTH ONT's have been upgraded to an Adtran Platform out of approximately 58 customers with an original target completion date of 9/30/2015. The new target completion date is April 30, 2016. Approximately \$17,000 has been spent using general operating funds. Attached are maps of the affected area.

This project provides Service Quality.

DC Rectifier and Battery Upgrades: As of 12/31/2015, this project was currently in progress. Parts and Equipment have been ordered. The original target completion date of 9/30/2015 is no longer valid. The new target completion date is 3/31/2016.

This project provides Service Quality, Coverage and Capacity upgrades.

Redundant Loop Fiber Build: The Company spent \$67,729 to build out a fiber route to tie into the Oregon Telephone Corporation network. This provides an additional fiber route in case of emergency.

This project provides Service Quality, Coverage and Capacity upgrades.

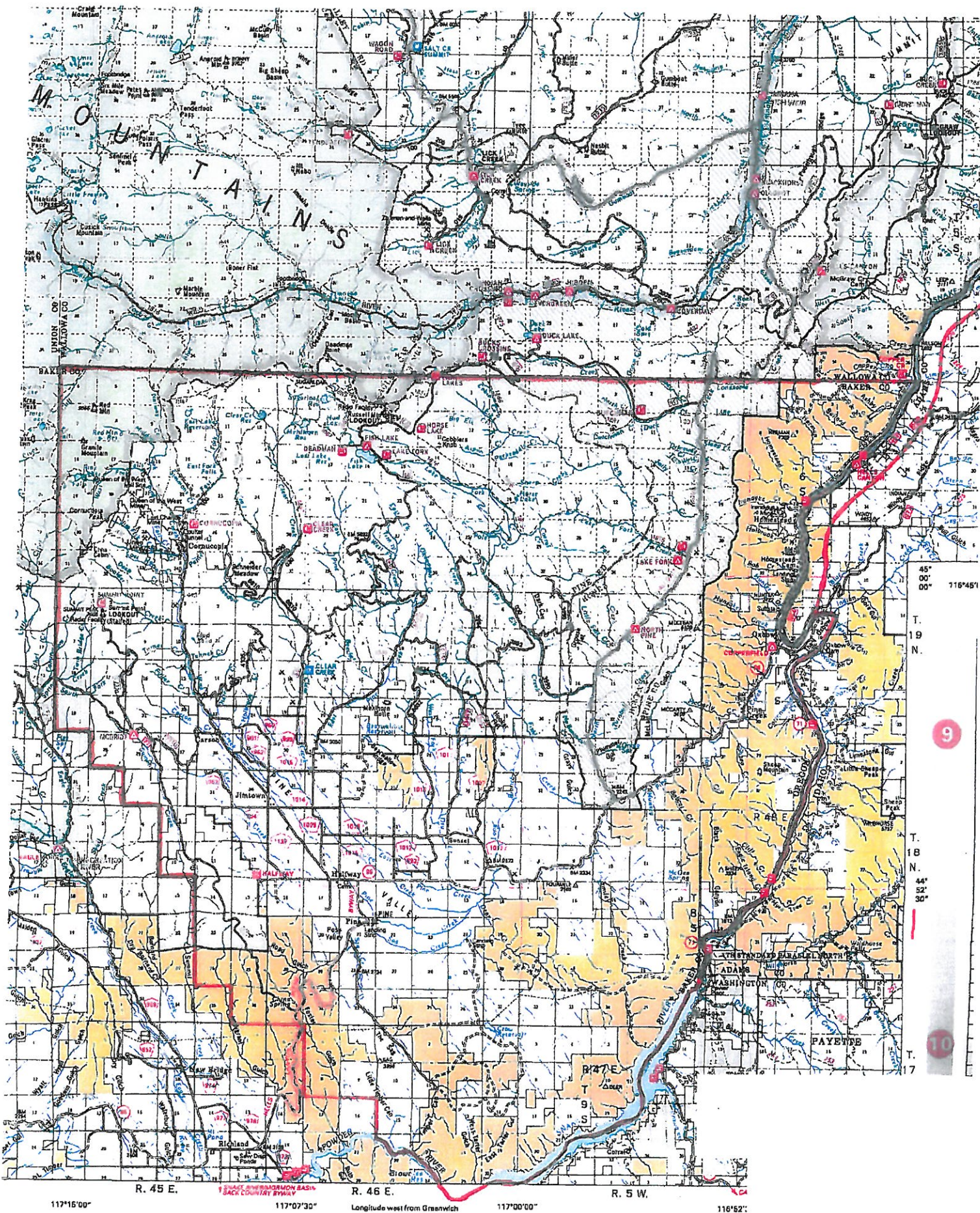
Stices Gulch Remote Rebuild: Due to a wildfire, remotes at our Stices Gulch area were completely destroyed. AFC cabinets were rebuilt in the area with spare parts and inventory from our parent company.

