

**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	613011
<015> Study Area Name	INTERIOR TEL CO INC
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Robert Dunn
<035> Contact Telephone Number: Number of the person identified in data line <030>	9075632003 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	bdunn@telalaska.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			<i>(check box when complete)</i>	
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">613011ak510.pdf</div>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">613011ak610.pdf</div>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	<input type="text" value="Yes"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No)	<input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2000>	<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form

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July 2013

<010> Study Area Code 613011
 <015> Study Area Name INTERIOR TEL CO INC
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Robert Duinn
 <035> Contact Telephone Number - Number of person identified in data line <030> 9075632003 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> bduinn@tel.alaska.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, then you are required to 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.

Name of Attached Document

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

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

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

FCC Form 481
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July 2013

<010>	Study Area Code	613011
<015>	Study Area Name	INTERIOR TEL CO INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Robert Dunn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9075632003 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bdunn@telelaska.com

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

Interior Telephone Company study area. All exchanges served by Interior Telephone company are Alaska Native lands.

<920> Tribal Government Engagement Obligation

613011ak920.pdf

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
Yes
Yes
Not Applicable

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

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<010>	Study Area Code	613011
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<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Robert Dunn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9075632003 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bdunn@telalaska.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<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**

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<010>	Study Area Code	613011
<015>	Study Area Name	INTERIOR TEL CO INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Robert Dunn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9075632003 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bdunn@telalaska.com

613011ak1210.pdf	Name of Attached Document
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<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP <http://www.telalaska.com/lifeline>

"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.

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

<010> Study Area Code 613011

<015> Study Area Name INTERIOR TEL CO INC

<020> Program Year 2016

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

<035> Contact Telephone Number - Number of person identified in data line <030> 9075532003 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> rdumi@telalaska.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen 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)

<2011a> 3rd Year Certification (47 CFR § 54.313(b)(1)ii)

<2011b> Attachment (47 CFR § 54.313(b)(1)ii)

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

<2012> 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))

<2013> 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))

<2014> 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))

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

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

Certification Support Used to Build Broadband

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

<2017> 3rd year Broadband Service Certification

<2018> 5th year Broadband Service Certification

<2019> Interim Progress Certification

<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

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

<010> Study Area Code 613011
 <015> Study Area Name INTERIOR TEL CO INC
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Robert Dunn
 <035> Contact Telephone Number - Number of person identified in data line <030> 9075632003 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> bdunn@tel.aska.com

CHECK the boxes below to note compliance on its 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.

(3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(ii))	613011ak3010.pdf	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/>
(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	613011ak3012.pdf	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/>
(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	613011ak3012.pdf	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/>
(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))		(Yes/No)	<input checked="" type="checkbox"/>
(3014) If yes, does your company file the RUS annual report		(Yes/No)	<input checked="" type="checkbox"/>
Please check these boxes to confirm that the attached document(s), 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)		(Yes/No)	<input checked="" type="checkbox"/>
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		(Yes/No)	<input checked="" type="checkbox"/>
(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation		(Yes/No)	<input checked="" type="checkbox"/>
(3018) If the response is no on line 3014, is your company audited?		(Yes/No)	<input checked="" type="checkbox"/>
(3019) 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: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		(Yes/No)	<input checked="" type="checkbox"/>
(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		(Yes/No)	<input checked="" type="checkbox"/>
(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit		(Yes/No)	<input checked="" type="checkbox"/>
(3022) 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: 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,		(Yes/No)	<input checked="" type="checkbox"/>
(3023) Underlying information subjected to a review by an independent certified public accountant		(Yes/No)	<input checked="" type="checkbox"/>
(3024) Underlying information subjected to an officer certification.		(Yes/No)	<input checked="" type="checkbox"/>
(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	613011ak3026.pdf	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/>
(3026) Attach the worksheet listing required information		Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/>

REDACTED FOR PUBLIC INSPECTION

(3000) Rate Of Return Carrier Additional Documentation (Continued)
 Data Collection Form

FCC Form 481
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<010> Study Area Code 613011
 <015> Study Area Name INTERIOR TEL CO INC
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 <030> Contact Name - Person USAC should contact regarding this data Robert Dunn
 <035> Contact Telephone Number - Number of person identified in data line <030> 9075632003 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> bdunn@telalaska.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	

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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<039> Contact Email Address - Email Address of person identified in data line <030>	bdunn@telalaska.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:	INTERIOR TEL CO INC
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/26/2015
Printed name of Authorized Officer:	Brett Carter
Title or position of Authorized Officer:	VP Finance
Telephone number of Authorized Officer:	9075632003 ext.
Study Area Code of Reporting Carrier:	613011 Filing Due Date for this form: 07/01/2015
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	613011
<015> Study Area Name	INTERIOR TEL CO INC
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Robert Dunn
<035> Contact Telephone Number - Number of person identified in data line <030>	9075632003 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	bdunn@telalaska.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 or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
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

Interior Telephone Company

100: Service Quality Improvement Reporting

112: Annual progress report pursuant to 47 CFR 54.313(a)(1).

Interior Telephone Company (ITC) is an ETC designated by the Regulatory Commission of Alaska. ITC hereby submits its annual progress report demonstrating progress toward meeting targets identified in the five-year network improvement plan submitted in last year's annual 481 filing.

113: Maps detailing progress towards meeting plan targets.

In its *March 5, 2013 Order*, the Commission stated, "We encourage rate-of-return carriers to explain in their five-year plans what criteria the carrier will use to determine whether a request for broadband is reasonable and how the carrier will decide which areas are feasible to extend terrestrial broadband service to, and which areas are not feasible to serve with terrestrial technologies, given current funding levels."¹ Interior Telephone Company (ITC) hereby responds to the Commission's invitation and provides baseline maps detailed, at the wire center level, showing broadband capability throughout each area.

Interior Telephone Company serves the combined exchange area(s) of:

Cold Bay	Port Lions
Fort Yukon	Sand Point
Galena	UnAlaska
Iliamna	Cooper Landing
King Cove	Seward/Moose Pass

ITC exchange areas, with the exception of Seward/Moose Pass and Cooper Landing are not connected by roads and are only fed by satellite backhaul facilities. Seward/Moose Pass and Cooper Landing have both microwave and fiber middle mile access and currently support the broadband service level of 4Mbps downstream/1Mbps upstream. The village of Iliamna has both microwave and fiber middle mile access but is not connected by roads and is not able to support the broadband service level because of cost prohibitive backhaul facilities². Iliamna is able to support the broadband service level of 1Mbps downstream/256kpbs upstream. The Commission has acknowledged this issue in the 3rd Order on Reconsideration the Federal Communications Commission at Paragraph 46³ and in reference to Five-Year Build Out Plans the March 5, 2013 Order FCC DA 13-332 at Paragraph 114.

¹ *March 5, 2013 Order* at Para. 10.

² FCC 12-52 paras. 45-46

³ 46. We appreciate the concerns raised by the Alaska Rural Coalition and ACS that it may not be cost-effective to serve certain customers due to the high cost of backhaul. Rather than granting a blanket exemption of the broadband obligations established for rate-of-return companies in the USF/ICC Transformation Order, we clarify, as the Alaska Rural Coalition requests, that our current rules provide sufficient flexibility to take into account any unique

All of ITC's other villages served only by satellite backhaul, are able to support the broadband service level of 1Mbps downstream/256kpbs upstream. ITC continues to seek economically sound solutions to address the provisioning of required broadband speeds given the extremely high costs of middle mile transport.

114: Report how much universal service (USF) support was received.

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support ("USF") "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁵ Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state "was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁶ In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a "rigorous examination of the factual information" contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers' support has been used and will be used only for the purpose for which the support was intended.⁷ The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.⁸ In this context, the Commission stated, "[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service."⁹

circumstances that may impact the ability of rate-of-return companies to extend broadband to their customers, including backhaul costs. As the Coalition notes, rate-of-return carriers are required to provide service meeting the specified characteristics on reasonable request, which, the Commission explained in the Order, was an obligation similar to the voice deployment obligation many of those carriers were already subject to. This obligation, enforced in the first instance by the relevant ETC-designating authority (generally the state), permits these entities to take into account backhaul costs or other unique circumstances that may make it cost-prohibitive to extend service to particular customers, in Alaska or any other area. We intend to carefully monitor developments in this regard and will consider making further clarifications or revisions if necessary.

⁴ 11. The Bureau does not expect a rate-of-return carrier to plan to build out terrestrial wireline broadband service to all locations within its study area. The Commission has recognized that there are some areas of the country where it is cost prohibitive to extend broadband using terrestrial wireline technology, and that in some areas satellite or fixed wireless technologies may be more cost effective options to extend service. Indeed, we are aware anecdotally that rate-of-return carriers today use a mix of technologies to serve their customers. For that reason, we expect rate-of-return carriers to develop plans that reflect the cost characteristics of their service territories and current funding levels, setting forth what sort of broadband service build-out is reasonable over the five-year time period.

⁵ 47 U.S.C. § 254(e).

⁶ 47 C.F.R. § 54.314(a).

⁷ See *USF/ICC Transformation Order* at Para. 612.

⁸ *Id.*

⁹ *Id.* (emphasis supplied).

Essentially, under the existing rules and processes, the USF received by Interior Telephone Company (ITC) and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. ITC depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

USF support will continue to be included in ITC's current revenue accounts and forward looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as operating expenses. ITC does not segregate USF for purposes of capital and operating expenditures, USF is expended in the same proportion as all other revenue.

The instructions to the Form 481 require annual progress reports which must include the total amount of USF received must provide this information "broken out separately by the amount spent on capital expenses and the amount spent on operating expenses."¹⁰ Accordingly, the USF received year to date 2015 is shown below in total and is broken out by the amount spent on capital expenditures and the amount spent on operating expenses in terms of the Part 32 categories. The progress report to be filed with Form 481 due July 1, 2016 will include a full year's receipt of USF funding for 2015 to include capital and operating expenditures for the period.

SUPPORT AMOUNT RECEIVED YTD 2015	
Federal High Cost Loop Support	\$421,537
Federal Interstate Common Line Support	\$658,300
Federal Local Switching Support	\$0
Federal Connect America Fund (CAF) Support	\$393,921
Federal Lifeline/Linkup Support	\$44,833
State Support	\$471,104
Public Interest Pay Telephone Support (PIPT)	\$919
Lifeline/Linkup Support	\$5,418
Carrier of Last Resort Support	\$163,140
Common Carrier Line Support	\$301,627
Total Federal and State Universal Service Support	\$1,989,695

¹⁰ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), February 2015, Line 112

Capital Expenditures and Operating Expenses

Regulated Capital Expenditure (CapEX)



Regulated Operating Expenditure (OpEx)



115-117: How (USF) was used to improve service quality/coverage/capacity.

