

OREGON
TELEPHONE
CORPORATION

P. O. Box 609 • Mt. Vernon, Oregon 97865 • (541) 932-4411 • FAX (541) 932-4498

October 9, 2013

Electronic Filing

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

Re: WC Docket No. 10-90 & 11-42
Annual §54.313/54.422 Report of High-Cost and Low Income Recipient, Form 481

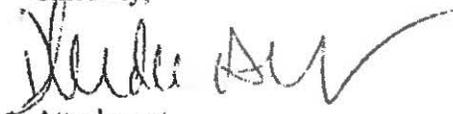
Dear Ms. Dortch:

Enclosed herein is the annual report for Oregon Telephone Corporation, Study Area Code 532389 pursuant to §54.313/54.422 of the Commission's rules.

Please contact me with any questions at:

Phone: 541-932-4411
Email: dkluser@ortelco.net

Sincerely,



Attachment

Copies to:

Universal Service Administrative Company
Electronic Filing
Washington, DC 20036

Public Utility Commission
Electronic Filing



FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0065/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	532395
<015> Study Area Name	OREGON TEL CORP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	DELINDA KLUSER
<035> Contact Telephone Number: Number of the person identified in data line <030>	541 932 4411
<039> Contact Email Address: Email of the person identified in data line <030>	dkluser@ortelco.net

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			(check box when complete)	(check box when complete)
<100> Service Quality Improvement Reporting	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	0		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	0.0			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)				<input type="checkbox"/>
<440> Fixed	0.0			
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510> 517389 or 519	(attached descriptive document)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610> 532389 or 610	(attached descriptive document)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)		<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="checkbox"/>	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input 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>				
<2000>	(check to indicate certification)			
<2005>	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet				
<3000>	(check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(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 532369
 <015> Study Area Name OREGON TEL CORP
 <020> Program Year 2014
 <030> Contact Name - Person USAC should contact regarding this data DELINDA RIJSEF
 <035> Contact Telephone Number - Number of person identified in data line <030> 541 932 4411
 <039> Contact Email Address - Email Address of person identified in data line <030> dk.riuser@ortc.co.net

<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
 <111> 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 (.pdf)

Please check these boxes below to confirm that the attached PDF, 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 (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>

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

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

<010>	Study Area Code	532389
<015>	Study Area Name	OREGON TEL CORP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	CELINDA KLUGER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	ckluger@atleco.net

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

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

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

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

Select (Yes,No, NA)


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

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

<010>	Study Area Code	532389
<015>	Study Area Name	OREGON TEL CORP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	532189
<015>	Study Area Name	OREGON TEL CORP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	WENDY KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dklusere@ortelco.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 532189or1222

Name of attached document (.pdf)

<1220> Link to Public Website HTTP <http://www.puc.state.or.us/Pages/rapf/otap.aspx>

"Please check these boxes below to confirm that the attached PDF, 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 telephone service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

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

<010>	Study Area Code	512 399
<015>	Study Area Name	OREGON TEL CORP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELEENA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

CHECK the boxes below 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))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached PDF, 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.	<input type="checkbox"/>
<2021>	Interim Progress Community Anchor Institutions	Name of Attached Document Listing Required Information <hr style="width: 100%;"/>

(3000) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	532389
<015>	Study Area Name	OREGON TEL CORP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSEK
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 1411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

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.

Progress Report on 5 Year Plan

<p>(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), 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.</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	<p><input type="checkbox"/></p>
<p>(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	<p><input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)</p>
<p>(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)</p>		<p><input type="checkbox"/></p>
<p>(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input checked="" type="checkbox"/></p>
<p>(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation</p>	<p>Name of Attached Document Listing Required Information</p> <p>532389or3017</p> <p>_____</p>	
<p>(3018) If the response is no on line 3014, is your company audited? 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:</p>		<p><input type="checkbox"/> (Yes/No)</p>
<p>(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications</p>		<p><input type="checkbox"/></p>
<p>(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3021) Management letter 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:</p>		<p><input type="checkbox"/></p>
<p>(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,</p>		<p><input type="checkbox"/></p>
<p>(3023) Underlying information subjected to a review by an independent certified public accountant</p>		<p><input type="checkbox"/></p>
<p>(3024) Underlying information subjected to an officer certification.</p>		<p><input type="checkbox"/></p>
<p>(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	532389
<015> Study Area Name	OREGON TEL CORP
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035> Contact Telephone Number - Number of person identified in data line <030>	541 332 4411
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	OREGON TEL CORP
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/08/2013
Printed name of Authorized Officer:	Delinda Kluser
Title or position of Authorized Officer:	Vice-Pres, Manager
Telephone number of Authorized Officer:	541-932-4411
Study Area Code of Reporting Carrier:	532389 Filing Due Date for this form: 10/15/2013
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. 3060-0985/OMB Control No. 3060-0819 July 2013
<010> Study Area Code	532589	
<015> Study Area Name	OREGON TEL CORP	
<020> Program Year	2014	
<030> Contact Name - Person USAC should contact regarding this data	DELINDA KLUSEP	
<035> Contact Telephone Number - Number of person identified in data line <030>	541 930 4411	
<039> Contact Email Address - Email Address of person identified in data line <030>	dklusep@ortelco.net	

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
<small>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.</small>	

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: _____
<small>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.</small>	

Attachments

Attachments

Service Quality Standards & Consumer Protection Rules Compliance

Study Area Code	532389
Study Area Name	Oregon Telephone Corporation
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

Consumer Protection

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

Service Quality Standards

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

Functionality in Emergency Situations

Study Area Code 532389
 Study Area Name OREGON TELEPHONE CORP
 Program Year 2014
 Contact Name DELINDA KLUSER
 Contact Telephone Number 541 932 4411
 Contact E-Mail Address dkluser@ortelco.net

<u>Exchange</u>	<u>Site Name</u>	<u>Battery Ah</u>	<u>Est Battery Life</u>	<u>Backup Pwr</u>	<u>Fuel Type</u>	<u>Capacity</u>	<u>Est Run Time</u>
Dayville	Dayville Central Office	170 Ah	11 hrs	Generator	Propane	250 gal	100 hrs
Dayville	Cottonwood AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Dayville	National Park AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Dayville	Long Box Ranch AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Dayville	Calix ONTs	7.2 Ah	8 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Mt Vernon CO	1400 Ah	6 hrs	Generator	Propane	500 gal	58 hrs
Mt Vernon	Moon Creek AFC Remote	40 Ah	8 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Moon Creek Cemetary AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Widows Creek AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Widows Creek E3-12c Remote	7.2 Ah	5 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Kalida AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Harper Creek AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Bragga Way AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Laycock Creek Calix ODC-1000	170 Ah	15 hrs	N/A	N/A	N/A	N/A
Mt Vernon	Calix ONTs	7.2 Ah	8 hrs	N/A	N/A	N/A	N/A
John Day	John Day CO	100 Ah	50 hrs	N/A	N/A	N/A	N/A
Prairie City	Prairie City CO	170 Ah	9 hrs	Generator	Propane	250 gal	100 hrs
Prairie City	Indian Creek AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Prairie City	Calix ONTs	7.2 Ah	8 hrs	N/A	N/A	N/A	N/A
Bates	Bates CO	170 Ah	11 hrs	Generator	Propane	250 gal	100 hrs
Unity	Unity CO	1400 Ah	67 hrs	N/A	N/A	N/A	N/A
Unity	Beam Creek AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Unity	Rice Road AFC Remote	40 Ah	8 hrs	N/A	N/A	N/A	N/A
Unity	Cow Valley AFC Remote	40 Ah	8 hrs	N/A	N/A	N/A	N/A
Unity	Cemetary AFC Remote	40 Ah	8 hrs	N/A	N/A	N/A	N/A
Unity	Hereford Calix ODC-20	100 Ah	15 hrs	N/A	N/A	N/A	N/A
Unity	Bridgeport Calix ODC-20	100 Ah	15 hrs	N/A	N/A	N/A	N/A
Unity	Ironside Calix ODC-20	100 Ah	15 hrs	N/A	N/A	N/A	N/A
Unity	Willow Creek Calix ODC-20	100 Ah	15 hrs	N/A	N/A	N/A	N/A
Unity	Brogan Calix ODC-100	40 Ah	9 hrs	Generator	Propane	56 gal	22 hrs
Unity	Weiser CO (Co-located in Midvale Tel)	1400 Ah	6 hrs	Generator	Natural Gas	No tank, line fed	Indefinite
Unity	Calix ONTs	7.2 Ah	8 hrs	N/A	N/A	N/A	N/A

1200

Terms and Conditions for
Lifeline Customers

Study Area Code	532389
Study Area Name	OREGON TELEPHONE CORP
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 923 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313 Lifeline customers MOU and additional toll charges

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

The following financial report contains financial data for both Oregon Telephone Corporation (SAC 532389) and Oregon Telephone Corporation-MTE (SAC 533336). The companies operate on a consolidated basis and separated results are not available.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0522-0041. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing, reviewing, and reporting the collection of information.

USDA-RUS		This data will be used by RUS to assess your financial situation. Your response is required by 7 CFR 178.101 and 178.102. It is subject to the regulations regarding confidential information in 7 CFR 178.101 and 178.102.	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER NAME Oregon Telephone Corporation	
INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin U744-2. Report in whole dollars only.		PERIOD ENDING December, 2012	BORROWER DESIGNATION OR0510
CERTIFICATION			
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.			
ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.			
DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7 CFR CHAPTER XVII (Check one of the following)			
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) are specifically described in the Telecom Operating Report.	
Deinda Kluser		3/21/2013	
		DATE	

PART A. BALANCE SHEET							
ASSETS		BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY			
				BALANCE PRIOR YEAR	BALANCE END OF PERIOD		
CURRENT ASSETS				CURRENT LIABILITIES			
1	Cash and Equivalents	1,852,078	2,990,544	25	Accounts Payable	875,222	471,496
2	Cash-RUS Construction Fund	1	1	26	Notes Payable		
3	Affiliates:			27	Advance Billings and Payments		23,684
a	Telecom. Accounts Receivable	126,799	126,604	28	Customer Deposits	5,225	5,375
b	Other Accounts Receivable	86,242	172,307	29	Current Mat. L/T Debt	1,514,359	1,660,661
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		350,379
b	Other Accounts Receivable	704,077	611,535	33	Other Taxes Accrued		
c	Notes Receivable			34	Other Current Liabilities	213,315	201,381
5	Interest and Dividends Receivable			35	Total Current Liabilities (25 thru 34)	2,608,121	2,629,381
6	Material-Regulated	22,326	32,826	LONG-TERM DEBT			
7	Material-Nonregulated			36	Funded Debt-RUS Notes	15,117,191	14,803,379
8	Prepayments	41,316	5,184	37	Funded Debt-RTB Notes	2,811,785	2,770,595
9	Other Current Assets			38	Funded Debt-FFB Notes		
10	Total Current Assets (1 Thru 9)	2,832,839	3,929,001	39	Funded Debt-Other		
NONCURRENT ASSETS				40	Funded Debt-Rural Develop. Loan		
11	Investment in Affiliated Companies:			41	Premium (Discount) on L/T Debt		
a	Rural Development			42	Reacquired Debt		
b	Nonrural Development	3,703,584	4,025,979	43	Obligations Under Capital Lease		
12	Other Investments:			44	Adv. From Affiliated Companies		
a	Rural Development			45	Other Long-Term Debt	1,629,827	1,328,068
b	Nonrural Development	74,158	74,158	46	Total Long-Term Debt (36 thru 45)	19,558,803	18,902,002
13	Nonregulated Investments	265,860	366,766	OTHER LIAB. & DEF. CREDITS			
14	Other Noncurrent Assets			47	Other Long-Term Liabilities	12,941	10,247
15	Deferred Charges			48	Other Deferred Credits	1,303,317	1,640,742
16	Jurisdictional Differences			49	Other Jurisdictional Differences		
17	Total Noncurrent Assets (11 thru 16)	3,943,602	4,466,903	50	Total Other Liabilities and Deferred Credits (47 thru 49)	3,326,258	3,651,025
PLANT, PROPERTY, AND EQUIPMENT				EQUITY			
18	Telecom. Plant-in-Service	30,775,454	31,430,103	51	Cap. Stock Outstand. & Subscribed	2,674,715	2,674,715
19	Property Held for Future Use			52	Additional Paid-in-Capital	13,204	13,204
20	Plant Under Construction			53	Treasury Stock	10,556,030	10,630,270
21	Plant Adj., Nonop. Plant & Goodwill	859,299	859,299	54	Membership and Cap. Certificates		
22	Less Accumulated Depreciation	11,257,499	12,086,717	55	Other Capital		
23	Net Plant (18 thru 21 less 22)	20,377,294	20,202,685	56	Patronage Capital Credits		
24	TOTAL ASSETS (10+17+23)			57	Retained Earnings or Margins	11,540,664	12,358,168
		27,153,735	28,598,589	58	Total Equity (51 thru 57)	3,670,553	5,416,117
				59	TOTAL LIABILITIES AND EQUITY (35+46+50+58)	27,153,735	28,598,589

