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VIA ECFS

July 18, 2018

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 18-129
Notice of *Ex Parte*

Dear Ms. Dortch:

On July 16, 2018, Ryan Boone of Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications (“Mutual”) and John Kuykendall of JSI (collectively the “Mutual Representatives”) met via conference call with Madeleine Findley, Jodie May Donovan, and Dennis Johnson of the Wireline Competition Bureau (“Bureau”). The meeting was held to discuss the Joint Application for Domestic Section 214 Transfer of Control filed April 30, 2018 by Mutual and Hospers Telephone Exchange, Inc. d/b/a HTC Communications (“Hospers”).¹

The Mutual Representatives followed up on discussions held with the Bureau, with Chairman Pai’s office and with Commissioner O’Rielly’s office regarding the Bureau’s progress on addressing “mixed support” transactions involving average schedule companies.² During the meeting, the Mutual Representatives expressed their understanding of the conditions set forth in the *Hargray-ComSouth Order*³ (“Conditions”) as they apply to average schedule companies if and when, an average schedule company

¹ See *Domestic Section 214 Application for the Transfer of Control of Hospers Telephone Exchange, Inc. d/b/a HTC Communications to Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications*, WC Docket No. 18-129 (filed April 30, 2018) (“Joint Application”); supplemented May 15, 2018.

² See Letter from John Kuykendall, Vice President, JSI, to Marlene H. Dortch, Secretary, Notice of *Ex Parte*, WC Docket No. 18-129, (June 14, 2018); Letter from John Kuykendall, Vice President, JSI, to Marlene H. Dortch, Secretary, Notice of *Ex Parte*, WC Docket No. 18-129, (June 27, 2018).

³ See *In the Matter of Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Memorandum Opinion and Order, FCC 18-62 (May 11, 2018) (the “*Hargray-ComSouth Order*”) at para. 27 & n.72.

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converts to a cost company. The Mutual Representatives' also discussed their understanding of the applicability of those Conditions to its Joint Application which are detailed below:

- Mixed support Conditions apply because Mutual has a subsidiary receiving model support.
- The length of time that the Conditions could apply begins with consummation of the transaction and expires after seven years.
- The Condition only applies if Mutual converts Hospers from average schedule to cost within the seven-year period and, in that case, would apply only for the remainder of the seven-year period.
- If the Conditions become applicable, the combined operating expenses would be capped at the average combined operating expense of the three calendar years preceding the transaction closing date at the holding company level and include all of Mutual's ILEC subsidiaries, except Heartland (due to receiving model support).
 - An inflationary factor would be applied to the operating expense cap beginning the year after the Conditions become applicable, if ever.
- Annual cost data submission, submission of audited financial statements and certification is only applicable if the Conditions become applicable.

The Mutual Representatives also continued to urge expeditious grant of the Joint Application.

Please contact the undersigned with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Kuykendall". The signature is fluid and cursive, with the first name "John" and last name "Kuykendall" clearly distinguishable.

John Kuykendall
Vice President

cc: Madeleine Findley
Jodie May Donovan
Dennis Johnson