REDACTED – FOR PUBLIC INSPECTION

MOSSADAMS

VIA ECFS

June 30, 2017

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

RE: **Arkansas Telephone Company, SAC 401692**
Submission of FCC Form 481 Annual Report
WC Docket No. 14-58 - ETC Annual Reports and Certifications

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Arkansas Telephone Company ("the Company"), Study Area Code 401692, hereby files its FCC Form 481 – Carrier Annual Reporting Data Collection Form. *The version of the Company's FCC Form 481 submitted via the FCC's Electronic Comment Filing System (ECFS) is a redacted version of the filing that contains no confidential information.*

Section 3005 of FCC Form 481 requires privately-held rate-of-return carriers 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). Arkansas Telephone Company, by its authorized representative, hereby 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 the information required by 47 C.F.R. §54.313(f)(2).

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

T (972) 387-4300
F (972) 960-2810

8750 N. Central Expressway
Suite 300
Dallas, TX 75231

Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.

[1] *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, Protective Order, 31 FCC Rcd 2089 (2016).

Each page of the Company's financial annual report and the financial summary page on the FCC Form 481 bear 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 the 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.

The FCC Form 481 has also been filed with the Universal Service Administrative Company and with the relevant state commissions and Tribal governments, as appropriate.

Please contact me if you have any questions.

Sincerely,

Lynette Hampton
Authorized Representative for
Arkansas Telephone Company

LH/kr

Attachments

cc: Mr. Randy McCaslin, Arkansas 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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Mary Johnson
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	maryj@artelco.com
	Form Type	54.313 and 54.422

(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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<300> Unfulfilled service request (voice): 1

<310> Detail on attempts (voice): 401692ar310.pdf

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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	

(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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	401692ar510.pdf
<515>	Certify compliance with applicable minimum service standards	

(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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	401692ar610.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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	10.52

<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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	401692
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<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<810>	Reporting Carrier	Arkansas Telephone Company, Inc.
<811>	Holding Company	Not Applicable
<812>	Operating Company	Arkansas Telephone Company, Inc.

<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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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 these boxes to confirm the status described on the attached PDF, 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.	
<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.	

(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	401692
<015>	Study Area Name	ARKANSAS TEL CO
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	401692ar1010.pdf Name of Attached Document
<1020>	Broadband comparability certification	No
<1030>	Attach detailed description for broadband comparability compliance	401692ar1030.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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

401692ar1210.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. ✔

(2005) 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	401692
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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

<2011> 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.

<2022> Recipient certifies, representing year three 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 three - 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 three - 54.313(b)(2)(ii). Round 2 recipients only.

Name of Attached Document Listing Required Information

<2025A> Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).

Name of Attached Document Listing Required Information

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

(2005) 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

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?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<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)(1)(ii)(A)

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)(1)(ii)(C)

(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	401692
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure 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) — Yes - Attach Certification

(3010A) Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}

(3010B) Please Provide Attachment — Name of Attached Document Listing Required Information: 401692ar3010.pdf

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} — Yes - Attach New Community Anchors

(3012B) Please Provide Attachment — Name of Attached Document Listing Required Information: 401692ar3012b.xlsm

(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: 401692ar3017.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) with 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 481

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

July 2013

<010>	Study Area Code	401692
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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

(4005) Rural Broadband Experiment Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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	401692
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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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

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<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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: ARKANSAS TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date: 06/30/2017

Printed name of Authorized Officer: Randy McCaslin

Title or position of Authorized Officer: President

Telephone number of Authorized Officer: 5017452114 ext.

Study Area Code of Reporting Carrier: 401692 Filing Due Date for this form: 07/03/2017

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: ARKANSAS TEL CO

Name of Authorized Agent Firm: Moss Adams LLP

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/30/2017

Name of Authorized Agent Employee: Lynette Hampton

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

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

Study Area Code of Reporting Carrier: 401692 Filing Due Date for this form: 07/03/2017

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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	10.52

<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**
AR	ALL		FR	10.52	0.0	0.63	0.0	11.15

(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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.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}
AR	ALL	129.95	0.0	129.95	10.0	0.768	999999.0	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	401692
<015>	Study Area Name	ARKANSAS TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Mary Johnson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5017452114 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	maryj@artelco.com

<810>	Reporting Carrier	Arkansas Telephone Company, Inc.
<811>	Holding Company	Not Applicable
<812>	Operating Company	Arkansas Telephone Company, Inc.

