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OTZ TELEPHONE COOPERATIVE, INC.

P.O. BOX 324
KOTZEBUE, ALASKA 99752
(907) 442-3114
FAX (907) 442-2123
1-800-470-3111

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20544

Re: WC Docket Nos. 10-90 and 11-42, Annual 47 C.F.R. § 54.313(a)(5) and § 54.422
Certification via Form 481, Line No. 510

Dear Ms. Dortch:

Please accept this letter as certification that **OTZ Telephone Cooperative, Inc.** will make reasonable efforts to comply with applicable service quality standards as stated in Alaska Administrative Code 3 AAC 53.700 State Telecommunications Modernization Plan and consumer protection rules as defined in 47 C.F.R. Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft.

OTZ Telephone Cooperative, Inc. adheres to Consumer Protection by complying 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.

OTZ Telephone Cooperative, Inc. also adheres to Service Quality Standards by complying with the service standards of the State of Alaska as promulgated in the Alaska Administrative Code 3 AAC 53.700 State Telecommunications Modernization Plan.

Sincerely,

Douglas A. Neal
Chief Executive Officer



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Washington, D.C. 20544

Re: WC Docket Nos. 10-90 and 11-42, Annual 47 C.F.R. § 54.313(a)(6) and § 54.422
Certification via Form 481, Line No. 610

Dear Ms. Dortch:

Please accept this letter as certification that **OTZ Telephone Cooperative, Inc.** will make reasonable efforts to function in emergency situations as set forth in 47 C.F.R. §54.202(a)(2) and in Alaska Administrative Code 3 AAC 53.410(a)(12).

Back-up Power

OTZ Telephone Cooperative, Inc. has the following back-up power capabilities:

Switches -- stand alone and/or host

- | | |
|--------------------|---|
| Ambler CO Switch | Back-up Honda Alpha DCX 3000 48 volt, 3,000 watt generator, and a 48 volt Marathon M12V90's battery plant with four (4) 90 amp hour batteries. Generator fuel storage tank is 3.5 gallons and provides emergency run time of ten (10) hours and additional battery reserve power of four (4) hours. |
| Buckland CO Switch | Back-up Honda EB 11,000 AC, 10,500 watt generator, and a 48 volt Fiamm FA2014, 600 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of seventeen (17) hours. |
| Deering CO Switch | Back-up Honda EB 11,000 AC, 10,500 watt generator, and a 48 volt Deka Unigy II AVR 85-15, 630 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of twenty-three (23) hours. |

Kiana CO Switch	Back-up Honda EB 11,000 AC, 10,500 watt Generator, and a 48 volt Deka Unigy II AVR 85-15, 630 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of twenty-three (23) hours.
Kivalina CO Switch	Back-up Honda EB 11,000 AC, 10,500 watt generator, and a 48 volt Deka Unigy II AVR 95-17, 760 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of twenty-one (21) hours.
Kobuk CO Switch	Back-up Honda Alpha DCX 3000 48 volt, 3,000 watt generator, with a 48 volt Marathon M12V90's battery plant with eight (8) 90 amp hours batteries. Generator fuel storage tank is 3.5 gallons and provides emergency run time of ten (10) hour and additional battery reserve power of six (6) hours.
Kotzebue CO Switch	Back-up Honda Alpha DCX 3000 48 volt, 3,000 watt generator, and a 48 volt Deka Unigy II AVR 125-33, 2,000 amp hour battery plant. Generator fuel storage tank is 3.5 gallons and provides emergency run time of ten (10) hours and additional battery reserve power of twenty (20) hours.
Noatak CO Switch	Back-up Honda EB 11,000 AC, 10,500 watt generator, and a 48 volt Deka Unigy II AVR 95-17, 760 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of twenty-three (23) hours.
Noorvik CO Switch	Back-up Honda GX 620 AC, 12,000 watt generator, and a 48 volt Deka Unigy II AVR 95-11, 475 amp hour battery plant. Generator fuel storage tank is 6.9 gallons and provides emergency run time of five (5) hours and additional battery reserve power of fifteen (15) hours.
Red Dog CO Switch	Back-up generator is supplied by Teck Cominco Alaska Incorporated. The battery plant is a 48 volt C&D TEL1-105F with 200 amp hour. The battery reserve power is ten (10) hours without the generator.
Selawik CO Switch	A 48 volt Deka Unigy II AVR 95-17, 760 amp hour battery plant provides twenty-seven (27) hours of reserve power.

