LINCOLN OFFICE
SUITE 500
301 SOUTH 13TH STREET
LINCOLN, NEBRASKA 68508-2578
TELEPHONE 402-437-8500
FAX 402-437-8558

OMAHA OFFICE
SUITE 525
10250 REGENCY CIRCLE
OMAHA, NEBRASKA 68114-3754
TELEPHONE 402-898-7400
FAX 402-898-7401

WOODS & AITKEN
L L P

THOMAS J. MOORMAN
DIRECT: (202) 944-9502
EMAIL: TMOORMAN@WOODSAITKEN.COM
WWW.WOODSAITKEN.COM
ADMITTED TO PRACTICE ONLY IN THE DISTRICT OF COLUMBIA

PLEASE RESPOND TO WASHINGTON ADDRESS

DENVER OFFICE
SUITE 525
8055 EAST TUFTS AVENUE
DENVER, COLORADO 80237-2835
TELEPHONE 303-606-6700
FAX 303-606-6701

WASHINGTON OFFICE
SUITE 310
5151 WISCONSIN AVENUE, N.W.
WASHINGTON, D.C. 20016-4124
TELEPHONE 202-944-9500
FAX 202-944-9501

June 30, 2016

REDACTED – FOR PUBLIC INSPECTION

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

Re: WC Docket No. 14-58
Submission of Redacted Version of FCC Form 481 for
Copper Valley Telephone, Inc. (Study Area Code 452176)

Dear Ms. Dortch:

Attached for electronic filing is a copy of the redacted public version of the FCC Form 481 of Copper Valley Telephone, Inc. (the "Company") which contains: (1) the Company's financial information of required by Section 54.313(f)(2) of the Commission's Rules (which is filed in compliance with the Protective Order referenced below); (2) the Company's updated five-year plan required by Section 54.313 of the Commission's Rules; and (3) certain unadvertised broadband pricing-related information.

The Company's FCC Form 481 has been electronically filed with the Universal Service Administrative Company. Consistent with the Commission's Protective Order, WC Docket No. 10-90 *et al.*, DA 16-296, released March 22, 2016 and 47 C.F.R. § 0.459 of the Commission's Rules, the Company, under separate letter, has submitted the confidential version of the Company's FCC Form 481 which contains the Company's financial information required by Section 54.313(f)(2) of the Commission's Rules, the Company's updated five-year plan and certain unadvertised broadband pricing-related information.

Respectfully submitted,

Thomas J. Moorman

Thomas J. Moorman
James A. Overcash
Copper Valley Telephone, Inc. Attachment

REDACTED - FOR PUBLIC INSPECTION

WOODS & AITKEN
L · L · P

LINCOLN OFFICE
SUITE 500
301 SOUTH 13TH STREET
LINCOLN, NEBRASKA 68508-2578
TELEPHONE 402-437-8500
FAX 402-437-8558

OMAHA OFFICE
SUITE 525
10250 REGENCY CIRCLE
OMAHA, NEBRASKA 68114-3754
TELEPHONE 402-898-7400
FAX 402-898-7401

THOMAS J. MOORMAN
DIRECT: (202) 944-9502
EMAIL: TMOORMAN@WOODSAITKEN.COM
WWW.WOODSAITKEN.COM
ADMITTED TO PRACTICE ONLY IN THE DISTRICT OF COLUMBIA

PLEASE RESPOND TO WASHINGTON ADDRESS

DENVER OFFICE
SUITE 525
8055 EAST TUFTS AVENUE
DENVER, COLORADO 80237-2835
TELEPHONE 303-606-6700
FAX 303-606-6701

WASHINGTON OFFICE
SUITE 310
5151 WISCONSIN AVENUE, N.W.
WASHINGTON, D.C. 20016-4124
TELEPHONE 202-944-9500
FAX 202-944-9501

CONFIDENTIAL INFORMATION — SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

AND

CONFIDENTIAL INFORMATION FILED PURSUANT TO SECTION 0.459 OF THE COMMISSION'S RULES

June 30, 2016

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

Re: WC Docket No. 14-58

Submission of Confidential Version of FCC Form 481 for Copper Valley Telephone, Inc. (Study Area Code 452176)

Dear Ms. Dortch:

Pursuant the requirements of the Commission's Protective Order, WC Docket No. 10-90 *et al.*, DA 16-296, released March 22, 2016 (the "Protective Order") and 47 C.F.R. § 0.459 of the Rules of the Federal Communications Commission) (the "Commission" or the "FCC"), attached for filing is one copy of the confidential version of the FCC Form 481 of Copper Valley Telephone, Inc. (the "Company") which contains the Company's financial information required by Section 54.313(f)(2) of the Commission's rules (which is filed in compliance with the Protective Order), and the Company's Annual Progress Report to its five-year plan (the "Annual Progress Report")[1] required by Section 54.313(a)(1) of the Commission's Rules and

[1] The Company notes that this Annual Progress Report is required until certain rule changes by the Commission associated with reporting geocoded locations are approved by the Office of Management and Budget. *See In the Matter of Connect America Fund, et al., Report and Order*

certain unadvertised broadband service pricing-related information (the latter two items which are filed pursuant to the requirements of Section 0.459 of the Commission's Rules).

The Company's FCC Form 481 has been electronically filed with the Universal Service Administrative Company on June 30, 2016. Consistent with the Protective Order and Section 0.459, the Company is submitting separately the public version of the Company's FCC Form 481 which redacts the confidential information from the submission the Company's Section 54.313(f)(2) financial information and the Company's confidential information contained in the Annual Progress Report and certain unadvertised broadband service pricing-related information.

Section 54.313(f)(2) Financial Information

In the Protective Order, the Commission established procedures for the submission of the financial information required by Section 54.313(f)(2) of the Commission's Rules. The Protective Order establishes the procedures under which such submission can be made. The Company respectfully submits that, in good faith, those procedural requirements (which include copies and specific page headers) have been followed. Thus, under the Protective Order, the Company respectfully requests that its Section 54.313(f)(2) information be kept confidential.

Sections 54.313(a)(1) Progress Report to Its Five-Year Plan, Section 54.313(a)(2) Broadband Service Pricing-Related Information

In addition to its submission of Section 54.313(f)(2) information for which it seeks confidential treatment, this letter also submits the Company's Progress Report as part of its 2016 FCC Form 481 submission to its initial five year construction and service improvement plan submitted by the Company last year.[2] Further, as part of its 2016 FCC Form 481 Submission, the Company also seeks confidential treatment of certain unadvertised broadband service pricing-related information as noted below.

Pursuant to 47 C.F.R. § 0.459 of the Commission's Rules, the Company, by Counsel, hereby requests that the identified portion of the Annual Progress Report Information and certain broadband service pricing-related information as noted in sub-section (1), below, be withheld from public inspection. Specifically, the Company requests that information attached

---

and Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90 *et al.*, FCC 16-33, released March 30, 2016 at paras. 215-216.

[2] Accompanying this letter is the Declaration of Steven D. Metts, Chief Executive Officer of the Company certifying to the facts stated in this request.

hereto and as required to be submitted in order to be fully responsive to the requirements found in 47 C.F.R. §§ 54.313(a)(1) and 54.313(a)(2) be withheld from public inspection because that information contains trade secrets and, as applicable, commercial, financial, and technical data that is guarded from disclosure to competitors and the public in the Company's normal and ordinary course of business.

The Commission requires certain Eligible Telecommunications Carriers ("ETCs") to file a five-year service quality improvement plan and Section 54.313(a)(1) then requires an ETC to provide progress reports regarding that plan over the course of the five years. Similarly, FCC Form 481also includes a line item Line 710 which requires the disclosure of certain broadband pricing-related information. The Annual Progress Report, includes a description of upgrades to the Company's network along with updated estimates regarding the Company's proposed major constructions projections as further described and noted in its Annual Progress Report, including for example, updated estimated capital expenditures for each project and, if applicable, updated time frames for those projects that were planned to be completed by the end of calendar year 2015, along with a map that provides a pictorial depiction of such deployment plans, and how much federal universal service funding was received (the "Annual Progress Report Information"). Line 710 of FCC Form 481 requires, among other items, the disclosure of residential broadband rates, speeds, and usage allowances.

The Company respectfully submits that its Annual Progress Report Information and unadvertised broadband pricing-related information are each competitively sensitive and is a "trade secret" which has been defined as "information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." *See* Restatement of Torts §757 (1939). The Annual Progress Report Information represents the Company's efforts to comply with the requirements of Section 54.313(a)(1) of the Commission's Rules based on the Company's collective experience, thought, analysis, and planning along with the Company's opinion of market trends, conditions, technologies, and customer preferences arising out of, *inter alia*, the Company's existing operations within the rural areas it serves in Arizona. Just as would be the case for one of its competitors and that competitor's experience, the cumulative effect of this effort affords the Company "an advantage over competitors" that do not have access to the information.

Disclosure of the Company's Annual Progress Report Information relates to the existing and planned improvement and upgrade plans, time frames, and affected customers and locations would provide competitors with the views and insights of the Company and its business planning during period covered by this submission and those anticipated network upgrades and capabilities that the Company believes, all things being equal, are necessary to meet its obligations under applicable Commission Rules, service commitments and efforts to retain customers. Improper public access to this Company information would enable existing and potential competitors to respond preemptively and unfairly by utilizing internal Company

information that is guarded closely and not disclosed to third parties during the normal and ordinary course of business. Public access to the Company's Annual Progress Report Information, therefore, would enable competitors to tailor marketing and/or entry strategies in a manner that would not be possible but for the provision of the Annual Progress Report Information to the Commission. Thus, competitors would be able to target and/or modify their competitive service plans to take advantage of those locations where projects are not underway, or plan for competitive offerings in those areas where the Company's plans are known but for which the competitor had no plans previously.

Similarly, with respect to the Company's unadvertised broadband pricing-related information, this information is derived from individually negotiated and engineered requests from specific customers, reflecting where the Company's network can capably provide alternative broadband speed based upon, among other items, the customer's physical location proximity to an appropriate network broadband node and the cost of providing the service being reflected in the agreed-upon rates between the customer and the Company. As a result, the Company respectfully submits that if this unadvertised broadband pricing-related information is publicly available, competitors could obtain insights into the operations of the Company, and its capability to respond to service requests when network engineering indicates that higher broadband speeds can be sustained to meet the customer's specific request. Such knowledge, in turn, would allow competitors to target and/or modify their competitive service plans to mirror or possibly exceed the Company's capabilities not previously anticipated by the competitor as necessary.

With respect to these two discrete pieces of information -- the Annual Progress Report Information and unadvertised broadband pricing-related information -- public disclosure of any of this information in the Company's view, would be inconsistent with the competitive goals of the 1996 revisions to the Communications Act of 1934, as amended (the "Act"). In general, competition is the "effort of two or more parties, acting independently, to secure the business of a third party by the offer of the most favorable terms." Black's Law Dictionary, Sixth Ed. West Publishing Co., St. Paul, MN (1991). By contrast, utilization of trade secrets by a firm in order to gain market share would ignore a fundamental principle of competition, specifically, the pursuit of consumers by two or more parties "acting independently." Disclosure of the trade secrets and the use by competitors of the confidential information contained in either the Annual Progress Report Information or the unadvertised broadband pricing-related information would be inconsistent with the competitive objectives of the Act, as the disclosure would allow access to these three areas of Company information disclosed in response to the FCC Form 481 requirements that would not otherwise be independently available to one of its competitors.