Interior Telephone Company (ITC) utilizes federal universal service funds received for the provision and maintenance of the core services, to include both voice and broadband services, for which the support is intended. ITC also uses universal service funds as a reduction to its local service costs thereby keeping its services available at just, reasonable, and affordable rates pursuant to the universal service goals as set forth in the Telecommunications Act at Section 254 (b) (3).

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”¹¹ Accordingly, the network improvements targets may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the

¹¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“*2005 ETC Order*”).

entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

ITC operates under a very short construction season with exchanges in remote areas of Alaska. Provisioning of telecommunications services can be extremely challenging and expensive. Compared to remote parts of the 48 contiguous states, voice and broadband services in Remote Alaska must traverse longer distances, frequently without roads or power infrastructure to support building or operating the facilities. Supplies (including fuel for generators) must be brought in by airplane or barge, where rivers are not frozen, and dealing with the harsh Alaska climate can impact the scheduling of projects.

This progress report details projects for the provision, maintenance, and upgrading of facilities that support both voice and broadband services to subscribers throughout the service area. In the project detail, expenditures for network improvements sometimes involve service quality, service coverage, and service capacity as an integrated network improvement project and are not mutually exclusive from one another.

Some network improvement targets detailed in the 5-year network improvement plan scheduled for 2015 are completed, some are in progress, and some have been modified to accommodate current circumstances. The progress report submitted this year will cover the current year, 2015, up to the filing date. Next year's progress report to be filed with Form 481, due July 1, 2016, will address calendar year 2015.

2015 Network Improvement targets completed in 4Q 2014 include:



2015 Network Improvement targets in progress:

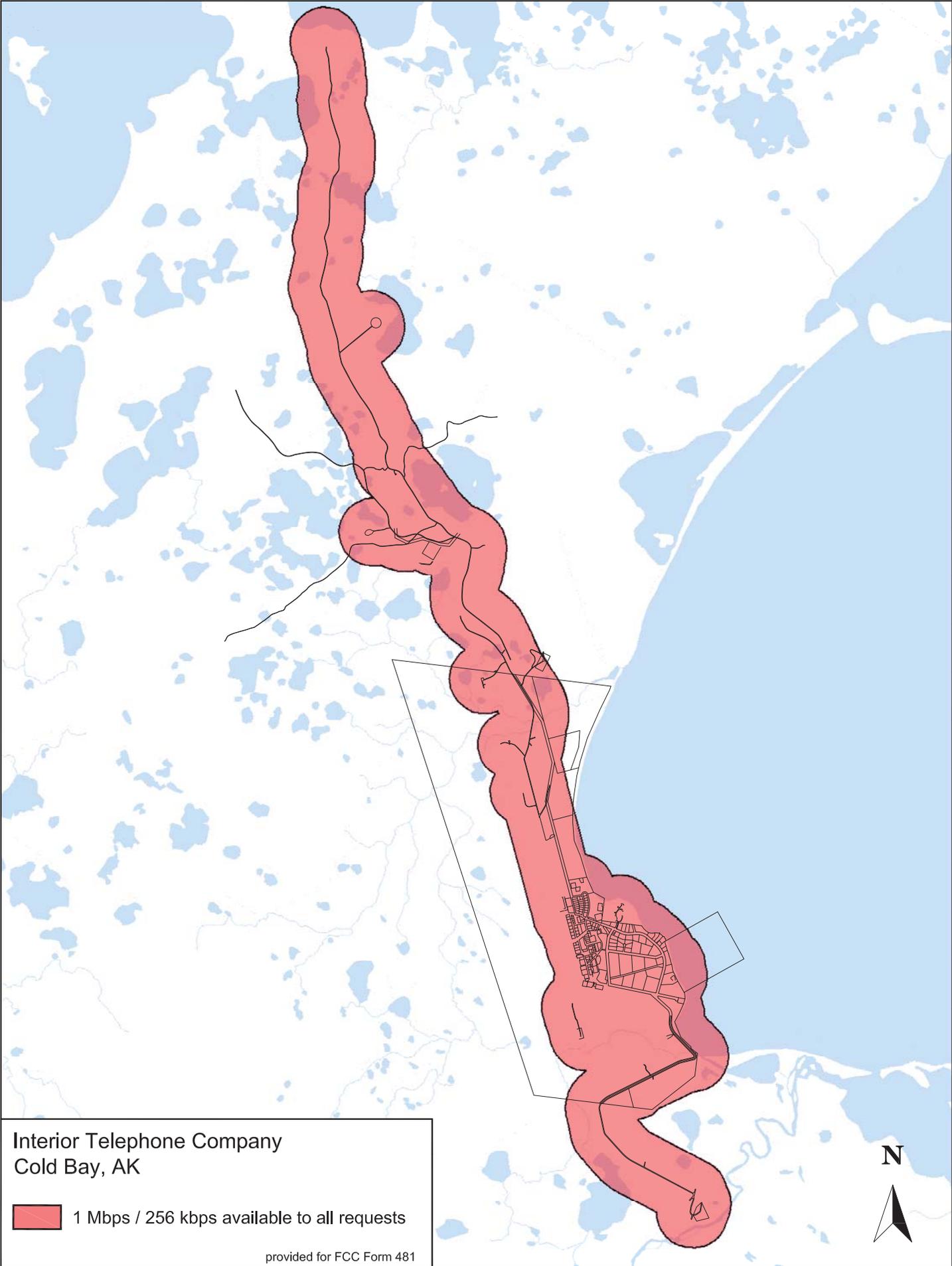


2015 Network Improvement target changes:



118: An explanation of network improvement targets not met in the prior calendar year.

Not Applicable. The Five-year network improvement plan comprises years 2015-2019. Any network improvement targets not met during calendar year 2015 will be identified in ITC's progress report to be filed with Form 481 due July 1, 2016.



