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REDACTED – FOR PUBLIC INSPECTION

June 28, 2016

VIA ECFS

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

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**
WC Docket No. 14-58 - ETC Annual Reports and Certifications

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Information – Subject to Protective Order Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, McLoud Telephone Company (the Company), Study Area Code 432006 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. *The version of the Company's FCC Form 481 submitted via ECFS is a redacted version of the filing that contains no confidential information.*

The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's March 22,

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2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58. These attachments contain competitively sensitive data that McLoud Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Five-Year Service Quality Improvement Plan Progress Report

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, McLoud Telephone Company requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company maintains as confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

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

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Company's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

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

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

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

The five-year service quality improvement plan progress report contains granular information on the Company's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a

map of the Company's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Company does not make publicly available.

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

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

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

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors valuable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

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

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

(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 redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

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

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). McLoud Telephone Company seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.[1] The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

McLoud Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

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[1] *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, Protective Order, DA 16-296 (rel. Mar. 22, 2016).

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

Lynette Hampton
Authorized Representative for
McLoud Telephone Company

LH/pjf

Attachments

cc: Mr. Trent LeForce, McLoud Telephone Company

FCC Form 481 - Carrier Annual Reporting Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Trent LeForce
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	trent.leforce@dobsontechnologies.com
	Form Type	54.313 and 54.422

(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	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) ○ ●
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) ○ ○

If your answer to Line <111> is yes, please 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.

432006ok112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

(200) Service Outage Reporting (Voice)
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<210> For the prior calendar year, were there any reportable voice service outages? No

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

(300) Unfulfilled Service Request
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<300> Unfulfilled service request (voice) 0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband) 0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.34
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.17
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	432006ok510.pdf

(600) Functionality in Emergency Situations
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	432006ok610.pdf

(700) Price Offerings including Voice Rate Data
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	**Exchange (ILEC)**	**SAC (CETC)**	**Rate Type**	**Residential Local Service Rate**	**State Subscriber Line Charge**	**State Universal Service Fee**	**Mandatory Extended Area Service Charge**	**Total per line Rates and Fees**

-- See attached worksheet --

(710) Broadbrand Price Offerings
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	**Exchange (ILEC)**	**Residential Rate**	**State Regulated Fees**	**Total Rate and Fees**	**Broadband Service - Download Speed (Mbps)**	**Broadband Service - Upload Speed (Mbps)**	**Usage Allowance (GB)**	**Usage Allowance Action Taken When Limit Reached {*select*}**
			-- See attached worksheet --					

(800) Operating Companies
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<810>	Reporting Carrier	MCLOUD TEL CO
<811>	Holding Company	Dobson Technologies, Inc.
<812>	Operating Company	MCLOUD TEL CO

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**

-- See attached worksheet --

(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	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<900> Does the filing entity offer tribal land services? (Y/N) Yes

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

Absentee-Shawnee Tribe of Oklahoma
Citizen Potawatomi Nation
Kickapoo Tribe of Oklahoma

<920> Tribal Government Engagement Obligation

432006ok920.pdf

Name of Attached Document

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

		Select Yes or No or Not Applicable
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	Yes
<922>	Feasibility and sustainability planning;	Yes
<923>	Marketing services in a culturally sensitive manner;	Yes
<924>	Compliance with Rights of way processes	Yes
<925>	Compliance with Land Use permitting requirements	Yes
<926>	Compliance with Facilities Siting rules	Yes
<927>	Compliance with Environmental Review processes	Yes
<928>	Compliance with Cultural Preservation review processes	Yes
<929>	Compliance with Tribal Business and Licensing requirements.	Yes

(1000) Voice and Broadband Service Rate Comparability
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	432006ok1010.pdf Name of Attached Document
<1020>	Broadband comparability certification	Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau
<1030>	Attach detailed description for broadband comparability compliance	432006ok1030.pdf Name of Attached Document

(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	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<1100>	Certify whether terrestrial backhaul options exist (Y/N)	Yes
<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	

(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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

432006ok1210.pdf

Name of Attached Document

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ✔

<1222> Details on the number of minutes provided as part of the plan, ✔

<1223> Additional charges for toll calls, and rates for each such plan. ✔

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

Name of Attached Document Listing Required Information

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-

Name of Attached Document Listing Required Information

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

(2000) Price Cap Carrier Additional Documentation (Continued)
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

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

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2015.

Name of Attached Document Listing Required Information

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

(3005) Rate Of Return Carrier Additional Documentation
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

Complete the items below to note compliance with 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

(3009) Carrier certifies to 54.313(f)(1)(iii)

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)} — Yes - Attach Certification

(3010B) Please Provide Attachment — Name of Attached Document Listing Required Information: 432006ok3010.pdf

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} — No - No New Community Anchors

(3012B) Please Provide Attachment — Name of Attached Document Listing Required Information

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

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

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:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐

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

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation — Name of Attached Document Listing Required Information

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

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

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

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

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

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

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

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

(3024) Underlying information subjected to an officer certification. ☐

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

(3026) Attach the worksheet listing required information — Name of Attached Document Listing Required Information: 432006ok3026.pdf

(3005) Rate Of Return Carrier Additional Documentation (Continued)

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

[redacted]

Name of Attached Document Listing Required Information

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)
Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481. Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area. Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier **Data Collection Form**	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

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:

Signature of Authorized Officer: Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I certify that (Name of Agent) Moss Adams LLP **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: Moss Adams LLP

Name of Reporting Carrier: MCLOUD TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date: 06/27/2016

Printed name of Authorized Officer: Trent LeForce

Title or position of Authorized Officer: CFO

Telephone number of Authorized Officer: 4052420336 ext.

Study Area Code of Reporting Carrier: 432006 Filing Due Date for this form: 07/01/2016

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.

Name of Reporting Carrier: MCLOUD TEL CO

Name of Authorized Agent Firm: Moss Adams LLP

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/27/2016

Name of Authorized Agent Employee: Lynette Hampton

Title or position of Authorized Agent or Employee of Agent Telecommunications Consulting Manager

Telephone number of Authorized Agent or Employee of Agent: 5126527725 ext.

Study Area Code of Reporting Carrier: 432006 Filing Due Date for this form: 07/01/2016

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Attachments

(700) Price Offerings including Voice Rate Data
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	**Exchange (ILEC)**	**SAC (CETC)**	**Rate Type**	**Residential Local Service Rate**	**State Subscriber Line Charge**	**State Universal Service Fee**	**Mandatory Extended Area Service Charge**	**Total per line Rates and Fees**
OK	McLoud		FR	11.25	0.0	0.24	6.73	18.22
OK	Newalla		FR	17.85	0.0	0.38	0.0	18.23
OK	Stella		FR	17.85	0.0	0.38	0.0	18.23

(710) Broadband Price Offerings
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	**Exchange (ILEC)**	**Residential Rate**	**State Regulated Fees**	Total Rates and Fees	**Broadband Service - Download Speed (Mbps)**	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
OK	ALL	39.95	0.0	39.95	10.0	1.0	999999	Other, No limit on usage allowance
OK	ALL	59.95	0.0	59.95	20.0	1.0	999999	Other, No limit on usage allowance

(800) Operating Companies
Data Collection Form

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

<010>	Study Area Code	432006
<015>	Study Area Name	MCLOUD TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Trent LeForce
<035>	Contact Telephone Number - Number of person identified in data line <030>	4052420336 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trent.leforce@dobsontechnologies.com

<810>	Reporting Carrier	MCLOUD TEL CO
<811>	Holding Company	Dobson Technologies, Inc.
<812>	Operating Company	MCLOUD TEL CO

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**
Dobson Telephone Company	431988	
Dobson Technologies - Transport and Telecom Solutions, LLC		
Dobson Technologies - IT Solutions, Inc.		

LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN PROGRESS REPORT

[redacted]

The Company received $2,726,652 in Universal Service Fund ("USF") support in calendar year 2015. [redacted]

Service Quality Improvement Plan Progress Report

Exchange	Description of Improvements	2015 Planned	Actual Spent in 2015
[redacted]			

<u>Year End 2015 Progress Report Description</u>

[redacted]

[redacted]

[redacted]

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

McLoud Telephone Company (the "Company") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Company operates are outlined in its local exchange tariff, which is approved by the Oklahoma Corporation Commission. The tariff contains provisions regarding the Company's customer service and protection practices.

Service quality standards for voice service are established by the state commission. The Company consistently meets or exceeds those standards and provides reports to the state commission, in accordance with the state commission's rules.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Company. The Company also complies with the FCC's Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require transparency of network management practices, performance, and the commercial terms of broadband services.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed annually with the FCC.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

McLoud Telephone Company is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION

The service area of McLoud Telephone Company (the Company) includes "reservations" in Oklahoma. The Company sent letters via U.S. Postal Service Certified Mail to the Tribal leaders in Oklahoma as shown below. The letters were addressed to the Tribal government representative as provided by the National Congress of American Indian's Tribal directory. Each letter invited the Tribal government to contact the Company to schedule a meeting to discuss Tribal needs assessment and deployment planning; feasibility and sustainability planning; methods of marketing services in a culturally sensitive manner; right-of-way and other permitting and review processes; and compliance with Tribal business and licensing requirements. The following paragraphs provide details of the Company's attempts to engage in discussions with Tribal leaders.

On April 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Absentee Shawnee Tribe requesting a meeting to discuss the communications needs of the Tribal community. The Company received no response to the letter.

On June 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Absentee Shawnee Tribe noting the letter was a second request for a meeting to discuss the communications needs of the Tribal complex. The Company received no response to the letter.

On April 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Citizen Potawatomi Nation requesting a meeting to discuss the communications needs of the Tribal community. The Company received no response to the letter.

On June 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Citizen Potawatomi Nation noting the letter was a second request for a meeting to discuss the communications needs of the Tribal complex. The Company received no response to the letter.

On April 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Kickapoo Tribe of Oklahoma Nation requesting a meeting to discuss the communications needs of the Tribal community. The Company received no response to the letter.

On June 3, 2015 the Company sent a letter via U.S. Postal Service Certified Mail to the Chairman of the Kickapoo Tribe of Oklahoma noting the letter was a second request for a meeting to discuss the communications needs of the Tribal complex. The Company received no response to the letter.

By the end of 2015, the Company had not been contacted by any representatives of the Tribal governments to which letters were sent.

DOBSON
TELEPHONE COMPANY

April 3, 2015

John A. "Rocky" Barrett, Chairman
Citizen Potawatomi Nation
1601 S. Gordon Cooper Drive
Shawnee, OK 74801

Re: Tribal Government Engagement Obligations under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Chairman Barrett:

I am sure you are aware of the FCC's requirement that all ETC's must engage in "Meaningful Dialog" with each of the Tribal governments within the ETC's established serving area. The goal of this engagement process is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

The Federal Communications Commission (FCC) in coordination with the Office of Native Affairs and Policy (ONAP) has provided guidance to assist both Tribal governments and telecommunications providers in this engagement process. This guidance lists a minimum of five areas that should be addressed during the initial engagement process.

Those areas are:

a) Needs Assessment & Deployment Planning
b) Feasibility and sustainability planning
c) Marketing services in a culturally sensitive manner
d) Right-of- Way and other permitting and review processes
e) Compliance with Tribal Business and licensing requirements

This tribal engagement obligation represents an opportunity for Tribal governments and communications providers to coordinate on many issues critical to the deployment and adoption of communication technologies on Tribal lands. To facilitate the process I would recommend as the next step an on-site meeting with the required staff of each entity. During this initial "kick-off" meeting Dobson Telephone Company will include management personnel with decision making authority. Subsequent follow-up meetings/correspondence will include management and sales and marketing personnel as needed.

402 East Broadway Avenue McLoud, OK 74851
Phone: 964.8600 | Fax: 964.8686 | www.dobsonteleco.com

Dobson Telephone Company is committed to the success of this project and looks forward to working with you and your staff.

Please contact me directly at (405)964-8121 or by email at dean.hill@dobsontechnologies.com to discuss a proposed date and location for a kick-off meeting. If you plan to have members of your staff coordinate this effort on your behalf, please notify me with the names and point of contact information at your earliest convenience.

Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

cc: File

DOBSON
TELEPHONE COMPANY

April 3, 2015

Gilbert Salazar, Chairman
Kickapoo Tribe of Oklahoma
P.O. Box 70
McLoud, OK 74851-0070

Re: Tribal Government Engagement Obligations under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Chairman Salazar:

I am sure you are aware of the FCC's requirement that all ETC's must engage in "Meaningful Dialog" with each of the Tribal governments within the ETC's established serving area. The goal of this engagement process is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

The Federal Communications Commission (FCC) in coordination with the Office of Native Affairs and Policy (ONAP) has provided guidance to assist both Tribal governments and telecommunications providers in this engagement process. This guidance lists a minimum of five areas that should be addressed during the initial engagement process.

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Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

cc: File

DOBSON
TELEPHONE COMPANY

April 3, 2015

Governor Edwina Butler-Wolfe
Absentee Shawnee Tribe
2025 S. Gordon Cooper Drive
Shawnee, OK 74801

Re: Tribal Government Engagement Obligations under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Governor:

I am sure you are aware of the FCC's requirement that all ETC's must engage in "Meaningful Dialog" with each of the Tribal governments within the ETC's established serving area. The goal of this engagement process is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

The Federal Communications Commission (FCC) in coordination with the Office of Native Affairs and Policy (ONAP) has provided guidance to assist both Tribal governments and telecommunications providers in this engagement process. This guidance lists a minimum of five areas that should be addressed during the initial engagement process.

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d) Right-of- Way and other permitting and review processes
e) Compliance with Tribal Business and licensing requirements

This tribal engagement obligation represents an opportunity for Tribal governments and communications providers to coordinate on many issues critical to the deployment and adoption of communication technologies on Tribal lands. To facilitate the process I would recommend as the next step an on-site meeting with the required staff of each entity. During this initial "kick-off" meeting Dobson Telephone Company will include management personnel with decision making authority. Subsequent follow-up meetings/correspondence will include management and sales and marketing personnel as needed.