Shungnak CO Switch A 48 volt Deka Unigy II AVR 95-7, 285 amp hour battery plant provides eleven (11) hours of reserve power.

Remote Central Offices None

Subscriber Carrier – Digital Loop Carrier Equipment

Kotzebue Exchange Adtran Back-up Honda Alpha DCX 3000 48 volt, 3,000 watt generator, and a 48 volt Deka Unigy II AVR 125-33, 2,000 amp hour battery plant. Generator fuel storage tank is 3.5 gallons and provides 10 hours run-time. Note that run time will be continuous with Village Rep at site to keep the Generator refueled.

Ambler Exchange Adtran Back-up Honda DCX 3000 48 volt, 3,000 watt generator, and a 48 volt Marathon M12V90, 180 amp hour battery plant. With the amperage load at this site, there is 8 hours battery run-time. Generator fuel storage tank is 3.5 gallons and provides 10 hours run time. Note that run time will be continuous with Village Rep at site to keep the Generator refueled.

Kobuk Exchange Adtran Back-up Honda DCX 3000 48 volt, 3,000 watt generator, and a 48 volt Marathon M12V90, 180 amp hour battery plant. With the amperage load at this site there is 8 hours battery run-time. Generator fuel storage tank is 3.5 gallons and provides 10 hours run time. Note that run time will be continuous with Village Rep at site to keep the Generator refueled.

Network Interface Devices (NIDs)

OTZ Telephone Cooperative, Inc. has 2,363 customers with metallic (copper) connections to the Central Offices and their NIDs are powered from the Central Offices.

Ability to reroute traffic around damaged facilities:

OTZ Telephone Cooperative, Inc. has stand alone locations connected by satellite. All exchanges except one provide equal access with AT&T and GCI for interconnection to the Public Switched Telephone Network.

Capability to manage traffic spikes resulting from emergency situations

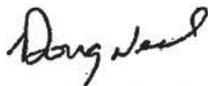
Ambler Exchange **OTZ Telephone Cooperative, Inc.** has 87 customers, switching capacity of 160 simultaneous calls, and transport capacity for 24 simultaneous

calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

- Buckland Exchange** **OTZ Telephone Cooperative, Inc.** has 117 customers, switching capacity of 192 simultaneous calls, and transport capacity for 288 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Deering Exchange** **OTZ Telephone Cooperative, Inc.** has 74 customers, switching capacity of 128 simultaneous calls, and transport capacity for 192 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Kiana Exchange** **OTZ Telephone Cooperative, Inc.** has 116 customers, switching capacity of 224 simultaneous calls, and transport capacity for 336 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Kivalina Exchange** **OTZ Telephone Cooperative, Inc.** has 95 customers, switching capacity of 224 simultaneous calls, and transport capacity for 336 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Kobuk Exchange** **OTZ Telephone Cooperative, Inc.** has 60 customers, switching capacity of 96 simultaneous calls, and transport capacity for 24 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Kotzebue Exchange** **OTZ Telephone Cooperative, Inc.** has 1,293 customers, switching capacity of 4,128 simultaneous calls, and transport capacity for 2,400 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

- Noatak Exchange **OTZ Telephone Cooperative, Inc.** has 135 customers, switching capacity of 224 simultaneous calls, and transport capacity for 336 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Noorvik Exchange **OTZ Telephone Cooperative, Inc.** has 129 customers, switching capacity of 256 simultaneous calls, and transport capacity for 384 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Red Dog Exchange **OTZ Telephone Cooperative, Inc.** has 9 customers, switching capacity of 64 simultaneous calls, and transport capacity for 1056 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Selawik Exchange **OTZ Telephone Cooperative, Inc.** has 181 customers, switching capacity of 416 simultaneous calls, and transport capacity for 624 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.
- Shungnak Exchange **OTZ Telephone Cooperative, Inc.** has 76 customers, switching capacity of 112 simultaneous calls, and transport capacity for 24 simultaneous calls. **OTZ Telephone Cooperative, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

Sincerely,



Douglas A. Neal
Chief Executive Officer



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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20544

Re: WC Docket No. 10-90, Annual 47 C.F.R. § 54.313(a)(9) Certification via Form 481, Line No. 920

Dear Ms. Dortch:

Please accept this letter as certification demonstrating that **OTZ Telephone Cooperative, Inc.** has coordinated with Tribal government as set forth in 47 C.F.R. §54.313(a)(9).