Accordingly, pursuant to Section 0.459(b) of the Commission's Rules, the following is provided in support of this request:

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

The Company seeks confidential treatment of the following Annual Progress Report Information regarding. The Company seeks confidential treatment of the Voice and Broadband Upgrade Projects for 2015 as well as the related capital expenditure, operational expenses, and federal Universal Service Fund utilization data as disclosed in response to Line 112 of the FCC Form 481.

The Company also seeks confidential treatment of certain unadvertised broadband pricing-related information related to the Company's individually priced customer service offerings in response to Line 710 of the FCC Form 481.

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

The Annual Progress Report Information is submitted as a result of the requirements of Section 54.313(a)(1) of the Commission's Rules and Section 254 of the Act, as required by FCC Form 481. *See, e.g., In the Matter of Connect America Fund, et al., Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 10-90 *et al.*, 26 FCC Rcd 17663 (2011), *aff'd* In Re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014); *see also* 47 C.F.R. §54.313. The unadvertised broadband pricing-related information is required by the Commission with respect to the submission of the FCC Form 481.

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

The Annual Progress Report Information is commercial and financial information, and contains trade secrets in that it reveals the Company's timing of, expenditures associated with, and customer impacts arising from its network upgrade plans for provisioning broadband services. This information is highly confidential because it describes the Company's plans for the network, including: a good faith estimated schedule for such projects; the wire centers included in such projects; an explanation of projects known or scheduled to be underway in the future, as well as planned construction projects currently underway; the estimated cost of the projects; and the estimated population and census blocks to be affected by the project.

Likewise, based on how the Company responds to specific requests for broadband service and the technical capability of its network should a customer request specific broadband services not otherwise publicized by the Company, the Company respectfully submits that the

resulting unadvertised broadband pricing-related information requires the disclosure of trade secret and confidential information.

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

The Annual Progress Report Information relates to the Company's network, with the formed information relating to the planning and the status of on-going networks deployments required for the provision for local exchange service and the provision of broadband internet access service, which are both competitive services. To a somewhat similar extent, the Company's unadvertised broadband pricing-related information is also based in part on the Company's network capabilities but also includes aspects of customer-specific decision making regarding, for example, the price for which that service will be offered and agreed to by the customer. The geographic area in which the Company operates are also covered in part by other service providers including but not limited to various wireless service providers that compete with the services provided by the Company as well as s terrestrial-based provider of voice and broadband over cable television facilities and fixed wireless providers.

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

In addition to those points raised in response to Subsection 1, above, disclosure of the Annual Progress Report Information could result in substantial competitive harm by revealing to competitors the nature and extent of the Company's business plans to continue to provide the quality of voice service and broadband internet access service over its network that has enabled the Company to retain its existing customer base, and the current status of planned network upgrades provided previously. This information, therefore, would enable competitors to unfairly discover the Company's existing proposed plans and current status with respect to those projects it has decided would be necessary to ensure continued high quality service throughout its service area and its requirements under applicable Commission Rules.

As explained and described above, the information submitted describes the Company's confidential business plans and operational capabilities based on the facts that the Company has today. Thus, disclosure of the Annual Progress Report Information would provide existing and potential competitors of the Company keen insights into the Company's infrastructure plans based on existing circumstances. These types of insights, in turn, would enable such competitor to craft or update its business plan to either target those areas where it believes the growth of market share can occur vis-à-vis the Company's non-upgraded facilities or to target its own investment or operational capabilities in those areas where, but for the Company's Annual Progress Report Information, the competitor would not have seen the need to invest or improve its operations to retain or gain market share. So too, public disclosure of the unadvertised

broadband pricing-related information would allow competitors the same types of insights into the Company's existing network capabilities as well as provide insights into how the Company and its customers may determine how specific requests for services are resolved. In such situations, the competitor may identify areas where it needs to make increased investment or improve not only its operations but its customer-outreach in an effort to identify other areas where customer-specific service requests could be pursued.

In such a circumstance, the competitor would be able to "game" the market place by understanding where its competitor – the Company – believes network improvement dollars are best spent as well as the timing of such decision and disclosure of the unadvertised broadband pricing-related information could allow the competitor to game the market by seeing what customer-specific needs are being met by the Company on an individualized basis. Such results do not encourage fair competition nor support fair competition. Rather, such action would undermine competition by enabling competitors to acquire competitively sensitive information of the Company. That acquisition of information, in turn, would improperly assist that competitor's effort to gain customers not as a result of its own decision making and capabilities but as a result of access to commercially sensitive information from the Company that reflects the Company's decision making and capabilities.

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

The Annual Progress Report Information and the unadvertised broadband pricing-related information as submitted by the Company are each generally protected to prevent unauthorized disclosure. Disclosure of this information is limited solely to internal corporate discussions and, where necessary, disclosure to vendors or others whose participation is necessary to plan or implement such projects (and such disclosure is made subject to a professional confidentiality obligation).

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

The Annual Progress Report Information and the unadvertised broadband pricing-related information is not published, nor provided to the public, nor included in any publicly-available documents or materials of the Company. The information has not been disclosed to third parties unless such disclosure is subject to a professional confidentiality obligation.

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

The Company submits that the Annual Progress Report Information and the unadvertised broadband pricing-related information should be treated as confidential on a permanent and on-going basis. The Annual Progress Report Information discloses and reveals the Company's strategy, and provides competitively sensitive information in that it reveals the Company's approach to and status of network upgrades and improvements. The information should be treated as confidential even after the five-year period described in the Annual Progress Report Information has passed since, to the extent exogenous events or changed business plans alter the schedules or outcome of the network upgrade plans described therein, those descriptions and plans may be wholly relevant and applicable in a successive time period.

So too, the Company's unadvertised broadband pricing-related information should also be treated as confidential on a permanent and on-going basis. The unadvertised broadband pricing-related information discloses and reveals to an extent the Company's network related operational capabilities to address, and the Company's ability to meet, customer-specific requests for service based on the Company's technical capabilities along with the price for which the customer is willing to pay for the service. This information provides competitively sensitive information in that it reveals the Company's approach to and status of the Company's commitment to its customers to respond to reasonable requests for services that the Company, in turn, can engineer in a manner that meets its customer's expectation for high quality telecommunication services. Like the Annual Progress Report Information, the Company respectfully submits that the unadvertised broadband pricing-related information should be treated as confidential even after the five-year period described in the Annual Progress Report Information has passed since, to the extent exogenous events occur providing a further track record of the Company's capabilities, a trend analysis of such responsiveness could be established providing additional inappropriate insights to competitors of the Company's operations and capabilities. Thus, the current unadvertised broadband pricing-related information may be wholly relevant and applicable in a successive time period.

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

The requested treatment of this information as confidential and proprietary by the Commission is consistent with the Commission's policies in addressing other submissions that contained competitively sensitive information.

For example, with respect to the Annual Progress Plan Information, the Commission recognized in the *Local Competition and Broadband Reporting, Report and Order*, CC Docket No. 99-301, FCC 00-114 (rel. Mar. 30, 2000) that information submitted with Form 477 (Local

Telephone Competition/Broadband Reporting) (the "Form") implicated concerns related to the disclosure of competitively sensitive data. The Form requires information regarding the type of technology used to deliver broadband services, including total connection to end-users, information transfer rates, and an estimate of the percentage of residential end-user premises in the provider's service area to which the provider's broadband connections could be provided using installed distribution facilities. The Commission requires the information because it "conclude[d] that the answers to these questions are necessary to describe and understand the state of competition for local telephone services and the deployment of broadband services in diverse areas of the nation." *Id.* at ¶62. As a general matter, these same types of considerations are, in the Company's view relevant to the Company's unadvertised broadband pricing-related information in that such information reflects the Company's ability to respond to customer-specific service requests.

At the same time, however, the Commission also recognized "concern over the potential for competitive harm that release of the gathered data could cause." *Id.* at ¶88. While stating that it was not "making a prospective decision about whether these data elements would satisfy the Commission's standard for non-disclosure," the Commission also stated that it would "not . . . publish in our publicly available reports individual provider-filed data for the broadband (Part 1) portion of the Form, *even where providers do not seek non-disclosure of this data.*" *Id.* at ¶91 (emphasis added). In fact, rather than require carriers to submit a detailed and specialized request with the Form, the Commission offered filers a "check-box" on the Form in order to "mak[e] it easier for providers to request confidential treatment of their data." *Id.* at ¶90. This same approach – the checking of a box to assert confidentiality – is also available to filers of the financial information required by the submission of the FCC's FCC Form 499-A and FCC Form 499-Q. *See* 2016 FCC Form 499-A, line 605 and 2015 Telecommunications Reporting Worksheet Instructions (FCC Form 499-A), Form 499-A at 46; *see also* FCC Form 499-Q, line 121 and Telecommunications Reporting Worksheet, FCC Form 499-Q (2016) Instructions for Completing the Quarterly Worksheet for Filing Contributions to Universal Service Support Mechanisms at 19.

The Company respectfully submits that similar concerns that the Commission has recognized previously regarding the competitively-sensitive nature of carrier data are applicable here; the data related to current and future plans of Company found in the Annual Progress Plan Information reflects construction projects reflected in the Annual Progress Report is at least as, if not more, competitively-sensitive than the type submitted in other FCC forms. For example, unlike the Form 477 Information which describes current broadband capabilities and FCC Form 499-A regarding prior year revenues and FCC Form 499-Q regarding prior quarter and projected quarter revenues, the Annual Progress Plan Information also reflects the Company's reasoned business decision making as to future actions and the status of them that it believes are necessary to ensure quality service over its network.

Relief Requested

Therefore, for all of the reasons stated herein, the Company respectfully requests that the Company's Section 54.313(f)(2) financial information be treated as confidential under the requirements of the Protective Order. The Company also respectfully requests that the Commission to recognize that the Annual Progress Report Information and unadvertised broadband pricing-related information for which confidential treatment is requested, as described above, be withheld from public inspection. Pursuant to the requirements of the Protective Order and Section 0.459(a) of the Commission's Rules, the materials to which this request applies are submitted physically separated from any materials to which the request does not apply and are marked "REDACTED – FOR PUBLIC INSPECTION". Moreover, pages containing Section 54.313(f)(2) confidential information are marked "CONFIDENTIAL INFORMATION — SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." Further, pages containing information regarding the Company's Annual Progress Report Information and unadvertised broadband pricing-related information are marked "CONFIDENTIAL".

Respectfully submitted,

Thomas J. Moorman

Thomas J. Moorman
James A. Overcash
Counsel for
Copper Valley Telephone, Inc.

Attachment

cc: Steven D. Metts

DECLARATION

I, Steven D. Metts, Chief Executive Officer of Copper Valley Telephone, Inc. (the "Company"), do hereby declare under penalties of perjury that I have read the foregoing request for confidential treatment and the information contained therein regarding the Company is true and accurate to the best of my knowledge, information, and belief.

Date: 6/30/16

Steven D. Metts
Chief Executive Officer

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Virgil Barnard
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	virgil.barnard@vtc.net
	Form Type	54.313 and 54.422

(100) Service Quality Improvement Reporting
Data Collection Form

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

<010>	Study Area Code	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

452176-AZ-Service Quality Improvement-Line 112.pdf

Name of Attached Document

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

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

REDACTED - FOR PUBLIC INSPECTION

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<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

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<300> Unfulfilled service request (voice)

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

7

452176-AZ-Service Quality Improvement-Line 112.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. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	652176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203646913 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net
<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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848912 ext.
<036>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnardsvtc.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	452176-AZ-Service Quality Standards and Consumer Protection-Line 510.pdf

(600) Functionality in Emergency Situations
Data Collection Form

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

<010>	Study Area Code	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	3203[redacted] ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	452176-AZ-Emergency Situations-Line 610.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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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

<703>

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

-- See attached worksheet

REDACTED - FOR PUBLIC INSPECTION

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<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 --

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<810>	Reporting Carrier	Copper Valley Telephone, Inc.
<811>	Holding Company	Valley Telephone Cooperative, Inc.
<812>	Operating Company	Copper Valley Telephone, Inc.

<813>

<a1> Affiliates	<a2> SAC	<a3> Doing Business As Company or Brand Designation
-- See attached worksheet --		

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203648932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net
<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 document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

		Select Yes or No or Not Applicable
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	
<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.	

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. 3060-0819
July 2013

<010>	Study Area Code	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	452176-AZ-Voice Service Comparability-Line 1010.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	452176-AZ-Broadband Price Comparability-Line 1030.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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

452176-AZ-Lifeline Terms & Conditions-Line 1210.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. ☑

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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

Incremental Connect America Phase I reporting

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

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

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

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

<2024A> Round 2 Recipient of Incremental Support?

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

Name of Attached Document Listing Required Information

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

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

Name of Attached Document Listing Required Information

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

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

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

<2017A> Connect America Fund Phase II recipient?

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

Name of Attached Document Listing Required Information

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

Name of Attached Document Listing Required Information

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

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

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

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

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

REDACTED - FOR PUBLIC INSPECTION

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

	Progress Report on 5 Year Plan		
(3009)	Carrier certifies to 54.313(f)(1)(iii)	Yes - Attach Certification	
(3010A)	Milestone Certification (47 CFR § 54.313(f)(1)(i))		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	452176-AZ-Broadband Milestone Cert-Line 3010.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	452176-AZ-Community Anchor Institutions-Line 3012.pdf
(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	452176-AZ-RUS Report-Line 3017 - CVT.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	

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

Financial Data Summary

(3027) Revenue	[redacted]
(3028) Operating Expenses	[redacted]
(3029) Net Income	[redacted]
(3030) Telephone Plant In Service(TPIS)	[redacted]
(3031) Total Assets	[redacted]
(3032) Total Debt	[redacted]
(3033) Total Equity	[redacted]
(3034) Dividends	[redacted]

Name of Attached Document Listing Required Information

REDACTED - FOR PUBLIC INSPECTION

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848332 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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: COPPER VALLEY TELEPHONE, INC

Signature of Authorized Officer: CERTIFIED ONLINE Date 06/30/2016

Printed name of Authorized Officer: Steven Metts

Title or position of Authorized Officer: CEO

Telephone number of Authorized Officer: 5203842231 ext.

Study Area Code of Reporting Carrier: 452176 Filing Due Date for this form: 07/01/2016

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

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

<010>	Study Area Code	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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.

Attachments

[redacted]

Response Line 112
Copper Valley Telephone, Inc.
Study Area 452176

[redacted]

Response Line 112
Copper Valley Telephone, Inc.
Study Area 452176

[redacted]

[redacted]

Response to Line 330
Copper Valley Telephone, Inc.
Study Area 452176

Unfulfilled Service Request - Broadband

Pursuant to 47 C.F.R. § 54.313 (a) (3) Copper Valley Telephone, Inc. ("Copper") had 7 requests for broadband service in its service area during calendar year 2015 that were unfulfilled because the cost & time to construct facilities made it infeasible to serve these customers at this time.

Response to Line 510

Description of Efforts in Compliance With
Service Quality Standards and Consumer Protection for Voice and Broadband Networks

Copper Valley Telephone, Inc.

SAC 452176

Copper Valley Telephone, Inc. (the Company) is a wireline rural local exchange carrier serving as an ETC in southeast Arizona and southwest New Mexico. The company complies with all state and federal service quality and consumer protection standards.

The Company continually strives to maintain the highest customer satisfaction by consistently going beyond the minimum standards of service quality and consumer protection. The Company regularly trains all customer contact personnel in CPNI and Red Flag rules in order to maintain strict compliance. This training is designed to enforce compliance with relevant state standards for consumer protection and quality of service.

Response to Line 610

Certification of Functionality in Emergency Situations for

Copper Valley Telephone, Inc.

SAC 452176

Copper Valley Telephone, Inc. (the Company) is a wireline rural local exchange carrier serving as an ETC in southeast Arizona and southwest New Mexico.

In order to assure reasonable back-up power to protect functionality in the event of failure of the external power grid the Company has equipped all central offices with a minimum of eight hours of battery backup plus stationary generators with on-site fuel supplies that are capable of a minimum of one week run time. All remote carrier facilities are equipped battery backup that is designed to last at least eight hours. The Company maintains an additional generator on wheels that can be deployed in the event of a need. All batteries are routinely maintained and replaced as needed. All generators are regularly tested and serviced to assure readiness.

The network employed by the Company has electronic redundancy in all layer 3 network segments and most layer 2 network segments. The Company has the ability to route traffic remotely in outage or emergency situations in layer 3 and most layer 2 networks.

The Company has the capability to prioritize traffic in emergency situations.

(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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

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

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
AZ	CLIFTON		FR	16.0	0.0	0.01	0.0	16.01
AZ	DUNCAN		FR	16.0	0.0	0.01	0.0	16.01
AZ	ELFRIDA		FR	16.0	0.0	0.01	0.78	16.79
NM	VIRDEN		FR	16.0	0.0	0.01	0.0	16.01
AZ	YORK VALLEY		FR	16.0	0.0	0.01	0.0	16.01

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<711>

<a1> State	<a2> Exchange (ILEC)	<b1> Residential Rate	<b2> State Regulated Fees	<c> Total Rates and Fees	<d1> Broadband Service - Download Speed (Mbps)	<d2> Broadband Service -Upload Speed (Mbps)	<d3> Usage Allowance (GB)	<d4> Usage Allowance Action Taken When Limit Reached {select}
AZ	ALL	39.95	0.0	39.95	1.5	0.5	999999.0	Other, Unlimited Usage
AZ	ALL	49.95	0.0	49.95	3.0	0.5	999999.0	Other, Unlimited Usage
AZ	ALL	59.95	0.0	59.95	5.0	0.5	999999.0	Other, Unlimited Usage
[redacted]								
AZ	ALL	59.95	0.0	59.95	20.0	3.0	999999.0	Other, Unlimited Usage
AZ	ALL	69.95	0.0	69.95	30.0	3.0	999999.0	Other, Unlimited Usage
AZ	ALL	79.95	0.0	79.95	40.0	3.0	999999.0	Other, Unlimited Usage
NM	ALL	39.95	0.0	39.95	1.5	0.5	999999.0	Other, Unlimited Usage
NM	ALL	49.95	0.0	49.95	3.0	0.5	999999.0	Other, Unlimited Usage
NM	ALL	59.95	0.0	59.95	5.0	0.5	999999.0	Other, Unlimited Usage
[redacted]								
NM	ALL	59.95	0.0	59.95	20.0	3.0	999999.0	Other, Unlimited Usage
NM	ALL	69.95	0.0	69.95	30.0	3.0	999999.0	Other, Unlimited Usage
NM	ALL	79.95	0.0	79.95	40.0	3.0	999999.0	Other, Unlimited Usage

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	452176
<015>	Study Area Name	COPPER VALLEY TELEPHONE, INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Virgil Barnard
<035>	Contact Telephone Number - Number of person identified in data line <030>	5203848932 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	virgil.barnard@vtc.net

<810>	Reporting Carrier	Copper Valley Telephone, Inc.
<811>	Holding Company	Valley Telephone Cooperative, Inc.
<812>	Operating Company	Copper Valley Telephone, Inc.

<813>

<a1> Affiliates	<a2> SAC	<a3> Doing Business As Company or Brand Designation
Valley Telephone Cooperative, Inc.	452176	Valley TeleCom Group
Valley Telephone Cooperative, Inc.	492176	Valley TeleCom Group
Copper Valley Telephone, Inc.	452176	Valley TeleCom Group
VTG Holdings, Inc.		
Valley Connections, L.L.C.		Valley TeleCom Group
Valley Telecommunications Company		
Arriba Network Partners, LLC		

REDACTED - FOR PUBLIC INSPECTION

Response to Line 1010
Copper Valley Telephone, Inc.
Study Area 452176

Voice Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10) Copper Valley Telephone, Inc. ("Copper") is in compliance with the requirement that voice services is no more than two standard deviations above the national average urban rate for voice service of $41.07 as specified in Public Notice DA 16-362 issued on April 5, 2016. Copper's current total local end-user rates[1] of $16.01 to $16.79 (which includes a local fee of $16.00 and surcharges and any EAS) is not above the standard deviation as specified in the USF/ICC Transformation Order. [2]

[1] Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

[2] USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

Response to Line 1030
Copper Valley Telephone, Inc.
452176

Broadband Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (11) Copper Valley Telephone, Inc. ("Copper") charges a residential rate of $59.95 for broadband providing 10 Mbps download, 1.5 Mbps upload, and an unlimited usage allowance. This rate is lower than $75.26, which is the 2016 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.[1]

[1] *Wireline Competition Bureau Announces Results of 2016Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 16-362 (rel. April 6, 2016).

Response to Line 1210

Description of Lifeline Terms and Conditions

Copper Valley Telephone, Inc.

SAC 452176

Copper Valley Telephone, Inc. (the Company) is a wireline rural local exchange carrier serving as an ETC in southeast Arizona and southwest New Mexico. The lifeline service offered has unlimited local calling and equal access to the long distance provider of the customer's choice.

The Company is an equal access ILEC and therefore provides all customers the option to utilize the toll provider of their choice.

The residential rate for local service from July 1, 2015 to June 30, 2016 was $16.00 in Arizona and $16.00 in New Mexico before consideration of the applicable state and federal lifeline discounts.

Response to Line 3010
Copper Valley Telephone, Inc.
Study Area 452176

Milestone Certification

Pursuant to 47 C.F.R. § 54.202(a) Copper Valley Telephone, Inc. ("Copper") provides this certification that it is taking reasonable steps to provide upon reasonable request broadband 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 offerings in urban areas as determined in an annual survey as specified in Public Notice DA 16-362, and that requests for such service are met within a reasonable amount of time. Details for how Copper is meeting its goals of serving rural customers while satisfying required obligations are specified within the FCC Form 481 annual filing.

Response to Line 3012
Copper Valley Telephone, Inc.
SAC 452176

Community Anchor Institutions where fiber optic cable has been placed this year:

Duncan High School
108 Stadium Blvd
P O Box 710
Duncan, AZ 85534
(928) 359-2472

Valley Union High School
4088 W Jefferson Rd
P O Box 158
Elfrida, AZ 85610
(520) 642-3492

McNeal School
3979 W McNeal St
P O Box 8
McNeal, AZ 85617
(520) 642-1071

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	*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 Copper Valley Telephone, 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, 2015	BORROWER DESIGNATION AZ0515

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 Repor

Steven Metts — 3/31/2016
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	[redacted]	[redacted]	CURRENT LIABILITIES	[redacted]	[redacted]
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. 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.		
4. 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		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. 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		
12. 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)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			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

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** *INSTRUCTIONS- See RUS Bulletin 1744-2*	BORROWER DESIGNATION AZ0515 PERIOD ENDING December, 2015

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		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
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		
14. Total Operating Expenses (8 thru 13)		
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		
20. Total Operating Taxes (17+18+19)		
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		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
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		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
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]		

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
AZ0515

PERIOD ENDED
December, 2015

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)
Duncan/Virden	32.00	16.00	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Clifton	32.00	16.00	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Elfrida	32.00	16.00	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
York	32.00	16.00	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
MobileWireless					[redacted]		
Route Mileage Outside Exchange Area						[redacted]	[redacted]
Total			[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
No. Exchanges	4						

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
AZ0515

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)
Duncan/Virden	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	StandAlone	DSL
Clifton	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	StandAlone	DSL
Elfrida	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	StandAlone	DSL
York	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	StandAlone	DSL
Total	[redacted]	[redacted]						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AZ0515 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
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)		
a. [redacted]	Interstate:	☐ Average Schedule	☒ Cost Basis
b.	Intrastate:	☐ Average Schedule	☒ Cost Basis
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			

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)	[redacted]
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	[redacted]

PART G. INVESTMENTS IN AFFILIATED COMPANIES

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

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AZ0515
	PERIOD ENDING December, 2015

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	33.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	20.00%
4. Land and support assets - Garage and other work equipment	20.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	10.00%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	9.00%
9. Central Office Switching - Analog & Electro-mechanical	5.00%
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	5.00%
12. Central Office Transmission - Circuit equipment	9.00%
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	10.00%
19. Cable and wire facilities - Aerial cable - Metal	6.00%
20. Cable and wire facilities - Aerial cable - Fiber	6.00%
21. Cable and wire facilities - Underground cable - Metal	4.00%
22. Cable and wire facilities - Underground cable - Fiber	4.00%
23. Cable and wire facilities - Buried cable - Metal	5.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.00%
26. Cable and wire facilities - Other	20.00%

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AZ0515
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2015

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

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION AZ0515
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AZ0515
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

COPPER VALLEY TELEPHONE, INC.

WILLCOX, ARIZONA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

COPPER VALLEY TELEPHONE, INC.

WILLCOX, ARIZONA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

COPPER VALLEY TELEPHONE, INC.
WILLCOX, ARIZONA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

TABLE OF CONTENTS

	Statement Identification	Page No.
Independent Auditor's Report		1
Financial Statements		
Balance Sheets	Exhibit A	3
Statements of Income (Loss)	Exhibit B	4
Statements of Changes in Stockholder's Equity	Exhibit C	5
Statements of Cash Flows	Exhibit D	6
Notes to Financial Statements		7
Accompanying Information		
Schedule of Telecommunications Plant		15
Schedule of Accumulated Provision for Depreciation		16
RUS and RTB Mortgage Notes		17
Compliance and Internal Control Section		
Report on Compliance with Aspects of Contractual Agreements and Regulatory Requirements for Telephone Borrowers		18
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed In Accordance with *Government Auditing Standards*		20

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
5215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

Board of Directors
Copper Valley Telephone, Inc.
Willcox, Arizona

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Accompanying Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information consisting of schedules of telecommunications plant, accumulated provision for depreciation, and RUS and RTB mortgage notes for the year ended December 31, 2015, are shown on pages 15 through 17, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016, on our consideration of Copper Valley Telephone, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Copper Valley Telephone, Inc.'s internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 17, 2016

COPPER VALLEY TELEPHONE, INC.

Exhibit A

BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

ASSETS

	December 31,
CURRENT ASSETS	[redacted]
Cash and Working Funds	
Cash - Construction Fund	
Temporary Cash Investments	
Telecommunications Accounts Receivable (Less allowance for uncollectible accounts of $[redacted] in 2015 and $[redacted] in 2014)	
Other Accounts Receivable	
Current Deferred Income Taxes	
Other Current Assets	
NONCURRENT ASSETS	
Investments in Associated Organizations	
PLANT, PROPERTY, AND EQUIPMENT	
Telecommunications Plant in Service	
Plant Under Construction	
Telephone Plant Acquisition Adjustment	
Less: Accumulated Provision for Depreciation and Amortization	
TOTAL ASSETS	

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Current Maturities of Long-Term Debt	
Accounts Payable - Trade	
Accounts Payable - Affiliated Companies	
Customer Deposits	
Accrued Operating Taxes	
Other Current and Accrued Liabilities	
LONG-TERM DEBT	
RUS Notes - Less Current Maturities	
RTB Notes - Less Current Maturities	
OTHER LIABILITIES AND DEFERRED CREDITS	
Deferred Credits	
Non-Current Deferred Income Taxes	
STOCKHOLDERS' EQUITY	
Common Stock ($1 par; 25,000 shares authorized; 1 share issued and outstanding)	
Additional Paid in Capital	
Retained Earnings	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	

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

COPPER VALLEY TELEPHONE, INC.

Exhibit B

STATEMENTS OF INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	December 31, 2015	December 31, 2014
OPERATING REVENUES	[redacted]	
Local Network Services		
Network Access and Long-Distance Services		
Miscellaneous		
OPERATING EXPENSES		
Plant Specific Operations		
Plant Nonspecific Operations		
Depreciation Expense		
Customer Operations		
Corporate Operations		
Operating Taxes		
NET OPERATING INCOME BEFORE FIXED CHARGES		
FIXED CHARGES		
Interest on Long-Term Debt		
Other Interest Expense		
Allowance for Funds Used During Construction		
NET OPERATING INCOME		
NONOPERATING INCOME (EXPENSE)		
Interest and Dividends		
Other Nonoperating Income (Expense)		
Amortization of Telephone Plant Acquisition Adjustment		
NET INCOME (LOSS) BEFORE INCOME TAXES		
INCOME TAX BENEFIT (EXPENSE)		
NET INCOME (LOSS)		

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

COPPER VALLEY TELEPHONE, INC.

Exhibit C

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
[redacted]				

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

COPPER VALLEY TELEPHONE, INC.

Exhibit D

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	[redacted]	
Net Income (Loss)		
Adjustment to Reconcile Net Income (Loss) to Net Cash From Operating Activities:		
Depreciation and Amortization		
Current Deferred Income Tax Assets		
Noncurrent Deferred Income Tax Liabilities		
Deferred Credits		
Accounts Receivable		
Prepaid and Other Current Assets		
Accounts Payable		
Accounts Payable - Affiliated Companies		
Customer Deposits		
Accrued Taxes		
Other Current and Accrued Liabilities		
Net Cash From Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Plant in Service		
Plant Removal Costs		
Investments in Associated Organizations		
Net Cash From Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt to RTB		
Payments on Long-Term Debt to RUS		
Net Activity on RUS Cushion of Credit		
Net Cash From Financing Activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
CASH AND CASH EQUIVALENTS - END OF YEAR		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest		
Income Taxes		

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

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

COPPER VALLEY TELEPHONE, INC.

NOTES TO FINANCIAL STATEMENTS

[redacted]

ACCOMPANYING INFORMATION

COPPER VALLEY TELEPHONE, INC.

SCHEDULE OF TELECOMMUNICATIONS PLANT
FOR THE YEAR ENDED DECEMBER 31, 2015

[redacted]

COPPER VALLEY TELEPHONE, INC.

SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2015

[redacted]

COPPER VALLEY TELEPHONE, INC.

RUS AND RTB MORTGAGE NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015

[redacted]

COMPLIANCE AND INTERNAL CONTROL

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELEPHONE BORROWERS

Independent Auditor's Report

Board of Directors
Copper Valley Telephone, Inc.
Willcox, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Copper Valley Telephone, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 17, 2016. In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016, on our consideration of Copper Valley Telephone, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that Copper Valley Telephone, Inc. failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Copper Valley Telephone, Inc.'s noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding Copper Valley Telephone, Inc.'s accounting and records to indicate that Copper Valley Telephone, Inc. did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Seek approval of the sale, lease or transfer capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telephone system;

Disclose material related party transactions in the financial statements. In accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred credits; and

Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the Board of Directors, management and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than theses specified parties. However, this report is a matter of public record and its distribution is not limited.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 17, 2016

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
5215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Directors
Copper Valley Telephone, Inc.
Willcox, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Copper Valley Telephone, Inc. (the Company) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Copper Valley Telephone, Inc.'s basic financial statements, and have issued our report thereon dated March 17, 2016.

Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered Copper Valley Telephone, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 17, 2016

REDACTED - FOR PUBLIC INSPECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

March 17, 2016

Board of Directors
Copper Valley Telephone, Inc.
Willcox, Arizona

We have audited the financial statements of Copper Valley Telephone, Inc. for the year ended December 31, 2015, and have issued our report thereon dated March 17, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in The United States of America

As stated in our engagement letter dated July 21, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of Copper Valley Telephone, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. Our audit of the financial statements does not relieve you or management of your responsibilities.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report, in addition we do not have an obligation to perform any procedures to corroborate other information contained in these documents.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and meetings about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. No new accounting policies were adopted and the application of existing policies was not changed during December 31, 2015. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are Management's estimate of the useful life of property, plant and equipment and Management's estimates used in determining deferred income tax assets and liabilities. Management's estimate of the useful life of property, plant, and equipment is based on industry standards and regulatory guidelines. We evaluated the key factors and assumptions used to develop the useful life of property, plant and equipment in determining that it is reasonable in relation to the financial statements taken as a whole. Management's estimates used in determining deferred income tax assets and liabilities were based on temporary tax timing differences measured at the tax rate expected to be in effect when the differences are recognized on the tax return. We evaluated the related deferred tax asset and liability in relation to the differences between book and tax return net income, and the effective tax rate on the tax return to determine the amounts are reasonable.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the revenue recognition and regulated activities disclosed in Note 1, the disclosure of the investment in property and equipment, and related accumulated depreciation in Note 4, Long-Term Debt disclosed in Notes 6 and 7, and Income taxes in Note 9.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Attached to this letter are the adjustments recorded by management as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 17, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Copper Valley Telephone, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants