

# DyKEMA

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**ACCEPTED/FILED**

JUL - 1 2015

Federal Communications Commission  
Office of the Secretary

Via Hand Delivery

June 30, 2015

Ms. Marlene Dortch  
Federal Communications Commission  
445 12th Street SW  
Washington, D.C. 20554

TO: NITEL COPY ORIGINAL

Re: FCC Form 481 - High-Cost Support Information and Low-Income Support Information  
Pursuant to 47 C.F.R. §§ 54.313(a)-(g) and 54.422(a)

Dear Secretary Dortch:

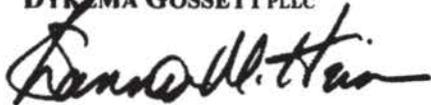
Pursuant to 47 C.F.R. §§ 54.313(a)-(g) and 54.422(a) of the Federal Communication Commission's regulations, please find enclosed the FCC Form 481 for Interior Telephone Company. This form was also filed at the RCA and USAC.

Interior Telephone Company seeks confidential treatment for its financial information pursuant to the Protective Order, Connect America Fund, et al., WC Docket No. 10-90 et al., (Nov. 16, 2012). A redacted version is also being filed this date via the FCC's Electronic Comment Filing System. In addition, attached is a letter requesting confidential treatment under 47 C.F.R. §§ 0.457 and 0.459 of the initial § 54.202(a) Five-Year Service Quality Improvement Plan.

Please do not hesitate to contact me if you have any questions or I may be of any assistance.

Sincerely,

DYKEMA GOSSETT PLLC



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90 South Seventh Street  
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REDACTED - FOR PUBLIC INSPECTION



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

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

<010>	Study Area Code	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

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
<111>	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)	<input type="radio"/> <input type="radio"/>

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

Yes
Not Applicable









**(800) Tribal Lands Reporting Data Collection Form** FCC Form 481  
OMB Control No. 3060-0988 OMB Control No. 3060-0919  
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

<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
Not Applicable

**1100 No Terrestrial Backhaul Reporting Data Collection Form** FCC Form 481  
OMB Control No. 3060-0929/OMB Control No. 3060-0929  
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

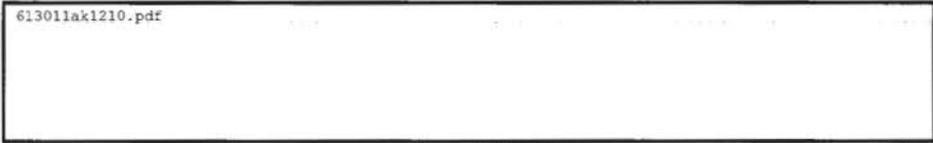
<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<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).

<b>(1200) Terms and Condition for Lifeline Customers</b>	<b>FCR Form 481</b>
<b>Lifeline</b>	<b>OMB Control No. 3060-0900/OMB Control No. 3060-0819</b>
<b>Data Collection Form</b>	<b>July 2013</b>

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

**<1210>** Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

**<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.

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

Name of Attached Document(s) Listing Required Information

**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))**

- <2016> 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

<010> Study Area Code	613011
<015> Study Area Name	INFERIOR 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@relalaska.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)(i))

613011ak3010.pdf

Name of Attached Document Listing Required Information

(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.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

613011ak3012.pdf

Name of Attached Document Listing Required Information

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

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

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)

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

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

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

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

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

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

(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

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

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

(3024) Underlying information subjected to an officer certification.

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

613011ak3026.pdf

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<b>(300) Rate Of Return Case- Additional Documentation (Required)</b>		FCC Form 481
Data Collection Form		OMB Control No. 3060-0066/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>	hdunn@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

[REDACTED]	

Name of Attached Document Listing Required Information

Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0062 OMB Control No. 3060-0062 July 2013
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<b>&lt;010&gt;</b>	Study Area Code	613011
<b>&lt;015&gt;</b>	Study Area Name	INTERIOR TEL CO INC
<b>&lt;020&gt;</b>	Program Year	2016
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Robert Dunn
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	9075632003 ext.
<b>&lt;039&gt;</b>	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:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: 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 of Agent / Carrier Data Collection Form	FCC Form 482 OMB Control No. 3060-0085/OMB July 2013
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<b>&lt;010&gt; Study Area Code</b>	613011
<b>&lt;015&gt; Study Area Name</b>	INTERIOR TEL CO INC
<b>&lt;020&gt; Program Year</b>	2016
<b>&lt;030&gt; Contact Name - Person USAC should contact regarding this data</b>	Robert Dunn
<b>&lt;035&gt; Contact Telephone Number - Number of person identified in data line &lt;030&gt;</b>	9075632003 ext.
<b>&lt;039&gt; Contact Email Address - Email Address of person identified in data line &lt;030&gt;</b>	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."<sup>1</sup> 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 facilities<sup>2</sup>. Iliamna is able to support the broadband service level of 1Mbps downstream/256kpbs upstream. The Commission has acknowledged this issue in the 3<sup>rd</sup> Order on Reconsideration the Federal Communications Commission at Paragraph 46<sup>3</sup> and in reference to Five-Year Build Out Plans the March 5, 2013 Order FCC DA 13-332 at Paragraph 114.

<sup>1</sup> *March 5, 2013 Order* at Para. 10.

<sup>2</sup> FCC 12-52 paras. 45-46

<sup>3</sup> 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."<sup>5</sup> 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."<sup>6</sup> 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.<sup>7</sup> The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.<sup>8</sup> 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."<sup>9</sup>

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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.

<sup>4</sup> 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.

<sup>5</sup> 47 U.S.C. § 254(e).

<sup>6</sup> 47 C.F.R. § 54.314(a).

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

<sup>8</sup> *Id.*

<sup>9</sup> *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."<sup>10</sup> 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

<sup>10</sup> 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.”<sup>11</sup> 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

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<sup>11</sup> *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:

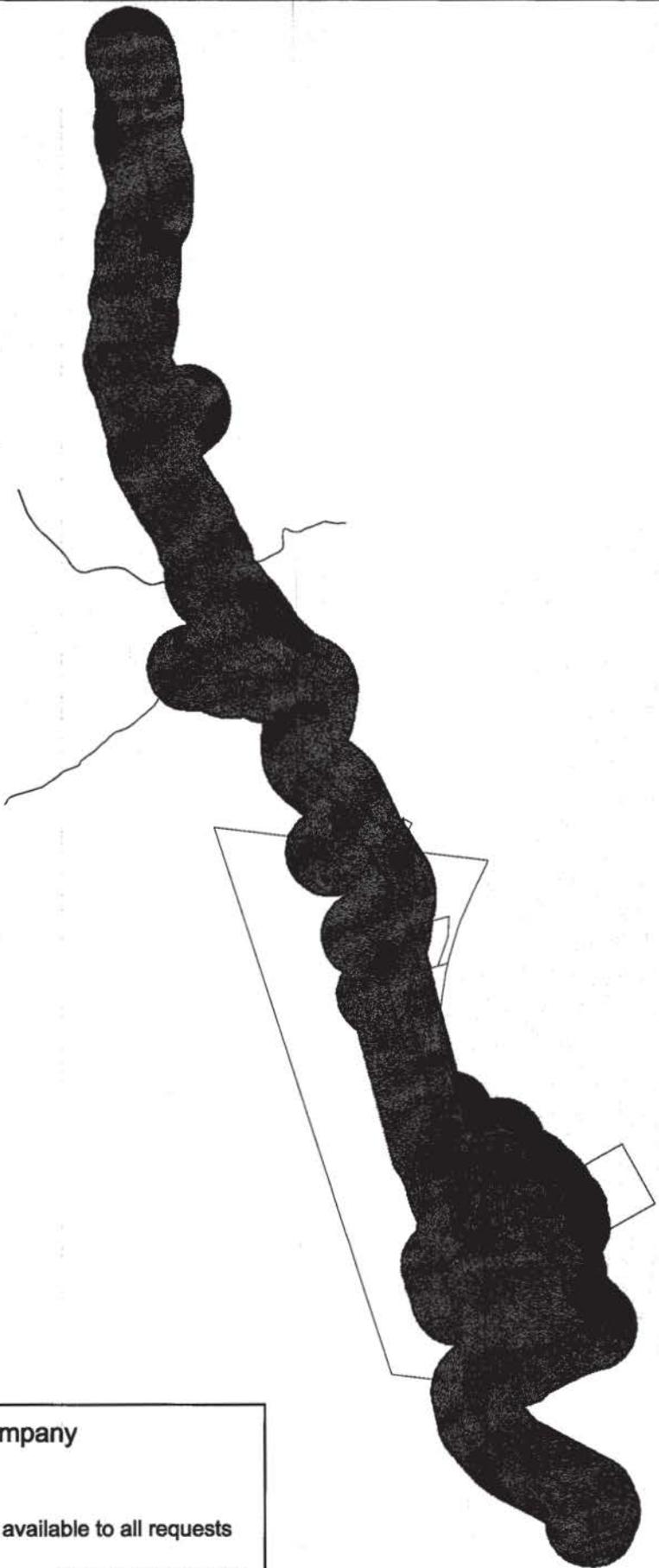


2015 Network Improvement target changes:



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.