Total Equity = 18.94% of Total Assets

USDA-RUS

BORROWER DESIGNATION

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

OR0510

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1 Local Network Services Revenues	480,608	469,585
2 Network Access Services Revenues	5,578,287	6,391,537
3 Long Distance Network Services Revenues		
4 Carrier Billing and Collection Revenues	27,572	32,119
5 Miscellaneous Revenues	13,395	29,545
6 Uncollectible Revenues	2,132	3,823
7 Net Operating Revenues (1 thru 5 less 6)	6,097,711	6,915,912
8 Plant Specific Operations Expense	985,133	733,941
9 Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	142,424	174,855
10 Depreciation Expense	1,437,685	1,575,655
11 Amortization Expense		
12 Customer Operations Expense	134,611	153,259
13 Corporate Operations Expense	795,354	893,863
14 Total Operating Expenses (8 thru 13)	2,495,207	3,511,800
15 Operating Income or Margins (7 less 14)	2,602,524	3,407,112
16 Other Operating Income and Expenses	3,358	3,331
17 State and Local Taxes	2,469	171,067
18 Federal Income Taxes	512,080	593,942
19 Other Taxes	311,870	335,505
20 Total Operating Taxes (17+18+19)	826,419	1,060,514
21 Net Operating Income or Margins (15+16-20)	1,779,463	2,349,369
22 Interest on Funded Debt	901,517	955,524
23 Interest Expense - Capital Leases		
24 Other Interest Expense	33,003	32,297
25 Allowance for Funds Used During Construction		
26 Total Fixed Charges (22+23+24-25)	934,520	987,821
27 Nonoperating Net Income	473,973	465,379
28 Extraordinary Items		
29 Jurisdictional Differences		
30 Nonregulated Net Income	(92,771)	(9,714)
31 Total Net Income or Margins (21+27+28+29+30-26)	1,226,145	1,817,603
32 Total Taxes Based on Income	530,554	711,562
33 Retained Earnings or Margins Beginning-of-Year	10,314,519	11,540,665
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)]	11,540,664	11,358,468
40 Patronage Capital Beginning-of-Year		
41 Transfers to Patronage Capital		
42 Patronage Capital Credits Retired		
43 Patronage Capital End-of-Year (40+41-42)	0	0
44 Annual Debt Service Payments	2,210,600	2,542,277
45 Cash Ratio [(14+20-10-11) / 7]	0.4730	0.4231
46 Operating Accrual Ratio [(14+20+26) / 7]	0.8620	0.8026
47 TIER [(31+26) / 26]	2.3121	2.8402
48 DSCR [(31+26+10+11) / 44]	1.6278	1.7235

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		ORL510
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012
PART I - STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,880,675
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net income	1,617,602
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add Depreciation	1,575,855
4.	Add Amortization	0
5.	Other (Explain) income tax/depr	269,910
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	6,672
7.	Decrease/(Increase) in Materials and Inventory	110,500
8.	Decrease/(Increase) in Prepayments and Deferred Charges	36,132
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(403,720)
11.	Increase/(Decrease) in Advance Billings & Payments	23,058
12.	Increase/(Decrease) in Other Current Liabilities	(81,934)
13.	Net Cash Provided/(Used) by Operations	2,305,923
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	150
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(490,439)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	314,771
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	(72,240)
20.	Less Payment of Dividends	0
21.	Less Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	(227,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(654,609)
25.	Other Long-Term Investments	(527,301)
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) capital exp/subsidiary inc	(766,189)
28.	Net Cash Provided/(Used) by Investing Activities	(1,948,099)
29.	Net Increase/(Decrease) in Cash	1,128,460
30.	Ending Cash	2,980,545