402 East Broadway Avenue McLoud, OK 74851
Phone: 964.8600 | Fax: 964.8686 | www.dobsonteleco.com

Dobson Telephone Company is committed to the success of this project and looks forward to working with you and your staff.

Please contact me directly at (405)964-8121 or by email at dean.hill@dobsontechnologies.com to discuss a proposed date and location for a kick-off meeting. If you plan to have members of your staff coordinate this effort on your behalf, please notify me with the names and point of contact information at your earliest convenience.

Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

cc: Absentee Housing Authority
File

DOBSON
TELEPHONE COMPANY

June 03, 2015

Governor Edwina Butler-Wolfe
Absentee Shawnee Tribe
2025 S. Gordon Cooper Drive
Shawnee, OK 74801

Re: 2nd Request for a meeting to discuss the communication needs of your Tribal community as required under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Governor:

On behalf of Dobson Telephone Company we want to make sure that the communication needs of your Tribal members and all institutions operated by your nation are being met. In order to accomplish this I would like to have a meeting with you or others you may designate to discuss a needs assessment and deployment plan for the communication needs of your Tribal members and Tribal government institutions. The goal of this of this initial meeting is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

To assist in this process the Federal Communications Commission (FCC) in coordination with the Office of Native Affairs and Policy (ONAP) has provided guidance to assist both Tribal governments and telecommunications providers in this engagement process. This guidance lists a minimum of five areas that should be addressed during the initial engagement process.

Those areas are:

a) Needs Assessment & Deployment Planning
b) Feasibility and sustainability planning
c) Marketing services in a culturally sensitive manner
d) Right-of- Way and other permitting and review processes
e) Compliance with Tribal Business and licensing requirements

This initial meeting and any follow-up meetings represent an opportunity for Tribal governments and communications providers to coordinate on many issues critical to the deployment and adoption of communication technologies on Tribal lands.

402 East Broadway Avenue McLoud, OK 74851
Phone: 964.8600 | Fax: 964.8686 | www.dobsonteleco.com

Dobson Telephone Company is committed to meeting all your communication needs and looks forward to working with you and your staff.

I would like to schedule a meeting at your earliest convenience. Please contact me directly at (405)964-8121 or by email at dean.hill@dobsontechnologies.com to discuss a proposed date and location for a kick-off meeting.

If you feel Dobson Telephone Company is meeting all your current and future communication needs and do not wish to meet at this time then please let me know. I respectfully request that any correspondence indicating that all needs are being met be either by US mail or e-mail to the address listed above. As always as communication needs change Dobson Telephone Company is committed to assist as needed.

Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

DOBSON
TELEPHONE COMPANY

June 03, 2015

Gilbert Salazar, Chairman
Kickapoo Tribe of Oklahoma
P.O. Box 70
McLoud, OK 74851

Re: 2nd Request for a meeting to discuss the communication needs of your Tribal community as required under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Chairman Salazar:

On behalf of Dobson Telephone Company we want to make sure that the communication needs of your Tribal members and all institutions operated by your nation are being met. In order to accomplish this I would like to have a meeting with you or others you may designate to discuss a needs assessment and deployment plan for the communication needs of your Tribal members and Tribal government institutions. The goal of this of this initial meeting is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

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Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

DOBSON
TELEPHONE COMPANY

June 03, 2015

John A. "Rocky" Barrett, Chairman
Citizen Potawatomi Nation
1601 S. Gordon Cooper Drive
Shawnee, OK 74801

Re: 2nd Request for a meeting to discuss the communication needs of your Tribal community as required under the FCC's Rules & Orders for all Eligible Telecommunication Carriers (ETC's)

Dear Chairman Barrett:

On behalf of Dobson Telephone Company we want to make sure that the communication needs of your Tribal members and all institutions operated by your nation are being met. In order to accomplish this I would like to have a meeting with you or others you may designate to discuss a needs assessment and deployment plan for the communication needs of your Tribal members and Tribal government institutions. The goal of this of this initial meeting is to ensure the effective exchange of information between the Tribal governments and communication providers concerning the deployment and improvement of communication services on Tribal lands.

To assist in this process the Federal Communications Commission (FCC) in coordination with the Office of Native Affairs and Policy (ONAP) has provided guidance to assist both Tribal governments and telecommunications providers in this engagement process. This guidance lists a minimum of five areas that should be addressed during the initial engagement process.

Those areas are:

a) Needs Assessment & Deployment Planning
b) Feasibility and sustainability planning
c) Marketing services in a culturally sensitive manner
d) Right-of- Way and other permitting and review processes
e) Compliance with Tribal Business and licensing requirements

This initial meeting and any follow-up meetings represent an opportunity for Tribal governments and communications providers to coordinate on many issues critical to the deployment and adoption of communication technologies on Tribal lands.

402 East Broadway Avenue McLoud, OK 74851
Phone: 964.8600 | Fax: 964.8686 | www.dobsonteleco.com

Dobson Telephone Company is committed to meeting all your communication needs and looks forward to working with you and your staff.

I would like to schedule a meeting at your earliest convenience. Please contact me directly at (405)964-8121 or by email at dean.hill@dobsontechnologies.com to discuss a proposed date and location for a kick-off meeting.

If you feel Dobson Telephone Company is meeting all your current and future communication needs and do not wish to meet at this time then please let me know. I respectfully request that any correspondence indicating that all needs are being met be either by US mail or e-mail to the address listed above. As always as communication needs change Dobson Telephone Company is committed to assist as needed.

Sincerely,

R. Dean Hill

R. Dean Hill
General Manager
Dobson Telephone Company

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's 2015 reasonable comparability benchmark for voice services was $47.48, which includes the federal subscriber line charge ("SLC"). [1]

In 2015, in the exchanges served by McLoud Telephone Company ("the Company"), the highest single-line residential local rate was $17.98. When the federal SLC ($6.50) is included, the rate was $24.48. Therefore, the Company's pricing of fixed voice services in 2015 was less than the reasonable comparability benchmark of $47.48.

[1] *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY

In 2015, McLoud Telephone Company charged a residential rate of $39.95 for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than $77.80, which is the 2015 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.[1]

[1] *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

McLoud Telephone Company (the Company) offers Lifeline subscribers the federal discount of $9.25 and applicable state Lifeline discounts to the price of single-line basic local exchange service.

In the Company's McLoud exchange, the Lifeline rate for single-line residential voice service on non-tribal lands, including any mandatory extended area service charge and the federal subscriber line charge, is $15.23 ($24.48 less the $9.25 discount). In the Company's Newalla and Stella exchanges, the Lifeline rate for single-line residential voice service on non-tribal lands, including any mandatory extended area service charge and the federal subscriber line charge, is $15.10 ($24.35 less the $9.25 discount).

For qualified Lifeline customers residing on tribal lands, the Company offers a federal Lifeline credit of up to $34.25. The credit cannot exceed the total of the subscriber residential local exchange rate, less $1.00. In no instance will a subscriber's monthly local exchange rate be less than $1.00 after the application of the Lifeline credit.

Local exchange service includes an unlimited number of local calling minutes. Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer's choosing. Customers may elect to subscribe to toll restriction at no charge.

The Company does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Company reserves the right to implement toll restriction, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as information-related services and custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Lifeline customers may subscribe to any residential voice telephony service package that is generally available to the public and will receive the applicable Lifeline discount off the regular price of the package.

The attached pages from the Company's Local Exchange Tariff include the terms and conditions for Lifeline Service.

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

A. Applicability

1. Lifeline Service is a telecommunications service assistance program designed to provide eligible residential customers with a credit to be applied to the price of basic local exchange service.

2. Eligible customers will receive a credit as set forth in Section IV. Lifeline Credits below, to be applied to their basic local exchange access service.

3. Customers shall not receive more than one Lifeline credit regardless of the number of residential access lines or locations the customer receives service within the State of Oklahoma.

4. All charges, either recurring or nonrecurring, for any service or feature other than Lifeline Service shall be billed at the tariffed rate.

5. Lifeline Service shall not be available on a retroactive basis.

B. Designated Services Available to Lifeline Customers (1)

The following services shall be offered to eligible Lifeline customers:

1. Single Party Service
2. Local Usage
3. Touch Tone Services
4. Voice Grade Access to the Public Switched Network
5. Access to Emergency Services
6. Access to Operator Services
7. Access to Interexchange Services
8. Access to Directory Assistance
9. Availability of Toll Restriction at No Charge (2)

C. Eligibility Requirements

1. Customers or applicants seeking a Lifeline service credit must provide documentation to the Company establishing that the customer or applicant meets one or more of the following eligibility requirements prior to receiving the Lifeline service credit.

(1) Lifeline service may not be disconnected for non-payment of toll charges.
(2) Eligible customers accepting toll restriction services shall not be required to pay a deposit.

APPROVED

JAN 01 1998

DIRECTOR OF
PUBLIC UTILITIES

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

C. Eligibility Requirements (Continued)

a. The applicant or customer must meet the requirements for eligibility for either Medicaid, Food Stamps, federal public housing, Low-Income Energy Assistance Program, or Supplemental Security Income. Additionally, persons who are eligible recipients of income assistance for Vocational Rehabilitation (including Aid to the Hearing Impaired) are also eligible for the Lifeline Service credit; or

b. Are eligible for or receive assistance or benefits, as certified by the State Department of Rehabilitation services, under programs providing vocational rehabilitation, including aid to the hearing impaired; or

c. Are eligible for or receive assistance or benefits, as certified by the Oklahoma Tax Commission, pursuant, pursuant to the Sales Tax Relief Act, section 5011 et seq. of Title 68 of the Oklahoma Statutes.

d. For federal income tax purposes, the applicant is not a dependant unless over sixty years of age.

2. The eligibility requirements listed above will be certified to by the applicant or the applicable state agency. The Company assumes no responsibility for the certification of customers or applicants eligibility.

3. Upon receipt of the applicant's documentation establishing eligibility as stated above, the Company will begin providing the credit.

4. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually.

5. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

APPROVED
JAN 01 1998
DIRECTOR OF
PUBLIC UTILITIES

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

AT

C. Eligibility Requirements for Lifeline Service On Non-Tribal Lands (Continued)

5. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually, in accordance with 47 CFR § 54.410.

6. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

D. Lifeline Credits for Lifeline Service On Non-Tribal Lands

	Monthly Credit
Federal Lifeline Credit:	$9.25[1]

AT

[1] Pursuant to OAC 165:55-13-14 (e) the credit applied will not exceed the total of the federal end user charge and the residential local exchange rate, less $2.00. In no instance will a subscriber's monthly local exchange rate be less than $1.00 after the application of the Lifeline Credits.

Public Utility Division
20140009
Tariff Sheets Approved
pr 165:55-5-10(c)

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

V.

E. Eligibility Requirements for Lifeline Service On Tribal Lands AT

1. The applicant or customer seeking to obtain Lifeline Service on Tribal Lands (see definition in 2.a. below) must demonstrate their current participation in at least one of the following assistance programs. The Applicant or customer shall complete and sign, under penalty of perjury, an authorization and self certification form provided by the Company. The Applicant or customer must check all of the following that apply.

   a. Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps)
   b. Aid to Families with Dependent Children (AFDC)
   c. Supplemental Security Income (SSI)
   d. Medical Assistance (Medicaid/Soonercare) AT
   e. Vocational Rehabilitation (including aid to the hearing impaired)
   f. Oklahoma Sales Tax Relief
   g. Federal Public Housing Assistance
   h. Low Income Home Energy Assistance Program
   i. Food Distribution Program on Indian Reservations ("FDPIR") AT
   j. 135% of the Federal Poverty Guidelines AT
   k. Bureau of Indian Affairs general assistance; (1)
   l. Temporary Assistance for Needy Families (TANF) tribally-administered block grant programs; (2)
   m. Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provision); or
   n. National School Lunch Program (only applicant or customer who satisfy the income standard of the program for free meals).

2. The applicant or customer must also certify:

   a. Residence on Tribal Lands as described in Title 25, Code of Federal Regulations, Section 20.1, paragraph (v).
   b. Agreement to notify Company if applicant or customer no longer participates in the program or programs described in paragraph 1. above, for which the Applicant or Customer certified their participation in.
   c. The applicant must not be a dependent for Federal Income Tax purposes, unless the applicant is over the age of 60.

3. Upon receipt of the completed self certification, Company will begin providing the credit set forth in F. below. Lifeline credits will not be implemented or continued unless telephone service arrangements are and remain, within the Lifeline Service criteria specified above.

(1) Applicant must "have sufficient resources to meet the basic and special needs defined by the Bureau Standards of assistance," 25 C.F.R. § 20.21.
(2) 42 U.S.C. § 612 and 45 C.F.R. § 286.

Public Utility Division
201200194
Competitive Service Filing

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

AT

E. Eligibility Requirements for Lifeline Service On Tribal Lands (continued)

customers household participates in one of the following Tribal-specific federal assistance programs: Bureau of Indian Affairs general assistance; Tribally administered Temporary Assistance for Needy Families; Head Start (only those households meeting its income qualifying standard); or the Food Distribution Program on Indian Reservations.

2. In addition to meeting the qualifications provided in paragraphs a. through e. above, in order to constitute a qualifying low-income applicant, an applicant must not already be receiving a Lifeline service, and there must not be anyone else in the applicant's household subscribed to a Lifeline service.

3. The eligibility requirements listed above will be certified to by the applicant or the applicable state agency. The Company assumes no responsibility for the certification of customers or applicants eligibility.

4. Upon receipt of the applicant's documentation, in accordance with 47 CFR § 54.410, establishing eligibility for Lifeline credit, and the Company's provisioning of Lifeline service to the applicant the Company will begin providing the credit.

5. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually, in accordance with 47 CFR § 54.410.

6. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

Lifeline Credits for Lifeline Service On Tribal Lands

	Monthly Credit
Federal Lifeline Credit:	$34.25[2]

AT

[2] Pursuant to OAC 165:55-13-14 (e) the credit applied will not exceed the total of the federal end user charge and the residential local exchange rate, less $1.00. In no instance will a subscriber's monthly local exchange rate be less than $1.00 after the application of the Lifeline Credits.

Public Utility Division
2014000392
Tariff Sheets Approved
OC 165:55-5-10(c)

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

F. Lifeline Credits on Tribal Lands (Continued) DT

2. If a customer indicates his eligibility to receive Lifeline credits as only one or more of the following: Federal Public Housing Assistance, Low Income Home Energy Assistance Program, Bureau of Indian Affairs general assistance, Temporary Assistance for Needy Families (TANF) tribally administered block grant programs, Head Start Programs (only those meeting its income qualifying eligibility provision), 135% of the Federal Poverty Guidelines or National School Lunch Program (only Applicant or customer who satisfy the income standard of the program for free meals), then the Customer should receive credits as follows: AT

	Monthly Credit (3)	
Federal Lifeline Credit:	$9.25	CR

Additional Federal Credit to Residential Access Line
Necessary to reduce customer's bill to $1.00 See footnote (4) below)

DT

(3) Credit amount will not exceed the total of the subscriber line charge and the residential local exchange rate less $1.00. In no instance will a subscriber's monthly local exchange rate be less than $1.00 after the application of the Lifeline Credits.

(4) Eligible customers will also receive an additional reduction off the applicable monthly tariff rate for their local exchange service, not to exceed $25.00 as specified by the FCC in its Twelfth Report and Order entered in CC Docket No. 96-45.

Public Utility Division
201200194
Competitive Service Filing

LINE 3010 – MILESTONE CERTIFICATION

McLoud Telephone Company ("the Company") hereby certifies that the Company has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time. If the Company determines that a request for broadband at actual speeds of at least 10 Mbps downstream/1 Mbps upstream is unreasonable, and offering broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream is reasonable, the Company offers broadband service of at least 4 Mbps downstream/1 Mbps upstream.

The following 2015 Financial Statements and Supplementary Information with Independent Auditor's Report contains combined financial information for:

Dobson Telephone Company, Inc.	Study Area Code 431988
McLoud Telephone Company	Study Area Code 432006

OKLAHOMA 545

DOBSON TELEPHONE COMPANY, INC.
OKLAHOMA CITY, OKLAHOMA

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

As of December 31, 2015 and 2014
With Independent Auditor's Report

OKLAHOMA 545
DOBSON TELEPHONE COMPANY, INC.
OKLAHOMA CITY, OKLAHOMA

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Curtis Blakely & Co., PC
Certified Public Accountants & Consultants

Independent Auditor's Report

The Board of Directors
Dobson Telephone Company, Inc.
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Dobson Telephone Company, Inc., which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dobson Telephone Company, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

P.O. Box 5486 ♦ Longview, Texas 75608 ♦ 903.758.0734 ♦ Fax: 903.758.0756 ♦ www.cbandco.com
2403 Judson Road ♦ Longview, Texas 75605

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated April 28, 2016, on our consideration of Dobson Telephone Company, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing and internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dobson Telephone Company, Inc.'s internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The comparative balance sheets, statements of operations, and cash flows on pages 21 through 25, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Curtis Blakely & Co., P.C.

Longview, Texas

April 28, 2016

DOBSON TELEPHONE COMPANY, INC.
BALANCE SHEETS
December 31, 2015 and 2014

Assets

	2015	2014
Current Assets:		
Cash and cash equivalents	$ [redacted]	
Telecommunications accounts receivable (net of allowance for doubtful accounts of [redacted])		
Accrued unbilled revenue		
Other receivables		
Materials and supplies		
Prepayments		
Note receivable - affiliate		
Total Current Assets		
Property, Plant, and Equipment:		
Plant in service		
Plant acquisition adjustment		
Plant under construction		
Total Property, Plant, and Equipment		
Less: Accumulated depreciation		
Net Property, Plant, and Equipment		
Noncurrent Assets:		
Note receivable - affiliate		
Investment in Hedge Fund Portfolio		
Other investments		
Total Noncurrent Assets		
Total Assets	$	

(The accompanying notes are an integral part of these financial statements.)

DOBSON TELEPHONE COMPANY, INC.
BALANCE SHEETS
December 31, 2015 and 2014

Liabilities and Stockholder's Equity

	2015	2014
Current Liabilities:		
Current maturities of long-term debt	$ [redacted]	
Accounts payable		
Accounts payable - affiliates		
Accrued income taxes - affiliates		
Accrued interest		
Other accrued liabilities		
Deferred revenue		
Customer deposits		
Total Current Liabilities		
Long-Term Debt, Less Current Maturities:		
RUS and RTB mortgage notes		
Total Long-Term Debt, Less Current Maturities		
Other Liabilities:		
Deferred income taxes		
Stockholder's Equity:		
Common Stock - $[redacted] authorized, issued and outstanding		
Additional paid-in capital		
Retained earnings		
Total Stockholder's Equity		
Total Liabilities and Stockholder's Equity	$ [redacted]	

(The accompanying notes are an integral part of these financial statements.)

DOBSON TELEPHONE COMPANY, INC.
STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating Revenues:		
Local network services	$ [redacted]	
Network access services		
Long distance network services		
Miscellaneous		
Uncollectibles		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
Total Operating Expenses		
Operating Taxes:		
Income taxes		
Other operating taxes		
Total Operating Taxes		
Operating Income		
Nonoperating Income:		
Interest and dividend income		
Loss on investments		
Income tax expense		
Total Nonoperating Income		
Income Before Interest Charges		
Interest Charges:		
Interest on long-term debt		
Other interest deductions		
Capitalized interest		
Total Interest Charges		
Net Income	$	

(The accompanying notes are an integral part of these financial statements.)

DOBSON TELEPHONE COMPANY, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
For the Years Ended December 31, 2015 and 2014

	Common Stock	Retained Earnings	Additional Paid-in Capital	Total
Balance, January 1, 2014	$ [redacted]			
Net Income	[redacted]			
Balance, December 31, 2014	[redacted]			
Dividends Paid	[redacted]			
Net Income	[redacted]			
Balance, December 31, 2015	$ [redacted]			

(The accompanying notes are an integral part of these financial statements.)

DOBSON TELEPHONE COMPANY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities:		
Net income	$ [redacted]	
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Loss on investments		
Change in assets and liabilities:		
Accounts receivable		
Due to/from affiliates		
Prepaid expenses		
Deferred income taxes		
Accounts payable, accrued liabilities, and other long-term liabilities		
Accrued income taxes - affiliates		
Total Adjustments		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Distribution from investment in Hedge Fund Portfolio		
Proceeds from sales of plant		
Cost of removal		
Capital expenditures		
Repayments from affiliate		
Net Cash Provided by Investing Activities		
Cash Flows from Financing Activities:		
Payments on long-term debt		
Payments of capital lease obligation		
Dividends paid		
Net Cash Used in Financing Activities		
Net Decrease in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year	$	

(The accompanying notes are an integral part of these financial statements.)

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies:

Basis of Presentation

In this report, Dobson Telephone Company, Inc. (referred to as the "Company" or "we") is an incumbent local exchange carrier that provides wireline telecommunication services to nine contiguous exchanges in western Oklahoma and three contiguous exchanges in central Oklahoma. The Company, which has operated since 1936, does business as Dobson Telephone Company (DTC) and McLoud Telephone Company (MTC) and is a wholly-owned subsidiary of Dobson Technologies, Inc. (DT). The Company has affiliates, Dobson Technologies - Transport and Telecom Solutions (DT-TTS) and Dobson Technologies - IT Solutions (DT-ITS), which are wholly-owned subsidiaries of DT.

The accounting policies of the Company conform with generally accepted accounting principles and, where applicable, to the accounting principles as prescribed by federal and state telephone utility regulatory authorities.

We are regulated by the Oklahoma Corporation Commission (OCC) and follow the Uniform System of Accounts prescribed by the Federal Communications Commission (FCC) with additional guidance and interpretations from the Rural Utilities Service (RUS) and U.S. Department of Agriculture. Our regulated telephone operations are subject to the provisions of FASC Topic 980 – Regulated Operations, which requires the recognition of the economic effects of rate regulation. Accordingly, FASC Topic 980 requires us to depreciate telephone plant and equipment over useful lives as approved by regulators, which could be longer than the useful lives that would otherwise be determined by management. FASC Topic 980 also requires deferral of certain costs and obligations based upon approvals received from regulators to permit recovery of such amounts in the future. We continually review the applicability of FASC Topic 980 based upon the developments in the current regulatory and competitive environment. If we were to discontinue the application of FASC Topic 980, we would be required to write-off our regulatory assets and liabilities and would be required to adjust the carrying value of any property, plant, and equipment that would be deemed unrecoverable. We believe we continue to meet the criteria for accounting under FASC Topic 980 and that the carrying value of our property, plant, and equipment is recoverable in compliance with the Uniform System of Accounts prescribed by the FCC.

All significant intra-entity transactions are eliminated in the consolidation process.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Significant estimates that are reasonably possible to change in the near term include the allowance for bad debts and interstate revenues from settlements.

Certain reclassifications of the prior year's data have been made to conform to the current year's classification.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, we consider all demand deposits, RUS construction funds, money market funds, and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies: (continued)

Accounts Receivable

Telecommunications and other trade receivables are reported in the balance sheet at outstanding principal less any allowances for doubtful accounts. Trade receivables are short-term and interest is not accrued. Telecommunications receivables are written off after the customer has been disconnected for a period of 15 days. Other trade receivables are written off at the time they are deemed uncollectible. An allowance for telecommunications and other trade receivables is recorded when deemed appropriate based on a review of aged receivables and expected recoveries.

Materials and Supplies

Materials and supplies are carried principally at the lower of average original cost or net realizable value. Most inventory is used in the construction of our fixed assets and, generally, no gain or loss is recognized upon issuance or write-off.

Property, Plant, and Equipment

Telephone plant is stated substantially at original cost. Additions, replacements, and renewals of property determined to be units of property are charged to telephone plant accounts. The replacement of plant determined not to be a unit of property and the cost of maintenance and repairs are charged to operating expense. Normal retirements are charged in total to the accumulated depreciation accounts along with the cost of removal, less salvage, with no gain or loss recognized. Non-telephone property is stated at cost and, when sold or retired, a gain or loss is recognized. Depreciation expense is computed using the straight-line composite method based on estimated service lives of the various classes of depreciable property. The service lives of regulated property are approved by the OCC.

The Plant Acquisition Adjustment (PAA) on the accompanying balance sheets represents the amount by which the fair market value exceeded the net book value of the assets acquired in the acquisition of MTC in 1985. The PAA was being amortized over the estimated useful life of the related assets. On January 1, 2002, we revised our estimate of the life of the related assets from forty years to twenty years. The PAA was fully amortized in 2004.

Property, plant, and equipment are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of the future undiscounted cash flows produced by the asset, or the appropriate grouping of assets, is compared to the asset's carrying value to determine if any impairment exists pursuant to the requirements of FASC Topic 360 – Property, Plant & Equipment. If the asset is determined to be impaired, the impairment loss is measured based on the excess of its carrying value over its fair value.

Asset Retirement Obligations

FASC Topic 420 - Asset Retirement and Environmental Obligations requires that companies having a legal obligation to remove and dispose of assets, recognize the fair value of a liability for asset retirement obligations in the period in which the obligations are incurred and capitalize that amount as part of the book value of the long-lived asset. Although we have had no legal obligation to remove assets, depreciation rates of certain assets established by regulatory authorities have historically included a component for removal costs in excess of the related estimated salvage value. Regulatory accounting precludes us from eliminating this accumulated liability for removal costs in excess of salvage value even though there is no legal obligation to remove the assets.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies: (continued)

Fair Value Measurements

In accordance with FASC Topic 820 – Fair Value Measurements and Disclosures, we measure fair value at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. We apply a hierarchy that prioritizes the information used to develop assumptions used in determining fair value. The hierarchy contains three levels of inputs: Level 1 – quoted prices in active markets for identical assets or liabilities; Level 2 – observable inputs, such as, quoted market prices of similar assets or liabilities in active markets or for identical assets or liabilities in markets that are not active; and Level 3 – unobservable inputs obtained from our own data. FASC Topic 820 applies whenever other standards require or permit assets or liabilities to be measured at fair value; however, it does not expand the use of fair value in any new circumstances. FASC Topic 820 does not apply to lower of cost or market determinations for inventory and does not eliminate the practicability exceptions to fair value measurements.

Our significant fair value measurements are those required by FASC Topic 825 – Financial Instruments. We have not chosen to use fair value measurements unless required to do so by applicable accounting standards.

Internal Use Software

We capitalize software developed or obtained for internal use. These capitalized costs are included in property, plant, and equipment. Initial operating system software is amortized over the life of the associated hardware. Application software is amortized over a useful life of three years.

Income Taxes

We are subject to both federal and state income taxes. Income taxes are provided based on earnings reported for financial statement purposes. The provision for income taxes differs from the amounts currently payable because of temporary differences in the recognition of certain income and expense items for financial reporting and tax reporting purposes. Deferred income taxes are recognized for the future tax consequences attributable to these differences. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We are included in the consolidated income tax returns of DT. For financial accounting purposes, income taxes are computed and recorded as if the Company filed a separate income tax return, except that, in the event the Company generates a net tax loss which is utilized in DT's consolidated return, we will be given the benefit of such loss, and income taxes are calculated based upon the statutory tax rate for DT and its subsidiaries on a consolidated basis.

Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The major temporary differences that give rise to the net deferred tax liability are differences for financial and income tax reporting in the depreciable basis, methods and lives of property, plant, and equipment, and basis differences of securities investments.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies: (continued)

"Accounting for Uncertainty in Income Taxes" contained in FASC Topic 740 – Income Taxes requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. The first step is recognition: we determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. The second step is measurement: a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following: an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability. We have not identified any uncertain tax positions requiring adjustment or disclosure.

Revenue Recognition

We participate in a revenue sharing arrangement with other telephone companies for interstate revenue. This arrangement includes cost based settlements and a federal universal service fund. Revenues earned through the sharing arrangement are initially recorded based on estimates. Actual interstate revenues are not known until settlement studies are conducted. Adjustments relating to prior periods constitute changes in accounting estimates and resulted in a net increase in revenue of [redacted] in 2015 and a net decrease in revenue of [redacted] in 2014. We recognized [redacted] and [redacted] from this revenue sharing arrangement in 2015 and 2014, respectively, which comprised 63 percent and 62 percent of our gross revenue in those years.

We bill and keep intrastate access and long distance revenues. We also receive fixed monthly per access line amounts from the Oklahoma High Cost Fund (OHCF).

Revenues derived from local telephone service, internet services, and special access (principally fixed fees) are billed monthly in advance and are recognized the following month when services are provided.

We have separate prices for the services described above but we also bundle these services into various service packages. Accounting Standards Update (ASU) 2009-13 – Multiple-Deliverable Revenue Arrangements, which is codified as FASC Topic 605-25, provides the accounting guidance for our bundled service (multiple-deliverable) arrangements. Our multiple-deliverable arrangements are generally provided at a price below the amount determined on a separate basis. This discount is allocated to the non-tariff service items based on their separate selling prices. All of the services in a package qualify as separate units of accounting. All services are provided and recognized monthly, therefore, the allocation to specific units does not have a material impact on the timing of revenue recognition.

Installation fees do not have value to the customer on a stand-alone basis and are therefore not units of accounting. We recognize revenue from installation fees in the period that the fees are billed rather than amortizing them over the average customer life. The fees are consistent in amount and accounted for consistently so the effect of recognizing revenue in the period billed rather than amortizing is immaterial. Also, costs associated with most installations are expensed when incurred which provides period matching with the revenue.

We collect taxes for various taxing authorities on certain types of revenue producing transactions. It is our position that we are acting strictly as an agent for the taxing authority, whereby, the tax is collected and remitted to the taxing entity. Using the net method to account for these taxes, we do not record the taxes as a revenue or expense.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies: (continued)

Revenue is derived from monthly billings to customers for telephone and other services. Revenue is also derived from charges for network access to our local exchange telephone network.

Advertising

We expense advertising costs as they are incurred. These expenses, which are insignificant, include media and other promotional and sponsorship costs.

Comprehensive Income

We follow the guidance of FASC 220 - Comprehensive Income. FASC 220 requires the reporting and display of other comprehensive income items which are items that are recorded directly to equity and are not included in net income. We had no other comprehensive income items in 2015 and 2014.

Cost Method Investments

Certain investments in securities held by us are not adjusted to market values because those values are not readily determinable and/or the securities are not marketable. However, the carrying values of these cost method securities will be adjusted if we believe that the decline in value below cost is other than temporary. The fair value of the cost method securities is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value. The aggregate carrying amount of the cost method investments was [redacted] at both December 31, 2015 and 2014.

Note 2 – Accrued Unbilled Revenue:

These amounts include our portion of revenue for toll calls made by customers but not included in the December billing as well as unbilled access revenue.

Note 3 – Note Receivable - Affiliate:

[redacted]

[redacted]

[redacted]

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 3 – Note Receivable - Affiliate: (continued)

[redacted]

The balance of the related party notes receivable at December 31 are:

	2015	2014
Note Receivable – DT	[redacted]	
Note Receivable – DT-TTS		
Total Note Receivable – Affiliate		
Less: Current Portion		
Note Receivable – Affiliate – Long Term		

Note 4 – Investment in Hedge Fund Portfolio:

[redacted] **Summarized financial information for the K2 Fund as of and for the years ended December 31, 2015 and 2014 is as follows:**

	2015	2014
Investment in Hedge Funds	[redacted]	
Cash		
Net Assets		
Beginning Balance		
Distributions		
Increase (Decrease) in Asset Value		
Net Assets, December 31		

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 5 – Property, Plant, and Equipment:

Net property, plant, and equipment at December 31, 2015 and 2014 was composed of the following:

	Depreciation Rate (%)	2015	2014
Telecommunications Plant in Service:			
Property held for future use			
General support			
Central office			
Cable and wire facilities			
Total Telecommunications Plant in Service			
Plant acquisition adjustment			
Accumulated depreciation			
Telecommunications Plant Under Construction			
Net Property, Plant, and Equipment			

Depreciation and amortization of property, plant, and equipment was [redacted] **for 2015 and 2014, respectively.**

Note 6 – Long-Term Debt:

The Company is indebted to the United States of America – RUS/Rural Telephone Bank (RTB) as follows:

RUS and RTB Mortgage Notes	2015	2014
[redacted]		

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 6 – Long-Term Debt: (continued)

	2015	2014
[redacted]		

The RUS and RTB notes are secured by a mortgage on substantially all telecommunications plant owned by DTC.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 6 – Long-Term Debt: (continued)

The RUS and RTB long-term debt agreements contain restrictions on the payment of patronage dividends. The restrictions are related in general to our adjusted net worth and assets as defined in said agreements and the restrictions on investment in affiliates.

Payments are due monthly in the approximate amount of [redacted] each on the monthly notes and [redacted] quarterly on the quarterly notes. The principal maturities for each of the five years succeeding the balance sheet date are as follows:

2016	[redacted]
2017	
2018	
2019	
2020	
2021 – 2029	

Note 7 – Employee Benefits:

Savings Plan

We maintain a 401(k) plan which covers substantially all employees of the Company. We match all contributions up to 4 percent of each employee's salary. Contributions made by the Company totaled approximately [redacted] in 2015 and [redacted] in 2014.

Note 8 – Income Taxes:

Deferred tax assets and liabilities result primarily from differences in the bases of securities investments and depreciation methods and lives used for financial and income tax reporting. The net deferred tax liability includes the following components at December 31:

	2015	2014
Deferred Tax Assets	[redacted]	
Deferred Tax Liabilities		
Net Deferred Income Tax (Liabilities) Assets		

Components of income tax expense are as follows:

Operating current	
Operating deferred	
Nonoperating current	
Nonoperating deferred	
Total Income Tax Expense	

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 8 – Income Taxes: (continued)

The provision for income tax differs from the amount calculated using income before taxes at the statutory rate because of permanent differences and changes in prior year tax estimates.

We have not identified any uncertain tax positions requiring recognition in our financial statements and we believe that the positions taken would not require settlement at an amount less than full recognition. DT or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and the State of Oklahoma. We are generally no longer subject to State of Oklahoma or U.S. federal income tax examinations by tax authorities for years before 2012.

Note 9 – Related Party Transactions:

Operating Leases

We lease dark fiber from DT-TTS on a month-to-month basis at approximately [redacted] per month. Payments under these leases totaled approximately [redacted] in 2015 and 2014.

Other

During 2015 and 2014, we paid [redacted], respectively, for services provided by DT-TTS. Services include the lease of fiber facilities, switching services, and the provision of accounting, management, and technology services.

In addition, we provided DT-TTS billing and collecting services, accounting and management services, access and miscellaneous services during 2015 and 2014 totaling [redacted] respectively. We provided wholesale DSL services totaling [redacted] to DT-TTS in 2015 and 2014, respectively.

We paid our parent, DT, [redacted] and [redacted] in 2015 and 2014, respectively, for accounting, management, lease of office space, and technology services.

Accounts payable-affiliates (current liability) consist of amounts due to the following:

	2015	2014
DT	[redacted]	
DT-TTS		
DT-ITS		
Total		

Note 10 – Risks and Uncertainties:

We service various local telephone exchanges in western and central Oklahoma. We are subject to rate regulation by the FCC and the OCC. The telecommunications industry is moving into a competitive environment with new competitors and required restructuring of revenue from access charges and support mechanisms. The subject is controversial and difficult to resolve. Therefore, at this time, the impact of such changes both from Federal and State Commissions cannot be determined.

We are also subject to audits from federal and state oversight organizations because of its participation in certain high cost funding mechanisms. At this time, we do not expect any such audits to have a material effect on the financial statements.

DOBSON TELEPHONE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 11 – Additional Cash Flow Information:

Cash paid during the year:	**2015**	2014
Interest (net of capitalized interest)	[redacted]	
Income taxes		

Note 12 – Fair Value Measurements and Financial Instruments:

Our financial instruments include cash and short-term and long-term investments, receivables, payables and debt. We believe that the estimated fair value of such financial instruments at December 31, 2015 and 2014 approximate their carrying value as reflected in the balance sheets.

Note 13 – Concentration of Credit Risk:

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, marketable securities and trade receivables. Our policy is to place temporary cash investments with major federally insured financial institutions, to limit the amount of credit exposure to any one financial institution, and to monitor counter parties' credit ratings. We require cash deposits from customers that do not have a sufficient credit rating but that is our only collateral requirement.

We maintain investment accounts with a stock brokerage firm and major financial institutions. The accounts contain cash and money market funds. The balances with the brokerage firm are insured against theft by the Securities Investor Protection Corporation up to $500,000 with additional insurance provided by the brokerage firm. Cash balances with financial institutions are insured up to $250,000 by the Federal Deposit Insurance Corporation. Money market accounts are subject to loss of principal, although this risk is much lower than with securities.

Concentrations of credit risk with respect to telecommunications accounts receivable are limited due to the large number of customers. Management believes the risk of nonpayment of other accounts receivable to be low based on the nature of the receivables.

[redacted]

Note 14 – Subsequent Events:

We have evaluated subsequent events through April 28, 2016, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DOBSON TELEPHONE COMPANY, INC.
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	Dobson Division		McLoud Division		Eliminations		Dobson Telephone Company, Inc.	
	2015	2014	2015	2014	2015	2014	2015	2014
Current Assets:								
Cash and cash equivalents	[redacted]							
Telecommunications accounts receivable								
Accounts receivable - affiliate								
Accrued unbilled revenue								
Other accounts receivable								
Materials and supplies								
Prepayments								
Note receivable - affiliate								
Total Current Assets								
Property, Plant, and Equipment:								
Plant in service								
Plant acquisition adjustment								
Plant under construction								
Total Property, Plant, and Equipment								
Less: Accumulated depreciation and amortization								
Net Property, Plant, and Equipment								
Noncurrent Assets:								
Note receivable - affiliate								
Inter-division receivable								
Investment in Hedge Fund Portfolio								
Other investments								
Deferred income tax asset								
Total Noncurrent Assets								
Total Assets								

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

DOBSON TELEPHONE COMPANY, INC.
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	Dobson Division		McLoud Division		Eliminations		Dobson Telephone Company, Inc.	
	2015	2014	2015	2014	2015	2014	2015	2014
Current Liabilities:								
Current maturities of long-term debt	[redacted]							
Accounts payable								
Accounts payable - affiliates								
Accrued income taxes - affiliates								
Accrued interest								
Other accrued liabilities								
Deferred revenue								
Customer deposits								
Total Current Liabilities								
Long-Term Debt, Less Current Maturities								
RUS and RTB mortgage notes								
Total Long-Term Debt, Less Current Maturities								
Other Liabilities:								
Deferred income tax								
Other long-term liabilities								
Total Other Liabilities								
Stockholder's Equity:								
Common stock								
Additional paid-in capital								
Retained earnings								
Total Stockholder's Equity								
Total Liabilities and Stockholder's Equity								

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

DOBSON TELEPHONE COMPANY, INC.
COMPARATIVE STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2015 and 2014

	Dobson Division		McLoud Division		Eliminations		Dobson Telephone Company, Inc.	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating Revenues:								
Local network services	[redacted]							
Network access services								
Long distance network services								
Miscellaneous								
Uncollectibles								
Total Operating Revenues								
Operating Expenses:								
Plant specific operations								
Plant nonspecific operations								
Depreciation and amortization								
Customer operations								
Corporate operations								
Total Operating Expenses								
Operating Taxes:								
Income taxes								
Other operating taxes								
Total Operating Taxes								
Operating Income								
Nonoperating Income:								
Interest income								
Income (loss) on investment in Hedge Fund Portfolio								
Income tax expense								
Total Nonoperating Income								
Income Before Interest Charges								
Interest Charges:								
Interest on long-term debt								
Other interest								
Capitalized interest								
Total Interest Charges								
Net Income (Loss)								

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

DOBSON TELEPHONE COMPANY, INC.
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	Dobson Division		McLoud Division		Eliminations		Dobson Telephone Company, Inc.	
	2015	2014	2015	2014	2015	2014	2015	2014
Cash Flows from Operating Activities:								
Net income (loss)	[redacted]							
Adjustment to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation and amortization								
Loss on investments								
Change in assets and liabilities:								
Accounts receivable								
Due to/from affiliates								
Prepaid expenses								
Deferred income tax asset								
Accounts payable, accrued liabilities, and other long-term liabilities								
Accrued income taxes - affiliates								
Total Adjustments								
Net Cash Provided by Operating Activities								
Cash Flows from Investing Activities:								
Distribution from investment in Hedge Fund Portfolio								
Proceeds from sales of plant								
Cost of removal								
Capital expenditures								
Repayments from affiliates								
Net Cash Provided by (Used in) Investing Activities								

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

DOBSON TELEPHONE COMPANY, INC.
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	Dobson Division		McLoud Division		Eliminations		Dobson Telephone Company, Inc.	
	2015	2014	2015	2014	2015	2014	2015	2014
Cash Flows from Financing Activities:								
Payments of long-term debt								
Payments of capital lease obligation								
Dividends paid								
Net Cash Used in Financing Activities								
Net (Decrease) Increase in Cash and Cash Equivalents								
Cash and Cash Equivalents at Beginning of Year								
Cash and Cash Equivalents at End of Year	$							

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

Curtis Blakely & Co., PC
Certified Public Accountants & Consultants

Independent Auditor's Report
on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

The Board of Directors
Dobson Telephone Company, Inc.
Oklahoma City, Oklahoma

We have audited the financial statements of Dobson Telephone Company, Inc. (an Oklahoma corporation), as of and for the years ended December 31, 2015 and 2014, and have issued our report thereon dated April 28, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dobson Telephone Company, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Dobson Telephone Company, Inc. in a separate letter dated April 28, 2016, as required by Section 1773.33 of 7 CFR Part 1773, Policy on Audits of Rural Development Utilities Programs (RDUP).

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The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Curtis Blakely & Co., P.C.

Longview, Texas

April 28, 2016