This project provides Service Quality.

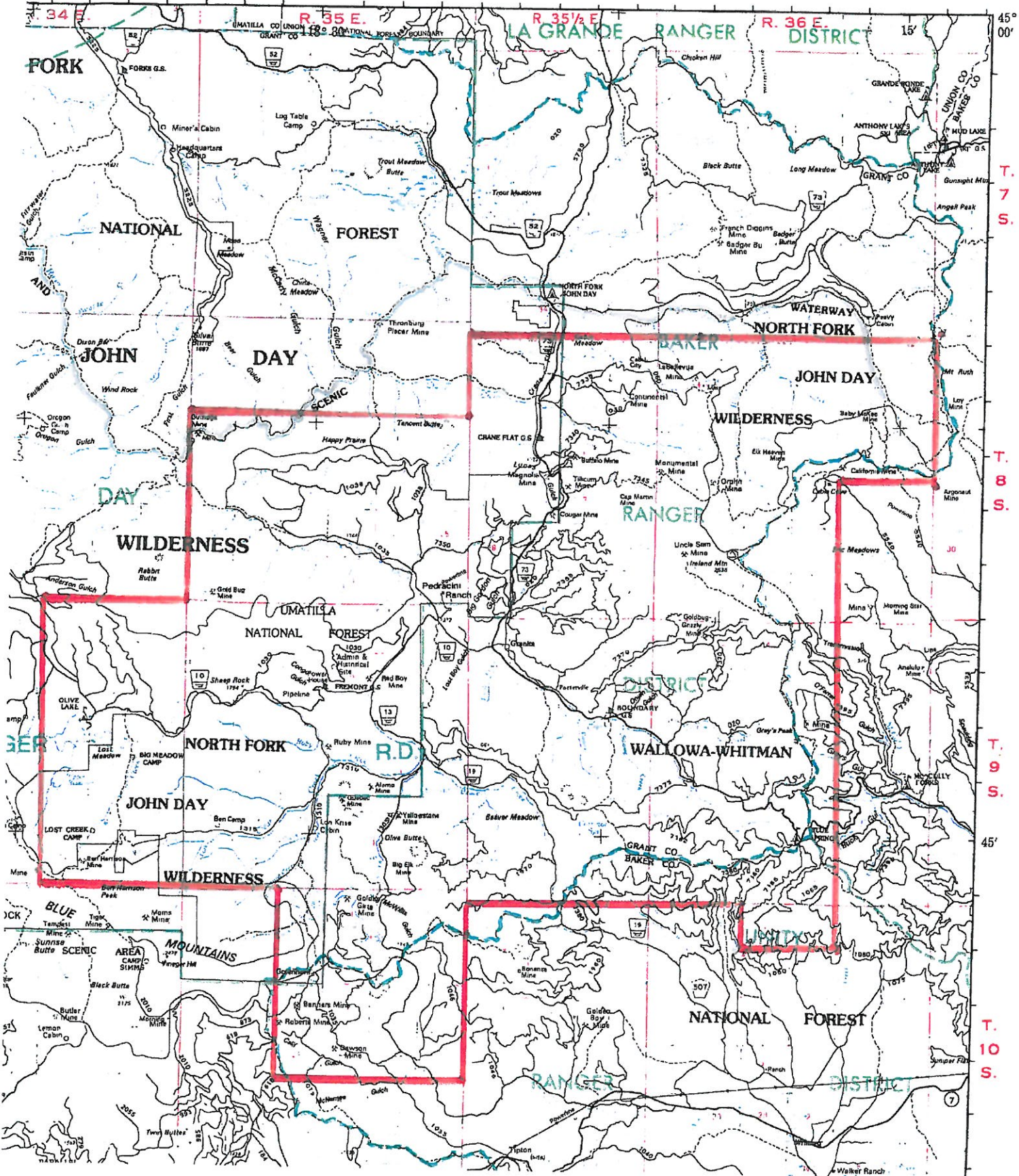
General Expenditures: As of 12/31/2015, the Company spent \$50,565 for a vehicle and a reel trailer.

\*\*\*\*

# HLWYORXB



# GRANOR01



# **PINE TELEPHONE SYSTEM, INC.**

P. O. BOX 706 104 CENTER STREET  
HALFWAY, OREGON 97834  
(541) 742-2201 FAX (541) 742-4321

## 54.313(a)(5) Satisfaction of Consumer Protection and Service Quality Standards

### Consumer Protection

#### Voice and Broadband

Pine Telephone System, Inc. complies with the requirement of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

### Service Quality Standards

#### Voice

Pine Telephone System, Inc. complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

#### Broadband

Pine Telephone System, Inc. follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.



## **Pine Telephone System, Inc.**

### 54.313(a)(6) Ability to Remain Functional in Emergency Situations

#### Back-up Power

Pine Telephone System, Inc. has the following back-up power capabilities:

Switches – stand alone and/or host

##### Switch A-Halfway CO

80KW, Diesel Generac Generator with 250 gallon tank capacity.

Expected run time on full tank: 96 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String B, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String C, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

##### Switch B-Granite CO

Kohler 8.5 RMY, 8.5 KW Generator with 500 gallon propane tank capacity.

Expected run time on full tank: 250 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

##### Switch C-Three Rivers CO

80KW, 80KVA, 120/240 Volts, 333.3 Amps, Phase 1 PHA, 60 Hertz, Propane, Generac Generator, 10 cylinder with a 500 gallon tank capacity. Expected run time on full tank: 200 hours, 24 EXIDE batteries, 2000 Ah At 8 hrs. to 1.75 VPC

Subscriber carrier (DLC, AFC, OPM, etc.)

##### Remote AFC Cabinets associated with Switch A

RST 1, West Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 2, East Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 3, Gulick, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 4, East Pine, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 5, Carson, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

Halfway Hill, 1 Battery string, SBS 40, 12V-37 Ah., Wireless

Expected run time: 24 hrs.

Summers Hill, 1 Battery string, SBS 40, 12V-37 Ah., Wireless

##### Jimtown Hut

Adtran

45KW, 4.2L, Propane, TWE Enterprises Generator with 500 gallon tank.

Expected run time on full tank; 250 hours. Battery Capacity, String A,

1 rack, TYCO, 2000 AH @ 8 hour rate to 1.75 VPC.

Oxbow Hut

AFC, Adtran & Fujitsu

18KW, 2.3L, Propane, 18RY 62 Kohler Generator with 500 gallon tank.

Expected run time on full tank; 250 hours. Battery Capacity, String A,

1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC.

Brownlee Hut

AFC, Adtran & Fujitsu

Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours

Rated 8 hrs. to 1.75 VPC.

Eagle Bar Hut

AFC, Adtran

5000W, TWE50 GAK generator with a 125 gallon propane tank.

Expected run time on full tank: 100 hours.

Battery Capacity, String A, LS12-100, 100 Ah to 10.5 Volts.

Rated 8 hrs. to 1.75 VPC.

AFC remote Hells Canyon Park

2 Battery Strings, SBS 15, 12V 12.8 Ah

Expected run time: 8 hours

Remote AFC Cabinets associated with Switch B

RST 1, Deems Loop, 2 Battery strings, GNB. Expected run time: 24 hours

RST 2, Black Mountain, line powered from RST 3.

RST 3, Denny Creek, 2 Battery strings, GNB. Expected run time: 24 hours

RST 6, Olive Creek, line powered from the Granite CO.

RST 7, Lower Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah

Expected run time: 24 hours.

RST 8, Upper Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah

Expected run time: 24 hours.

Greenhorn Hut, RST 9

8000W, TWE80 GAK generator with two 250 gallon propane tanks.

