Five-Year Network Improvement Plan
Progress Report
For Dixville Telephone Company

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission ("FCC" or "Commission")requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission's Rules by July 1, 2014 and to submit annual progress reports pursuant to Section 54.313 (a)(1). Thereafter.[1] Section 54.202(a) (1) (ii) states in part that ETCs are to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements . . . ."[2]

In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of return service territories."[3] Dixville Telephone Company ("Dixville" or the "Company"), a division of Tillotson Corporation, a Massachusetts company, and a rate-of-return ETC in New Hampshire, until early 2015 had been on a path towards permanently discontinuing its local telephone operations as a consequence of the September 2011 closing of the Company's main customer, The Balsams Resort, which resulted in the termination of telephone service for virtually all of DTC's approximately 450 access lines, leaving less than 20 access lines in service. However, the prospects for redevelopment of the resort have improved, to

such an extent that the Company has entered into a Purchase and Sale Agreement with an entity affiliated with the prospective developer. This P&S agreement has been extended into 2016. It can be presumed that the Buyer will have substantive plans for network improvement, but at this point the Buyer is still conducting due diligence inquiries related to the purchase, and recruiting staff to eventually manage the Company and guide it into the future. Given these circumstances, Dixville is in no position to plan any investment in the network for years 2016-2020. Dixville will continue to use Universal Service Fund support to maintain service to its existing customers pending the consummation of its sale to the Buyer, and in contemplation of the Buyer coordinating with the Commission on future funding.

1 *See Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; pets. for review denied, Direct Comm. Cedar Valley, et al *v. FCC*, No. 11-9900, www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. May 23, 2014); *see also Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332(rel. Mar. 5, 2013) ("*March 5, 2013 Order*") at Para's. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WCDocket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013). 2 47 C.F.R. § 54.202(a) (1) (ii). 3 *March 5, 2013 Order* at Para. 9 *citing* Section 54.202(a) (1) (ii).

120042nh112

Dixville Telephone Company
Line 114 – USF Support Received

For the period January 1, 2015 through December 31, 2015 Dixville Telephone Company 120042 received $3,826 in Universal Support.

As stated in our progress report (Line 112), Dixville Telephone was previously on the path to discontinuing operations so has not used any support to:

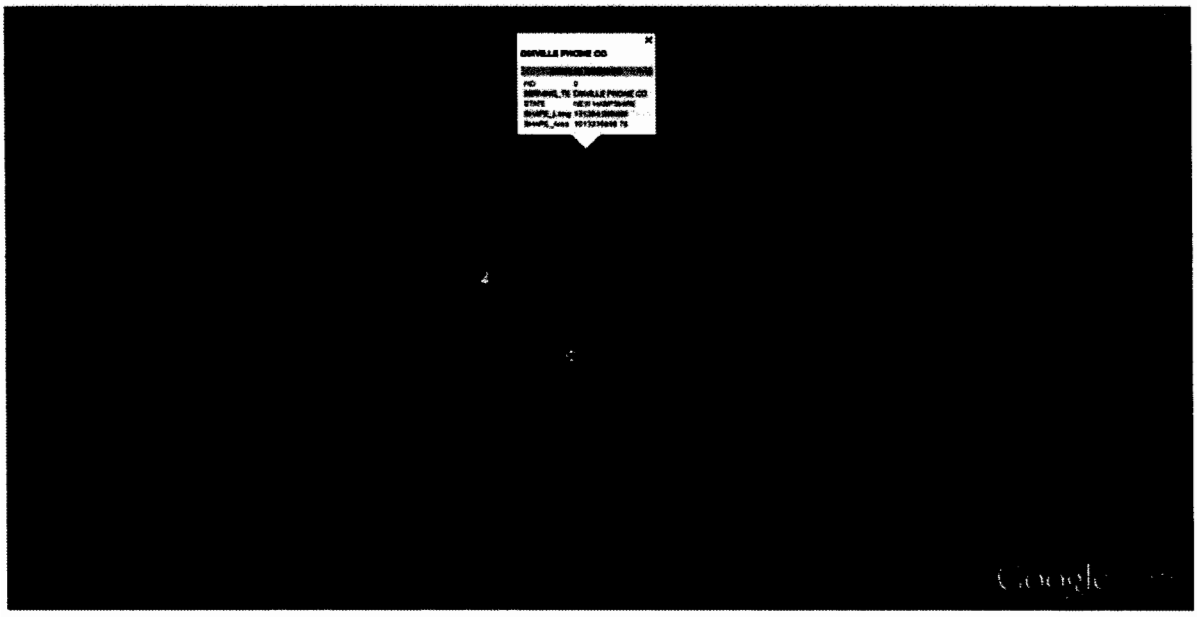
Line 115: Improve service quality

Line 116: Improve service coverage

Line 117: Improve service capacity

Line 118: Did not have any improvement targets to meet.

