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REDACTED - FOR PUBLIC INSPECTION

April 23, 2018

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

Re: WC Docket No. 17-365

Domestic Section 214 Application Filed for the Transfer of Control of Peoples Mutual Telephone Company ("PMTc") and Peoples Mutual Long Distance Company ("PMLDC") (collectively, "Consolidated") to RiverStreet Management Services, LLC ("RiverStreet") (the "Peoples Mutual Application") (Consolidated and RiverStreet collectively, the "Parties")

Notice of Ex Parte Meeting

Dear Madam Secretary:

On April 19, 2018, Madeleine Findley, Daniel Kahn, Suzanne Yelen, Jodi May Donovan, Dennis Johnson, and Joseph Sorresso of the Wireline Competition Bureau ("WCB") met with RiverStreet's Eric Cramer and its counsel, Daniel Higgins of Burns, Day & Presnell, PA and Sylvia Lesse, Communications Advisory Counsel, LLC, and with Consolidated's Michael Shultz and Garrett Van Osdell and its counsel, Brett Ferencak of Morgan, Lewis & Bockius LLP. Messrs. Sorresso, Cramer, Higgins, Shultz and Van Osdell attended telephonically. The purpose of the meeting was to provide the Commission with additional information to assist the staff's consideration of the Peoples Mutual Application and other related matters.¹

¹ RiverStreet and its parent, Wilkes Telephone Membership Corporation ("WTMC"), are applicants in two other proceedings currently pending before the WCB: WC Docket No. 18-94, Domestic Section 214 Application Filed for the Transfer of Control of Ellerbe Telephone Company, Inc. to RiverStreet Management Services, LLC ("Ellerbe Application"); and WC Docket No. 18-95, Domestic Section 214 Application Filed for the Transfer of Control of Tri-County Membership Corporation to Wilkes Telephone Membership Corporation ("Tri-County Application"). The discussion of the Peoples Mutual Application also included information related to these dockets and, accordingly, notice of this meeting is being filed in all three proceedings.

RiverStreet and Consolidated expressed their appreciation for the opportunity to explain and elaborate on aspects of the Peoples Mutual Application and the Parties' *Ex Parte* Presentation filed April 12, 2018. First, to clarify RiverStreet's post-acquisition corporate structure, RiverStreet representatives explained the relationship among current and proposed operating companies, and provided a color-coded version of the RiverStreet post-acquisition organizational chart to staff after the meeting. A copy of this document is attached hereto.

Second, the Parties clarified their respective geographic operations. RiverStreet confirmed that PMTC would be its only operational incumbent local exchange company ("ILEC") in Virginia immediately after the proposed transfer, and Consolidated confirmed that PMTC is currently its only ILEC in Virginia.

The Parties also discussed their respective regulatory treatment status. Consolidated confirmed that PMTC operates as a rate-of-return company for access charge purposes, under grant of a waiver of the Commission's "all-or-nothing" rule, but is treated as a price cap company for Connect American Fund ("CAF") purposes. RiverStreet confirmed that upon grant of the Peoples Mutual Application, PMTC would be its sole model affiliate - all current RiverStreet-affiliated ILECs currently operating, as well as the ILECs to be acquired in the pending Ellerbe and Tri-County transactions, are rate-of-return companies.

RiverStreet also elaborated upon its expectation that post-purchase management integration will result in the allocation of relatively steady costs over a larger customer base, likely reducing, rather than increasing, the operational expenses attributable to its rate-of-return companies. Because the calculation of overhead for all companies is conducted at the parent level (WTMC) counting each customer of both regulated and deregulated services equally, the increase in customers necessarily reduces per-customer allocations. To provide Commission staff with greater detail, RiverStreet will hand-deliver pertinent sensitive commercial and financial information, and attaches a redacted version of this information hereto. RiverStreet holds this information in strict confidence and does not release to any element of the public and, accordingly, requests that this information be afforded the full measure of confidential treatment provided by law.

Noting the overall decrease in federal support generally, RiverStreet emphasized that the contemplated expansions in operations are part of a plan to ensure the continuing health of all current and prospective operations, independent of federal support, by ensuring robust and predictable cash flow – bolstered by completion of the contemplated transactions. Moreover, RiverStreet's initiation of the upgrades and improvements necessary to implement this strategy is jeopardized by a prolonged Application approval process because the financing for multiple ongoing infrastructure improvement projects is part of the same credit facility that will provide a portion of the funding for the PMTC acquisition transaction. Further funding for ongoing projects is being held pending Commission approval of the Peoples Mutual Application and thus, continued delay in the approval process has the potential to affect current and projected RiverStreet operations.

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The Parties invite staff to contact the undersigned with any questions regarding this filing, or other questions that might arise with respect to the Application.

Respectfully submitted,

/s/ Sylvia Lesse
Sylvia Lesse

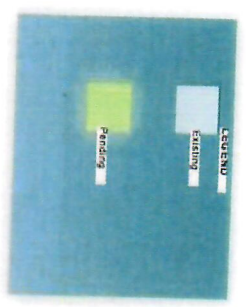
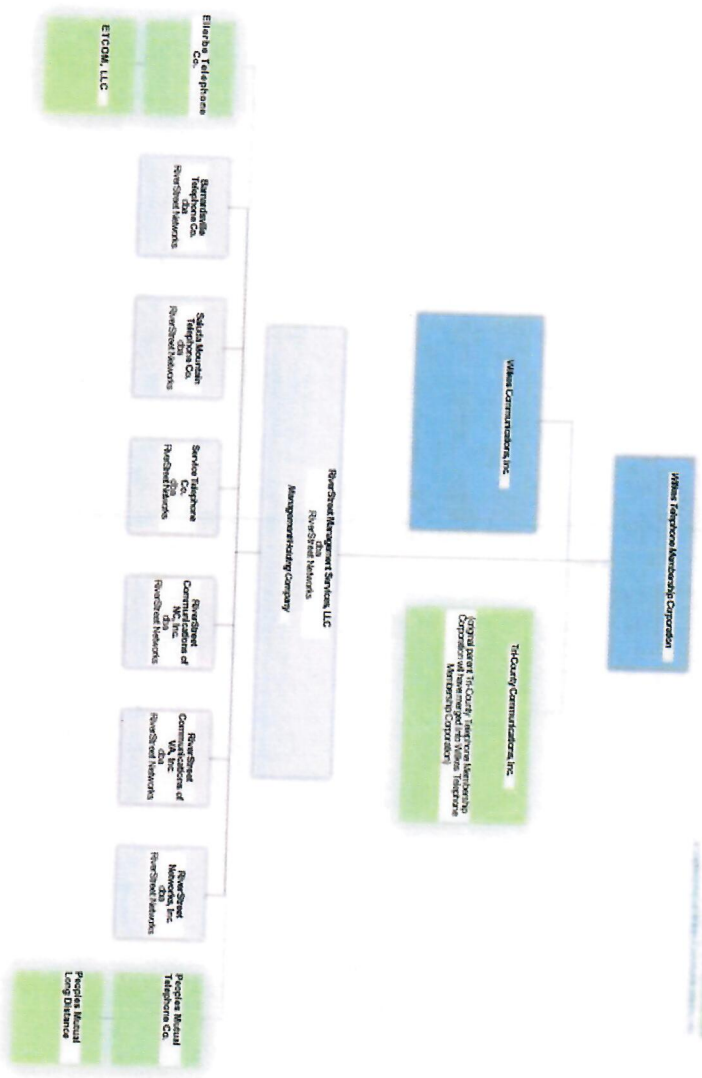
Counsel for RiverStreet

cc: (via email)

Madeleine Findley (WCB)
Daniel Kahn (WCB)
Suzanne Yelen (WCB)
Jodie May Donovan (WCB)
Dennis Johnson (WCB)
Joseph Sorresso (WCB)
Eric Cramer
Daniel Higgins
Michael Shultz
Garrett Van Osdell
Brett P. Ferenchak



Exhibit B-2
Post-Transaction Ownership



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April 23, 2018

Redacted Version Filed Via ECFS

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

Re: **WC Docket No. 17-365**

Domestic Section 214 Application Filed for the Transfer of Control of Peoples Mutual Telephone Company and Peoples Mutual Long Distance Company to RiverStreet Management Services, LLC

WC Docket No. 18-94

Section 214 Application Filed for the Transfer of Control of Ellerbe Telephone Company, Inc. to RiverStreet Management Services, LLC

WC Docket No. 18-95

Section 214 Application Filed for the Transfer of Control of Tri-County Telephone Membership Corporation to Wilkes Telephone Membership Corporation

Request for Confidential Treatment Pursuant to 47 C.F.R. § 0.459

Dear Madam Secretary:

RiverStreet Management Services, LLC ("RiverStreet") and its parent, Wilkes Telephone Member Corporation ("WTMC") (collectively, the "Wilkes Companies") are submitting herewith sensitive financial information in support of the referenced proceedings. Accordingly, the Wilkes Companies request that the redacted portions of its submission, highlighted in this unredacted version and indicated by strikeouts in the redacted version, be granted confidential treatment pursuant to Section 0.459 of the Commission's Rules, 47 C.F.R. § 0.459, and pursuant to 5 U.S.C. § 552(b)(4). Specifically, the Wilkes Companies requests that the attached

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information be withheld from public disclosure to avoid competitive harm and maintain the confidentiality of sensitive company information.

The telecommunications industry is extraordinarily competitive. The services provided by the Wilkes Companies cut across industry segments, including voice, broadband, and video services. Voice and data services are available from a number of sources, and competition is keen in areas served by the Wilkes Companies and the three companies that the Wilkes Companies contemplates acquiring. The financial and operational information provided to herewith will assist Commission staff in reaching the decision that prompt grant of the referenced applications is in the public interest. However, this information is highly confidential, detailing operational business arrangements that can provide competitors with a virtual diagram of current company service strategies and, furthermore, allow derivation of the company's plans for future service provision. This information is held in strict confidence and is not customarily disclosed to the public or made available generally. Accordingly, confidential treatment should be granted.

The Wilkes Companies' request is consistent with the requirements of Section 0.459(b) of the Commission's Rules. Specifically, the Wilkes Companies demonstrates the following:

(1) Identification of the specific information for which confidential treatment is sought:

The Wilkes Companies specify that all dollar amounts and percentages in the attached pages constitute commercially sensitive information. The unredacted version bears the legend, "Confidential Information" on each page.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The specific information for which confidential treatment is submitted in the referenced proceedings.

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged;

As noted above, the Wilkes Companies operate in a highly competitive environment. The narrowly-defined information to be protected constitutes highly confidential commercial and financial information, the disclosure of which would cause competitive harm. In addition, disclosure of such information would likely impair the government's ability to obtain similar necessary information in the future. These two criteria are recognized as justifying the protection of confidential information. *See, e.g., Nat'l Parks and Conservation Ass'n v. Morton*, 498 F.2d 764 (D.C.Cir.1974).

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(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Telecommunications services are provided in vigorously competitive markets.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

In highly competitive markets, such as telecommunications, competitors must react quickly to market forces. But because telecommunications is a capital-intensive industry, construction requirements introduce a substantial lag between identification of potential markets and service to those markets. In addition, information detailing costs and revenues associated with current and projected services can lead to "cherry-picking" via lease of facilities or deployment of less capital-intensive technologies, thus rendering sunk investment less productive, and undermining planning for and maintaining market position. Release of this information would, therefore, provide an unfair advantage to competitors.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Wilkes Companies do not release the subject information to the public. The Wilkes Companies utilize standard methods to protect this information from release or publication. In addition, access to this information within the Wilkes Companies is restricted to personnel with a need for such access.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The information is not made available to the public and is not disclosed to third parties, except under confidentiality agreements or to confidential advisors, or pursuant to law under a request for confidential treatment.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Wilkes Companies requests that the information be afforded confidential treatment indefinitely. Such treatment is warranted due to the highly confidential nature of the information and its potential to give a rival an unfair advantage in a highly competitive market.