In 2013, **OTZ Telephone Cooperative, Inc.** contacted all of the tribal administrators in our service area in order to comply with the Universal Service Transformation Order. **OTZ Telephone Cooperative, Inc.** contacted the following organizations:

- Native Village of Ambler
- Buckland IRA Council
- Deering IRA Council
- Kiana Traditional Council
- Kivalina IRA Council
- Kobuk Traditional Council
- Kotzebue IRA Council
- Noatak IRA Council
- Noorvik IA Council
- Native Village of Selawik
- Shungnak IRA Council

Each tribal administrator was informed of **OTZ Telephone Cooperative Inc.'s** responsibility to work with all tribal offices regarding a variety of topics. Specifically, **OTZ Telephone Cooperative Inc.'s** discussions included (i) A needs assessment and deployment planning with a focus on Tribal community anchor institutions; (ii) Feasibility and sustainability planning; (iii) Marketing services in a culturally sensitive manner; (iv) Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes; and (v) Compliance with Tribal business and licensing requirements.

Sincerely,

Douglas A. Neal
Chief Executive Officer



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Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20544

Re: WC Docket Nos. 10-90 and 11-42, Annual 47 C.F.R. § 54.422(a)(2) Certification via Form 481, Line No. 1210

Dear Ms. Dortch:

Please accept this letter as certification that **OTZ Telephone Cooperative, Inc.** offers Lifeline services as set forth in 47 C.F.R. §54.422(a)(2). The following information describes the terms and conditions of all voice telephony service plans offered to Lifeline subscribers.

For its Wireline Lifeline service, **OTZ Telephone Cooperative, Inc.** charges subscribers \$0.00 per month. This amount includes all federally mandated charges and access fees. Subscribers receive unlimited local minutes per month. In order to add long distance service, a deposit of \$90.00 is required.

To qualify, a subscriber must fill out an application and certify that they meet the federal guidelines; copy of the application/certification is included on the following pages.

Sincerely,

Douglas A. Neal
Chief Executive Officer

ELIGIBILITY REQUIREMENTS

If you do not qualify for Lifeline based on the assistance programs listed on page one, then the following chart can be used to determine eligibility for Lifeline based solely on income. You may qualify if your household annual income is at or below 135% of the Federal Poverty Guidelines. A household is any individual or group of individuals who live together at the same address and share income and expenses. If the income amount for your household size is more than the amount shown on the chart below you do not qualify for Lifeline discount based solely on income.

Federal Poverty Guidelines - 135%

Household Size	1	2	3	4	5	6	7	8	More than 8
Alaska	\$19,683	\$26,541	\$33,399	\$40,257	\$47,115	\$53,973	\$60,831	\$67,689	Add \$6,858 for each

I CERTIFY THAT MY TOTAL HOUSEHOLD INCOME IS AT OR BELOW THE 135% OF THE FEDERAL POVERTY GUIDELINES AND I ALSO CERTIFY THAT THIS IS HOW MANY PEOPLE LIVE IN MY HOUSEHOLD (required): _____

If your household qualifies based on the above income chart, attach a copy of the following applicable documents. If you provide documentation that does not cover a full year (such as a current paycheck stub), you must submit three (3) consecutive months of the same type of document from the previous 12 months.

- Prior year's state, federal or Tribal tax return
- Current income statement from an employer or paycheck stub
- Social Security statement of benefits
- Veteran's Administration statement of benefits
- Retirement/Pension statement of benefits
- Unemployment/Workmen's Compensation statement of benefits
- Federal/Tribal notice letter of participation in General Assistance
- Divorce decree
- Child support award
- Other official document containing income information

ACKNOWLEDGEMENT & CONSENT

Your name, phone number, address, and information contained in the application, as well as information associated with your Lifeline service may be provided to the Universal Service Administration Company, or USAC, in order to verify your household does not receive more than one Lifeline benefit. You will be denied Lifeline benefits if you fail to provide OTZ with consent to provide the specified information to USAC.

- I ACKNOWLEDGE AND CONSENT THAT OTZ PROVIDE MY INFORMATION TO USAC AS MENTIONED ABOVE.
- I AGREE TO ALLOW OTZ TO EXCHANGE MY INFORMATION WITH FEDERAL OR STATE AGENCIES TO VERIFY MY ELIGIBILITY TO PARTICIPATE IN THE LIFELINE PROGRAM.
- I AGREE NOT TO TRANSFER MY LIFELINE BENEFITS TO ANOTHER PERSON.
- I AGREE TO PROVIDE A NEW ADDRESS TO OTZ WITHIN 30 DAYS IF I MOVE TO A NEW ADDRESS.
- I AGREE TO NOTIFY OTZ WITHIN 30 DAYS IF, FOR ANY REASON, I OR MY HOUSEHOLD:
 - NO LONGER RECEIVE BENEFITS FROM FEDERAL OR STATE PROGRAMS THAT QUALIFY ME FOR LIFELINE.
 - IF MY ANNUAL HOUSEHOLD INCOME EXCEEDS THE FEDERAL POVERTY GUIDELINES AMOUNT LISTED ABOVE THAT QUALIFIED ME FOR THE LIFELINE PROGRAM.
 - RECEIVES MORE THAN ONE LIFELINE BENEFIT OR ANOTHER MEMBER OF MY HOUSEHOLD IS RECEIVING LIFELINE SERVICE.
- I ACKNOWLEDGE THAT I MAY BE REQUIRED TO RE-CERTIFY MY CONTINUED ELIGIBILITY FOR LIFELINE AND MY FAILURE TO RE-CERTIFY WILL RESULT IN DE-ENROLLMENT AND TERMINATION OF MY LIFELINE BENEFITS.
- I ACKNOWLEDGE THAT PROVIDING FALSE OR FRAUDULENT INFORMATION TO RECEIVE LIFELINE BENEFITS IS PUNISHABLE BY LAW.
- THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Billing Name Signature

Date

Print Beneficiary Name

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 501 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER NAME OTZ Telephone Cooperative, Inc. (Prepared with Audited Data)	

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2013	BORROWER DESIGNATION AK0516
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CERTIFICATION

I/We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Douglas Neal

4/29/2014

DATE

PART A. BALANCE SHEET					
ASSETS	BALANCE	BALANCE	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	794,415	827,330	25. Accounts Payable	2,161,018	2,076,986
2. Cash-RUS Construction Fund	109,394	29,363	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	60,074	60,127
a. Telecom, Accounts Receivable			28. Customer Deposits	36,709	34,959
b. Other Accounts Receivable			29. Current Mat. L/T Debt	1,375,200	1,719,100
c. Notes Receivable	1,970,568	1,729,397	30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	311,895	315,029	32. Income Taxes Accrued		
b. Other Accounts Receivable	633,967	422,210	33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	1,993,059	434,700
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	5,626,060	4,325,872
6. Material-Regulated	378,892	344,640	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	4,348,612	3,690,376
8. Prepayments	85,557	86,410	37. Funded Debt-RTB Notes	1,498,765	1,477,317
9. Other Current Assets			38. Funded Debt-FFB Notes	936,684	751,110
10. Total Current Assets (1 Thru 9)	4,284,688	3,754,379	39. Funded Debt-Other	763,351	2,008,748
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	2,451,725	2,745,121	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	355,158	533,376	46. Total Long-Term Debt (36 thru 45)	7,547,412	7,927,551
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	296,233	296,233
15. Deferred Charges	17,896	23,834	48. Other Deferred Credits	17,896	23,834
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	2,824,779	3,302,331	50. Total Other Liabilities and Deferred Credits (47 thru 49)	314,129	320,067
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	28,626,510	28,879,322	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	1,560,111	445,478	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates	7,660	6,735
22. Less Accumulated Depreciation	17,714,726	17,611,296	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	12,471,895	11,713,504	56. Patronage Capital Credits	5,830,009	5,830,009
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	256,092	359,980
	19,581,362	18,770,214	58. Total Equity (51 thru 57)	6,093,761	6,196,724
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	19,581,362	18,770,214