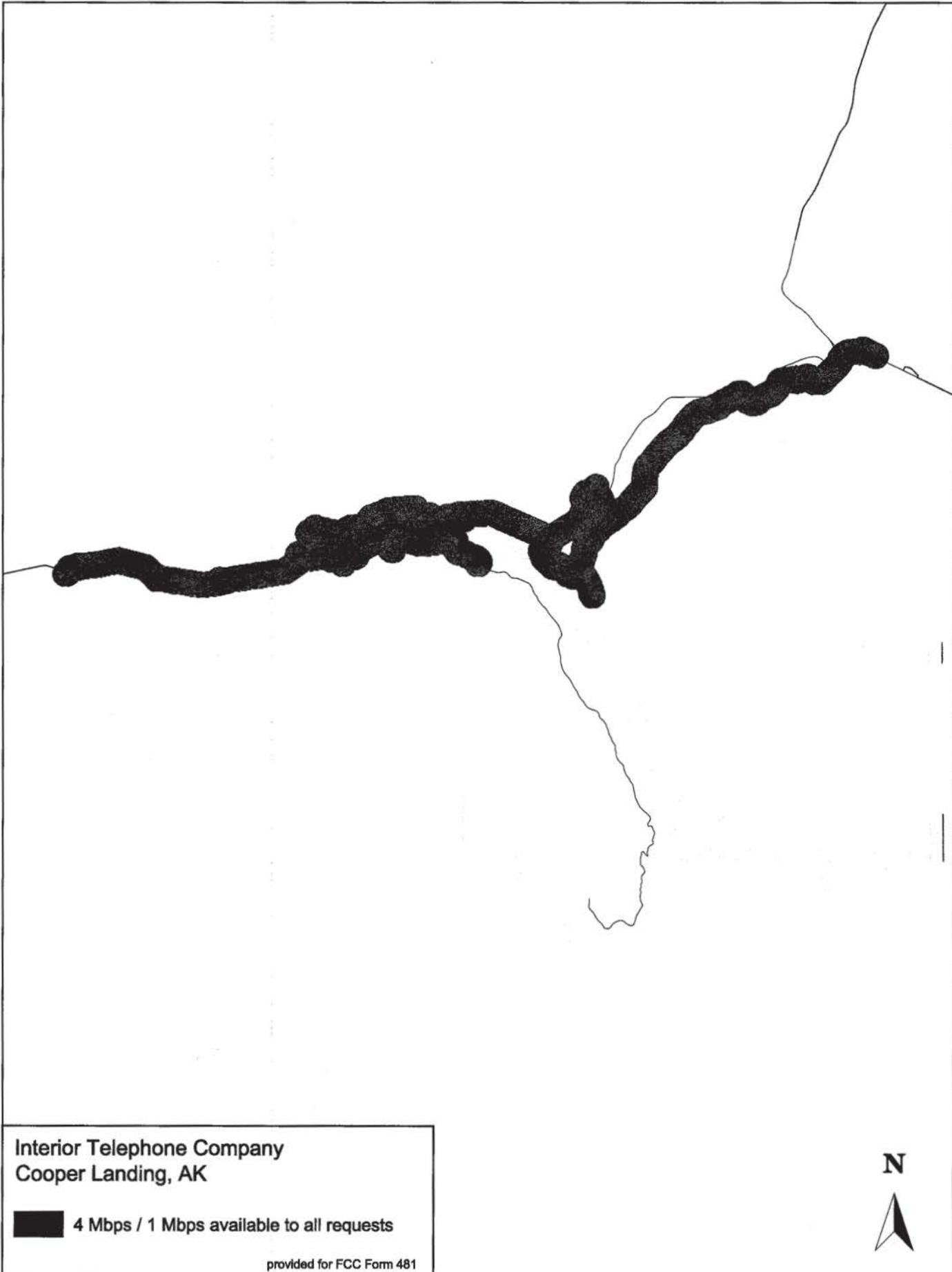


Interior Telephone Company  
Cold Bay, AK

■ 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481





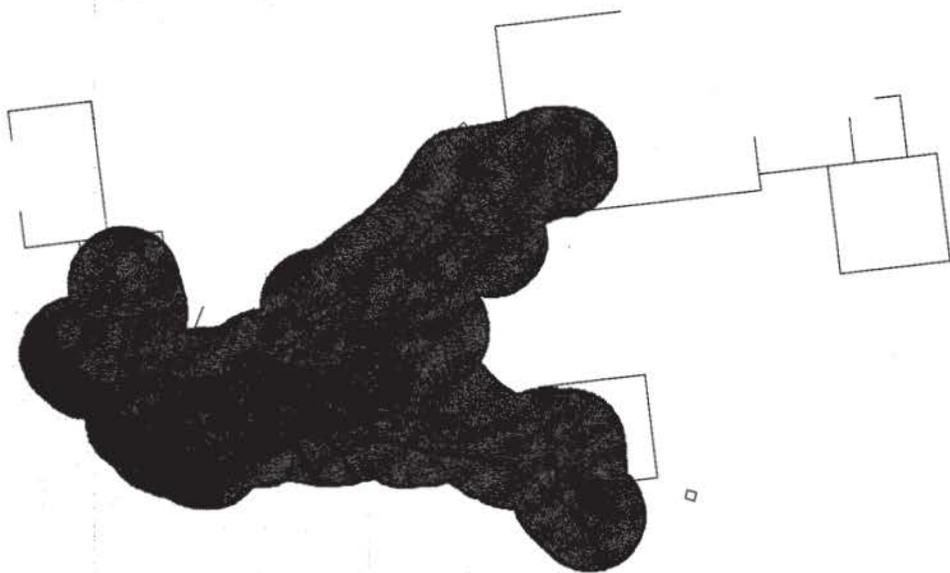
Interior Telephone Company  
Cooper Landing, AK

■ 4 Mbps / 1 Mbps available to all requests

provided for FCC Form 481

N





Interior Telephone Company  
Fort Yukon, AK

 1 Mbps / 256 kbps available to all requests

provided for FCC Form 481