Interior Telephone Company
Cold Bay, AK

1 Mbps / 256 kbps available to all requests

provided for FCC Form 481



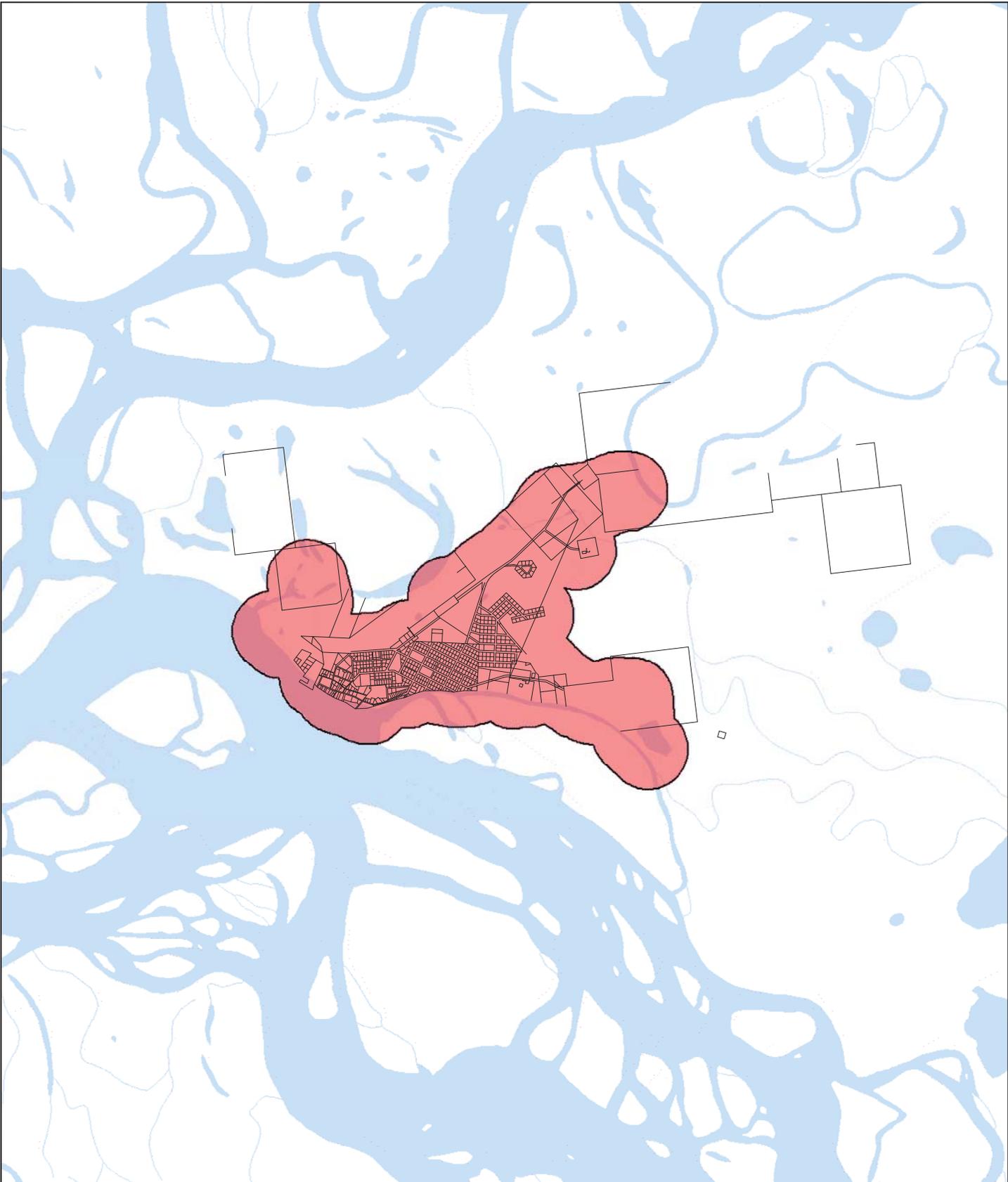


Interior Telephone Company
Cooper Landing, AK

 4 Mbps / 1 Mbps available to all requests

provided for FCC Form 481



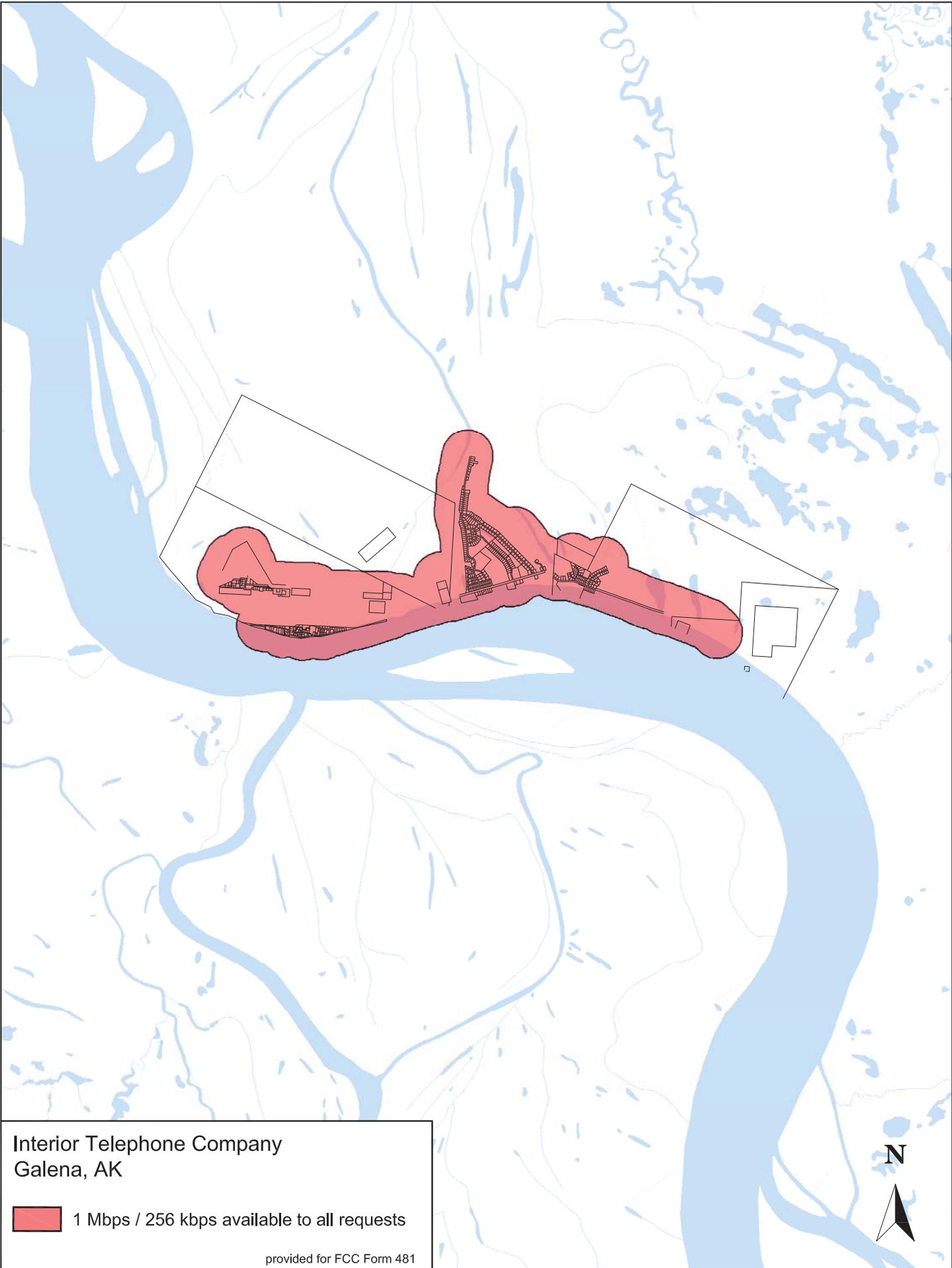


Interior Telephone Company
Fort Yukon, AK

 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

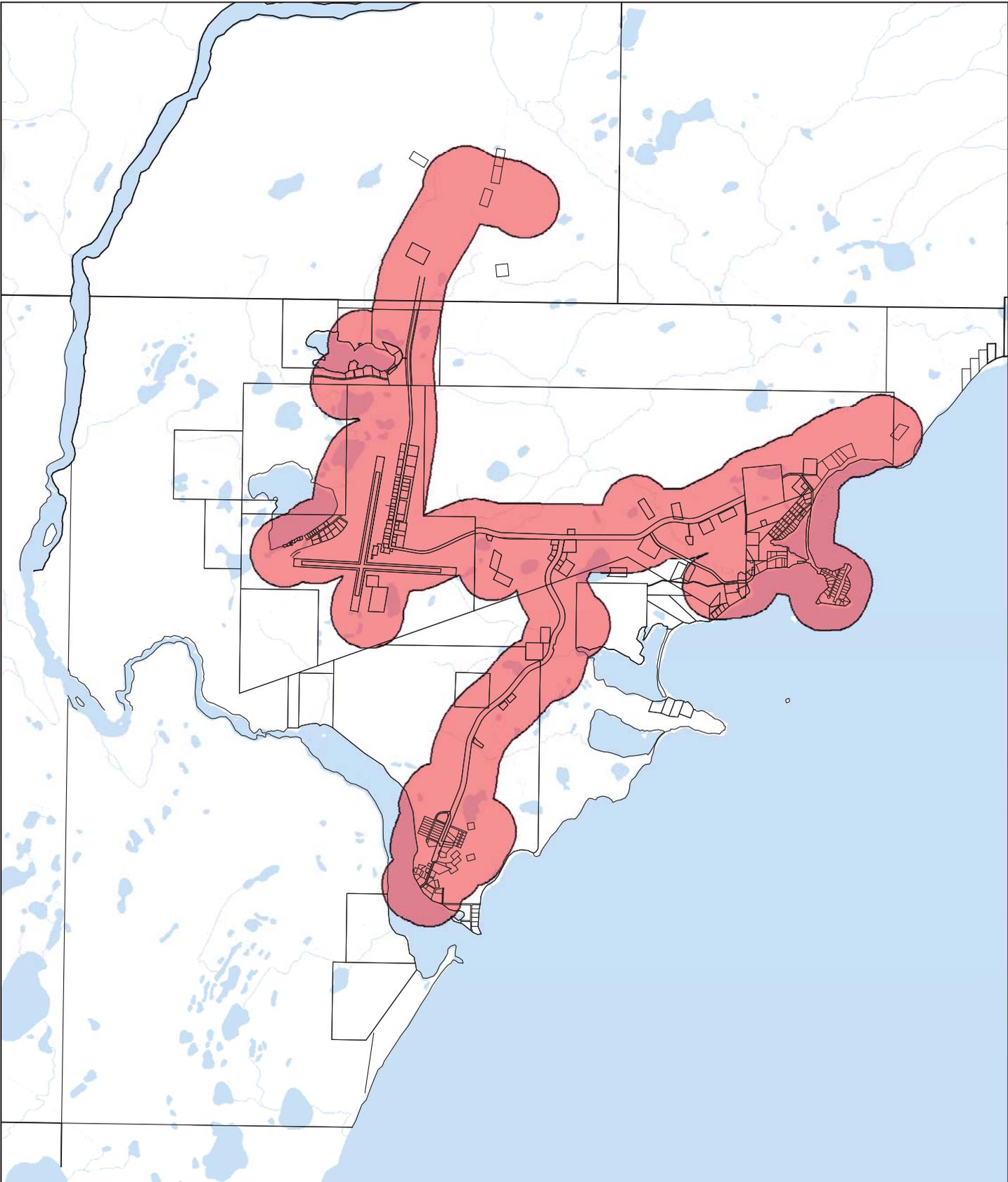




Interior Telephone Company
Galena, AK

1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

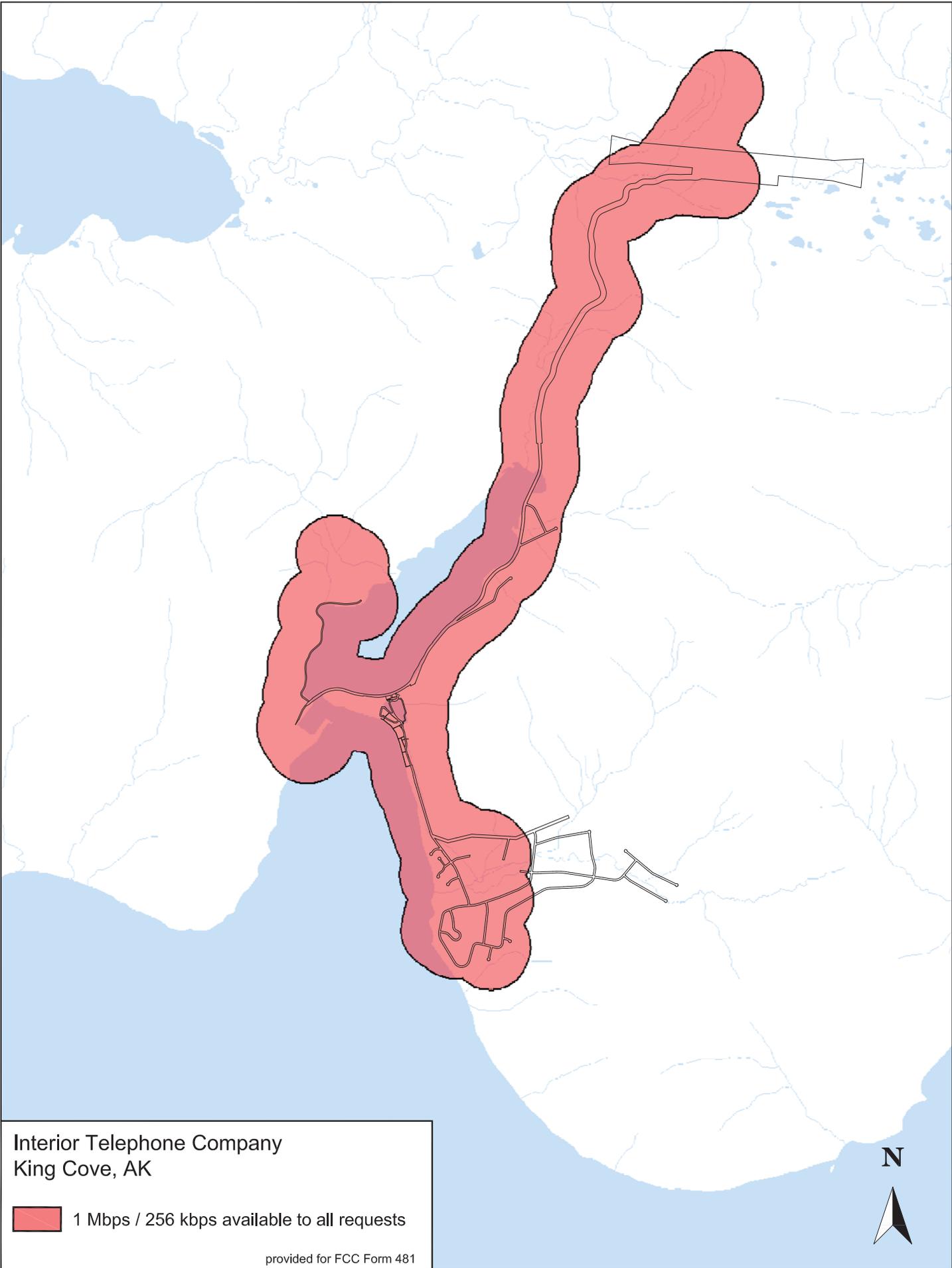


**Interior Telephone Company
Iliamna, AK**

 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

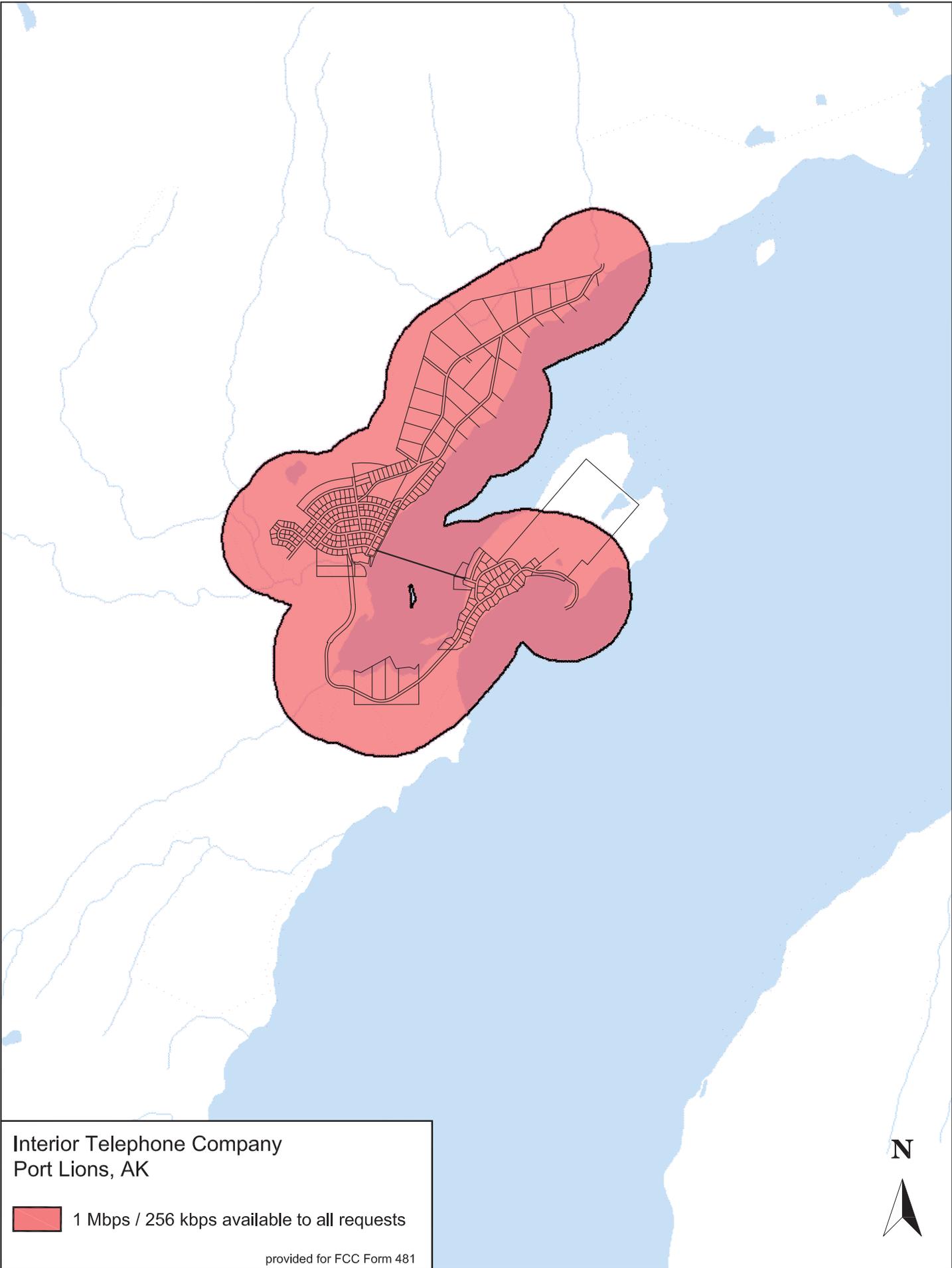




Interior Telephone Company
King Cove, AK

1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

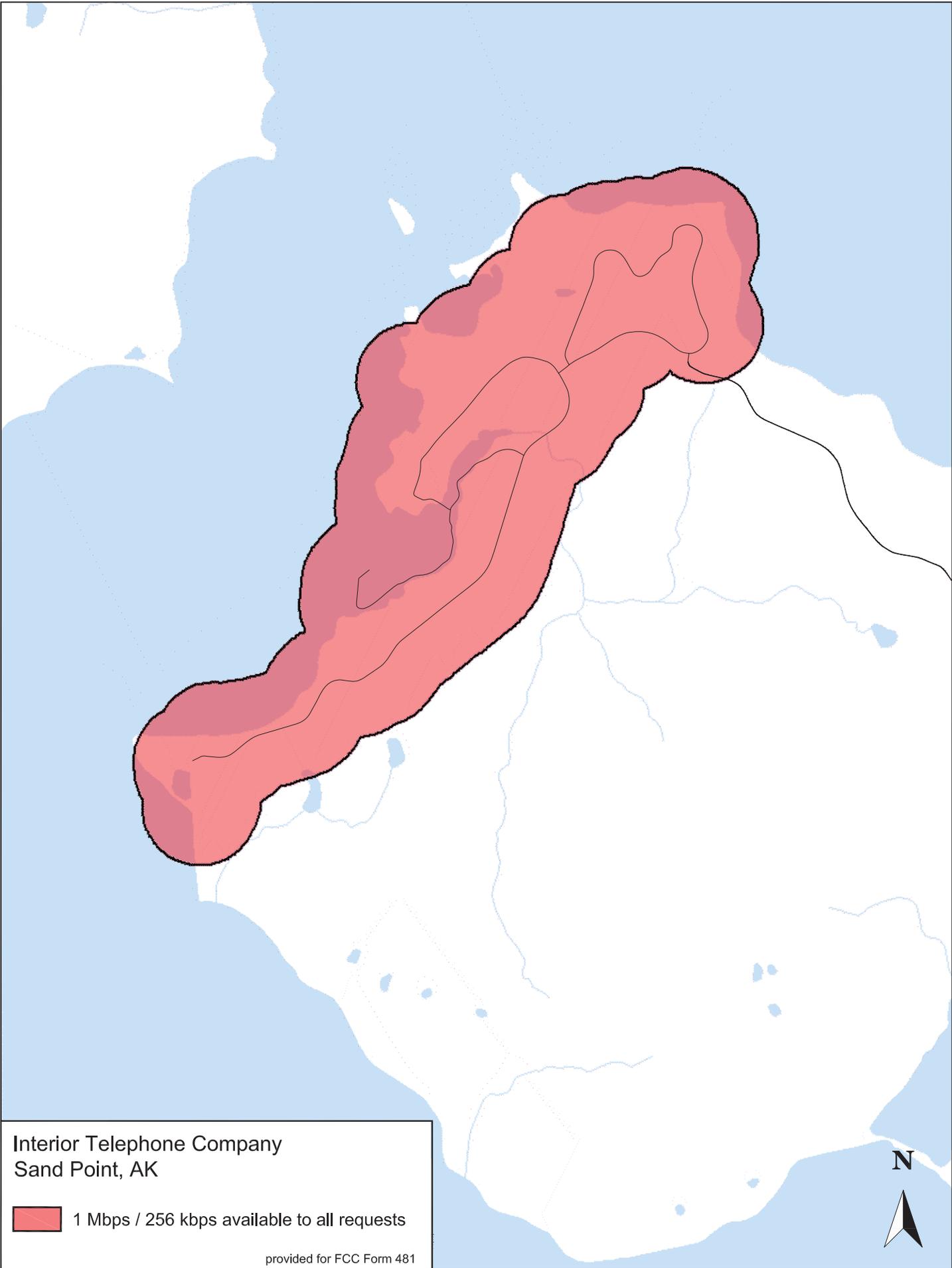


Interior Telephone Company
Port Lions, AK

1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

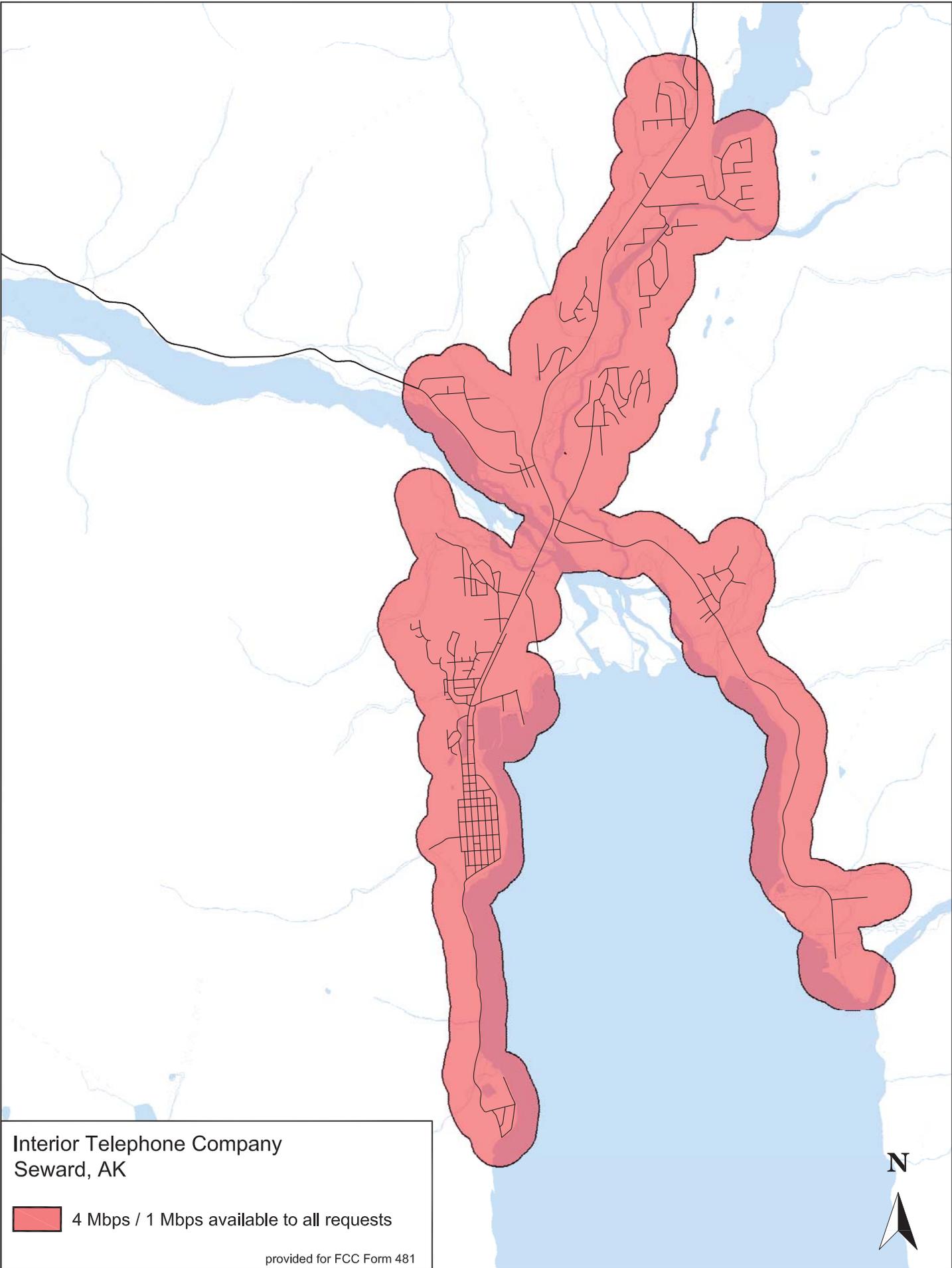


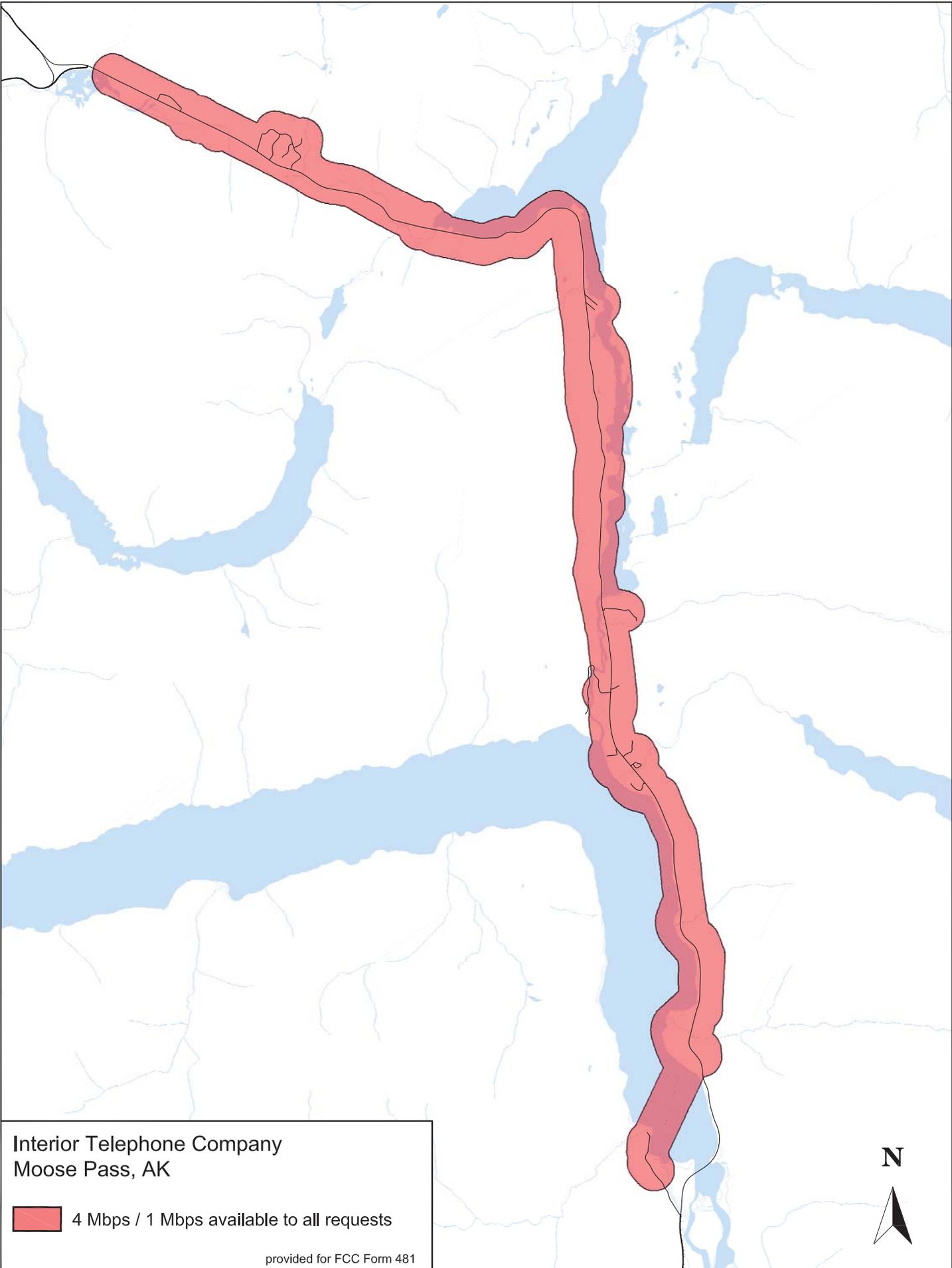


**Interior Telephone Company
Sand Point, AK**

 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481



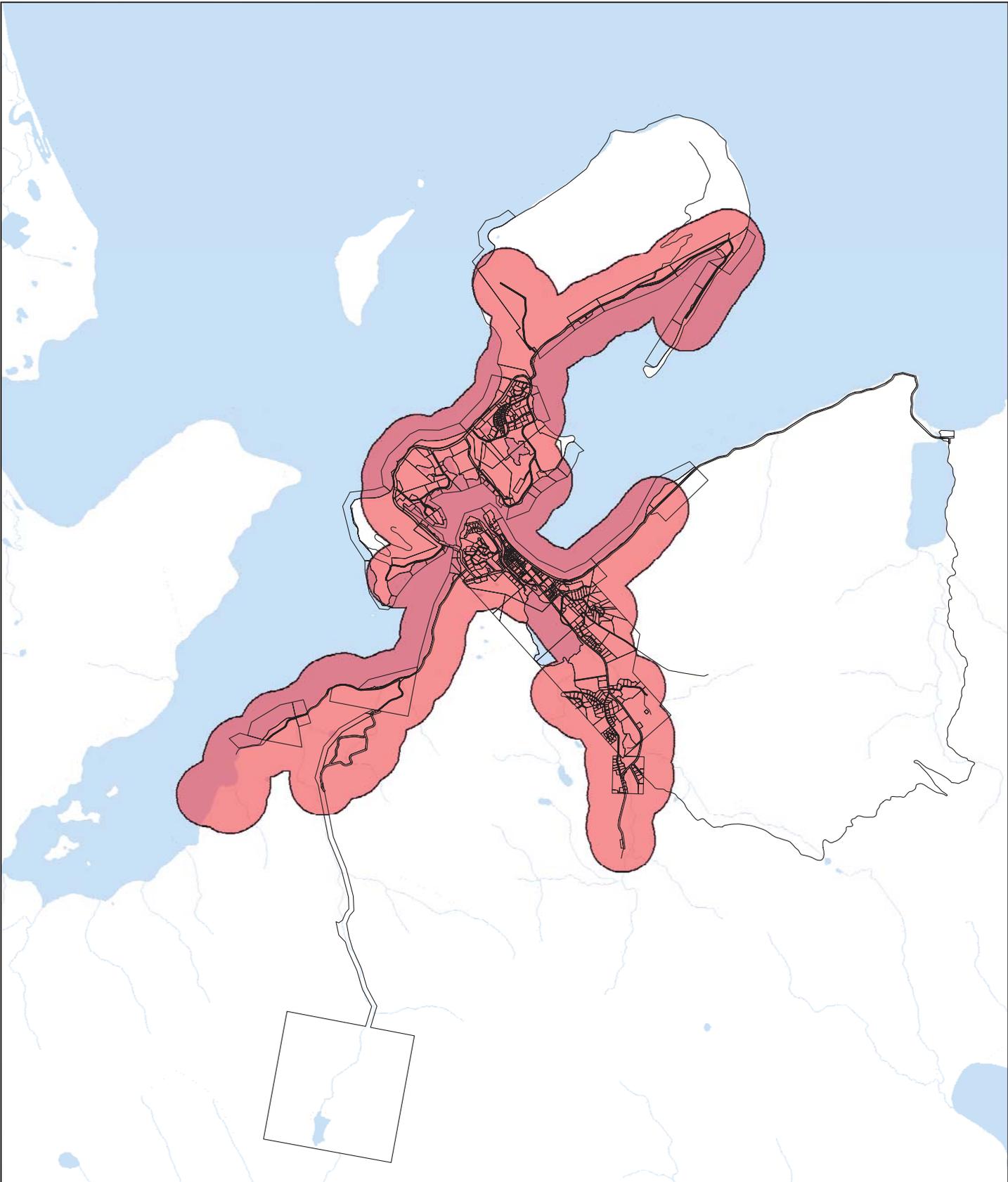


Interior Telephone Company
Moose Pass, AK

 4 Mbps / 1 Mbps available to all requests

provided for FCC Form 481





Interior Telephone Company
Unalaska, AK

 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

N



Interior Telephone Company

500: Service Quality Standards & Consumer Protection Rules Compliance

510: Interior Telephone Company certifies that it is in compliance with applicable consumer protection and service quality standards as set forth in Alaska Administrative Rules 3 AAC 53.450 and consumer protection rules as defined in 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 and new hires are instructed on the programs as required by their job functions.

Interior Telephone Company

600: Functionality in Emergency Situations

610: Interior Telephone Company certifies that it has and will continue to take steps to remain functional in emergency situations in compliance with requirements set forth in 47 CFR 54.202(a)(2).

Interior Telephone Company has ten telecommunication local exchange serving areas. It uses (central office) switches from several different manufacturers (vendors) to provide the service. The manufacturers include Redcom, Metaswitch, and Genband (formerly Nortel). Additionally, several of its serving areas have remote nodes. The node manufacturers include Calix (formerly Occam) and Telabs (formerly AFC). Each central office and interconnecting network equipment site contains provisions for reserve power to keep all equipment operating without interruption for at least eight hours at the busy-hour load following any failure of the primary electric power source. All switches and nodes have 8 hour battery back-up. Additionally, the switches have back-up generators which will provide power indefinitely.

