

LAW OFFICES  
BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP

2120 L STREET, NW  
WASHINGTON, DC 20037

(202) 659-0830  
FACSIMILE: (202) 828-5568

June 30, 2016

BENJAMIN H. DICKENS, JR.  
JOHN A. PRENDERGAST  
GERARD J. DUFFY  
RICHARD D. RUBINO  
MARY J. SISAK  
D. CARY MITCHELL  
SALVATORE TAILLEFER, JR.

ARTHUR BLOOSTON  
1914 – 1999

AFFILIATED SOUTH AMERICAN OFFICES

ESTUDIO JAUREGUI & ASSOCIATES  
BUENOS AIRES, ARGENTINA

HAROLD MORDKOFKY  
OF COUNSEL

EUGENE MALISZEWSKYJ  
ENGINEERING CONSULTANT

WRITER'S CONTACT INFORMATION

(202) 828-5528

**REDACTED – FOR PUBLIC INSPECTION**

*VIA ECFS*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**RE: FCC Form 481 – Carrier Annual Reporting Data Collection Form  
WC Docket No. 14-58  
Smithville Communications, Inc. (SAC 320818)**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules and the Commission's *Protective Order*<sup>1</sup> in this proceeding, Smithville Communications, Inc. ("the Company") hereby submits a public inspection copy of its "FCC Form 481 – Carrier Annual Reporting Data Collection Form," which will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 1, 2016, and which includes redacted and obscured proprietary and confidential financial information and 5-year service quality improvement plan progress report information.

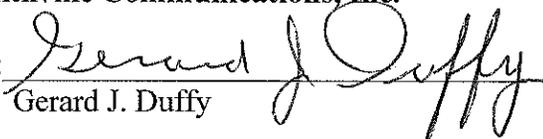
<sup>1</sup> *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket Nos. 10-90 and 14-58, DA 16-296, released March 22, 2016.

**REDACTED – FOR PUBLIC INSPECTION**

The Company seeks confidential treatment under the *Protective Order* for the financial information included in its report pursuant to §54.313(f)(2). Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public.

The Company has submitted a separate letter requesting confidential treatment pursuant to Section 0.459 of the Commission's Rules for other proprietary and confidential financial information contained in its filing, including its progress report regarding its five-year service quality improvement plan.

Respectfully submitted,  
**Smithville Communications, Inc.**

By:   
Gerard J. Duffy

Its Attorney

LAW OFFICES  
BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP

BENJAMIN H. DICKENS, JR.  
JOHN A. PRENDERGAST  
GERARD J. DUFFY  
RICHARD D. RUBINO  
MARY J. SISAK  
D. CARY MITCHELL  
SALVATORE TAILLEFER, JR.

2120 L STREET, NW  
WASHINGTON, DC 20037  
  
(202) 659-0830  
FACSIMILE: (202) 828-5568

AFFILIATED SOUTH AMERICAN OFFICES

ESTUDIO JAUREGUI & ASSOCIATES  
BUENOS AIRES, ARGENTINA

HAROLD MORDKOFKY  
OF COUNSEL

EUGENE MALISZEWSKYJ  
ENGINEERING CONSULTANT

June 30, 2016

ARTHUR BLOOSTON  
1914 – 1999

WRITER'S CONTACT INFORMATION

(202) 828-5528

**REDACTED – FOR PUBLIC INSPECTION**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW, Room TW-A325  
Washington, DC 20554

**RE: Rule Section 0.459 Request for Confidential Treatment  
Smithville Communications, Inc. (SAC 320818)  
WC Docket No. 14-58  
FCC Form 481 – Carrier Annual Reporting Data Collection Form**

Dear Ms. Dortch:

Smithville Communications, Inc. (“the Company”), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission’s Rules, that the redacted portions of the Company’s rate offerings and “Five Year Service Quality Improvement Plan Progress Report” be withheld from public inspection.

In accordance with Section 0.459(b) of the Commission’s Rules, the Company states:

1. The specific information for which confidentiality is sought is comprised of its broadband rates and a report stating the capital investments and related maintenance and service provision expenditures that the Company made during Plan Year 2015.
2. The progress report information is submitted in compliance with the requirement in Section 54.313(a)(1) of the Commission’s Rules that recipients of high-cost support submit a progress report on their five-year service quality improvement plans.
3. This broadband rate information and information regarding the nature and timing of the Company’s construction and network improvement plans, and its capital expenditures and related operating expenses, is proprietary and confidential commercial and financial information that is routinely withheld from public inspection.

**REDACTED – FOR PUBLIC INSPECTION**

4. The voice and broadband services for which the rates are charged and the 5-year service improvement plans prepared are subject to actual and potential competition from competitive local exchange carriers, cable television system operators, electric power utilities, fixed and mobile wireless service providers, and/or satellite carriers. Even in the few portions of the Company's service area where competition is not active at present, the nature and scheduling of the Company's broadband price offerings and network upgrades and the size and timing of its related capital and operating expenditures constitute very valuable competitive intelligence for any entity that may be contemplating or planning entry into one or more portions of the Company's service area.

5. Again, even where the Company does not have an active competitor at the present time, there are numerous potential competitors and the nature of the Company's broadband price offerings and network upgrades, and the size and timing of its related capital and operating expenditures constitute very valuable competitive intelligence that can greatly assist the planning of any entity that may be contemplating entry into one or more portions of the Company's service area.

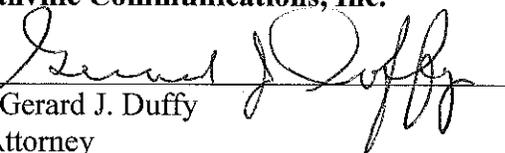
6. The Company limits internal access to its 5-year service improvement plan and progress reports to its key employees and consultants who need the information for planning, reporting and management purposes. The plan and progress reports are not posted on any Company website, or included in any Company press releases, reports or other documents that are available to the general public or to unrestricted portions thereof.

7. The Company does not make its 5-year service improvement plan or progress reports available to the public, and has not previously disclosed its plan or reports to third parties.

8. The Company requests that the individual annual charts included in the plan and the annual progress reports not be available for public disclosure until at least the end of the next full calendar year following the calendar year to which they apply. Competitors and potential competitors should not be able to see the Company's network deployment plans and actual expenditures for a particular year prior to the year, during the year, or during the year following the year (particularly because weather and other factors can cause construction delays). After that period, projects are generally completed, and competitors are able to observe directly or read published reports of what the Company actually did to improve its network and services.

The Company notes that it is also redacting and claiming confidential treatment, pursuant to the Bureau's *Protective Order*, DA 16-296, released March 22, 2016, for the financial information submitted in compliance with the requirements of Section 54.313(f)(2) of the Commission's Rules.

Respectfully submitted,  
**Smithville Communications, Inc.**

By:   
Gerard J. Duffy  
Its Attorney

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

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

Page 1

<010> Study Area Code	320818
<015> Study Area Name	SMITHVILLE TEL CO
<020> Program Year	2017
<030> Contact Name: Person USAC should contact with questions about this data	Stephanie Wall
<035> Contact Telephone Number: Number of the person identified in data line <030>	8129352215 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	stephanie.wall@smithville.com
Form Type	54.313 and 54.422

**REDACTED - FOR PUBLIC INSPECTION**

**(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 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com

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



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 coverage	Yes
<116> How much (USF) was used to improve service capacity and how support was used to improve service capacity	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

**REDACTED – FOR PUBLIC INSPECTION**



(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	320818
<015>	Study Area Name	SMITHVILLE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Wall
<035>	Contact Telephone Number - Number of person identified in data line <030>	8129352215 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie_wall@smithville.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

200

320818line320.pdf

<330> Detail on attempts (broadband)

Name of Attached Document

REDACTED - FOR PUBLIC INSPECTION

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0385/OMB Control No. 3060-0819 July 2013
--	--

<010> Study Area Code 320838

<015> Study Area Name SMITHTVILLE TEL CO

<020> Program Year 2017

<030> Contact Name - Person USAC should contact regarding this data Stephanie Wall

<035> Contact Telephone Number - Number of person identified in data line  
<030> 8129352215 ext.

<039> Contact Email Address - Email Address of person identified in data line  
<030> stephanie.wall@smithville.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 0.0

<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 0.0

<450> Complaints per 1000 customers for mobile broadband

**REDACTED – FOR PUBLIC INSPECTION**

[500] Compliance With Service Quality Standards and Consumer Protection Rules Data Collection Form		FCC Form 481 OMB Control No. 3060-0586/OMB Control No. 3060-0813 July 2013
<010> Study Area Code	320818	
<015> Study Area Name	SMITHVILLE TEL CO	
<020> Program Year	2017	
<030> Contact Name - Person USAC should contact regarding this data	Stephanie Wall	
<035> Contact Telephone Number - Number of person identified in data line <030>	6123352215 ext.	
<039> Contact Email Address - Email Address of person identified in data line <030>	stephanie.wall@smithville.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	320818line510.pdf	