Expected run time on full tank: 200 hours. Battery Capacity, String A,

1 rack, E31 SLD G, 97.6 Ah, String B, E31 SLD G, 97.6 Ah,

Solar Assist, 2 PV Modules, IF 150.

## North Hut – Three Rivers

60KW, 60 KVA, 120/240 Volt, Phase 1 PHA, Generac Generator, 500 gallon Propane tank. Expected run time on full tank:48 hrs. Battery capacity, 2180Ah@ 600V, 39 panels equal 9.36kW+/-.

### Ability to reroute traffic around damaged facilities:

Pine Telephone System, Inc. has the following per Exchange:

### **Halfway Exchange**

The Halfway Exchange has 72 DS1s (3 T1s) connected to Syringa for the purpose of inter lata voice calls with CIC codes. Halfway also has a 1GBPS circuit to Syringa for Internet access services. A SONET ring protects the voice and Internet circuits between Halfway and the point of connection to Cambridge Telephone/Syringa at Brownlee. Syringa, over the Cambridge Telephone facilities, transports to Cambridge at which point the circuits are once more inserted into a SONET ring that carries the circuits to the Syringa tandem in Boise for connection to the world.

The Halfway Exchange also has 3 T1s connected to the Pendleton Tandem via CenturyLink for Intralata voice calls. At this point in time there is 1+1 protection.

### **Granite Exchange**

The Granite Exchange has 1 T1s connected to the Pendleton Tandem via CenturyLink that provide inter and intra lata voice circuits for its customers. Granite also has 5 T1s directly connected to the Halfway central office that provides for Internet access bandwidth and special access. There is no protection at this point in time for those circuits; however, should the Eastern Oregon SONET ring be deployed in the future, then Granite will be in the ring.

### **Three Rivers Exchange**

The Three Rivers Exchange has 3 T1s dedicated to inter and intra lata voice calls with CIC codes. These circuits terminate on the Syringa Tandem in Boise. The exchange also has 2 T1s dedicated to intra lata voice calls without CIC codes that terminate on the CenturyLink tandem in Redmond. The internet access circuit is a 40Mbps to TDS Telecom (Bend Broadband).

### Capability to manage traffic spikes resulting from emergency situations

The Halfway Exchange has 726 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

The Granite Exchange has 89 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 48 simultaneous calls.

The Three Rivers Exchange has 60 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

Pine Telephone System, Inc.

LOCAL SERVICES\*

LOCAL ACCESS LINE RATES

RATES

Trunks and one-party apply within the base rate area and supplementary base rate areas. Trunks and one-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines including certain CLASS features listed on sheet 302 and 302.1 and marked by an asterisk(\*):

BUSINESS SERVICE

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	<u>Semi-Public</u>
Halfway/Oxbow	N/A	\$19.00	\$19.00
Granite	N/A	\$19.00	\$19.00
Three Rivers	N/A	\$19.00	\$19.00

RESIDENCE SERVICE

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	
Halfway/Oxbow	N/A	\$14.75	(I)
Granite	N/A	\$14.75	(I)
Three Rivers	N/A	\$14.75	(I)

The above rates do not include the Service Assistance Program Surcharge.

\* Subject to Oregon Telephone Assistance Program (OTAP) Credit

Description

a. Pursuant to Chapter 290, Oregon Laws 1987, and Oregon Administrative Rule (OAR) Chapter 860, Division 33, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program and is governed by Federal Communication Commission 47 Code of Federal Regulations Subpart E, 54. This state and federal government assistance program provides qualifying low-income consumers with reduced monthly charges for any local residential service plan that includes voice telephony service. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent, access to emergency services and toll limitation services.

b. Customers must meet the eligibility requirements for OTAP/Lifeline defined in OAR 860-033-0030.

Advice No. 1

Issued October 1, 2014 Effective December 1, 2014

## Pine Telephone System, Inc.

## LOCAL SERVICES

## LOCAL ACCESS LINE RATES - Cont'd

OTAP (cont.)Terms and Conditions

Basic federal Lifeline support amount:	\$9.25
OTAP support amount:	\$3.50
TOTAL support amount:	\$12.75

- a. The basic federal Lifeline support amount is applied to the End User Common Line charges or equivalent. The remaining basic federal and OTAP support amount is applied to the qualifying low-income customer's intrastate rate.
- b. Billing will reflect that the OTAP/Lifeline credit became effective on the date specified by the Public Utility Commission of Oregon for each approved customer.
- c. Partial payments from OTAP/Lifeline customers are first applied to the allocated price of the voice telephony service component and then to toll charges or the cost of other services.
- d. OTAP/Lifeline customers may voluntarily elect toll limitation service at no charge. OTAP/Lifeline customers who subscribe to toll limitation service will not be required to pay a service deposit in order to initiate OTAP/Lifeline service.
- e. OTAP/Lifeline customers may not be charged the federal universal service fund fee or the monthly number-portability charge as part of their local residential service plan that includes voice telephony service.
- f. The Residential Service Protection Fund surcharge must be charged to OTAP/Lifeline customers.

CONDITIONS

Local service is provided through facilities owned and maintained according to the standards of the Company. The territory served is shown on maps filed with the Commission by the Company. This territory is referred to as an exchange.

The application of business or residence rates is determined by the actual or obvious use made of the service by the customer. Where only one access line is provided at a location which is both business and residence, the business rate will apply. Flat rate service will not be installed on premises of a public or semi-public character in a location where the telephone would be accessible for use by the patrons of the customer or by the public in general.

Local service rates include the line which provides access to the central office switching equipment. Customer premises equipment (CPE) is excluded, except that one telephone is included with semi-public service. Customer premises inside wire is excluded.

Advice No. 1

Issued May 15, 2013 Effective July 1, 2013

## Public Utility Commission (Home)

- Search
- About Us
- Contact Us
- Commissioners
- General Information
  - Administrative Rules
  - Consumer Help
  - Electric/Natural Gas
  - Hearings Division
  - Oregon Telephone Assistance Programs
  - Safety
  - Telecommunications
  - Water

### Oregon Lifeline (Oregon Telephone Assistance Program)



The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

[List of residential/landline and wireless companies that provide the Oregon Lifeline benefit](#)

#### How to Apply for Lifeline:

Using Online Application:	Using Printed Application:
<p>Submit your application online if you or a member of your household participates in one of the following programs:</p> <ul style="list-style-type: none"> <li>• Supplemental Nutrition Assistance Program; Food Stamps (SNAP)</li> <li>• Temporary Assistance for Needy Families (TANF)</li> <li>• Supplemental Security Income (SSI)</li> <li>• State Medical Programs (at or below 135% of federal poverty guidelines)</li> <li>• Medicaid</li> </ul>	<p>Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:</p> <ul style="list-style-type: none"> <li>• National School Lunch Program; Free Lunch Program Only (NSLP)</li> <li>• Low-Income Home Energy Assistance Program (LIHEAP)</li> <li>• Federal Public Housing Assistance (Section 8)</li> <li>• Total household income is at or below 135% of federal poverty guidelines</li> </ul>

[Click Here to Apply Online](#)

[Click Here to Print Application](#)

- [Aplicar en Español](#)
- [Подать заявление на русском языке](#)
- [Nộp đơn bằng tiếng Việt](#)

[Contact Oregon Lifeline \(RSPF\)](#)

#### OREGON.GOV

- State Directories
- Agencies A to Z
- Oregon Administrative Rules
- Oregon Revised Statutes
- Oregon - an Equal Opportunity Employer
- About Oregon.gov



#### WEB SITE LINKS

- Text Only Site
- Accessibility
- Oregon.gov
- File Formats
- Privacy Policy
- State Agency List
- Web Site Feedback

#### PDF FILE ACCESSIBILITY

Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from Adobe.



## **PINE TELEPHONE SYSTEM, INC.**

P. O. BOX 706 104 CENTER STREET

HALFWAY, OREGON 97834

(541) 742-2201 FAX (541) 742-4321

### **54.313 Lifeline customers MOU and additional toll charges**

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Pine Telephone System, Inc. subscriber, are free to choose their own toll usage plans through IXCs that serve Pine Telephone System, Inc.



## **PINE TELEPHONE SYSTEM, INC.**

P. O. BOX 706 104 CENTER STREET  
HALFWAY, OREGON 97834  
(541) 742-2201 FAX (541) 742-4321

July 1, 2016

Ms. Marlene H. Dortch  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

**RE: WC Docket No. 14-58, 2016 Annual Report, Form 481 for High-Cost Recipient  
54.313(f)(1)(i) "Milestone Certification"**

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Pine Telephone System, Inc.:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 541-932-4411

Sincerely,

Delinda Kluser  
Vice President/Manager

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Pine Telephone System, Inc.  (Prepared with Audited Data)
---	--

<b>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.</b> For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2015	BORROWER DESIGNATION OR0545
---	---------------------------------	--------------------------------

**CERTIFICATION**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.*

**ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII**  
*(Check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.
  There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

3/30/16  
DATE

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	1,017,584	1,298,591	25. Accounts Payable	278,825	264,332
2. Cash-RUS Construction Fund	2,081	2,081	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt	1,618,553	1,565,556
c. Notes Receivable	2,034,849	2,155,000	30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	631,827	432,054	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		207,785
c. Notes Receivable			34. Other Current Liabilities	60,095	46
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>	1,957,473	2,037,719
6. Material-Regulated	182,506	177,328	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	3,517	83	36. Funded Debt-RUS Notes	17,223,355	15,889,312
8. Prepayments	92,607	193,648	37. Funded Debt-RTB Notes	760,399	646,529
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>	3,964,971	4,258,785	39. Funded Debt-Other	2,000,000	
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	28,241	28,241	<b>46. Total Long-Term Debt (36 thru 45)</b>	19,983,754	16,535,841
13. Nonregulated Investments	118,733	105,814	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	2,004,192		47. Other Long-Term Liabilities		
15. Deferred Charges	10,622	330	48. Other Deferred Credits	1,402,502	1,023,876
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>	2,161,788	134,385	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,402,502	1,023,876
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom Plant-in-Service	39,514,641	39,569,143	51. Cap. Stock Outstand. & Subscribed	21,240	21,240
19. Property Held for Future Use	426,610	426,610	52. Additional Paid-in-Capital		
20. Plant Under Construction	112,910	106,537	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	19,389,170	21,589,267	55. Other Capital		
<b>23. Net Plant (18 thru 21 less 22)</b>	20,664,991	18,513,023	56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins	3,426,781	3,287,517
	26,791,750	22,906,193	<b>58. Total Equity (51 thru 57)</b>	3,448,021	3,308,757
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	26,791,750	22,906,193

Total Equity = 14.44% of Total Assets

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

OR0545

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2015

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	166,576	182,044
2. Network Access Services Revenues	5,993,296	5,356,222
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	37,160	44,222
5. Miscellaneous Revenues	130,555	2,015
6. Uncollectible Revenues	453	1,639
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>6,327,134</b>	<b>5,582,864</b>
8. Plant Specific Operations Expense	1,464,531	1,098,259
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	110,916	140,658
10. Depreciation Expense	2,409,162	2,334,269
11. Amortization Expense		
12. Customer Operations Expense	183,472	200,942
13. Corporate Operations Expense	1,215,598	789,168
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>5,383,679</b>	<b>4,563,296</b>
15. Operating Income or Margins (7 less 14)	943,455	1,019,568
16. Other Operating Income and Expenses		
17. State and Local Taxes	(22,059)	150
18. Federal Income Taxes	(120,525)	(315,545)
19. Other Taxes	310,286	395,507
<b>20. Total Operating Taxes (17+18+19)</b>	<b>167,702</b>	<b>80,112</b>
21. Net Operating Income or Margins (15+16-20)	775,753	939,456
22. Interest on Funded Debt	913,379	877,686
23. Interest Expense - Capital Leases		
24. Other Interest Expense	12,033	
25. Allowance for Funds Used During Construction	3,157	
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>922,255</b>	<b>877,686</b>
27. Nonoperating Net Income	22,122	100,126
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(150,187)	(301,162)
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>(274,567)</b>	<b>(139,266)</b>
32. Total Taxes Based on Income		132,921
33. Retained Earnings or Margins Beginning-of-Year	3,701,348	3,426,783
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>3,426,781</b>	<b>3,287,517</b>
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44. Annual Debt Service Payments	2,459,765	2,397,753
45. Cash Ratio [(14+20-10-11) / 7]	0.4966	0.4136
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0232	0.9889
47. TIER [(31+26) / 26]	0.7023	0.8413
48. DSCR [(31+26+10+11) / 44]	1.2427	1.2815