At eight of Interior Telephone Company's local exchange service areas, it provides a stand-alone switch (not connected to other central offices) directly connected to two separate IXCs. There are separate cable routes to each IXC. If either route is damaged access to long distance is attainable through a dial around process. At two of its local exchange service areas, it connects to IXCs on a collapsed SONET ring. All of Interior Telephone Company's switches are non-blocking blocking and capable of handling traffic spikes resulting from emergency situations.

Interior Telephone Company has established procedures to be followed by its employees in the event of emergencies.

**(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 613011
 <015> Study Area Name INTERIOR TEL CO INC
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Robert Dunn
 <035> Contact Telephone Number - Number of person identified in data line <030> 9075632003 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> bdunn@telalaska.com

<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
	AK	Cold Bay	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	Cold Bay	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	Cold Bay	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge
	AK	Cold Bay	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
	AK	Cold Bay	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	Cold Bay	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
	AK	Cooper Landing	30.0	0.0	30.0	0.256	0.128	999999.0	Other, No limit on usage allowance
	AK	Cooper Landing	45.0	0.0	45.0	0.512	0.256	999999.0	Other, No limit on usage allowance
	AK	Cooper Landing	65.0	0.0	65.0	1.0	0.512	999999.0	Other, No limit on usage allowance
	AK	Cooper Landing	85.0	0.0	85.0	2.0	1.0	999999.0	Other, No limit on usage allowance
	AK	Cooper Landing	125.0	0.0	125.0	3.0	1.0	999999.0	Other, No limit on usage allowance
	AK	Cooper Landing	155.0	0.0	155.0	4.0	1.0	999999.0	Other, No limit on usage allowance
	AK	Fort Yukon	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	Fort Yukon	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	Fort Yukon	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge
	AK	Fort Yukon	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
	AK	Fort Yukon	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	Fort Yukon	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
	AK	Galena	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	Galena	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	Galena	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge

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	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
	AK	Galena	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
	AK	Galena	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	Galena	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
	AK	Iliamna	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	Iliamna	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	Iliamna	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge
	AK	Iliamna	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
	AK	Iliamna	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	Iliamna	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
	AK	King Cove	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	King Cove	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	King Cove	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge
	AK	King Cove	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
	AK	King Cove	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	King Cove	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
	AK	Port Lions	45.95	0.0	45.95	0.256	0.128	4.0	Overage Charge
	AK	Port Lions	55.95	0.0	55.95	0.256	0.128	6.0	Overage Charge
	AK	Port Lions	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
	AK	Sand Point	39.9	0.0	39.9	0.256	0.064	6.0	Overage Charge
	AK	Sand Point	44.9	0.0	44.9	0.256	0.128	6.0	Overage Charge
	AK	Sand Point	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge

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State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
AK	Sand Point	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
AK	Sand Point	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
AK	Sand Point	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge
AK	Seward/MoosePass	30.0	0.0	30.0	0.256	0.128	999999.0	Other, No limit on usage allowance
AK	Seward/MoosePass	45.0	0.0	45.0	0.512	0.256	999999.0	Other, No limit on usage allowance
AK	Seward/MoosePass	65.0	0.0	65.0	1.0	0.512	999999.0	Other, No limit on usage allowance
AK	Seward/MoosePass	85.0	0.0	85.0	2.0	1.0	999999.0	Other, No limit on usage allowance
AK	Seward/MoosePass	125.0	0.0	125.0	3.0	1.0	999999.0	Other, No limit on usage allowance
AK	Seward/MoosePass	155.0	0.0	155.0	4.0	1.0	999999.0	Other, No limit on usage allowance
AK	Unalaska	45.0	0.0	45.0	0.128	0.064	4.0	Overage Charge
AK	Unalaska	59.9	0.0	59.9	0.256	0.064	6.0	Overage Charge
AK	Unalaska	64.9	0.0	64.9	0.256	0.128	6.0	Overage Charge
AK	Unalaska	79.9	0.0	79.9	0.512	0.128	8.0	Overage Charge
AK	Unalaska	84.9	0.0	84.9	0.512	0.256	10.0	Overage Charge
AK	Unalaska	99.9	0.0	99.9	1.0	0.256	12.0	Overage Charge
AK	Unalaska	109.9	0.0	109.9	1.0	0.512	12.0	Overage Charge

Interior Telephone Company

920: Tribal Engagement Document

Tribal lands in Alaska are defined differently than what typically is used to describe tribal lands and tribal authority in the contiguous 48 States. Alaska Native Regions were not carved out of existing reservations and occupy a different legal status than allotments which are defined as Indian Country under 18 USC Sec. 1151. They include all Alaska Native Regions established pursuant to the Alaska Native Claims Settlement Act. (ANCSA), 43 U.S.C Sec. 1601. ANCSA lands do not qualify as Indian Country. This Act extinguished the Alaska tribes' aboriginal title to land, while creating village and regional corporations that received title to certain lands within 12 geographic regions of the state. The shareholders of those ANCSA corporations are primarily tribal members and their descendants. The ANCSA regions consist of the entire State of Alaska and are defined as tribal lands.

TelAlaska, Inc.'s subsidiary, Interior Telephone Company (ITC) is a public utility corporation (Certificate No. 165) providing local exchange telephone service to the following communities: Cold Bay, Cooper Landing, Fort Yukon, Galena, Iliamna, King Cove, Port Lions, Sand Point, Seward, Moose Pass and Unalaska. Three of these communities are located on a road system, the rest are remote isolated communities spread across a large area of the State: from 800 miles west of Anchorage on the Aleutian Islands, to over 400 miles north of Anchorage near the Arctic Circle on the Yukon River.

921: Needs Assessment and Deployment Planning with Focus on Anchor Institutions

ITC strives to work in conjunction with its Alaskan Native community leaders and anchor institutions to assess, plan and deploy telecommunication facilities in its exchange service areas. During 2014, ITC undertook the following steps to communicate with its Alaskan Native community: Using its assembled list of native leaders with contact information for all of federally recognized tribes in ITC's serving areas from the Federal Register, Dave Goggins, President and General Manager initiated direct contact via phone calls to native leaders, covering each of ITC's exchanges. The purpose of these calls was to discuss and describe the Tribal Government Engagement Obligation as reported in the July 19, 2012 FCC Public Notice and open or continue a dialogue with the local leaders. During these direct conversations, the native community leaders offered direct and candid feedback on the quality of ITC's voice and broadband services to their community as well as what if any concerns they may have regarding new service opportunities. Mr. Goggins shared ITC's plans on future network activity and provided the native leaders with direct contact information for any future discussions.

922: Feasibility and Sustainability Planning Tribal Land Network

See narrative response to 921.

923: Marketing Services in a Culturally Sensitive Manner

Interior Telephone Company staff has strived to devise marketing strategies that are culturally sensitive. Given that all of ITC's customers reside on Alaska Native Region lands, the intent of its marketing strategy is to appeal to, and be appropriate for, Alaskan Natives. ITC management and staff have attended regularly scheduled monthly community events and meetings. In addition, ITC staff work directly with local leaders and residents in the communities, which keeps ITC's marketing message continually fresh, relevant, and sensitive to the culture of those currently served and to be served in the future. Marketing materials also feature photos of Alaska Native families rather than purchased images from stock photo companies.

924: Rights-of-Way Processes

ITC obtains Right of Way permits from the State of Alaska, Federal agency or tribal organization which has the legal ROW authority over these lands. Local village administrations are also contacted as applicable before accessing roads, easements or private property, informed of the intended project and offered opportunities for feedback. ITC engineers design plans to ensure total compliance with all Right of Way permitting requirements.

925: Compliance with Land Use Permitting Requirements

ITC complies with all federal, state and/or local land use permitting requirements as applicable. There are no known specific tribal permitting requirements. As a component of its telecommunications infrastructure deployment planning process, ITC communicates with local village council representatives to inform them of planned land uses, provides a map of the impacted areas, offers opportunities for feedback and if applicable, obtains a letter of non-objection for placement of network facilities.

926: Compliance with Facility Siting Rules

ITC works to ensure that all required facility siting rules, federal, state, and other are completed to the satisfaction of these governmental authorities and consistent with the needs of the Alaska Native communities.

927: Compliance with Environmental Review Processes

ITC works to ensure that all required environmental assessments, federal, state, and other are completed to the satisfaction of these governmental authorities and consistent with the needs of the Alaska Native communities.

928: Compliance with Cultural Preservation Review Process

As an Alaskan company, ITC has the highest sensitivity regarding preserving the cultural integrity of the land. Understanding that Alaska native lands are rich with artifacts and ancient burials, ITC ensures that applicable cultural preservation requirements are always followed.

929: Compliance with Tribal Business and Licensing Requirements

N/A. ITC complies with all business and licensing requirements of the State of Alaska.

Interior Telephone Company

1200: Terms and Condition for Lifeline Customers

Interior Telephone Company provides local wireline voice telephony service to eligible Lifeline subscribers.

1221: Information describing the terms and conditions of the local wireline voice telephony service offered to Lifeline subscribers by Interior Telephone Company are outlined in the tariff sheets below.

1222: Local wireline service is provided by Interior Telephone Company at a flat rate per month and includes unlimited local calling. This is the same service offered to Lifeline subscribers.

1223: Lifeline subscribers may choose to block toll access at no charge to them or choose a long distance provider of their choice for the best toll calling plans and rates available to them.

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STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

INTERIOR TELEPHONE COMPANY, INC.

GENERAL EXCHANGE SERVICES

ENHANCED LIFELINE SERVICE

A. GENERAL

Enhanced Lifeline Service is a reduction in basic local service charges for residential service, available only to qualifying low income customers living on tribal lands. Qualifying customers pay reduced charges for a primary residential line as a result of the application of payments from the state and the interstate universal service funds and a waiver of the qualifying customer's end user subscriber line charge. All customers in the Company's service area are deemed to live on tribal lands.

B. REGULATIONS

1. Enhanced Lifeline Service will be offered to any requesting customer meeting the following criteria in (a) and /or (b) below:

a. The customer lives in a household with income at or below 135 percent of the current official Federal Poverty Income Guidelines published annually in the Federal Register by the United States Department of Health and Human Services. For purposes of applying the poverty guideline, the term "family unit" means all persons who occupy a housing unit, whether they are related to each other or not.

b. The customer participates in one of the following programs:

- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance
- Low Income Home Energy Assistance
- Bureau of Indian Affairs general assistance
- Tribally administered Temporary Assistance for Needy Families
- Head Start Programs (only those meeting its income qualifying standard)
- National School Lunch Program (free meals program only)
- Alaska Temporary Assistance Program
- Alaska Adult Public Assistance Program
- VA Disability Pension
- Child Care Assistance Program - PASS I, PASS II, PASS III
- WIC - Women, Infants & Children Program
- Alaska State Housing Corporation Programs

(N)
|
|
(N)

Tariff Advice No. TA121-165 Effective: April 10, 2009

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____
Brenda Shepard

Title: CEO

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JUN 10 2005

State of Alaska
Regulatory Commission of Alaska

INTERIOR TELEPHONE COMPANY, INC.