For the foregoing reasons, the Wilkes Companies request that the designated portion of the attached documents be treated as confidential under the Commission's Rules and shielded from public inspection. Furthermore, the Wilkes Companies requests that distribution within the Commission be limited to a "need to know" basis.

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In the event that access to this information is requested, the Wilkes Companies request immediate notification to allow it to register opposition, or to take such other steps as may be necessary to protect its interests.

Thank you for your attention to this matter. Should you or any member of the Commission Staff have any questions or comments, please do not hesitate to contact us at your convenience.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Sylvia Lesse". The signature is fluid and cursive, with the first name "Sylvia" and last name "Lesse" clearly distinguishable.

Sylvia Lesse
Counsel for the Wilkes Companies

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Wilkes Communications / RiverStreet Networks
Corporate Overhead Allocation Summary

Est Close 5/1 Est Close 7/1 Est Close 5/1 Est Close 7/1

| Wilkes TMC Allocation | WCI Allocation | Barnardsville Allocation | Fair Bluff Allocation | Saluda Allocation | Elberta Allocation | TriCounty Allocation | Peoples Allocation | RS Comm of NC Allocation | RS Comm of VA Allocation | Total Allocation |
|-----------------------|----------------|--------------------------|-----------------------|-------------------|--------------------|----------------------|--------------------|--------------------------|--------------------------|------------------|
|-----------------------|----------------|--------------------------|-----------------------|-------------------|--------------------|----------------------|--------------------|--------------------------|--------------------------|------------------|

FUTURE ANNUAL ESTIMATED ALLOCATION IMPACTS - POST MERGER AND ACQUISITIONS as of DECEMBER 2017

| | | | | | | | | | | |
|--------------------|----------|------|----------|----------|----------|-------------|-------------|------------|------|------|
| Current Allocation | | | | | | | | | | |
| Future Allocation | | | | | | | | | | |
| Difference | | | | | | | | | | |
| | ROR Cost | CLEC | ROR Cost | ROR Cost | ROR Cost | ROR Average | ROR Average | ROR / ACAM | CLEC | CLEC |

Peoples Overhead Allocation and Management Fees Reduction post acquisition

Reduction in Allocation Expenses to Wilkes/RiverStreet ROR Regulated entities

| | |
|-------------------|-----------------------|
| Total Non-Peoples | Total Non-Peoples ROR |
| Pre Acquisition | |

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Willis Telephone Membership Corporation & Subsidiaries
Total Interstate Access Revenue Projections

- 1 Carrier Common Line (CAF BUS Voice)
- 2 Carrier Common Line (CAF BUS Data Only Loop)
- 3 ICC Interstate Settlement
- 4 ICC Interstate Settlement
- 5 Total Switched Access
- 6 Special Access
- 7 Wireline Broadband Internet Service (Voice-Data WBI Loop)
- 8 Wireline Broadband Internet Service (Voice-Data WBI Transport)
- 9 Wireline Broadband Internet Service (Data Only WBI Transport)
- 10 Total Cost Based Settlement - Average Schedule Co's.
- 11 Total Interstate Revenue Requirement
- 12 KCL Support
- 13 Budget Control
- 14 CACM
- 15 Total

| | Historical | | | | | Projected | | | | |
|----|------------|------|------|------|------|-----------|------|------|------|------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 | | | | | | | | | | |
| 2 | | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| 6 | | | | | | | | | | |
| 7 | | | | | | | | | | |
| 8 | | | | | | | | | | |
| 9 | | | | | | | | | | |
| 10 | | | | | | | | | | |
| 11 | | | | | | | | | | |
| 12 | | | | | | | | | | |
| 13 | | | | | | | | | | |
| 14 | | | | | | | | | | |
| 15 | | | | | | | | | | |

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Wilder Telephone Membership Corporation
2016-2020 Forecast Comparison

| Line # | Revenue Requirement (Standard Price) Description | Source | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------|---|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | Center Common Line (CAR MS Value) | | | | | | | | | | | | | | |
| 2 | Center Common Line (CAR MS Value Only Line) | | | | | | | | | | | | | | |
| 3 | KCI Information Services | Tab 9V/Access | | | | | | | | | | | | | |
| 4 | KCI Information Services | Tab 9V/Access | | | | | | | | | | | | | |
| 5 | Total Switched Access | Total of Line 3-4 | | | | | | | | | | | | | |
| 6 | Special Access | | | | | | | | | | | | | | |
| 7 | Wilder Broadband Internet Service (Video-on-Demand) | | | | | | | | | | | | | | |
| 8 | Wilder Broadband Internet Service (Video-on-Demand) | | | | | | | | | | | | | | |
| 9 | Wilder Broadband Internet Service (Video-on-Demand) | | | | | | | | | | | | | | |
| 10 | Total Information Revenue Requirement | Line 3-4+5+6+7+8+9 | | | | | | | | | | | | | |
| 11 | KCI Support | | | | | | | | | | | | | | |
| 12 | Line Budget Control | | | | | | | | | | | | | | |
| 13 | Total | | | | | | | | | | | | | | |

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Service Telephone Company
2026-2028 Forecast Comparison
Line 8 Revenue Requirements (Excludes From Item Levels)
Competition Data
Source

| | |
|---|---|
| 1 Carrier Common Line (CCL BUS Only) | |
| 2 Carrier Common Line (CCL BUS Only Loop) | |
| 3 ICC Interests Settlement | |
| 4 ICC Interests Settlement | |
| 5 Total Switched Access | Total SW Access Total Access Total of Line 34 |
| 6 Special Access | |
| 7 Wireline Broadband Internet Service (Voice-Data-Wireless) | |
| 8 Wireline Broadband Internet Service (Voice-Data-Wireless) | |
| 9 Wireline Broadband Internet Service (Voice-Data-Wireless) | |
| 10 Total Interests Revenue Requirement | Line 1+2+3+5+7+8+9 |
| 11 HCL Support | |
| 12 Total Budget Control | |
| 13 Total | |

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|------|------|------|------|------|------|------|------|------|------|------|-----------|-----------|
| 1 Carrier Common Line (CCL BUS Only) | | | | | | | | | | | | | |
| 2 Carrier Common Line (CCL BUS Only Loop) | | | | | | | | | | | | | |
| 3 ICC Interests Settlement | | | | | | | | | | | | | |
| 4 ICC Interests Settlement | | | | | | | | | | | | | |
| 5 Total Switched Access | | | | | | | | | | | | \$215,000 | \$215,000 |
| 6 Special Access | | | | | | | | | | | | 20 | 20 |
| 7 Wireline Broadband Internet Service (Voice-Data-Wireless) | | | | | | | | | | | | | |
| 8 Wireline Broadband Internet Service (Voice-Data-Wireless) | | | | | | | | | | | | | |
| 9 Wireline Broadband Internet Service (Voice-Data-Wireless) | | | | | | | | | | | | | |
| 10 Total Interests Revenue Requirement | | | | | | | | | | | | | |
| 11 HCL Support | | | | | | | | | | | | | |
| 12 Total Budget Control | | | | | | | | | | | | | |
| 13 Total | | | | | | | | | | | | | |

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Peoples Natural Telephone Company
2016-2028 Projections

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| CA-ICC | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|----------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Special Access | | | | | | | | | | | | | |
| Total Interstate Access Revenues | | | | | | | | | | | | | |
| CACM | | | | | | | | | | | | | |

*DSL is offered on a private carriage basis and thus excluded from projections
*CACM replaces Common Line revenue requirement

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Ellebde Telephone Company
QBD Interstate Revenue Requirement Development Summary[illegible]

Tulsa County Telephone Membership Corporation
Q&D Interstate Revenue Requirement Development Summary
2016-2028 Analysis

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Public Inspection

[illegible]