



Warm Springs Telecommunications

Mission Statement

- To enhance and promote the development of telecommunications services that meet needs throughout the Reservation to enhance public safety, preserve and promote cultural heritage, and to encourage economic development both in new revenues and in job creation.



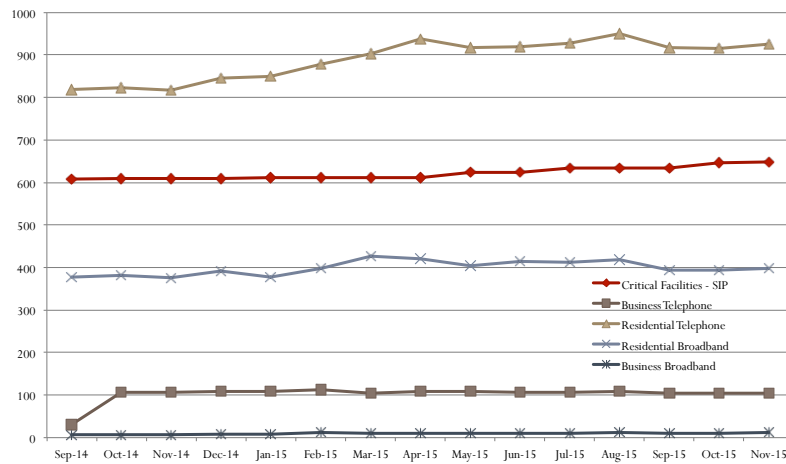
Warm Springs Telecommunications

2015 Employee Census

Tribal Members	6
MIT	2
Other Indians	1
Non-Indians	2
Total	11



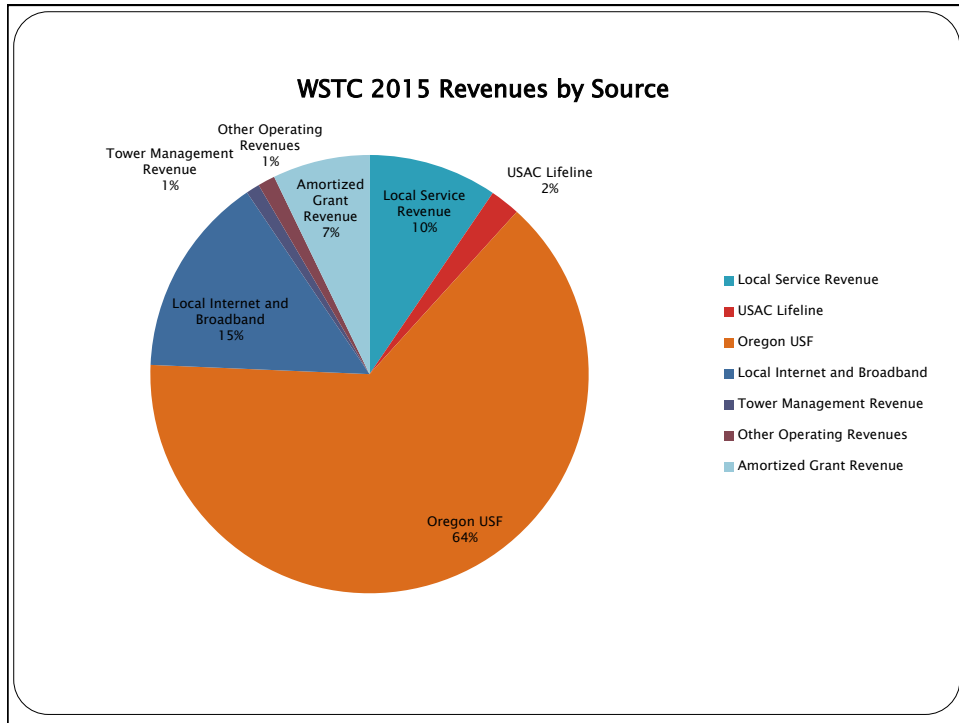
2014-2015 WS Telecom Subscriber Growth



	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Critical Facilities - SIP	608	610	610	610	611	611	611	611	624	624	633	633	633	646	649
Business Telephone	30	107	107	108	109	113	104	109	108	107	107	109	104	105	104
Residential Telephone	819	823	817	845	850	879	903	938	918	920	928	951	917	916	926
Residential Broadband	377	381	376	392	377	399	426	420	405	414	412	418	393	393	397
Business Broadband	7	7	7	8	9	12	11	11	11	11	11	12	10	10	12

Warm Springs Telecommunications Company			
Statement Of Operations			
For the Twelve Months Ended December 31, 2015			
		Twelve Months	
		12/31/15	%
Operating Revenue			
Local Network Services	\$	200,137	8.31%
USAC Lifeline Reimbursement		51,986	2.16%
Local Service - Internet and Broadband		349,844	14.53%
Oregon USF Fund		1,500,000	62.28%
Tower Management Revenue		23,780	1.00%
Amortized Grant Revenue		180,710	7.51%
Other Operating Revenue		127,949	5.31%
Uncollectible Revenue		(26,000)	-1.08%
		<u>2,408,406</u>	<u>100.01%</u>


Operating Expenses			
Plant Specific Operations		769,546	31.95%
Plant Nonspecific Operations		98,908	4.11%
Depreciation Expense		441,935	18.35%
Customer Operations		204,552	8.49%
Corporate Operations		<u>395,947</u>	<u>16.44%</u>
Total Operating Expenses		1,910,888	79.34%
Operating Income (Loss)		497,518	20.66%
Operating Taxes		<u>2,717</u>	<u>0.11%</u>
Net Operating Income (Loss) Before Fixed Charges		494,801	20.54%
Fixed Charges			
Interest on Funded Debt		93,635	3.89%
Other Interest Deductions		<u> </u>	<u>0.00%</u>
		93,635	3.89%
Net Operating Income (Loss)		401,166	16.66%
Net Income (Loss)	\$	401,166	16.66%
	RUSTIER	5.28	
	EBITDA	\$ 936,736	



Warm Springs Telecommunications

• *2015 Accomplishments*

- *Warm Springs Telecom has completed numerous projects during 2015. These projects include fiber extensions, electronics and radio upgrades, and new customer installations. Projects are to expand and improve telecommunications services on the Reservation. These enhanced services will enhance public safety, preserve and promote cultural heritage, and to encourage economic development.*



WARM SPRINGS TELECOM

Warm Springs Telecommunications

• *2015 Accomplishments (cont.)*

- *Projects completed mid-year:*
 - *Miller Flat Radio Replacement*
 - *Eagle Butte Monitoring*
 - *Ubiquiti to EB Radio*
 - *New Customer Installations*
 - *Miller Flat Expansion*
 - *Eagle Butte Point to Point Upgrade*
 - *Miller Flat Airfiber Link Installation*
 - *Warm Springs School Administration*



Warm Springs Telecommunications

• *2015 Accomplishments (cont.)*

- *Construction in Progress with Anticipated Completion in 2015*
 - *Fiber to Madras*
 - *Fiber extension to 509-J School*
 - *Fiber to Pelton Dam*
 - *High Lookee Assisted Living Project*
 - *Centurylink Colocation Gig e diverse route*
 - *Greeley Heights Fiber to the home FTTH*
 - *Bandwidth Upgrade Sidwalter lookout and Schoolie Flats*
 - *Wireless Mesh Network*
 - *Wireless Hotspots at Pelton Park*
 - *Mobile Wirelsss Installs for Fire Management and Natural Resources*



Close out ARRA OR 1107-A40



Final FRS #12 \$5,267,071.85

Warm Springs Telecommunications

• *2015 Accomplishments (cont.)*

- *Amateur Radio Emergency Communications Station*
- *Juniper Switch installation (replace force 10)*
- *Juniper Firewall installation*
- *Juniper MX180 Core router Install*
- *T1 aggregation router in Century Link CO*
- *Installed Tellabs Switch for TDM redundancy in Portland.*



Warm Springs Telecommunications

• 2016 Goals and Objectives

• During 2016, Warm Springs Telecom plans to add additional fiber plant to serve important Tribal Departments and Enterprises and enhance quality of existing services. Total budget for plant additions is \$175K, which includes \$157K in construction and related costs and \$18K in related engineering and permitting costs.

• Projects Include:

- Extension of 7.5 miles of fiber to Water Treatment Plant
- Build three miles of fiber to Warm Springs Power Enterprise
- Build 1.7 miles of fiber to Warm Springs Wood Products and Mill
- Build 40 foot tower to power radio equipment at Rattlesnake Springs



Before The Public Utility Commission of Oregon Application: **Approved**

ENTERED DEC 11, 2015

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UA 166, UM 1743

In the Matters of

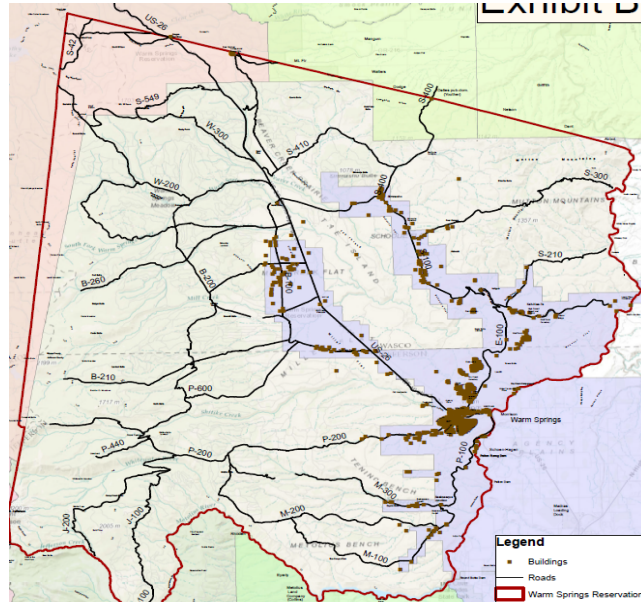
WARM SPRINGSTELECOMMUNICATIONS COMPANY, dba WARM SPRINGSTELECOM

Application for Allocation of Previously Unallocated Territory (Wanapine) (UA 166)

Application for Certification as a Telecommunications Utility (UM 1743)

ORDER DISPOSITION: APPLICATIONS APPROVED December 11th 2015

New Wanapine Exchange (ILEC)



Regulatory

Benefits to **Warm Springs Telecom** Becoming the ILEC (Incumbent Local Exchange Carrier)

- 1) It positions us to maximize subsidies for serving high cost areas (the Reservation)
- 2) We can tap into Federal Universal Service Funds, which we cannot do at this time
- 3) There are other revenue sources that would be available to us, such as carrier compensation, call termination fees, etc.
- 4) It positions us to get support under new FCC (Federal Communications Commission) rules for the CAF (Connect America Fund)
- 5) It allows us to improve profitability by shifting some costs to the regulated side of the business, such as outside plant maintenance and regulatory
- 6) It effectively shuts down any competition from CenturyLink, the current ILEC
- 7) It give us more clout and credibility with the FCC and the Oregon PUC (Public Utilities Commission)
- 8) It allows us to become a Title II Borrower with RUS (Rural Utilities Service). This will give us excellent loan terms, particularly when coupled with SUTA (Substantially Underserved Trust Areas) provisions
- 9) We will be able to continue the build-out of the communications network on the reservation and have this cost subsidized with State and Federal support dollars. More build-out will equal more cost support.