GENERAL EXCHANGE SERVICES

ENHANCED LIFELINE SERVICE - continued

B. REGULATIONS - continued

- d. The premises at which the residential service is requested is the customer's principal place of residence.
 - e. Enhanced Lifeline Service is available on the primary residential line only. The residential premises shall consist of that portion of an individual house or building or one apartment or flat occupied by a single family or individual(s) functioning as one domestic establishment.
2. Enhanced Lifeline Service shall not be disconnected for non-payment of toll charges; however, the Company may disconnect access to interexchange services should the customer not pay incurred toll charges.
 3. If the customer chooses "toll blocking" the Company will not charge a service deposit.
 4. Enhanced Lifeline Service includes the following:
 - Single party, voice grade access to the public switched network;
 - Access to emergency service;
 - Access to operator service;
 - Access to interexchange service, unless toll blocking is chosen;
 - Access to directory assistance, unless directory assistance restriction is chosen; and,
 - Toll blocking, if requested.

Tariff Advice No. TA100-165

Effective: August 1, 2005

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____
Jack H Rhyner

Title: CEO

RCA No. 165 First Revised _____ Sheet No. 350

Cancelling _____ Original _____ Sheet No. 350

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JUN 12 2012

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

INTERIOR TELEPHONE COMPANY, INC.

GENERAL EXCHANGE SERVICES

EXPANDED LINKUP ASSISTANCE

A. GENERAL

Expanded Linkup Assistance is a program for qualifying low income customers which includes a reduction in the Company's customary charge for service connection for a single residential line connection at a customer's principal place of residence, and a deferred schedule of payment of the charges assessed for commencing service, for which the customer does not pay interest. Expanded Linkup will provide a reduction to any standard charges imposed on qualifying low-income individuals as a condition of initiating service, including both line extension and initial connection charges. Expanded Linkup support provides for:

- A 100% reduction, up to \$100 of a qualifying subscriber's initial connection charges (C)
- Total maximum support amount of \$100 per qualifying low income subscriber. (C)

The supported services under this section do not include charges assessed for facilities or equipment that fall on the customer's side of the demarcation point, i.e. customer premises equipment and inside wiring charges.

B. REGULATIONS

1. Expanded Linkup will be offered to any requesting applicant meeting all the criteria as listed for Enhanced Lifeline Services.

Tariff Advice No. TA133-165 Pursuant to Fed Reg Vol. 77, No 42, Mar. 2, 2012 Effective: July 1, 2012

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____
Brenda Shepard

Title: CEO

RCA No. 165 Original Sheet No. 351

Cancelling _____ Sheet No. _____

RECEIVED

MAR 12 2004

State of Alaska
Regulatory Commission of Alaska

INTERIOR TELEPHONE COMPANY, INC.

GENERAL EXCHANGE SERVICES

EXPANDED LINKUP ASSISTANCE - continued

B. REGULATIONS - continued

- 2. Eligible customers shall be allowed to receive benefit under this schedule for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Expanded Linkup was previously provided.

Pursuant to U-02-75(22) _____
 Tariff Advice No. TA92-165 _____ Effective: August 1, 2005 _____

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____ Title: CEO
 Jack H Rhyner

RCA No. 165 First Revised Sheet No. 516

Cancelling _____ Original Sheet No. 516

RECEIVED

JUN 12 2012

INTERIOR TELEPHONE COMPANY, INC.

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

RATE SCHEDULE

ENHANCED LIFELINE SERVICE

A. APPLICABILITY

The rates and terms specified herein apply to residential customers who meet the eligibility requirements for Enhanced Lifeline Service shown in the General Exchange Services section of this tariff.

B. RATES

Monthly Recurring Rate

All Exchange Areas

\$.00

(R)

The reductions from the local residential service charges are from state and interstate universal service funds.

Tariff Advice No. TA133-165 Pursuant to Fed Reg Vol. 77, No 42, Mar. 2, 2012 Effective: July 1, 2012

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____
Brenda Shepard

Title: CEO

RCA No. 165 First Revised Sheet No. 518

Cancelling _____ Original _____ Sheet No. 518

RECEIVED

JUN 12 2012

**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA**

INTERIOR TELEPHONE COMPANY, INC.

RATE SCHEDULE

EXPANDED LINKUP ASSISTANCE

A. APPLICABILITY

The rates and terms specified herein apply to all residential customers who meet the eligibility requirements for Expanded Linkup Assistance as shown in the General Exchange Services section of this tariff.

B. RATES

Expanded Linkup is available only to qualifying low income customers residing on Tribal Lands. Expanded Linkup support provides for a 100% reduction of a qualifying subscriber's initial connection charges up to a total maximum support amount of \$100 per qualifying low income subscriber. The supported services under this section do not include charges assessed for facilities or equipment that fall on the customer's side of the demarcation point, i.e. customer premises equipment and inside wiring charges.

(C)
|
(C)

Tariff Advice No. TA133-165 Pursuant to Fed Reg Vol. 77, No 42, Mar. 2, 2012 Effective: July 1, 2012

Issued By: INTERIOR TELEPHONE COMPANY, INC.

By: _____
Brenda Shepard

Title: CEO

Interior Telephone Company

3010: Milestone Certification

In compliance with *47 C.F.R. § 54.313(f)(1)(i)*, Interior Telephone Company includes in this filing associated with its progress report on its five-year service quality plan a letter providing a "Milestone Certification".

54.313(g) Areas with no terrestrial backhaul

Interior Telephone Company exchange areas, with the exception of Seward/Moose Pass and Cooper Landing are not connected by roads and are only fed by satellite backhaul facilities. Seward/Moose Pass and Cooper Landing have both microwave and fiber middle mile access and currently support the broadband service level of 4Mbps downstream/1Mbps upstream. The village of Iliamna has both microwave and fiber middle mile access but is not connected by roads and is not able to support the broadband service level because of cost prohibitive backhaul facilities¹. Iliamna is able to support the broadband service level of 1Mbps downstream/256kpbs upstream. Per the 3rd Order on Reconsideration the Federal Communications Commission has acknowledged this issue at Paragraph 46.

46. We appreciate the concerns raised by the Alaska Rural Coalition and ACS that it may not be cost-effective to serve certain customers due to the high cost of backhaul. Rather than granting a blanket exemption of the broadband obligations established for rate-of-return companies in the *USF/ICC Transformation Order*, we clarify, as the Alaska Rural Coalition requests, that our current rules provide sufficient flexibility to take into account any unique circumstances that may impact the ability of rate-of-return companies to extend broadband to their customers, including backhaul costs. As the Coalition notes, rate-of-return carriers are required to provide service meeting the specified characteristics on *reasonable* request, which, the Commission explained in the *Order*, was an obligation similar to the voice deployment obligation many of those carriers were already subject to. This obligation, enforced in the first instance by the relevant ETC-designating authority (generally the state), permits these entities to take into account backhaul costs or other unique circumstances that may make it cost-prohibitive to extend service to particular customers, in Alaska or any other area. We intend to carefully monitor developments in this regard and will consider making further clarifications or revisions if necessary.

All of Interior's other villages without terrestrial backhaul, are able to support the broadband service level of 1Mbps downstream/256kpbs upstream. Interior Telephone Company continues to seek economically sound solutions to address the provisioning of required broadband speeds given the extremely high costs of middle mile transport. Unlike urban areas, due to the cost of satellite connections necessary to provide broadband to the customer, high-speed broadband cannot be unlimited. Managing the network with various service offerings is essential to promote the use and enjoyment of the Internet by all of our customers.

¹ FCC 12-52 paras. 45-46

July 1, 2015

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Room TW - A306
Washington, DC 20554

RE: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient 47 CFR 54.313(f)(1)(i) "Milestone Certification".

Dear Ms. Dortch,

In compliance with the filing requirements associated with and attached to Form 481, Interior Telephone Company, submits certification to the Commission that it provides high speed internet service to its customers and:

- Is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream,
- Provides broadband service with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas and;
- That reasonable requests for such service are met within a reasonable amount of time.

If there are any questions, I may be contacted at 1-907-563-2003.

Sincerely,



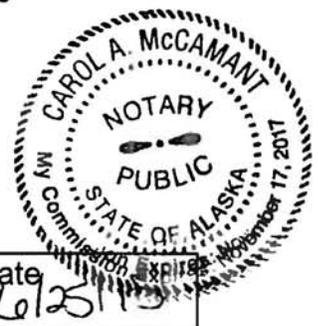
David J. Goggins
President and General Manager
TelAlaska, Inc.

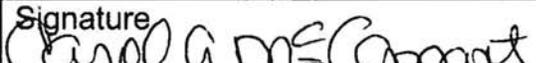
Subscribed and Sworn to before me this 25 day of June, A.D. 2015

NOTARY PUBLIC

Commission Expires

11-17-17



Signature	Type or Print Name	Date
	Carol A. McCamant	6/25/15

Interior Telephone Company

3012: Community Anchor Institutions

In compliance with *47 C.F.R. § 54.313(f)(1)(ii)*, Interior Telephone Company (ITC) includes in this filing associated with its progress report on its five-year service quality plan, as a baseline, a numbered list of community anchor institutions where broadband service is available upon request.

Not all community anchor institutions where broadband service is available by ITC have requested broadband connectivity from ITC, however broadband is available to those community anchor institutions upon request.

If the community anchor institution that already subscribes to broadband service through ITC requests increased bandwidth, ITC works with the institution to determine and provision the broadband service that best fits their needs.

.