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**
McLint-Ark Internet LLC		ARTELCO

LINE 310 – DETAIL ON ATTEMPT RELATED TO UNFULFILLED REQUEST FOR VOICE SERVICE

Arkansas Telephone Company, Inc. ("the Company") in 2016 had one unfulfilled request for voice service. To provide service to the residence, a line must be constructed on National Forest Service property. The Company has contacted the National Forest Service to obtain right-of-way; however, by the end of 2016 permission for the right-of-way had not been granted.

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Arkansas Telephone Company, Inc. ("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 Arkansas Public Service 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 the Company to publicly disclose information regarding its network management practices, performance, and the commercial terms of its 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).

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Arkansas Telephone Company, Inc. (the "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, and mobile generators are at strategic locations to be deployed as needed 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 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's 2017 reasonable comparability benchmark for voice services is $49.51, which includes the federal subscriber line charge ("SLC").[1]

In all of the exchanges served by Arkansas Telephone Company, Inc. ("the Company"), the single-line residential local rate in effect as of January 1, 2017 was $10.52. When the federal SLC ($6.50) is included, the total rate was $17.02. Therefore, the Company's pricing of fixed voice services is less than the reasonable comparability benchmark of $49.51.

[1] *Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations*, Public Notice, WC Docket No. 10-90, 32 FCC Rcd 1358 (2017).

LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY

Arkansas Telephone Company, Inc. ("the Company") provides 10/.768 Mbps broadband at a rate of $129.95 per month. The Company therefore was unable to certify that it provided broadband service at rates that are no greater than the applicable reasonable comparability benchmark established by the FCC. Due to the geography and low population density of the Company's study area, a higher rate for broadband service is necessary in order for the Company to recover the cost of deployment and provision of service.

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Arkansas Telephone Company ("the Company") offers qualified Lifeline subscribers a federal discount of $9.25 on a stand-alone residential local exchange service line.

In all exchanges served by the Company, the Lifeline rate for single-line residential voice service, including any mandatory extended area service charge and the federal subscriber line charge, is $7.77 ($17.02 less the $9.25 discount), plus any applicable state fees.

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

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 blocking 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 blocking, 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 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 $9.25 Lifeline discount off the regular price of the package.

LINE 3010 – CERTIFICATION OF PUBLIC INTEREST OBLIGATIONS

Arkansas Telephone Company, Inc. ("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, and that requests for such service were met within a reasonable amount of time.

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

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

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.

BORROWER NAME: Arkansas Telephone Company, Inc.

(Prepared with Audited Data)

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

PERIOD ENDING: December, 2016

BORROWER DESIGNATION: AR0531

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)

[X] 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

Randy McCaslin — 3/30/2017 (DATE)

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	[redacted]	
1. Cash and Equivalents		
2. Cash-RUS Construction Fund		
3. Affiliates:		
a. Telecom, Accounts Receivable		
b. Other Accounts Receivable		
c. Notes Receivable		
4. Non-Affiliates:		
a. Telecom, Accounts Receivable		
b. Other Accounts Receivable		
c. Notes Receivable		
5. Interest and Dividends Receivable		
6. Material-Regulated		
7. Material-Nonregulated		
8. Prepayments		
9. Other Current Assets		
10. Total Current Assets (1 Thru 9)		
NONCURRENT ASSETS		
11. Investment in Affiliated Companies		
a. Rural Development		
b. Nonrural Development		
12. Other Investments		
a. Rural Development		
b. Nonrural Development		
13. Nonregulated Investments		
14. Other Noncurrent Assets		
15. Deferred Charges		
16. Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)		
PLANT, PROPERTY, AND EQUIPMENT		
18. Telecom, Plant-in-Service		
19. Property Held for Future Use		
20. Plant Under Construction		
21. Plant Adj., Nonop. Plant & Goodwill		
22. Less Accumulated Depreciation		
23. Net Plant (18 thru 21 less 22)		
24. TOTAL ASSETS (10+17+23)		

LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT LIABILITIES	[redacted]	
25. Accounts Payable		
26. Notes Payable		
27. Advance Billings and Payments		
28. Customer Deposits		
29. Current Mat. L/T Debt		
30. Current Mat. L/T Debt-Rur. Dev.		
31. Current Mat.-Capital Leases		
32. Income Taxes Accrued		
33. Other Taxes Accrued		
34. Other Current Liabilities		
35. Total Current Liabilities (25 thru 34)		
LONG-TERM DEBT		
36. Funded Debt-RUS Notes		
37. Funded Debt-RTB Notes		
38. Funded Debt-FFB Notes		
39. Funded Debt-Other		
40. Funded Debt-Rural Develop. Loan		
41. Premium (Discount) on L/T Debt		
42. Reacquired Debt		
43. Obligations Under Capital Lease		
44. Adv. From Affiliated Companies		
45. Other Long-Term Debt		
46. Total Long-Term Debt (36 thru 45)		
OTHER LIAB. & DEF. CREDITS		
47. Other Long-Term Liabilities		
48. Other Deferred Credits		
49. Other Jurisdictional Differences		
50. Total Other Liabilities and Deferred Credits (47 thru 49)		
EQUITY		
51. Cap. Stock Outstand. & Subscribed		
52. Additional Paid-in-Capital		
53. Treasury Stock		
54. Membership and Cap. Certificates		
55. Other Capital		
56. Patronage Capital Credits		
57. Retained Earnings or Margins		
58. Total Equity (51 thru 57)		
59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = [redacted] of Total Assets

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS- See RUS Bulletin 1744-2

BORROWER DESIGNATION: AR0531

PERIOD ENDING: December, 2016

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

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

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
AR0531

PERIOD ENDED
December, 2016

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

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Scotland	20.57	10.52	[redacted]				
Shirley	20.57	10.52					
Clinton	20.57	10.52					
Fairfield Bay	20.57	10.52					
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	4						

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USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
AR0531

PERIOD ENDED
December, 2016

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)
Scotland	[redacted]	[redacted]	[redacted]	768	512	37.95	Package	DSL
Shirley	[redacted]	[redacted]	[redacted]	768	512	37.95	Package	DSL
Clinton	[redacted]	[redacted]	[redacted]	768	512	37.95	Package	DSL
Fairfield Bay	[redacted]	[redacted]	[redacted]	768	512	37.95	Package	DSL
Total	[redacted]	[redacted]	[redacted]					

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USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION: AR0531

PERIOD ENDING: December, 2016

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	[redacted]	[redacted]

PART E. TOLL DATA

1. Study Area ID Code(s)

a. 401692
b.
c.
d.
e.
f.
g.
h.
i.
j.

2. Types of Toll Settlements (Check one)

Interstate:	☐ Average Schedule	☒ Cost Basis
Intrastate:	☐ Average Schedule	☒ Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[redacted]
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: Investment This Year (b)	CURRENT YEAR DATA: Income/Loss This Year (c)	CUMULATIVE DATA: Cumulative Investment To Date (d)	CUMULATIVE DATA: Cumulative Income/Loss To Date (e)	CUMULATIVE DATA: Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

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USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION: AR0531

PERIOD ENDING: December, 2016

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) [X] YES [ ] NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	[redacted]
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 AR0531
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2016

	PART I – STATEMENT OF CASH FLOWS	
1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	[redacted]
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain) Loss Pens, Gain/Loss Invest's & Securities, Cash Surrender, Interest, Tax, Amort Bonds	
	Changes in Operating Assets and Liabilities	
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**	
	CASH FLOWS FROM FINANCING ACTIVITIES	
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)	
23.	**Net Cash Provided/(Used) by Financing Activities**	
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain)	
28.	**Net Cash Provided/(Used) by Investing Activities**	
29.	**Net Increase/(Decrease) in Cash**	
30.	**Ending Cash**	

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION AR0531
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2016

NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

Note to Part I:

[redacted]

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION AR0531
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2016

CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS