

DOCKET NO. UM 1768

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

Name of Eligible Telecommunications Carrier: Molalla Telephone Company

Filing date: June 14, 2016

Is this: Original submission? X
 OR
 Revised submission? _____

Person to contact for questions:

Name Terry Simms

Phone number 503-829-1122

E-mail address tsimms@molalla.com

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)¹
- _____ 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.

¹ 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.

DOCKET NO. UM 1768

FILING INSTRUCTIONS

Please file submissions in Docket No. UM 1768. You do not need to include a cover letter if you use the cover sheet. Please fill in all relevant information.

Filings must be electronically submitted to the PUC Filing Center. You may e-mail documents to puc.filingcenter@state.or.us. Please note that the upload process is no longer an option for filing. See the PUC website for further instructions. If selected portions of documents, e.g., network plans, are to receive confidential treatment, those portions should not be filed electronically. You may electronically file redacted versions of documents containing confidential information, but then follow-up by sending full versions including confidential information printed on yellow paper.

After filing electronically, please send two hard copies of the filing package (cover sheet and filed information) to the PUC Filing Center. Be sure to include the original affidavit with the raised seal or notary's mark evident. Hard copies of confidential material should be filed in accordance with confidential designation requirements described in OAR 860-011-0080.

Regular delivery methods may be used to send all hard copy documents; overnight or express delivery is not necessary. Please send hard copy documents to the Filing Center via US mail using the following post office box address:

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 1088
Salem, OR 97308-1088

If you send hard copy documents via means other than the US Postal Service, use the following address:

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301

If you have any questions regarding the reporting requirements, please contact Kay Marinos at 503-378-6730 or send an e-mail to Kay.Marinos@state.or.us.

**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	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name: Person USAC should contact with questions about this data	Terry Simms
<035> Contact Telephone Number: Number of the person identified in data line <030>	5038291122 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	tsimms@molalla.com

Form Type

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

- <110> Has your company received its ETC certification from the FCC? (yes / no)
- If your answer to Line <110> is yes, do you have an existing §54.202(a) "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 § 54.202(a) "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.

532383or112.xlsx, 532383or112.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
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

**(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	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
<035> Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<300> Unfulfilled service request (voice)

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

<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	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line	
<039>	Contact Email Address - Email Address of person identified in data line	tsimms@molalla.com
<030>		
<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.	Not Applicable
<410>	Complaints per 1000 customers for fixed voice	
<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.	Not Applicable
<440>	Complaints per 1000 customers for fixed broadband	
<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	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
<035> Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com
<500> Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	532383or510-Voice .pdf, 532383or510-Broadband .pdf

<010>	Study Area Code	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Siema
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsiema@molalla.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	5323830R610-Voice.pdf, 532383or610-Broadband.pdf

**(700) Price Offerings including Voice Rate Data
Data Collection Form**

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

<010>	Study Area Code	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	14.95

<703>	<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
	State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees

(710) Broadband Price Offerings
Data Collection Form

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

<010>	Study Area Code	532383
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<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
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<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (<i>select</i>)

(800) Operating Companies
Data Collection Form

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

<010>	Study Area Code	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com
<810>	Reporting Carrier	Molalla Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Molalla Communications Company

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation

**(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	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
<035> Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<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:

- <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.

Select Yes or No or Not Applicable

**(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	532383
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<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
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<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 532383or1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - rate is no more than the applicable benchmark rate.

<1030> Attach detailed description for broadband comparability compliance 532383or1030.pdf

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
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<010> Study Area Code	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
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<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<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
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<010>	Study Area Code	532383
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<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP <http://www.molalla.com/publicnotices>

"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.

(2000) Price Cap Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	July 2013

<010>	Study Area Code	532383
<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

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	<input style="width: 100%;" type="text"/>	
<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	<input style="width: 100%;" type="text"/>	
<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.	<input style="width: 100%;" type="text"/>	
<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.	<input style="width: 100%;" type="text"/>	
<2024A> Round 2 Recipient of Incremental Support?	<input style="width: 100%;" type="text"/>	
<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 50px;" type="text"/>
<2025A> Round 1 or Round 2 Recipient of Incremental Support?	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 50px;" type="text"/>
<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-	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 50px;" type="text"/>
<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)	<input style="width: 100%;" type="text"/>	

(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

Name of Attached Document Listing Required Information

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)

Name of Attached Document Listing Required Information

<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)

<010>	Study Area Code	532383
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext. 3
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

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)	Yes	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	<input type="text" value="532383or3010B.pdf"/>
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No new community anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	<input type="text"/>
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
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)		<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(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	<input type="text" value="532383or3017.xlsx, 532383or3017.pdf"/>
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input type="radio"/>
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		<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
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		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	<input type="text"/>

(3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

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

July 2013

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<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
<035> Contact Telephone Number - Number of person identified in data line <030>	5088291122 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	

<010>	Study Area Code	532303
<015>	Study Area Name	MOLALLA TEL. CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Sims
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsims@molalla.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

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<015>	Study Area Name	MOLALLA TEL CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Terry Simms
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
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: MOLALLA TEL CO.	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer: Terry Simms	
Title or position of Authorized Officer: Vice President/CFO	
Telephone number of Authorized Officer: 5038291122 ext.	
Study Area Code of Reporting Carrier: 532383	Filing Due Date for this form: 07/01/2016
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.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	532383
<015> Study Area Name	MOLALLA TEL CO.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Terry Simms
<035> Contact Telephone Number - Number of person identified in data line <030>	5038291122 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tsimms@molalla.com

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

CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

Molalla Communications Company submits its five year progress report for Service Quality Improvement pursuant to C.F.R. 54.313(a)(1) detailing its progress towards meeting its targets for improvement and upgrade to company network throughout its service area.

This progress report details how Molalla Communications Company (Molalla) continues to meet its broadband obligations within its service area, completes service requests within a reasonable amount of time and provides reliable state-of-the-art telecommunications services within its study area that includes [REDACTED] rural customers in two exchanges. The projects listed within the progress report are designed to continue to provide improved service quality, improved service coverage, and improve service capacity within the wirecenter boundaries of Molalla. In addition, this progress report provides sufficient data that details capital and operational expenditures, the amount of USF received allocated between capital and operational expenditures. All USF funds received and detailed within this progress report was used in accordance with federal rules and regulations towards improving service quality, service coverage, and service capacity. Molalla has one wire center: MLLLORXADSO in Molalla Oregon.

Molalla Communications Company estimates that in 2015 roughly; [REDACTED] of the USF support was utilized to replace deteriorating plant and subscriber equipment in order to improve the quality of the services provided to customers, [REDACTED] of the USF support was utilized to build fiber optic facilities to subscribers to extend ubiquitous coverage to additional customer, and [REDACTED] of the USF support was utilized to upgrade the network and equipment to be able to provide more capacity on the subscriber network and more overall service capacity.

Molalla Communications Company anticipates that it will make the following improvements and/or upgrades to its network:

2015 Network Improvements/Upgrades				VOICE
Project Description	Estimated Start Date	Estimated Completion Date	Area Served	Population Served
Fiber to the Home - Replace copper with fiber for residential customers	[REDACTED]	[REDACTED]	MLLLORXADSO	[REDACTED]
Upgrade switching equipment	[REDACTED]	[REDACTED]	MLLLORXADSO	[REDACTED]
Upgrade backbone network equipment	[REDACTED]	[REDACTED]	MLLLORXADSO	[REDACTED]

CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

2015 Network Improvements/Upgrades				BROADBAND
Project Description	Estimated Start Date	Estimated Completion Date	Area Served	Population Served
Fiber to the Home - Replace copper with fiber for residential customers	[REDACTED]	[REDACTED]	MLLLORXADSO	[REDACTED]
Upgrade backbone network equipment	[REDACTED]	[REDACTED]	MLLLORXADSO	[REDACTED]

Annual Reporting for High-Cost Recipients

47 C.F.R. 54.313

Molalla Communications Company

CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

Molalla Communications Company estimates that the capital and operating expenditures, by Part 32 account, for the 2015 projects listed above are as follows:

FY 2015

2110 Land & General Support
2210 Central Office Switching
2230 Central Office Transmission
2410 Cable & Wire Facilities
Total Capital Expenditures



In addition to the above planned capital expenditures, the Company projects that it will incur the following operating expenses, by expense category, over the next five years:

FY 2015

Plant Specific
Plant Non-Specific
Depreciation
Customer Operations
Corporate Operations
Total Operating Expenses



CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN
WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45,
GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

Molalla Serving Area FTTH Projects

Molalla Wirecenter Boundary



CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

<114> Report how much universal service (USF) support was received

[REDACTED] USF YTD (1-1-2015 thru 12-31-2015)

USF Breakdown

[REDACTED] Capital Expenditures of USF
[REDACTED] Operating Expense Expenditures of USF

<115> How (USF) was used to improve service quality

[REDACTED]

<116> How (USF) was used to improve service coverage

[REDACTED]

<117> How (USF) was used to improve service capacity

[REDACTED]

<118> Provide an explanation of network improvement targets not met in the prior calendar year.

[REDACTED]

CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN
WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45,
GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

Molalla Serving Area FTTH Projects

Molalla Wirecenter Boundary



Response Line 510 - Voice
Molalla Telephone Company dba Molalla Communications
Molalla Oregon

Pursuant to 47 C.F.R. § 54.313(a)(5) and or 47 C.F.R. § 54.422(b)(3) MOLALLA TELEPHONE DBA MOLALLA COMMUNICATIONS ("MOLALLA COMMUNICATIONS COMPANY") is in compliance with appropriate FCC Service Quality Standards and Consumer Protection Rules. MOLALLA COMMUNICATIONS provides CPNI training to all of its new employees and in addition trains all of its existing employees on an annual basis. MOLALLA COMMUNICATIONS also conducts subscriber outreach regarding CPNI by periodically placing CPNI explanation messages onto its website informing subscribers on CPNI rules and regulations as well as annual bill inserts and the local phone directory annually. In addition MOLALLA COMMUNICATIONS trains staff on Red Flag issues on an annual basis as well as trains any new employees. All MOLALLA COMMUNICATIONS employees are required to sign and acknowledge that they have completed CPNI and Red Flag training and understand obligations to adherence of applicable rules.

MOLALLA COMMUNICATIONS also outlines its rates, terms, and conditions under which MOLALLA COMMUNICATIONS offers service in its Local Exchange Tariff. The tariff explains customer rights and obligations, customer service, dispute resolution, deposits, billing and payment options, disconnection of service as well as cancellation of service options. MOLALLA COMMUNICATIONS keeps its tariffs available for public inspection at its business offices.

Response Line 510 - Broadband
Molalla Telephone Company dba Molalla Communications
Molalla Oregon

Pursuant to 47 C.F.R. § 54.313(a)(5) and or 47 C.F.R. § 54.422(b)(3) MOLALLA TELEPHONE DBA MOLALLA COMMUNICATIONS ("MOLALLA COMMUNICATIONS COMPANY") is in compliance with appropriate FCC Service Quality Standards and Consumer Protection Rules. MOLALLA COMMUNICATIONS provides CPNI training to all of its new employees and in addition trains all of its existing employees on an annual basis. MOLALLA COMMUNICATIONS also conducts subscriber outreach regarding CPNI by periodically placing CPNI explanation messages onto its website informing subscribers on CPNI rules and regulations as well as annual bill inserts and the local phone directory annually. In addition MOLALLA COMMUNICATIONS trains staff on Red Flag issues on an annual basis as well as trains any new employees. All MOLALLA COMMUNICATIONS employees are required to sign and acknowledge that they have completed CPNI and Red Flag training and understand obligations to adherence of applicable rules.

MOLALLA COMMUNICATIONS also outlines its rates, terms, and conditions under which MOLALLA COMMUNICATIONS offers service in its Local Exchange Tariff. The tariff explains customer rights and obligations, customer service, dispute resolution, deposits, billing and payment options, disconnection of service as well as cancellation of service options. MOLALLA COMMUNICATIONS keeps its tariffs available for public inspection at its business offices.

Response Line 610 - Voice
Molalla Telephone Company dba Molalla Communications
Molalla Oregon
Study Area 532383

Functionality in Emergency Situations:

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R § 54.22(b)(4) as set forth in 47 C.F.R. § 54.202(a)(2) Molalla Telephone Company meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to the Molalla Telephone central office by use of a fixed generator and batteries that provide it with up to 336 hours of emergency power. In addition, Molalla Telephone field electronics have up to 336 hours of back-up power by use of fixed generators and batteries. Molalla Telephone also has DWDM technology deployed in its core fiber optic network that is a self-healing and will automatically reroute traffic should a fiber cut occur. In addition Molalla Telephone has connectivity to the neighboring exchanges of Canby Telecom, Monitor Telephone and Colton Telephone to exchange traffic and also has connectivity to the LATA Tandem which further provides capabilities of handling traffic. Lastly, Molalla Telephone is prepared and capable of managing traffic spikes resulting from emergency situations and has developed procedures for employees to follow during emergency situations

Response Line 610 - Broadband
Molalla Telephone Company dba Molalla Communications
Molalla Oregon
Study Area 532383

Functionality in Emergency Situations:

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R § 54.22(b)(4) as set forth in 47 C.F.R. § 54.202(a)(2) Molalla Telephone Company meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to the Molalla Telephone central office by use of a fixed generator and batteries that provide it with up to 336 hours of emergency power. In addition, Molalla Telephone field electronics have up to 336 hours of back-up power by use of fixed generators and batteries. Molalla Telephone also has DWDM technology deployed in its core fiber optic network that is a self-healing and will automatically reroute traffic should a fiber cut occur. In addition Molalla Telephone has connectivity to the neighboring exchanges of Canby Telecom, Monitor Telephone and Colton Telephone to exchange traffic and also has connectivity to the LATA Tandem which further provides capabilities of handling traffic. Lastly, Molalla Telephone is prepared and capable of managing traffic spikes resulting from emergency situations and has developed procedures for employees to follow during emergency situations

Response to Line 1010
Molalla Telephone Company
Study Area 532383

Voice Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10) Molalla Telephone Company. ("MCC") is in compliance with the requirement that voice services is no more than two standard deviations above the national average urban rate for voice service of [REDACTED] as specified in Public Notice DA 16-362 issued on April 5, 2016. Molalla Telephone Company's current total local end-user rate¹ of [REDACTED] (which includes a local fee of [REDACTED], mandated state fees of [REDACTED] and mandatory extended area service charges of [REDACTED]) is not above the standard deviation as specified in the USF/ICC Transformation Order.²

¹ Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

² USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

Response to Line 1030
Molalla Telephone Company
Study Area 532383

Broadband Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (1) Molalla Telephone Company (“MCC”) charges a residential rate of [REDACTED] for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than [REDACTED], which is the 2015 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.¹

¹ *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

**CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET
NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51,
WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.**

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.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	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. BORROWER NAME Molalla Telephone Company (Prepared with Audited Date)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2015	BORROWER DESIGNATION DR0542
<p><i>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.</i></p> <p>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.</p> <p align="center">DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i></p> <p> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. <input type="checkbox"/> 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 </p> <p align="center"> Terrance Simms 3/23/2016 _____ DATE </p>		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES	Prior Year	End of Period
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payment		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			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			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIABILITIES & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. Total Assets (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. Total Liabilities and Equity (35+46+50+58)		

Total Equity = #####% of Total Assets

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WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.**

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		ORO542	
		PERIOD ENDING DECEMBER, 2015	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 Thru 5 Less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Deprn & Amort)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 Thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expense			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
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			
39. Retained Earnings or Margins End-Of-Period [(31+33+34)-(35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-Of-Year (40+41-42)			
44. Debt Service Payments for the period (princ & int on long term debt)			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

**CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET
NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51,
WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.**

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	ORO542
INSTRUCTIONS - See help in the online application	PERIOD ENDING DECEMBER, 2015
PART I - STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
2. Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations (2 thru 12)	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (including current maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities (14 thru 22)	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	