Interior Telephone Company

Number	Location	Community Anchor Institution
1	Cold Bay	AK State Trooper post
2	Cold Bay	Anna Livingston Medical Clinic
3	Cold Bay	Cold Bay Public Library
4	Cold Bay	Cold Bay School
5	Cold Bay	Cold Bay Airport
6	Cooper Landing	AK State Trooper Post
7	Cooper Landing	Cooper Landing Chamber of Commerce.
8	Cooper Landing	Cooper Landing School
9	Cooper Landing	Cooper Landing Vol. Fire Dept.
10	Cooper Landing	Cooper Landing Community Library
11	Fort Yukon	City of Fort Yukon Vol. Fire Dept.
12	Fort Yukon	Fort Yukon Police Dept.
13	Fort Yukon	Fort Yukon School
14	Fort Yukon	Gwitchyaa Zhee Corporation
15	Fort Yukon	Native Village of Fort Yukon.
16	Fort Yukon	Yukon Flats Distance Education Program VOCED
17	Fort Yukon	Yukon Flats Health Center
18	Fort Yukon	Yukon Flats Resource Conservation and Development
19	Fort Yukon	Fort Yukon Airport
20	Galena	AK State Trooper Post
21	Galena	Charles Evans Community/School Library
22	Galena	Edgar Nollner Health Center
23	Galena	Galena Interior Learning Academy
24	Galena	Galena Police Dept.
25	Galena	Galena Village
26	Galena	Galena Vol. Fire Dept.
27	Galena	Interior Distance Education Alaska
28	Galena	Sidney C. Huntington Elementary
29	Galena	Sidney C. Huntington Jr./Sr. High
30	Galena	Edward G. Pitka Sr. Airport
31	Iliamna	Iliamna State Trooper Post
32	Iliamna	Iliamna Vol. Fire Dept.
33	Iliamna	Nilavena Sub regional Clinic
34	Iliamna	Village of Iliamna
35	Iliamna	Iliamna Airport
36	King Cove	Agdaagux Tribe of King Cove
37	King Cove	King Cove Medical Clinic
38	King Cove	King Cove Police Dept.
39	King Cove	King Cove School
40	King Cove	Native Village of Belkofski
41	King Cove	The King Cove Corporation.
42	King Cove	King Cove Fire and Rescue

Interior Telephone Company

Number	Location	Community Anchor Institution
43	Moose Pass	Moose Pass Chamber of Commerce.
44	Moose Pass	Moose Pass School
45	Moose Pass	Moose Pass Vol. Fire and EMS
46	Moose Pass	Moose Pass Library
47	Newhalen	Newhalen Clinic
48	Newhalen	Newhalen School
49	Newhalen	Newhalen Village.
50	Newhalen	Newhalen Vol. Fire Dept.
51	Port Lions	Jessie Wakefield Memorial Library
52	Port Lions	Native Village of Port Lions.
53	Port Lions	Port Lions Health Clinic
54	Port Lions	Port Lions School
55	Port Lions	Port Lions Vol. Fire Dept.
56	Port Lions	Port Lions Airport
57	Sand Point	Aleutians East Borough
58	Sand Point	Eastern Aleutian Tribes - Behavioral Health Services Department
59	Sand Point	Native Village of Unga
60	Sand Point	Pauloff Harbor Village
61	Sand Point	Qagan Tayagungin Tribe of Sand Point Village
62	Sand Point	Sand Point Community/School Library
63	Sand Point	Sand Point Medical Clinic
64	Sand Point	Sand Point Police Dept.
65	Sand Point	Sand Point School
66	Sand Point	Sand Point Vol. Fire Dept.
67	Sand Point	Shumagin Corporation.
68	Sand Point	Sand Point Airport
69	Seward	Bear Creek Volunteer Fire and Emergency Medical Services
70	Seward	Crown Point Alaska State Trooper Post
71	Seward	Lowell Point Community Council
72	Seward	Lowell Point Volunteer Fire Department
73	Seward	Providence Seward Medical Center
74	Seward	Qutekcak Native Tribe
75	Seward	Seward Alaska State Trooper Post
76	Seward	Seward Chamber of Commerce.
77	Seward	Seward Community Library Museum
78	Seward	Seward Fire Department
79	Seward	Seward High School
80	Seward	Seward Middle School
81	Seward	Seward Police Department
82	Seward	William H. Seward Elementary School
83	Seward	Seaview Community Services

Interior Telephone Company		
Number	Location	Community Anchor Institution
84	UnAlaska	Aleutian Pribilof Island Association
85	UnAlaska	Eagle's View Elementary School
86	UnAlaska	Iliuliuk Family & Health Services, Inc.
87	UnAlaska	Oonalaska Wellness Center
88	UnAlaska	Qawalangin Tribe of Unalaska
89	UnAlaska	Unalaska Department of Public Safety
90	UnAlaska	Unalaska Fire & EMS
91	UnAlaska	Unalaska Jr/Sr High School
92	UnAlaska	Unalaska Port of Dutch Harbor Convention and Visitors Bureau
93	UnAlaska	Unalaska Public Library
94	UnAlaska	Unalaskans Against Sexual Assault & Family Violence
95	UnAlaska	Unalaska Airport

Interior Telephone Company

3005: Rate of Return Data

3013: Interior Telephone Company is a Privately held ROR Carrier and submits below a full and complete annual report of the company's financial condition and operations as of the end of the preceding fiscal year pursuant to 47 CFR 54.313(f)(2).

3014-3019: Interior Telephone Company files as an audited single company a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers as provided by USAC in the FCC Form 481 Operating Report for Privately-Held Rate of Return Carriers upload template. This report includes data for the preceding fiscal year and the prior fiscal year for Interior Telephone Company. An officer of the company certifies 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.

3020: A pdf of Interior Telephone Company's Balance Sheet, Income Statement and Statement of Cash Flows.

3021: Interior Telephone Company submits the Report of Independent Certified Public Accountants, Grant Thornton, LLP, that performed Interior Telephone Company's financial audit.

(3005a) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Balance Sheet - Data Collection Form	OMB Control No. 3060-0986
Page 1 of 3	OMB Control No. 3060-0819
	July 2013

<010> Study Area Code 613011

<015> Study Area Name Interior Telephone Company

<020> Program Year 2016

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

<035> Contact Telephone Number - Number of person identified in data line <030> 9075632003

<039> Contact Email Address - Email Address of person identified in data line <030> bdunn@telalaska.com

Filed as reviewed single company	<input type="checkbox"/>	Filed as audited single company	<input checked="" type="checkbox"/>
Filed as reviewed consolidated company	<input type="checkbox"/>	Filed as audited consolidated company	<input type="checkbox"/>
Filed as subsidiary of reviewed consolidated company	<input type="checkbox"/>	Filed as subsidiary of audited consolidated company	<input type="checkbox"/>

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.					
e-file Brett Carter		6/26/2015			
Signature		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			25. Accounts Payable		
2. Cash-RUS Construction Fund			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		
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		
			40. Funded Debt-Rural Develop. Loan		
NONCURRENT ASSETS			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)		
b. Nonrural Development			OTHER LIAB. & DEF. CREDITS		
13. Nonregulated Investments			47. Other Long-Term Liabilities		
14. Other Noncurrent Assets			48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
17. Total Noncurrent Assets (11 thru 16)			EQUITY		
			51. Cap. Stock Outstanding & Subscribed		
PLANT, PROPERTY, AND EQUIPMENT			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service			53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation			57. Retained Earnings or Margins		
23. Net Plant (18 thru 21 less 22)			58. Total Equity (51 thru 57)		
24. TOTAL ASSETS (10+17+23)			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Income Statement - Data Collection Form	OMB Control No. 3060-0986
Page 2 of 3	OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	613011
<015> Study Area Name	Interior Telephone Company
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Robert Dunn
<035> Contact Telephone Number - Number of person identified in data line <030>	9075632003
<039> Contact Email Address - Email Address of person identified in data line <030>	bdunn@telalaska.com

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 Depreciation & Amortization)		
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 Expenses		
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. Annual Debt Service Payments		
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]		

(3005c) Operating Report for Privately-Held Rate of Return Carriers
 Cash Flow - Data Collection Form
 Page 3 of 3
 FCC Form 481
 OMB Control No. 3060-0986
 OMB Control No. 3060-0819
 July 2013

<010> Study Area Code 613011
 <015> Study Area Name Interior Telephone Company
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Robert Dunn
 <035> Contact Telephone Number - Number of person identified in data line <030> 9075632003
 <039> Contact Email Address - Email Address of person identified in data line <030> bdunn@centraliaak.com

PART C. STATEMENTS OF CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)
CASH FLOWS FROM OPERATING ACTIVITIES	
2.	Net Income
3.	Add: Depreciation
4.	Add: Amortization
5.	Other (Explain)
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
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
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



Grant Thornton LLP
310 K Street, Suite 200
Anchorage, AK 99501
T 907.264.6620
F 503.295.0148
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Interior Telephone Company, Inc.

We have audited the accompanying financial statements of Interior Telephone Company, Inc., which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interior Telephone Company, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Anchorage, Alaska
March 26, 2015

INTERIOR TELEPHONE COMPANY, INC.

Balance Sheets

December 31,

Assets	2014	2013
Current assets:		
Cash and cash equivalents		
Due from affiliate		
Accounts receivable		
Materials and supplies		
Prepaid expenses		
Deferred tax assets		
Total current assets		
Other assets		
Goodwill, net		
Total goodwill and other assets		
Property, plant and equipment		
Plant in service		
Less accumulated depreciation		
Net plant in service		
Plant under construction		
Net property, plant and equipment		
Total assets		
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable		
Advance billings and customer deposits		
Accrued liabilities		
Total current liabilities		
Deferred tax liabilities		
Other long-term liabilities		
Total liabilities		
Stockholder's equity:		
Common stock, \$3.33335 par value, 100,000 shares authorized, issued and outstanding		
Additional paid-in capital		
Retained earnings		
Total stockholder's equity		
Total liabilities and stockholder's equity		

See accompanying notes to financial statements.

INTERIOR TELEPHONE COMPANY, INC.

Statements of Income

Years ended December 31,

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Basic local network services		
Network access services		
Miscellaneous		
Uncollectible revenue		
Total operating revenues		
Operating expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
Total operating expenses		
Operating income		
Other income (expense):		
Interest income		
Other expense, net		
Total other income (expense), net		
Income before income taxes		
Income taxes		
Net income		

See accompanying notes to financial statements.

INTERIOR TELEPHONE COMPANY, INC.

Statements of Cash Flows

Years ended December 31,

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Deferred income taxes		
Change in operating assets and liabilities:		
Accounts receivable		
Materials and supplies		
Prepaid expense		
Due from affiliate		
Other assets		
Accounts payable		
Advance billings and customer deposits		
Accrued liabilities		
Other long-term liabilities		
Net cash provided by operating activities		
Cash flows from investing activities:		
Construction and acquisition of plant		
Proceeds from the sale of assets		
Net cash used in investing activities		
Cash flows from financing activities:		
Dividends paid		
Net cash used in financing activities		
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		
Supplemental information:		
Allocated income taxes paid to Parent		
Accrued purchases of property and equipment		

See accompanying notes to financial statements.