

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
ETC Annual Reports and)	WC Docket No. 14-58
Certifications)	

**PETITION OF OXFORD TELEPHONE COMPANY AND OXFORD WEST
TELEPHONE COMPANY FOR LIMITED WAIVER OF SECTION 54.313(f)(2)(ii)**

Oxford Telephone Company and Oxford West Telephone Company (“Oxford and Oxford West” or the “Companies”) pursuant to Section 1.3 of the Federal Communications Commission’s (“FCC” or “Commission”) Rules¹ request a limited waiver of the requirement specified in Section 54.313(f)(2)(ii).² This rule requires privately held rate-of-return carriers that are not recipients of loans from the Rural Utilities Service (“RUS”) whose financial statements are audited in the ordinary course of business to file a copy of their audited financial statement with their ETC Annual Report (otherwise known as the “Form 481”).³

As demonstrated herein, “good cause” exists to allow the Companies a one-month limited waiver to submit the finalized version of their annual financial audit report after the July 16, 2018 deadline to submit their Form 481. Due to delays caused by the auditing process, the audit reports will not be available by the July 16 deadline. Oxford and Oxford West will be submitting draft versions of the reports in their Form 481s and will populate the Lines 3027 – 3034 with the required financial data. Accordingly, the public interest would be served by allowing the

¹ 47 C.F.R. §1.3

² 47 C.F.R. § 54.313 (f)(2)(ii).

³ *Id.* Alternatively, the carrier may file “a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, accompanied by a copy of a management letter issued by the independent certified public accountant that performed the company's financial audit.” *Id.*

Companies additional time to supplement their Form 481 with the finalized version of the audit reports.

I. Background

Oxford and Oxford West are privately held rate-of-return carriers that are not recipients of loans from RUS and have financial statements that are audited in the ordinary course of business. In 2016, the Companies changed ownership and the audit preparation process was transferred to RMS, who is a new external auditor to the Companies.

II. Grant of this Waiver is Warranted

Generally, the Commission's rules may be waived for good cause shown.⁴ Furthermore, the Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.⁵ As demonstrated herein, grant of this petition is warranted.

Oxford and Oxford West and RMS have been working diligently in preparing the audit reports for 2017. However, the finalized version of the reports will not be completed until after the July 16, 2018 deadline due to delays in completing the audits. During the weeks leading up to the July 16 deadline, the Companies contacted the auditors repeatedly seeking a status on the completion of the audit and reminding them that it needed to be completed before July 16 to ensure compliance with FCC rules. The auditor initially assured the Companies that the audit would be completed on time. On July 12, the auditor informed Oxford and Oxford West that more time was needed for completing the audit.

Although the finalized version of the audit report will not be completed until after July 16, the Companies have been provided with draft versions of the report. Accordingly, the

⁴ 47 C.F.R. § 1.3.

⁵ *Northeast Cellular Telephone co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

Companies will submit the draft versions in their FCC Form 481 filing. Further, the Companies will populate that data in Lines 3027 – 3034 of their respective Form 481s. Accordingly, waiver of Section 54.313(f)(2)(ii) is sought only to be able to supplement the Form 481s within one months after the filing deadline so that the finalized version of the audit report can replace the draft version. Such a limited waiver would further the public interest as strict compliance with this rule could result in the Companies having their high cost universal service support reduced on a pro-rata daily basis equivalent to the period of non-compliance,⁶ an extremely harsh penalty for rural rate-of-return carriers, particularly in this instance where the delayed audits were caused by an external entity.

Respectfully submitted,
Oxford Telephone Company and Oxford West
Telephone Company

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⁶ See 47 C.F.R. § 54.313(j).