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2015

**Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Three Rivers- Culver	19.00	14.75	6	55	61	113.74	2.50
Granite	19.00	14.75	14	65	79	129.63	43.21
Halfway/Oxbow	19.00	14.75	204	466	670	304.28	76.57
MobileWireless					0		
Route Mileage Outside Exchange Area						183.91	39.25
Total			224	586	810	731.56	161.53
No. Exchanges	3						

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2015

**Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

**4. BROADBAND SERVICE**

**Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Three Rivers- Culver	61	52	56	6,000	1,500	30.95	Package	Fiber to the Home
Granite	79	37	70	>6,000	1,500	35.95	Package	DSL
Halfway/Oxbow	670	416	526	>6,000	1,500	30.95	Package	Fiber to the Home
Total	810	505						

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0545

PERIOD ENDING  
December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART D. SYSTEM DATA**

1. No. Plant Employees 3	2. No. Other Employees 6	3. Square Miles Served 911	4. Access Lines per Square Mile .89	5. Subscribers per Route Mile 1.11
-----------------------------	-----------------------------	-------------------------------	--	---------------------------------------

**PART E. TOLL DATA**

1. Study Area ID Code(s) a. 532392 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)			
	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	

**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	188,676
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	188,676

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS  
**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0545

PERIOD ENDING

December, 2015

**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	14.90%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	7.50%
5. Land and support assets - Buildings	6.10%
6. Land and support assets - Furniture and Office equipment	6.40%
7. Land and support assets - General purpose computers	15.00%
8. Central Office Switching - Digital	6.30%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	10.60%
12. Central Office Transmission - Circuit equipment	10.60%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	6.30%
24. Cable and wire facilities - Buried cable - Fiber	4.80%
25. Cable and wire facilities - Conduit systems	2.00%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION	
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		OR0545	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED	
		December, 2015	
<b>PART I – STATEMENT OF CASH FLOWS</b>			
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		1,019,665	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>2. Net Income</b>		(139,266)	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation		2,334,269	
4. Add: Amortization		0	
5. Other (Explain) Adj Current Liabilities		6,377	
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable		199,773	
7. Decrease/(Increase) in Materials and Inventory		8,612	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(90,749)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(14,493)	
11. Increase/(Decrease) in Advance Billings & Payments		0	
12. Increase/(Decrease) in Other Current Liabilities		147,736	
<b>13. Net Cash Provided/(Used) by Operations</b>		2,452,259	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14. Decrease/(Increase) in Notes Receivable		(120,151)	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		0	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(3,500,910)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(378,626)	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0	
20. Less: Payment of Dividends		0	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain)			
<b>23. Net Cash Provided/(Used) by Financing Activities</b>		(3,999,687)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24. Net Capital Expenditures (Property, Plant & Equipment)		(48,129)	
25. Other Long-Term Investments		12,919	
26. Other Noncurrent Assets & Jurisdictional Differences		2,004,192	
27. Other (Explain) Long-term inv adj		(140,547)	
<b>28. Net Cash Provided/(Used) by Investing Activities</b>		1,828,435	
<b>29. Net Increase/(Decrease) in Cash</b>		281,007	
<b>30. Ending Cash</b>		1,300,672	

Revision Date 2010



<p style="text-align: center;">USDA-RUS</p> <p style="text-align: center;"><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p style="text-align: center;">BORROWER DESIGNATION</p> <p style="text-align: center;">OR0545</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED December, 2015</p>
<p><b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	
<p>PT Services (Pine's non-regulated subsidiary) is included in the financial information. PT had a net loss for the 2015 year of (\$234,762). On a stand-alone basis, Pine Telephone System would have had a net income of \$95,496. Many accounting adjustments were made in 2015 based on prior management decisions. Pine Telephone has had a total of 5 employee terminations in the last several months. The consulting agreement has expired with the prior management. Pine also continues to look for ways to reduce T-1 costs and internet backbone costs by consolidating networks with Oregon Telephone.</p> <p>Pine Telephone is hopeful for a positive net income in 2016 barring any unforeseen circumstances.</p>	

USDA-RUS <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION OR0545
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	