Total Equity = 33.01% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		AK0516	
		PERIOD ENDING December, 2013	
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	913,157	928,372	
2. Network Access Services Revenues	5,767,842	5,661,718	
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues	65,357	117,330	
5. Miscellaneous Revenues	57,958	46,548	
6. Uncollectible Revenues	18,105	23,745	
7. Net Operating Revenues (1 thru 6 less 6)	6,806,209	6,730,223	
8. Plant Specific Operations Expense	2,769,428	2,632,040	
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	580,941	667,230	
10. Depreciation Expense	1,346,252	1,392,579	
11. Amortization Expense			
12. Customer Operations Expense	306,959	506,903	
13. Corporate Operations Expense	1,577,313	1,421,563	
14. Total Operating Expenses (8 thru 13)	6,580,893	6,620,315	
15. Operating Income or Margins (7 less 14)	225,316	109,908	
16. Other Operating Income and Expenses	(173,831)		
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes	107,805	107,721	
20. Total Operating Taxes (17+18+19)	107,805	107,721	
21. Net Operating Income or Margins (15+16-20)	(56,320)	2,187	
22. Interest on Funded Debt	460,931	450,493	
23. Interest Expense - Capital Leases			
24. Other Interest Expense	4,487		
25. Allowance for Funds Used During Construction	70,000	80,000	
26. Total Fixed Charges (22+23+24-25)	395,418	370,493	
27. Nonoperating Net Income	837,554	370,048	
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income	110,761	101,827	
31. Total Net Income or Margins (21+27+28+29+30-26)	496,577	103,569	
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year	(241,095)	256,411	
34. Miscellaneous Credits Year-to-Date	610		
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)]	256,092	359,980	
40. Patronage Capital Beginning-of-Year	5,830,009	5,830,009	
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)	5,830,009	5,830,009	
44. Annual Debt Service Payments	1,599,462	1,719,124	
45. Cash Ratio [(14+20-10-11) / 7]	0.7849	0.7928	
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0408	1.0547	
47. TIER [(31+26) / 26]	2.2558	1.2795	
48. DSCR [(31+26+10+11) / 44]	1.3994	1.0858	

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AK0516

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Ambler	24.50	16.55	47	40	87		4.13
Buckland	24.50	16.55	62	51	113		1.71
Dearing	24.50	16.55	44	27	71		2.47
Klana	24.50	16.55	57	54	111		2.21
Kivalina	24.50	16.55	58	37	95		1.36
Kobuk	24.50	16.55	39	17	56		1.00
Kolzebue	24.50	16.55	753	518	1,271		27.52
Noatak	24.50	16.55	52	80	132		2.83
Noorvik	24.50	16.55	57	68	125		4.03
Red Dog	24.50	16.55	9	0	9		1.00
Selawik	24.50	16.55	95	72	167		9.18
Shungnak	24.50	16.55	43	32	75		3.05
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			1,316	996	2,312	60.49	0.00
No. Exchanges	12						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AK0518

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	StandAlone/Pckg (i)	Type Of Technology (g)
Ambler	94	17	17	256	256	45.00	StandAlone	DSL
Buckland	125	28	29	256	256	45.00	StandAlone	DSL
Deering	75	21	21	256	256	45.00	StandAlone	DSL
Klona	118	38	38	256	256	45.00	StandAlone	DSL
Kivaline	104	38	38	256	256	45.00	StandAlone	DSL
Kobuk	59	14	14	256	256	45.00	StandAlone	DSL
Kolzebue	1,338	493	171	256	256	45.00	Package	DSL
Noatak	141	35	25	256	256	45.00	StandAlone	DSL
Noorvik	143	30	19	256	256	45.00	StandAlone	DSL
Red Dog	0	0	0	256	256	45.00	StandAlone	DSL
Selawik	195	42	28	256	256	45.00	StandAlone	DSL
Shungnak	70	32	18	256	256	45.00	StandAlone	DSL
Total	2,462	789						