Revision Date 2010

OREGON TELEPHONE CORPORATION

RUS MANAGEMENT LETTER

DECEMBER 31, 2012 AND 2011



INDEPENDENT AUDITOR'S MANAGEMENT LETTER FOR TELECOMMUNICATIONS
BORROWERS

March 1, 2013

Board of Directors
Oregon Telephone Corporation
Mt. Vernon, Oregon

We have audited the financial statements of Oregon Telephone Corporation for the years ended December 31, 2012 and 2011, and have issued our report thereon dated March 1, 2013. We conducted our audits in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utility Services (RUS) Borrowers. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of Oregon Telephone Corporation for the years ended December 31, 2012 and 2011, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A description of the responsibility of management for establishing and maintaining the internal control over financial reporting and the objectives of and inherent limitations in such control is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated March 1, 2013, and should be read in conjunction with this report.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be prevented or detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Section 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33 (e)(2), and related party transactions and investments. In addition, our audits of the financial statements also included the procedures specified in 7 CFR 1773.38 - .45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports other than our independent auditor's report and our independent auditor's report on internal control over financial reporting and on compliance, all dated March 1, 2013, or summary of recommendations related to our audits have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Oregon Telephone Corporation's internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- * The accounting procedures and records;
- * The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- * The materials control.

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

Management's responsibility for compliance with laws, regulations, contracts, and grants is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated March 1, 2013, and should be read in conjunction with this report. At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- * Procedure performed with respect to the requirement to maintain all funds in institutions whose accounts are insured by an Agency of the Federal government:
 1. Obtained information from financial institutions with which Oregon Telephone Corporation maintains funds that indicated that the institutions are insured by an agency of the Federal government.

- * Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, for the use of mortgaged property by others, or for services pertaining to toll traffic, operator assistance, or switching for the years ended December 31, 2012 and 2011, of Oregon Telephone Corporation.
 1. Obtained and read a borrower-prepared schedule of new written contracts, agreements or leases entered into during the years between the borrower and an affiliate as defined in §1773.33 (e)(2)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 3. Noted the existence of written RUS approval of each contract listed by the borrower.

- * Procedure performed with respect to the requirement to submit RUS Form 479 to the RUS:
 4. Agreed amounts reported in Form 479 to Oregon Telephone Corporation's records.

The results of our tests indicate that, with respect to the items tested, Oregon Telephone Corporation complied, except as noted below, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- * The borrower maintains all funds in institutions whose accounts are insured by an agency of the Federal government. The Company does, however, have funds in excess of insured amounts deposited in those accounts.

- * The borrower has obtained written approval of the RUS to enter into any contract, agreement or lease with an affiliate as defined in §1773.33 (e)(2)(i); and
- * The borrower has submitted its Form 479 to the RUS and the Form 479, Financial and Statistical Report, as of December 31, 2011, represented by the borrower as having been submitted to RUS, is in agreement with the Oregon Telephone Corporation's audited records in all material respects. Form 479 for 2012 was not completed as of our report date.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audits of the financial statements of Oregon Telephone Corporation, nothing came to our attention that caused us to believe that Oregon Telephone Corporation failed to comply with respect to:

1. The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33 (c)(1);
 - * The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33 (c)(2);
 - * The retirement of plant addressed at 7 CFR 1773.33 (c)(3) and (4);
 - * The approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33 (c)(5);
 - * The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the years ended December 31, 2012 and 2011, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33 (e); and
 - * The detailed schedule of investments.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments required by 7 CFR 1773.33 (i), and provided below, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Investment	% Owned	Original Investment	Advances (Dividends)	Current Earnings	Prior Accumulated Earnings	Ending Investment
North State Telephone Company	95.29%	\$1,226,519	\$(365,677)	\$358,393	\$2,837,464	\$4,056,699
MD Communications, LLC	100%	10,489		(36,000)	(5,209)	(30,720)
Western Independent Networks, Inc.	298 shares	51,658	22,500	0	0	74,158
		<u>\$1,288,666</u>	<u>\$(343,177)</u>	<u>\$322,393</u>	<u>\$2,832,255</u>	<u>\$4,100,137</u>

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Wiggins & Co., LLC

Brigham City, Utah 84302
March 1, 2013