**REDACTED – FOR PUBLIC INSPECTION**

<010>	Study Area Code	32081F
<015>	Study Area Name	SMITHVILLE TRO. CO.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Wall
<035>	Contact Telephone Number - Number of person identified in data line <030>	8129952216 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie.wall@smithville.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality In Emergency Situations	3208181line600.pdf

**REDACTED – FOR PUBLIC INSPECTION**





**(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 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com  
 <810> Reporting Carrier Smithville Communications Inc.  
 <811> Holding Company Smithville Holding Company, Inc.  
 <812> Operating Company Smithville Communications Inc.

<813>	Affiliates	SAC	Doing Business As Company or Brand Designation
<a1>			
<a2>			
<a3>			
<a4>			
<a5>			
<a6>			
<a7>			
<a8>			
<a9>			
<a10>			
<a11>			
<a12>			
<a13>			
<a14>			
<a15>			
<a16>			
<a17>			
<a18>			
<a19>			
<a20>			
<a21>			
<a22>			
<a23>			
<a24>			
<a25>			
<a26>			
<a27>			
<a28>			
<a29>			
<a30>			
<a31>			
<a32>			
<a33>			
<a34>			
<a35>			
<a36>			
<a37>			
<a38>			
<a39>			
<a40>			
<a41>			
<a42>			
<a43>			
<a44>			
<a45>			
<a46>			
<a47>			
<a48>			
<a49>			
<a50>			
<a51>			
<a52>			
<a53>			
<a54>			
<a55>			
<a56>			
<a57>			
<a58>			
<a59>			
<a60>			
<a61>			
<a62>			
<a63>			
<a64>			
<a65>			
<a66>			
<a67>			
<a68>			
<a69>			
<a70>			
<a71>			
<a72>			
<a73>			
<a74>			
<a75>			
<a76>			
<a77>			
<a78>			
<a79>			
<a80>			
<a81>			
<a82>			
<a83>			
<a84>			
<a85>			
<a86>			
<a87>			
<a88>			
<a89>			
<a90>			
<a91>			
<a92>			
<a93>			
<a94>			
<a95>			
<a96>			
<a97>			
<a98>			
<a99>			
<a100>			

**REDACTED -- FOR PUBLIC INSPECTION**

(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 320618  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com

<900> Does the filing entity offer tribal land services? (Y/N) No

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

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each of 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:

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

Select Yes or No or Not Applicable

REDACTED - FOR PUBLIC INSPECTION

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

FCC Form 481  
 OMB Control No: 3060-0986/OMB Control No. 3050-0819  
 July 2013

<010> Study Area Code 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com

<1000>	Voice services rate comparability certification	Yes	
<1010>	Attach detailed description for voice services rate comparability compliance	320818line1000.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	320818line1020.pdf	Name of Attached Document

**REDACTED - FOR PUBLIC INSPECTION**

**(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 320818

<015> Study Area Name SMITHVILLE TEL CO

<020> Program Year 2017

<030> Contact Name - Person USAC should contact regarding this data Stephanie Wall

<035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.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).

**REDACTED – FOR PUBLIC INSPECTION**

**(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 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data stephanie wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com



Name of Attached Document

<1220> Link to Public Website

HTTP s://www.smithville.com/about/legal/lifeline

\*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.

**REDACTED – FOR PUBLIC INSPECTION**

**REDACTED – FOR PUBLIC INSPECTION**

(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 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.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.
- <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-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information

REDACTED -- FOR PUBLIC INSPECTION

(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

[Redacted]

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

<2017A> Connect America Fund Phase II recipient?

[Redacted]

<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

[Redacted]

Name of Attached Document Listing  
Required Information

cap carrier used for capital expenditures in 2015.

<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)

[Redacted]

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)

[Redacted]

<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)

[Redacted]

<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)

[Redacted]

<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)

[Redacted]

<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)

[Redacted]

<010> Study Area Code 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.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.

(3009) Progress Report on 5 Year Plan  
 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 320818Line3010.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 RUS Final Audited 479 Report - 12-31-15.pdf

(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

**REDACTED – FOR PUBLIC INSPECTION**

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

FCC Form 487  
OMB Control No. 3060-0885/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code 320818  
 <015> Study Area Name SMITHVILLE TEL CO  
 <020> Program Year 2017  
 <090> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <095> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <099> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.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 - FOR PUBLIC INSPECTION

<010>	Study Area Code	320218
<015>	Study Area Name	SMITHVILLE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Wall
<035>	Contact Telephone Number - Number of person identified in data line <030>	6129952315 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie.wall@smithville.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 \_\_\_\_\_

**REDACTED – FOR PUBLIC INSPECTION**

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 320818

<015> Study Area Name Smithville Communications Inc.

<020> Program Year 2017

<030> Contact Name - Person USAC should contact regarding this data Stephanie Wall

<035> Contact Telephone Number - Number of person identified in data line <030> (812) 935-2215

<039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.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:	Smithville Communications Inc.
Signature of Authorized Officer:	<i>Darby A. McCarty</i> Date 6-27-16
Printed name of Authorized Officer:	Darby A. McCarty
Title or position of Authorized Officer:	CEO
Telephone number of Authorized Officer:	(812) 876-2211
Study Area Code of Reporting Carrier:	320818 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. 55 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. 5 1001.	

**REDACTED – FOR PUBLIC INSPECTION**

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

<010> Study Area Code	320818
<015> Study Area Name	SMITHVILLE TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Stephanie Wall
<035> Contact Telephone Number - Number of person identified in data line <030>	8129352215 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	stephanie.wall@smithville.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) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
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: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
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.	

**REDACTED – FOR PUBLIC INSPECTION**

---

Attachments

---

**REDACTED – FOR PUBLIC INSPECTION**



**REDACTED - FOR PUBLIC INSPECTION**

(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 320818  
 <015> Study Area Name [REDACTED]  
 <020> Program Year 2017  
 <030> Contact Name - Person USAC should contact regarding this data Stephanie Wall  
 <035> Contact Telephone Number - Number of person identified in data line <030> 8129352215 ext.  
 <039> Contact Email Address - Email Address of person identified in data line <030> stephanie.wall@smithville.com

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)
IN	Hymera	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Smithville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Smithville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Stanford	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Stanford	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Lake Monroe	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Lake Monroe	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Griffin	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Griffin	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Ellettsville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Ellettsville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Ellettsville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Gosport	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Gosport	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	French Lick	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	French Lick	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Sharpsville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Sharpsville	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Litton	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage
IN	Litton	[REDACTED]	0.0	[REDACTED]	[REDACTED]	[REDACTED]	999999.0	Other, Unlimited Usage

**I. DISCUSSION**

Smithville Communications Inc., an ETC designated by the Indiana Utility Regulatory Commission, hereby submits this five year service quality improvement plan progress report (*Progress Report*) as required by 47 CFR § 54.313(a)(1). The Company is an incumbent carrier with service area(s) in the state Indiana, with 19,547 customers in 12 exchanges as of 12/31/2015. Smithville Communications Inc. is a rate-of-return (RoR) regulated carrier.

The *Progress Report* reflected herein represents the Company’s ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. The Company generated and filed in 2014 a five-year plan in compliance with the Commission’s rules, although the out years in the plan (years 3-5) are highly speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission’s USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The *Progress Report* presented herein by necessity includes expenditures not directly tied to “improvements or upgrades” of the Company’s network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

**II. Five Year Plan Update**

The Company has updated the five year service quality improvement plan it filed in 2014 as described below. The main reason for any updates to its five year service quality improvement plan relates to the Company’s revisions to capital and operating expense budgets due to a number of factors, including, but not limited to, market changes, regulatory requirements and uncertainty, and technological advancements.

Description	2015 (Jul-Dec)				
	2015	2016	2017	2018	2019
CapEx	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
OpEx	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

[REDACTED]

**REDACTED – FOR PUBLIC INSPECTION**

### III. Progress Report

#### A. Maps

Section 54.313(a)(1) requires that all recipients of high cost support are to provide maps depicting the progress made during the current reporting period. The Company is providing a map showing progress in regards to its five year service quality plan through June 30, 2016, and is provided at the wire center or census block level, as applicable.

#### B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 12 months ended June 30, 2016. The Company received the following universal service support amounts during the period July 1, 2015 through June 30, 2016:

Description	Amount Rec'd July 15 - Jun 16
High Cost Loop Support	\$10,857,270
Safety Valve Support	\$0
Safety Net Additive Support	\$427,680
Interstate Common Line Support	\$6,729,125
CAF-ICC Support	\$554,026
<b>Total</b>	<b>\$18,568,101</b>

Of the total amount of support received shown above, the Company estimates that approximately [REDACTED] was used for capital expenditures and [REDACTED] was used for operating expenditures.