Support was only used to maintain quality of service, coverage and capacity.



May 31, 2016
Dixville Telephone Company

- Purple highlighted area denotes Dixville Telephone Company Study Area.
- Dixville does not currently provide Internet access in study area.
- No facilities in uninhabited areas.
- New Hampshire State Highway Route 26

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120042nh510.pdf

Dixville Telephone Company Demonstration of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

In establishing this certification in its *2005 ETC Order*,[1] the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."[2] The Commission found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement" and that the sufficiency of other commitments would be considered on a case-by-case basis.[3] In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."[4]

Dixville Telephone Company ("Company") hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under state law. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff pursuant to the requirements of New Hampshire Public Utilities Commission which disclose rates, terms and conditions of service to customers; (2) adherence to state

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[1] *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("*2005 ETC Order*").
[2] *Id.* at para. 28.
[3] *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy." *Id.* at n. 71.
[4] *Id.* at n. 72.

consumer protection *requirements* governing telephone providers; (3) truth-in-billing requirements; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

The Company is subject to consumer protection obligations for broadband services under federal law. These obligations include, but are not limited to, the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services; as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, service and device providers to develop, market, and maintain internet offerings as specified in F.C.C. 47 C.F.R. Part 8 §8.3.

File name: 120042nh610.pdf

Dixville Telephone Company, Inc.
Line 610 – Functionality in Emergency Situations

As required in 47 C.F.R. § 54.313(a)(6) for all high cost recipients, which includes the Company, and as set forth in 47 C.F.R. § 54.202(a)(2), the following provides a detailed description demonstrating that the Company has the ability to remain functional in emergency situations, including a demonstration that 1) it has a reasonable amount of back-up power to ensure functionality without an external power source, 2) is able to reroute traffic around damaged facilities, and 3) is capable of managing traffic spikes resulting from emergency situations.

OVERALL RESPONSE TO EMERGENCY SITUATIONS: The Company has a comprehensive disaster recovery plan (also called a "continuity plan") that was developed and implemented for the Company specifically to deal with emergencies. It has detailed, specific steps that are to be taken for each type of emergency.

POWER: In order to function in an emergency, the Company has a combination of batteries and emergency generators. Permanent locations have emergency generators with fuel tanks. The company's central offices have automatic stand-by generators to run the entire offices. The digital loop carrier ("DLC") sites also have battery back-up.

REROUTING TRAFFIC AND REDUNDANCY: The network was designed with redundancy wherever possible. Where it is not redundant, the Company has the ability to redirect most backbone traffic. In cases where there is no redundancy it is geographically impracticable to build. For example, the loop to the customer location is typically not redundant, especially for residential customers. This is because it would not be cost effective to build totally separate facilities for the "last mile" to the customer.

MANAGING TRAFFIC SPIKES: The Company realizes that when a catastrophe happens, everyone immediately tries to contact friends and family to make certain they are all right. The Company has designed the network to have excess capacity on its backbone network. For example, on Mother's Day, the company handles traffic without the customer receiving the "All Trunks Busy" message which demonstrates the Company's ability to handle peak traffic spikes.

File name: 120042nh1010.pdf

Dixville Telephone Company
Line 1010 – Voice Services Rate Comparability

As required in 47 C.F.R. § 54.313(a)(10), any recipient of high-cost support shall provide a letter certifying that the pricing of the company's voice services is no more than two standard deviations above the applicable national average urban rate for voice services, as specified in the most recent public notice issued by the Wireline Competition Bureau and Wireless Telecommunications Bureau.

The following provides the Company's support for Line 1010 -Description of Voice Service Rate Comparability.

As of January 1, 2016, the Company charges the following fixed voice prices:

Flat Rate Residential Service	$5.46
Residential State Subscriber Line Charge	0.00
State Universal Service Charge Fee	0.00
Mandatory Extended Area Service	0.00
Residential Federal Subscriber Line Charge	6.50
Total Residential Fixed Voice Charges	$11.96

Since the total for residential fixed voice that the Company charges, as shown above, is below the $41.07, which is the reasonable comparability benchmark for voice services announced by the FCC Wireline Competition Bureau in the Public Notice released on April 5, 2016 (DA 15-470), the Company hereby certifies that it is in compliance with 47 C.F.R. § 54.313(a)(10).

120042nh1210.pdf

Dixville Telephone Company - Lifeline Terms and Conditions

The Lifeline Service Program (Lifeline), sponsored by the FCC is a program designed to maintain and preserve universal service by providing a reduction in the price of basic residential exchange service to qualifying low-income customers.

1. **Lifeline Discounted Service**
   This service provides a flat rate federal discount of $9.25, consisting of a $6.50 reduction of the Federal Subscriber Line Charge and a $2.75 reduction in the monthly rate for local exchange telephone service. Lifeline reductions are applied to one residential telephone line per household per month at the customer's primary residence. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company. The Company's voice lifeline plan includes unlimited local minutes-of-use within the toll-free calling area. The Company's voice lifeline plan does not include any free minutes-of-use for toll unless a "bundled minutes" package is chosen.
2. **Toll Limitation Service (TLS)**
   Voluntary TLS support allows eligible Lifeline consumers who wish to avoid incurring long distance fees to choose toll blocking or toll control at no cost.
3. **Regulations**
   These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in §54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following federal assistance programs:
   - Low-Income Home Energy Assistance Program (LIHEAP)
   - Federal Public Housing Assistance or Section 8
   - Medicaid
   - Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps
   - Supplemental Security Income (SSI)
   - Temporary Assistance for Needy Families (TANF)
   - National School Lunch / Free Lunch Program (NSL)
4. The Lifeline discount is effective upon receipt and processing of a completed form of eligibility, including documentation indicating that the household income meets the eligibility standards established above. If the form is not returned, no further action is taken by the Company to establish eligibility. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified on an annual basis or at any time the qualifying criteria for the customer changes. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. If the Telephone Company discovers that conditions exist that disqualify the recipient of Lifeline Service, local service will be billed at the full rate. The customer will be billed retroactively either to the date Lifeline Service commenced or the date the recipient no longer qualified for the service, not to exceed twelve (12) months.
5. Recipients of Lifeline Service must notify the Telephone Company when they no longer qualify for Lifeline Service. Upon receipt of the notification, the Telephone Company will discontinue Lifeline Service.

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120042nh3010

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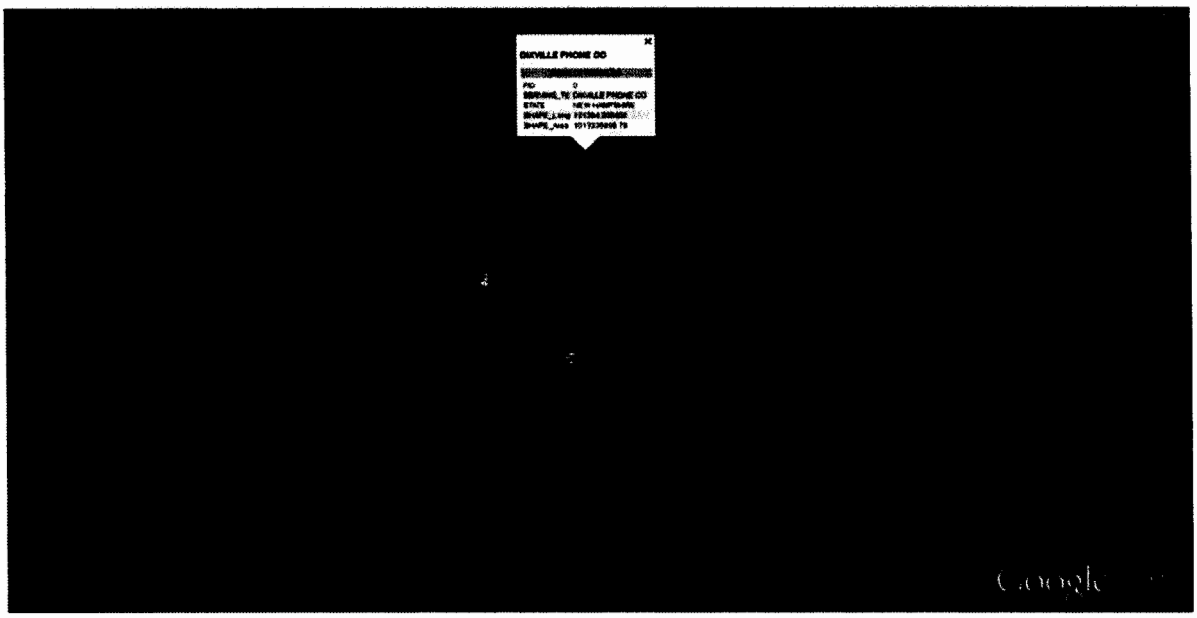

May 31, 2016
Dixville Telephone Company

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REDACTED – FOR PUBLIC INSPECTION

DIXVILLE TELEPHONE COMPANY (SAC120042)

ATTACHMENT – LINE 3026

ATTACHMENT REDACTED IN ENTIRETY

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