

DOCKET NO. UM 1822

**Cover Sheet for Submission of
2017 Annual ETC Certification Reports**

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

Filing date: June 28, 2017

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

Person to contact for questions:

Name Delinda Kluser

Phone number 541-932-4411

E-mail address 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))

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

_____ HUBB Portal Broadband Information²

_____ Form 690 (Mobility Fund per 47 CFR § 54.1009)

_____ Affidavit for High-Cost Support

Filing deadlines: The Oregon 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 3, 2017. The CAF/ICC support data is due on the same day as the ETC's interstate access tariff filing (see FCC DA 17-258 for dates).

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.

² Federal Price Cap carriers only.

FCC Form 481 - Carrier Annual 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	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2018
<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

(200) Service Outage Reporting (Voice)
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 2018
 <030> Contact Name - Person USAC should contact regarding this data Delinda Kuser
 <035> Contact Telephone Number - Number of person identified in data line <030> 541932411 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> dk.user@ortelco.net

<210> For the prior calendar year, were there any reportable voice service outages? No

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

(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 PINE TEL SYSTEM INC.
 <020> Program Year 2018
 <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

<300> Unfulfilled service request (voice)

<310> Detail on attempts (voice)

<320> Unfulfilled service request (broadband)

<330> Detail on attempts (broadband)

(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
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<010>	Study Area Code	
<015>	Study Area Name	
<020>	Program Year	
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	
<039>	Contact Email Address - Email Address of person identified in data line <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.	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	5323
<015> Study Area Name	F1 - TEL STEA INC.
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Debra H. Fisher
<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>	dfisher@stel.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	5323920R510.pdf
<515> Certify compliance with applicable minimum service standards	

**(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	571292
<015> Study Area Name	PINE TREE SYSTEMS INC.
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Delinda Klauer
<035> Contact Telephone Number - Number of person identified in data line <030>	8419324111 ext. 1
<039> Contact Email Address - Email Address of person identified in data line <030>	delinda@pinesystems.com
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	532392OR610.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 532392
 <015> Study Area Name PINE TEL SYSTEM INC.
 <020> Program Year 2018
 <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@ortecelco.net

<701> Residential Local Service Charge Effective Date
 <702> Single State-wide Residential Local Service Charge
 1/1/2017

<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	

-- See attached worksheet

**(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	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2018
<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.
<038>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortel.co.net

<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 (select)

See attached
worksheet

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

(900) Tribal Lands Reporting
Data Collection Form

<010> Study Area Code 532392
 <015> Study Area Name PINE TEL SYSTEM INC.
 <020> Program Year 2018
 <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

<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 PDF, 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	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2018
<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	

<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 most recent applicable benchmark announced by the Wireline Competition Bureau

<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	2018
<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)

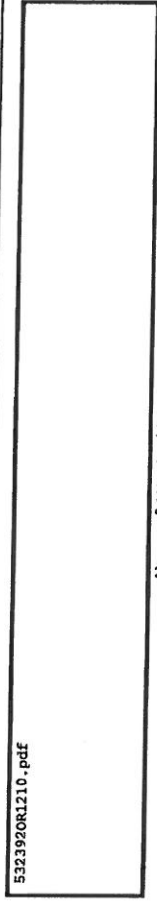
Yes

<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 2018
 <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



<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP <http://www.puc.state.or.us/Pages/rsp/otap.aspx>

"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.

(2005) Price Cap Carrier Additional Documentation
 Data Collection Form
 Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
 OMB Control No. 3060-0586/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TBL SYSTEM INC.
<020>	Program Year	2018
<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@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

<2011>	3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.		
<2022>	Recipient certifies, representing year three 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 three - 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 three - 54.313(b)(2)(ii). Round 2 recipients only.		Name of Attached Document Listing Required Information
<2025A>	Round 2 Recipient of Incremental Support?		
<2025B>	Attach geocoded information for Phase I milestone reports (Round 2 for year three) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).		Name of Attached Document Listing Required Information
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		

(2005) Price Cap Carrier Additional Documentation

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?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<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)(1)(ii)(A)

<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)(1)(ii)(C)

[Empty box]

[Empty box]

[Empty box]

[Empty box]

Name of Attached Document Listing Required Information

[Empty box]

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2018
<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 from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure 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 - Attach Certification

(3010A)	Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	<input type="text" value="532392OR3010B.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="532392OR3017.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) with 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)

Data Collection Form

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

<010>	Study Area Code	532392
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<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	541932411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

Financial Data Summary

(3027) Revenue	5932814
(3028) Operating Expenses	4056724
(3029) Net Income	322791
(3030) Telephone Plant In Service(TPIS)	39795518
(3031) Total Assets	21359420
(3032) Total Debt	16878179
(3033) Total Equity	3631548
(3034) Dividends	0

Name of Attached Document Listing Required Information

(4005) Rural Broadband Experiment Additional Documentation 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	532
<015>	Study Area Name	PINE TEL SYSTM INC.
<020>	Program Year	201
<030>	Contact Name - Person USAC should contact regarding this data	Debra Klusek
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	klusek@pnet.net

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 _____
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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 _____
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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 _____
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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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<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2018
<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:

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: PINE TEL SYSTEM INC.	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/28/2017
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	Filing Due Date for this form: 07/03/2017
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	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
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<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.

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

5KW, 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 a 1Gbps Ethernet circuit connected to the Halfway central office that provides for Internet access bandwidth and special access.

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 645 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

The Granite Exchange has 84 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 48 simultaneous calls.

The Three Rivers Exchange has 59 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	\$16.60	(I)
Granite	N/A	\$16.60	(I)
Three Rivers	N/A	\$16.60	(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. 4

Issued March 11, 2016 Effective May 1, 2016

Issued By: 

Title: Delinda Kluser, Vice-President-General Manager

Pine Telephone System, Inc.

LOCAL SERVICES

LOCAL ACCESS LINE RATES - Cont'd

OTAP (cont.)Terms and Conditions

Basic federal Lifeline support amount:	\$9.25
<u>OTAP support amount:</u>	<u>\$3.50</u>
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)

- Libraries
- Search
- About Us
- Contact Us
- Commissioners
- General Information
 - Administrative Rules
 - Consumer Help
 - Electric/Natural Gas
 - Hearings Division
 - Oregon Telephone Assistance Programs
 - Safety
 - Telecommunications
 - Water
- Board of Maritime Pilots
- Home
- Jobs at PUC
- Building Closure

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 landline, wireless or broadband bill up to \$12.75.

[List of companies that provide the Oregon Lifeline benefit](#)

How to Apply for Lifeline:

Using Online Application:

Submit your application online if you or a member of your household participates in one of the following programs:

- Supplemental Nutrition Assistance Program; Food Stamps (SNAP)
- Supplemental Security Income (SSI)
- Medicaid

Using Printed Application:

Complete and send a printed application to us with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:

- Federal Public Housing Assistance (Section 8)
- Veterans or Survivors Pension Benefit
- Total household income is at or below 135% of federal poverty guidelines

[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 \(RSPF\)](#)

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OREGON.GOV

- State Directories
- Agencies A to Z
- Oregon Administrative Rules
- Oregon Revised Statutes
- Oregon - an Equal Opportunity Employer
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WEB SITE LINKS

- Text Only Site
- Accessibility
- Oregon gov
- Browser Support
- 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, 2017

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

**RE: WC Docket No. 14-58, 2017 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.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<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.
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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, 2016	BORROWER DESIGNATION OR0545
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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

3/9/17
 DATE

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		
1. Cash and Equivalents	1,298,591	1,983,366	25. Accounts Payable	264,332	159,065
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	1,565,556	1,511,059
c. Notes Receivable	2,155,000	2,275,000	30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	432,054	406,789	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	207,785	168,261
c. Notes Receivable			34. Other Current Liabilities	46	
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	2,037,719	1,838,385
6. Material-Regulated	177,328	142,663	LONG-TERM DEBT		
7. Material-Nonregulated	83		36. Funded Debt-RUS Notes	15,889,312	14,580,055
8. Prepayments	193,648	75,609	37. Funded Debt-RTB Notes	646,529	459,739
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	4,258,785	4,885,508	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	28,241	28,241	46. Total Long-Term Debt (36 thru 45)	16,535,841	15,039,794
13. Nonregulated Investments	105,814	114,555	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges	330		48. Other Deferred Credits	1,023,876	849,693
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	134,385	142,796	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,023,876	849,693
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-In-Service	39,569,143	39,795,518	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	106,537		53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	21,589,267	23,891,012	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	18,513,023	16,331,116	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	3,287,517	3,610,308
			58. Total Equity (51 thru 57)	3,308,757	3,631,548
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	22,906,193	21,359,420
	22,906,193	21,359,420			

Total Equity = 17.00% % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OR0545

PERIOD ENDING

December, 2016

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	182,044	180,254
2. Network Access Services Revenues	5,356,222	5,725,372
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	44,222	26,837
5. Miscellaneous Revenues	2,015	1,804
6. Uncollectible Revenues	1,639	1,453
7. Net Operating Revenues (1 thru 5 less 6)	5,582,864	5,932,814
8. Plant Specific Operations Expense	1,098,259	921,433
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	140,658	188,359
10. Depreciation Expense	2,334,269	2,326,185
11. Amortization Expense		
12. Customer Operations Expense	200,942	154,389
13. Corporate Operations Expense	789,168	466,358
14. Total Operating Expenses (8 thru 13)	4,563,296	4,056,724
15. Operating Income or Margins (7 less 14)	1,019,568	1,876,090
16. Other Operating Income and Expenses		
17. State and Local Taxes	150	35,980
18. Federal Income Taxes	(315,545)	286,556
19. Other Taxes	395,507	260,332
20. Total Operating Taxes (17+18+19)	80,112	582,868
21. Net Operating Income or Margins (15+16-20)	939,456	1,293,222
22. Interest on Funded Debt	877,686	760,736
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	877,686	760,736
27. Nonoperating Net Income	100,126	251,856
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(301,162)	(461,551)
31. Total Net Income or Margins (21+27+28+29+30-26)	(139,266)	322,791
32. Total Taxes Based on Income	132,921	505,507
33. Retained Earnings or Margins Beginning-of-Year	3,426,783	3,287,517
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)]	3,287,517	3,610,308
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)	0	0
44. Annual Debt Service Payments	2,397,753	2,311,278
45. Cash Ratio [(14+20-10-11) / 7]	0.4136	0.3899
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9889	0.9102
47. TIER [(31+26) / 26]	0.8413	1.4243
48. DSCR [(31+26+10+11) / 44]	1.2815	1.4752

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2016

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	16.60	6	53	59	105.71	2.63
Granite	19.00	16.60	18	66	84	129.63	43.21
Halfway/Oxbow	19.00	16.60	197	448	645	299.63	76.62
MobileWireless					0		
Route Mileage Outside Exchange Area						169.53	39.25
Total			221	567	788	704.50	161.71
No. Exchanges	3						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2016

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 (g)	Type Of Technology (g)
Three Rivers- Culver	59	53	53	6,000	1,500	30.95	Package	Fiber to the Home
Granite	84	36	6	6,000	1,500	35.95	Package	DSL
Halfway/Oxbow	645	432	48	6,000	1,500	30.95	Package	Fiber to the Home
Total	788	521						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OR0545 PERIOD ENDING December, 2016
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA				
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
3	3	911	.86	1.12

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)	266,586
6. Salvaged Materials	
7. Contribution In Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	266,586

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	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

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

BORROWER DESIGNATION
 OR0545
 PERIOD ENDING
 December, 2016

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	10.30%
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 OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION OR0545
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2016
PART I – STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,300,672
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	322,791
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	2,326,185
4.	Add: Amortization	0
5.	Other (Explain) Deferred Charges	(330)
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	25,265
7.	Decrease/(Increase) in Materials and Inventory	34,748
8.	Decrease/(Increase) in Prepayments and Deferred Charges	118,369
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(105,267)
11.	Increase/(Decrease) in Advance Billings & Payments	0
12.	Increase/(Decrease) in Other Current Liabilities	(39,570)
13.	Net Cash Provided/(Used) by Operations	2,682,191
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	(120,000)
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)	(1,550,544)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	(174,183)
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)	
23.	Net Cash Provided/(Used) by Financing Activities	(1,844,727)
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(119,838)
25.	Other Long-Term Investments	(8,741)
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) PP&E Adj Salvage	(24,110)
28.	Net Cash Provided/(Used) by Investing Activities	(152,689)
29.	Net Increase/(Decrease) in Cash	684,775
30.	Ending Cash	1,985,447

Revision Date 2010

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<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2016</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

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<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	