#### C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support regulated operations and thus serves to improve broadband and voice coverage, capacity and service quality.

Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality improvement through qualifying capital investments and the qualifying operating expenses that support them.

#### D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. [REDACTED]

#### IV. Considerations

The investment and service quality improvement plan and progress report discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- *Speed* - at least 10 mbps upstream and 1 mbps downstream in regards to requests for service beginning in 2015. This reflects the Commission's recent decision to increase the standard broadband speed from 4 mbps /1 mbps.
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* – The Company currently provides unlimited usage allowance to its broadband service customers.
- As an RoR-regulated carrier, the Company is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan and Progress Report reflected herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the Indiana Utility Regulatory Commission.
- The Company will provide high speed internet and telephone service to all areas within its franchised area.

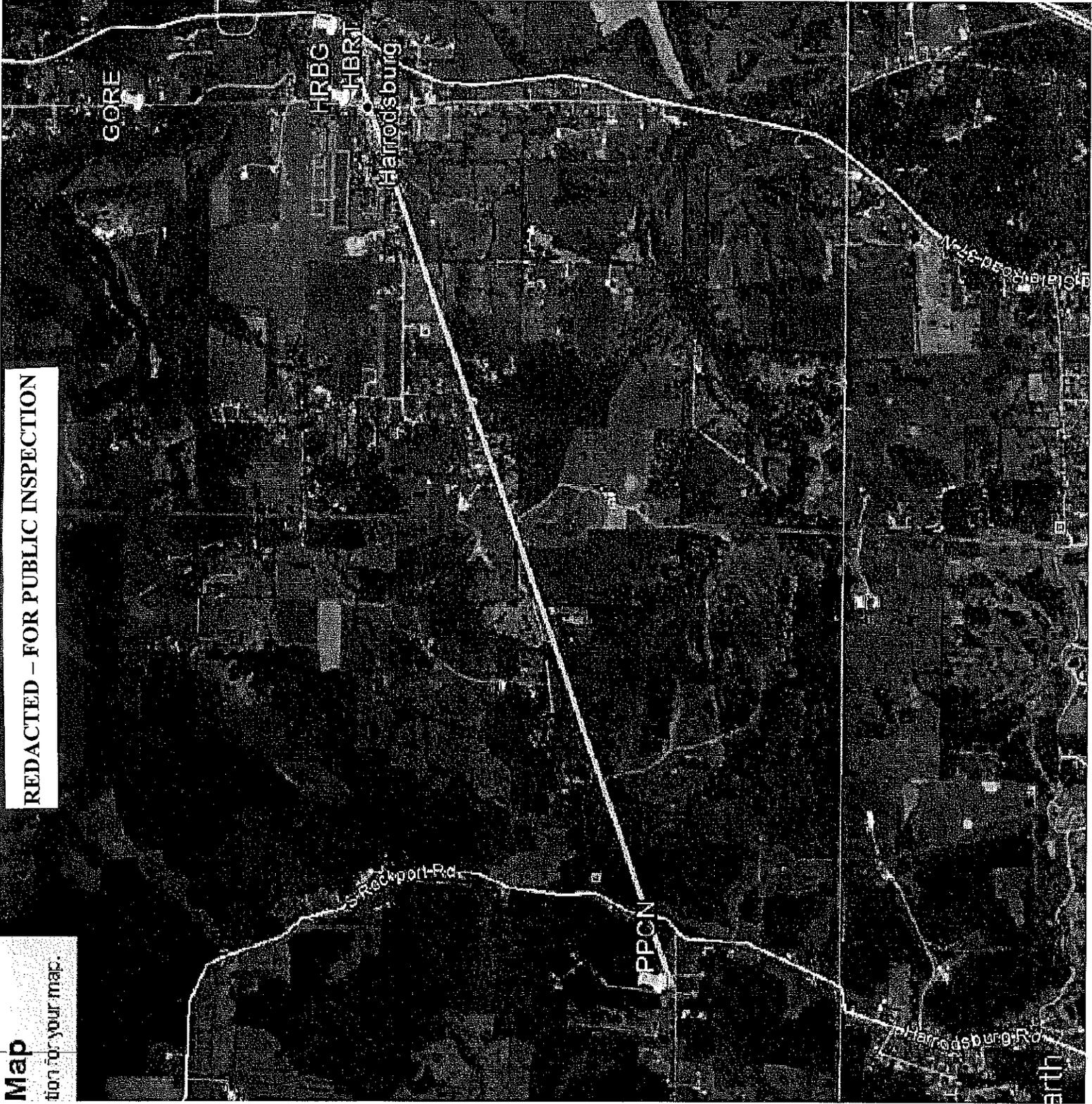
**REDACTED – FOR PUBLIC INSPECTION**



# Map

ation for your map.

