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REDACTED – FOR PUBLIC INSPECTION

August 16, 2017

CC Docket No. 80-286

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

**Re: Rule Section 0.459 Request for Confidential Treatment
CC Docket No. 80-286
Petition of Terral Telephone Company, Inc. For Waiver of 47 C.F.R. Sections
36.3, 36.123-126, 36.141, 36.152-157, 36.191 and 36.372-382 to Unfreeze Part
36 Category Relationships**

Dear Ms. Dortch:

Terral Telephone Company, Inc. (Terral), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission's Rules, that the Company's updated financial information filed in connection with the above-referenced waiver petition be withheld from public inspection and afforded confidential treatment. Because of the competitively sensitive nature of the information, Terral seeks to maintain confidentiality for the updated financial information it is submitting to the Commission in connection with the waiver petition. The unredacted information has been marked **CONFIDENTIAL INFORMATION – NOT FOR PUBLIC INSPECTION**. A redacted version for public inspection and marked **REDACTED- FOR PUBLIC INSPECTION**, has been submitted via the FCC's electronic filing system.

In accordance with Section 0.459(b) of the Commission's Rules, the Company states:

1. Information for which confidential treatment is sought and proceeding.

The specific information for which confidentiality is sought is the information concerning the allocation of net investment and expenses to the interstate and intrastate jurisdictions and changes in special access revenue if the waiver is granted.

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2. Degree to which the information is commercial or financial or contains a trade secret or is privileged.

The information for which Terral seeks confidential treatment is competitively sensitive data that Terral maintains as confidential and does not make available to the public. The information is competitively sensitive net investment and expense and special access revenue information which, if made available to competitors and alternative providers, would provide such entities with valuable information regarding Terral's customer base and plans. This information would assist competitors in targeting their marketing efforts. Terral is subject to potential competition with respect to its services. The net investment and expense and special access revenue information provide insight into Terral's strategy and degree of success with specific types of services in its service area. If competitors are able to gain an unfair advantage by obtaining such a detailed picture of Terral's strategies and successes, they may be able to anticipate Terral's strategic initiatives in a targeted way. Thus, the filing contains information about the company's business plans that is clearly "commercial" and "financial" in nature. The information is confidential and entitled to protection because the disclosure of the information is likely to cause substantial harm to the competitive position of the person from whom the information is obtained.

3. Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm.

As shown above, the information for which Terral seeks confidential treatment is competitively sensitive information which, if made available to competitors and alternative providers, would provide those entities with valuable information concerning Terral's customer base and strategic plan.

4. Measures taken by Terral to prevent unauthorized disclosure and availability of the information to the public.

As shown above, Terral maintains the data for which confidential treatment is requested as confidential and does not make it available to the public.

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5. Justification of the period during which Terral asserts the material should not be available for public disclosure.

Terral requests that this information be accorded confidential treatment until such time as it is publicly disclosed by Terral. An indefinite period of confidentiality is required because the information provides insight into the Company's confidential strategies and business successes even after the period has expired.

All correspondence and inquiries in connection with this request should be addressed to Terral's counsel, whose facsimile number is 202-828-5568 and whose email address is mjs@bloostonlaw.com.

Respectfully submitted,
Terral Telephone Company, Inc.

/s/Mary J. Sisak
Its Attorney

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August 16, 2017

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: *Ex Parte* Presentation in CC Docket No. 80-286
 Petition of Terral Telephone Company, Inc. For Waiver of 47 C.F.R. Sections
36.3, 36.123-126, 36.141, 36.152-157, 36.191 and 36.372-382 to Unfreeze Part 36
 Category Relationships**

Dear Ms. Dortch:

In the above-referenced waiver petition filed by Terral Telephone Company, Inc. (Terral) in August 2012, Terral provided information concerning the impact of the waiver on the universal service fund and the NECA pool for special access services and the expected changes to the proportion of net investment that would be allocated to the intrastate jurisdiction and the interstate jurisdiction. By this written presentation, Terral updates this information to show the impact of the waiver in 2017.

As shown in the waiver petition, grant of the waiver would allow Terral to appropriately allocate its costs to the interstate jurisdiction which would allow the Company to receive cost-based settlements that would come from interstate pool settlements – not from the high-cost loop fund. In summary, when updated to reflect 2016 data, grant of the waiver would result in an even greater reduction in federal universal service support than the reduction shown in the original filing. In addition, the increase in special access settlements to Terral would be less than the increase shown in the original filing.

As shown in Attachment 1, based on 2016 cost data, Terral estimates that if the FCC grants this instant waiver request, the proportion of net investment allocated to the

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intrastate jurisdiction would decrease while net investment allocated to the interstate jurisdiction would increase resulting in a shift of approximately [REDACTED] percent of net investment to interstate. Similarly, Terral estimates that the proportion of expenses allocated to the intrastate jurisdiction would decrease while expenses allocated to the interstate jurisdiction would increase resulting in a shift of approximately [REDACTED] percent to interstate. As shown in Attachment 1, this shift in cost allocation would result in the Company receiving \$737,091 less in high-cost loop support and CAF BLS/ICLS, annually. The same attachment also reflects a shift of \$[REDACTED] in additional cost-based annual pooling settlements.

If the freeze is lifted for Terral, there will be a jurisdictional shift for net investment and operating expenses. The current freeze is allocating \$[REDACTED] of net investment and \$[REDACTED] of operating expenses to the intrastate jurisdiction that would otherwise be allocated to the interstate jurisdiction, if not for the separations freeze. Attachment 2 details this additional allocation of investment and operating expenses to the intrastate jurisdiction further by looking at the detailed jurisdictional allocation of Central Office Equipment and Cable & Wire Facilities, with and without the freeze.

Terral also updates its waiver petition with respect to the status of its receipt of state universal service support. Since April 2013, Terral has been receiving support from the Oklahoma Universal Service Fund on an interim basis subject to refund, based on a showing that Terral's federal universal service support was reduced because of the FCC's actions to reform universal service support. While Terral's Petition for Waiver has been pending before the Joint Board, the Oklahoma Corporation Commission has also not finalized Terral's OUSF funding request, which has caused Terral's potential refund liability to continue to increase. Terral is now concerned that it may be required to refund all or a part of interim support received from the OUSF due to recent Oklahoma Corporation Commission orders that deny OUSF funding to other similarly-situated carriers for facilities used to provide broadband and other services. Grant of Terral's waiver petition would address this concern and minimize the need for Terral to seek support via the state fund.

Accordingly, Terral renews its request that the Commission act expeditiously on Terral's pending waiver.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Mary J. Sisak

cc: Rhonda Lien

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ATTACHMENT 1

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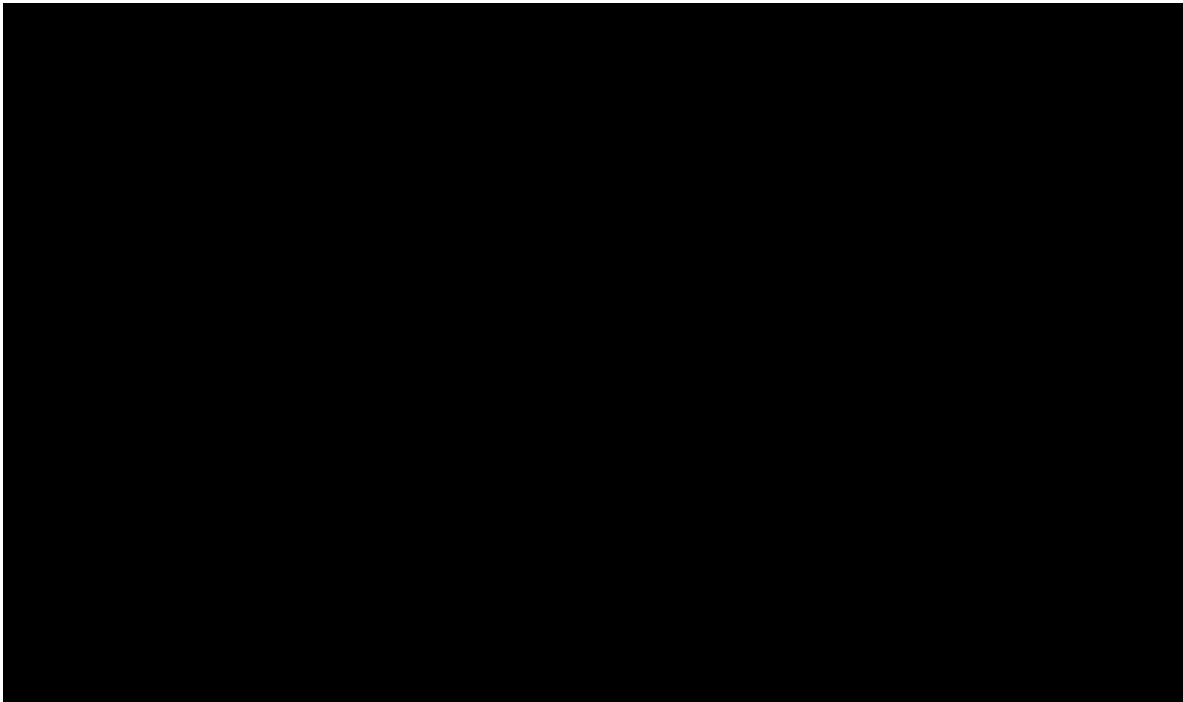
USF & NECA IMPACT	WITH FREEZE	WITH WAIVER	DIFFERENCE
2016 ICLS/CAF BLS	393,936	175,191	(218,745)
2017-1 USF HCLS (EOY 2016)	907,199	388,853	(518,346)
2016 CAF ICC (2017 CY)	290,964	290,964	-
<div></div>	<div></div>	<div></div>	<div></div>
TOTAL	<div></div>	<div></div>	<div></div>

ICLS/CAF BLS excludes pool administrative expenses calculated in the Form 509

USF HCLS is before pro-rata adjustments, benchmark cost mechanism or the \$3,000/line cap.

Numbers reflect pre audit financials

Since 2012, Terral has implemented two new frozen categorical costs: 1) DSL and 2) Interstate Wideband
The supporting documentation filed in 2012 reflects costs separated prior to those two cost categories being implemented.



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ATTACHMENT 2