REDACTED - FOR PUBLIC INSPECTION



## Legend

- 1st Saturday Construction Salvag
- Airport
- Bloomington Meadows Hospital
- Bloomington, Library
- Bluebird Nightclub
- Brookstone
- Canada Park
- Canyon Inn
- Cat Care Center
- Claybridge
- Ellettsville Police Dept
- Feature 1
- Feature 10
- Feature 11
- Feature 2
- Feature 3
- Feature 4
- Feature 5
- Feature 6
- Feature 7
- Feature 8
- Feature 9
- Halderman Farm Management
- Honsier Energy Rural Electric Co
- Indiana Clockworks
- Indiana University Art Museum
- Indiana University Health Bloomin
- Jackson Mill
- Kensington
- MAX McGOOGLE 2
- Meadow Creek
- Rice's Quality Farm Meats Inc
- Somerset
- Spicewood
- Stands
- Sweet Owen CVB & Tourism

- Legend**
- 1st Saturday Construction Salvag
  - Airport
  - Bloomington Meadows Hospital
  - Bloomington, Library
  - Bluebird Nightclub
  - Brookstone
  - Canada Park
  - Canyon Inn
  - Cat Care Center
  - Claybridge
  - Ellettsville Police Dept
  - Feature 1
  - Feature 10
  - Feature 11
  - Feature 2
  - Feature 3
  - Feature 4
  - Feature 5
  - Feature 6
  - Feature 7
  - Feature 8
  - Feature 9
  - Halderman Farm Management
  - Hossier Energy Rural Electric Co
  - Indiana Clockworks
  - Indiana University Art Museum
  - Indiana University Health Bloomin
  - Jackson Mill
  - Kensington
  - MAX McGOOGLE 2
  - Meadow Creek
  - Rice's Quality Farm Meats Inc
  - Somerset
  - Spicewood
  - Stands
  - Sweet Owen CVB & Tourism



---

## **Response to Line 320 – Detail on Attempts (broadband)**

In an attempt to provide broadband service to the 200 customers whose service requests were unfulfilled, Smithville is constructing fiber optic cable to the remote service cabinets that most of these customers were fed from. We replaced the old copper T1 transport lines for those serving cabinets with fiber optic cable which can carry far greater broadband capacity than Copper T1 lines. Most of these cabinets carry 10 gig broadband pipes once they are upgraded with fiber optic connections back to the host remote.

We also upgraded the service cabinet itself with Calix 10-gigabit Ethernet transport cards and lasers to maximize capacity of the broadband pipes running over the fiber optic lines. This allows the subscribers feeding from these cabinets to get higher broadband speeds and reduces the amount of congestion that was encountered when the links were carried over Copper T1's as the link between the serving cabinet and the Host remote is now a 10 gigabit link instead of an old copper-T1 link which could only carry 50 or 100 meg at most.

---

**REDACTED – FOR PUBLIC INSPECTION**

FCC Form 481

Line 510 – Description of Compliance with Service Quality Standards and Consumer Protection

**Smithville Communications Inc.** maintains compliance with service quality standards through the use of a variety of tools, including:

1. daily, weekly, and monthly detailed service quality reports;
2. ongoing employee service quality training;
3. regular follow-up inspections of service installation and repairs;
4. proactive maintenance programs;
5. installation of the latest technologies, such as fiber and IP-based equipment;
6. extensive network monitoring equipment; and,
7. 24/7/365 service repair availability

**Smithville Communications Inc.** maintains compliance with consumer protection rules through the use of a variety of tools, including:

1. ongoing employee training on consumer protection rules;
2. working with industry experts to identify and incorporate consumer protection best practices into our processes;
3. automated systems using the latest security measures to protect sensitive data;
4. monitoring of customer service calls with customers; and,
5. regular updates to senior management on consumer protection activities

**REDACTED – FOR PUBLIC INSPECTION**

Annual Reporting for High-Cost & Low-Income Recipients  
47 C.F.R. §54.313 (a)(5) and 47 C.F.R § 54.422 (b)(3)  
Smithville Communications, Inc.

§54.313(a)(5) & 54.422 (b)(3)-COMPLIANCE WITH SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES

Service Quality Standards and Consumer Protection Rules Annual Certification

<u>Darby A. McCarty</u>	<u>CEO</u>	<u>Smithville Communications, Inc.</u>
Printed Name of Officer	Title of Officer	Company Name

I am authorized to provide this certification on behalf of the Company. I hereby certify that the Company is in compliance with applicable service quality standards and consumer protection rules.

Executed on June 21, 2016  
Date

Signature 

Printed/Typed Name Darby A. McCarty

REDACTED – FOR PUBLIC INSPECTION

**Ability to Function in Emergency Situations 47 C.F.R. §54.313(a)(6)**

Smithville Telephone Company, Inc., dba: Smithville Communication (“Company”) hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2). The Company’s network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

Each central office building is supplied with standby generators and battery reserve that enable it to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. The Company has battery backup at all office locations and in its electronic equipment sites and has a maintenance program in place. For remotes and cabinets without generators, a plan is in place to recharge the battery plants with portable generators.

In the event of a fiber cut or equipment failure, the voice and data network is designed to provide automatic rerouting of traffic through the use of rings. The Company has two data centers that provide redundancy for critical servers. Multiple upstream connections provide survivability in the event of network or fiber disruptions outside the Company’s network.

**REDACTED – FOR PUBLIC INSPECTION**

Critical core production data (billing, customer, and plant) on the Company's AS400 is saved nightly on tape and stored onsite in a fireproof (Fire King) file cabinet. This data is also copied nightly to an AS400 at the Company's disaster recovery location. The entire AS400 system is saved weekly and physically moved offsite to a fireproof file cabinet. All other network data is backed up to tape on a nightly, weekly and monthly basis. Backup tapes are rotated offsite to a fireproof file cabinet. In addition, there is a one-way replication from the production network to the Company's disaster recovery network daily.

**REDACTED – FOR PUBLIC INSPECTION**

Annual Reporting for High-Cost & Low-Income Recipients  
47 C.F.R. §54.313(a)(6), 47 C.F.R. § 54.422 (b)(3), & 47 C.F.R §54.202 (a)(2)

Smithville Communications Inc.

§54.313(a)(6), §54.422(b)(3), & 54.202(a)(2)-ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Ability to Function in Emergency Situations Annual Certification

<u>Darby A. McCarty</u>	<u>CEO</u>	<u>Smithville Communications, Inc.</u>
Printed Name of Officer	Title of Officer	Company Name

I am authorized to provide this certification on behalf of the Company. I hereby certify that the Company is capable of functioning in emergency situations. The Company has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

Executed on June 27, 2016  
Date

Signature Darby A. McCarty

Printed/Typed Name Darby A. McCarty

REDACTED – FOR PUBLIC INSPECTION

---

**Response to Line 1000 – Voice Service Rate Comparability**

Smithville Communications Inc. ("Company") hereby certifies it does not provide voice rates that are above two standard deviations above the national average urban rate, as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.313(a)(10). Company determined this by comparing its rates to the National Average Urban Rate, which was recently released by the FCC. The rate of the Company is below the National Average Urban Rate and therefore the 2 standard deviations calculation does not apply.

---

**REDACTED – FOR PUBLIC INSPECTION**

---

## **Response to Line 1030 – Broadband Service Rate Comparability**

Smithville Communications Inc. (“Company”) hereby certifies it provides Broadband rates that are no more than the most recent applicable benchmark, as established by the Wireline Competition Bureau. Company determined this by comparing its rates Wireline Competition Bureau, which was recently released by the FCC.

---

**REDACTED – FOR PUBLIC INSPECTION**

---

## **Response to Line 3010a – Milestone Certification**

Smithville Communications Inc. ("Company") hereby certifies that they have taken reasonable steps to provide upon reasonable request broadband service at actual speeds, as required, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonable comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.313(f)(1)(i).

---

**REDACTED – FOR PUBLIC INSPECTION**

---

**Response to Line 3012 – Newly Served Anchor Institutions**

Smithville Communications Inc. ("Company") hereby certifies that they have had no new requests for broadband service from any community anchor institution during the preceding calendar year.

---

**REDACTED – FOR PUBLIC INSPECTION**

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Smithville Communications, Inc.

(Prepared with Audited Data)

TRUCTIONS-Submit report to RUS within 30 days after close of the period.  
detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2015

BORROWER DESIGNATION

IN0503

**CERTIFICATION**

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

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

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII**

(Check one of the following)

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

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

Darby McCarty

4/29/2016

DATE

**PART A. BALANCE SHEET**

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Equivalents			25. Accounts Payable		
Cash-RUS Construction Fund			26. Notes Payable		
Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
Material-Regulated			<b>LONG-TERM DEBT</b>		
Material-Nonregulated			36. Funded Debt-RUS Notes		
Prepayments			37. Funded Debt-RTB Notes		
Other Current Assets			38. Funded Debt-FFB Notes		
Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
Other Noncurrent Assets			47. Other Long-Term Liabilities		
Deferred Charges			48. Other Deferred Credits		
Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction			53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation			55. Other Capital		
Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
<b>TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 52.14% % of Total Assets

REDACTED - FOR PUBLIC INSPECTION

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

IN0503

PERIOD ENDING

December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
<b>14. Total Operating Expenses (8 thru 13)</b>		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
<b>20. Total Operating Taxes (17+18+19)</b>		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

**REDACTED - FOR PUBLIC INSPECTION**

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

IN0503

PERIOD ENDED

December, 2015

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Ellettsville							
French Lick							
Gosport							
Griffin							
Hymera							
Lake Monroe							
Lizton							
Lyons							
Owensburg							
Sharpsville							
Smithville							
Stanford							
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total							
No. Exchanges							

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

IN0503

PERIOD ENDED

December, 2015

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

**4. BROADBAND SERVICE**

**Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Ellettsville	████	████	████	████	████	████	StandAlone	████
French Lick	████	████	████	████	████	████	StandAlone	████
Gosport	████	████	████	████	████	████	StandAlone	████
Griffin	████	████	████	████	████	████	StandAlone	████
Hymera	████	████	████	████	████	████	StandAlone	████
Lake Monroe	████	████	████	████	████	████	StandAlone	████
Lizton	████	████	████	████	████	████	StandAlone	████
Lyons	████	████	████	████	████	████	StandAlone	████
Owensburg	████	████	████	████	████	████	StandAlone	████
Sharpsville	████	████	████	████	████	████	StandAlone	████
Smithville	████	████	████	████	████	████	StandAlone	████
Stanford	████	████	████	████	████	████	StandAlone	████
Total	████	████	████	████	████	████	StandAlone	████

**REDACTED - FOR PUBLIC INSPECTION**

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION IN0503  PERIOD ENDING December, 2015
INSTRUCTIONS- See RUS Bulletin 1744-2	

**PART D. SYSTEM DATA**

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
------------------------	------------------------	------------------------	---------------------------------	-------------------------------

**PART E. TOLL DATA**

1. Study Area ID Code(s) a. 320813 b. 320818 c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)  Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis  Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
--	--

**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	██████████
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	██████████

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year  (b)	Income/Loss This Year  (c)	Cumulative Investment To Date  (d)	Cumulative Income/Loss To Date  (e)	Current Balance  (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development				██████████	██████████

**REDACTED – FOR PUBLIC INSPECTION**

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

██████████

PERIOD ENDING

██████████

**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES

NO

**EQUIPMENT CATEGORY**

**DEPRECIATION RATE**

1. Land and support assets - Motor Vehicles	██████████
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	██████████
5. Land and support assets - Buildings	██████████
6. Land and support assets - Furniture and Office equipment	██████████
7. Land and support assets - General purpose computers	██████████
8. Central Office Switching - Digital	██████████
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	██████████
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	██████████
19. Cable and wire facilities - Aerial cable - Metal	██████████
20. Cable and wire facilities - Aerial cable - Fiber	██████████
21. Cable and wire facilities - Underground cable - Metal	██████████
22. Cable and wire facilities - Underground cable - Fiber	██████████
23. Cable and wire facilities - Buried cable - Metal	██████████
24. Cable and wire facilities - Buried cable - Fiber	██████████
25. Cable and wire facilities - Conduit systems	██████████
26. Cable and wire facilities - Other	

**REDACTED - FOR PUBLIC INSPECTION**

USDA-RUS

OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

IN0503

PERIOD ENDED

December, 2015

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain) Adjust to Conform with 2015 Audit	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain) Adjust to Conform with 2015 Audit	
23. Net Cash Provided/(Used) by Financing Activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) Adjust to Conform with 2015 Audit	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

Revision Date 2010

REDACTED – FOR PUBLIC INSPECTION

USDA-RUS	BORROWER DESIGNATION
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	IN0503
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
<b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

**REDACTED - FOR PUBLIC INSPECTION**

USDA-RUS	BORROWER DESIGNATION
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	IN0503
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

**REDACTED – FOR PUBLIC INSPECTION**