

The USF Order provides that eligible schools and libraries may receive discounts for telecommunications services, Internet access, and internal connections.⁴² These programs will require considerable upgrades to infrastructure that are not supported by the new USF programs for these entities. Absent a stay, the Rural Telephone Companies will not receive the USF support and local switching cost recovery they need in order to perform these upgrades, and will therefore be precluded from bidding for contracts to provide telecommunications service to schools, libraries and rural health care providers. These contracts represent the only opportunity for the Rural Telephone Companies to maintain their current customer relationships with these entities.

If the Rural Telephone Companies are precluded from the bidding, it would be impossible for the Commission to remedy the situation in the event the Rural Telephone Companies succeed in their appeal. The only real remedy would be the cancellation of all contracts entered into and a reopening of the competitive bidding process. This course of action, however, would cause significant delay in implementation of service, and cause unrecoverable economic losses for the parties who had participated in the original competitive bidding process. In effect, once the competitive bidding train leaves the station, there will be no going back to pick up the Rural Telephone Companies -- adequate compensatory or corrective relief will not be available once the window for competitive bidding has closed.

Now that the Rural Telephone Companies exist in a competitive environment, any attempt to raise their local rates in order to recover booked costs or to finance new investments in

⁴² USF Order at ¶ 425.

infrastructure will succeed only in driving customers away -- especially the higher volume business customers. The business market is already competitive and very soon many residential customers also will be able to choose between different carriers offering local service. Large competitive access providers ("CAPs"), such as MFS Communications, which recently merged with WorldCom, and Teleport, which is owned by a consortium of large cable TV companies, dwarf the Rural Telephone Companies in size and are poised to provide local service on a nationwide basis. In addition, AT&T is in the process of establishing a fixed wireless local loop network to provide local service nationwide, and has requested certification as a CLEC in all 50 states. Numerous other service providers, such as cellular carriers, PCS providers, local multipoint distribution service ("LMDS") providers, wireless cable multichannel multipoint distribution service ("MMDS") providers, low earth orbit ("LEO") satellite service providers and Internet service providers are entering the market for basic fixed local telephone services. MCI Metro is also quickly entering the local service market. The presence of these powerful and well-funded competitors places increased pressure on the Rural Telephone Companies to upgrade their infrastructure in order to remain competitive, while at the same time preventing them from raising rates in order to make up for the revenue shortfall caused by the Commission's USF Order, the USF Recon. Order, and Access Charge Reform Recon. Order. Loss of income currently derived from USF support, DEM weighting local switching cost recovery, and the recovery of corporate operations expenses will have the effect of impeding the Rural Telephone Companies ability to provide the new services demanded by their customers, or of forcing them to raise local rates in order to make up for the financial shortfall. Customer goodwill is inevitably lost when a business is unable to provide requested service or seeks to raise its prices.

Similarly, customer goodwill suffers when prices fluctuate up and down with no seeming rationale. This type of "rate churn" will be the likely outcome if the regulations requiring portability of USF support and DEM weighting local switching cost recovery, the treatment of the DEM weighting separations rules as a subsidy, and the arbitrary cap on the recovery of corporate operations expenses are not stayed. Assuming arguendo that these regulations are vacated, the Rural Telephone Companies' customers will be thoroughly confused as their local rates are first raised, then lowered.⁴³

Moreover, CLECs are likely to blame the Rural Telephone Companies for later increases in the CLECs' rates, which will result when the CLECs no longer receive payments reflecting the recovery of the Rural Telephone Companies' local switching investment via the DEM weighting separations rules; thus making it less probable that customers who transferred their local service to CLECs will ever reorder local service from the Rural Telephone Companies.⁴⁴ In addition, it is highly unlikely that the Rural Telephone Companies will be able to recapture all of their customers lost to CLECs, as their booked costs and the substantial expense of upgrading their existing infrastructure will preclude them from undercutting the prices of their competitors, who of course have no booked costs and will be

⁴³ Local rates would necessarily be raised to recover costs previously recovered through USF support and the DEM weighting separations rules and reallocated to local service as a consequence of the USF Order. Rates would then be lowered when the regulations providing for the portability of USF support and DEM weighting local switching cost recovery, the treatment of the DEM weighting separations rules as a subsidy, and the arbitrary cap on the recovery of corporate operations expenses are vacated.

⁴⁴ See MCI Telecommunications Corporation v. FCC, Order, Case No. 96-1459 (February 13, 1997)(staying FCC's mandatory de-tariffing order in light of petitioner's showing of, inter alia, uncertainty and confusion that would be cast over the market).

allowed by these regulations to appropriate funds previously received by the Rural Telephone Companies.

In sum, absent a stay the Rural Telephone Companies will suffer unavoidable and irreparable damage to their reputation and goodwill and the permanent loss of their customers.

(ii) Portability and the Cap on Corporate Operations Expenses Deprive the Rural Telephone Companies of their Property Without Just Compensation In Contravention of the Fifth Amendment.

As explained in Section A(i) above, the Commission must ensure that ILECs operating in rural, high cost and insular areas are provided with a reasonable opportunity to recover a fair rate of return on their investment (currently set at 11.25 percent). Failure to allow an opportunity to earn this fair rate of return is a violation of the Rural Telephone Companies' Fifth Amendment rights.⁴⁵ Although financial losses alone do not necessarily constitute irreparable injury, this general rule applies only where "adequate compensatory or other corrective relief" is available in the ordinary course of litigation."⁴⁶ Where, by contrast, a petitioner has no practical ability to recover financial losses, the injury will be deemed irreparable.⁴⁷

⁴⁵ Hope Natural Gas, Co. 320 U.S. at 602.

⁴⁶ See Wisconsin Gas Co. v. FERC, 758 F.2d 669, 674 (D.C. Cir. 1985) (quoting Virginia Petroleum Jobbers Ass'n v. FPC, 259 F.2d 921, 925 (D.C. Cir. 1958)).

⁴⁷ Iowa Utilities Board, 109 F.3d at 426; see Baker Elec. Coop., Inc. v. Chaske, 28 F.3d 1466, 1473 (8th Cir. 1994); Airlines Reporting Corp. v. Barry, 825 F.2d 1220, 1227 (8th Cir. 1987).

The limitation on the amount of corporate operations expenses that can be recovered from high cost loop support, coupled with the new portability regulations which take away interstate revenues currently used to recover booked costs, will prevent the Rural Telephone Companies from achieving the annual 11.25% fair rate of return on interstate investment set by the Commission. The analysis, attached as Exhibit 2, demonstrates the impact on the rate of return of typical small ILECs comprising the Rural Telephone Companies. To analyze the impact of the rule changes, these companies independently calculated their annual interstate revenue loss due to changes in the DEM weighting allocation rules and changes in existing USF calculations, (including the cap on corporate operations expenses) to obtain their annual interstate rate-of-return reflecting these losses with and without the loss of subscribers due to the introduction of competition. This portion of the analysis demonstrates the immediate impact of the Commission's interim treatment of rural ILECs.

First, Exhibit 2 demonstrates that even without the loss of customers and portable USF, the arbitrary Commission cap on corporate operations expenses will reduce the annual interstate rates-of-return for several Rural Telephone Companies to negative amounts between -0.66% and -28.84%. If a Rural Telephone Company loses just 25% of its customers the annual rate-of-return for interstate access service will, in many cases, fall to between -2.33% and -47.37%.

Average schedule companies will also be adversely impacted by treating the DEM weighting separations rules as a portable subsidy. The impact on average schedule companies will be similar to the impact on cost companies as Section 69.606 of the Commission's rules will require NECA to revise the central office average schedule formula to reflect the elimination of DEM weighting. Exhibit 3 provides separate data demonstrating the impact upon typical average

schedule companies. The average schedule companies listed in Exhibit 3 calculated their 1996 revenues from the average schedules formulas which, for ILECs with less than 10,000 access lines, provide a weighting factor -- the "Access Line Factor" -- which provides settlements analogous to DEM weighting.⁴⁸ To demonstrate the total impact on these companies, Exhibit 3 shows that the loss of USF and DEM weighting due to portability will cause a loss of interstate average schedule settlements of as much as \$482.26 per access line or a loss of between 8.24% and 38.26% of total annual interstate average schedule settlements. With the current average schedule formulas developed to ensure that average schedule companies earn a fair return on their interstate investment of at least 11.25%, the substantial losses in settlements that will be caused by the USF Order will deny average schedule Rural Telephone Companies an opportunity to earn a just and reasonable interstate rate-of-return in violation of the Fifth Amendment to the U.S. Constitution.

By regulating in a manner that prevents the Rural Telephone Companies from recovering a fair rate of return on their interstate investment, the Commission has violated the Rural Telephone Companies' Fifth Amendment rights. Since, as demonstrated above, the Rural Telephone Companies will suffer a significant and permanent loss of customers, they do not have the practical ability to recover in the marketplace that which they will have lost through the Commission's action. Thus, enforcement of the portability provisions of the USF will irreparably harm the Rural Telephone Companies.

⁴⁸ The Rural Telephone Companies understand that the central office average schedules formula itself also incorporates a DEM weighting factor. This factor cannot be "backed out" of the formula. Thus, the impact of losing DEM weighting is likely to be more significant than what is set forth in Exhibit 3.

In order to provide high quality service to their rural customers at affordable rates, the Rural Telephone Companies have made significant investments in their infrastructure. In order to keep rates at an affordable level, these carriers offset the high cost of maintaining the infrastructure with USF support and local switching cost recovery. Under the portability regulations, however, CLECs will now be able to claim the cost recovery mechanisms which the Rural Telephone Companies have traditionally relied upon to recover their booked costs in order to allow them to achieve a fair rate of return on their investments. Although CLECs incurred none of the costs associated with establishing this infrastructure, the USF support and local switching cost recovery mechanism the CLECs will appropriate is based in part on the embedded investment of the Rural Telephone Companies. Thus, portability rewards the new entrant while penalizing the incumbent. This perverse result is in direct contravention of the competitive neutrality provisions of the Act -- indeed it is anti-competitive.⁴⁹

The portability regulations and the cap on corporate operations expenses violate the Fifth Amendment by preventing the Rural Telephone Companies from earning the revenue they need in order to ensure a fair rate of return on their investment. In addition to denying rural carriers a just and reasonable return on their investment, the portability provisions and the cap on corporate operations expenses unfairly disadvantage the Rural Telephone Companies as they attempt to compete with powerful new entrants in the local exchange service marketplace. Burdened both by an increase in corporate operations expenses caused by implementation of the new USF rules,

⁴⁹ The Commission has defined competitive neutrality to mean, among other things, "that universal service support mechanisms and rules neither unfairly advantage nor disadvantage one provider over another...." USF Order at ¶ 47. See also 47 U.S.C. § 254(b)(4).

and by booked costs incurred in reliance on the Commission's prior USF policies and DEM weighting local switching cost recovery mechanisms, the Rural Telephone Companies are essentially fighting with one hand tied behind their back as they attempt to compete with new entrants which have no booked costs, but do have the ability to usurp the USF support and local switching cost recovery relied upon by the Rural Telephone Companies.

The Rural Telephone Companies, facing vigorous competition from CLECs, have no practical ability to recover financial losses through operation of the marketplace; they will not be able to regain all the local subscribers lost to the large CLECs, which are intent on exploiting the limitations that these Commission decisions have placed on the Rural Telephone Companies' ability to make new infrastructure investments and to maintain high quality service at affordable rates. Thus, the portability regulations, the decision to eliminate the DEM weighting separations rules, and the arbitrary cap on corporate operations expenses will cause irreparable harm to the Rural Telephone Companies, and should be stayed.

(iii) The USF Order Irreparably Injures The Rural Telephone Companies' Ability to Negotiate Fair Interconnection Agreements.

In its stay of the Interconnection Order the Court of Appeals held that:

[t]he inability of the incumbent LECs and the state commissions to effectively negotiate and arbitrate agreements free from the influence of the FCC's pricing rules . . . will irreparably injure the interests of the petitioners. If the FCC's rules are later struck down, it will be extremely difficult for the parties to abandon the influence of their previous agreements that were based on the national pricing rules and to recreate the atmosphere of free negotiations that would have

existed in the absence of the FCC's dictated presumptive prices. *Without a stay, the opportunity for effective private negotiations will be irretrievably lost.*⁵⁰

By virtue of the Commission's decisions that are the subject of this motion, state regulators and prospective new entrants will presume that high cost support will be available for any CLEC declared "eligible" under Sec. 214(e). By virtue of the new DEM rule, IXCs -- the type of entity perhaps most likely to seek CLEC status -- will be relieved of an entire category of costs, while the Rural Telephone Companies are left with no way to fully recover their booked local switching investment. These rulings will send false, uneconomic entry signals to prospective entrants; they will tend to skew the expectations of CLEC negotiators, and state arbitrators. They will unavoidably affect the dynamics of the negotiating process. As in the interconnection case, "the opportunity for effective private negotiations will be irretrievably lost" absent a stay.⁵¹ Even if the Rural Telephone Companies succeed in their appeal, and are able to renegotiate these tainted agreements, they will nonetheless be significantly harmed by the need to duplicate the investment of time and resources already expended during the first set of negotiations. The expense of these negotiations represents a substantial unrecoverable economic loss for the Rural Telephone Companies.

The rates that are negotiated or arbitrated for reciprocal local service compensation, unbundled network elements, interconnection and wholesale discounts for local service resale will be significantly impacted by which entities receive USF support and by whether the Rural

⁵⁰ 109 F.3d at 425 (emphasis added).

⁵¹ Id.

Telephone Companies will ever be given an opportunity to fully recover their booked local switching investment. State commissions may restrict a CLEC from receiving wholesale discounts or USF support, or place conditions on the purchase of unbundled network elements,⁵² because the USF Order , the USF Recon. Order and the Access Charge Reform Recon. Order threaten the ability of the Rural Telephone Companies to continue to provide universal service. In any event, the financial distress wrought on the Rural Telephone Companies by these Commission decisions will forever mutate and undermine any private negotiations they have with CLECs or IXCs.

C. Others Will Not Suffer Substantial Harm by Grant of the Stay.

The court has observed that “[a]n order maintaining the status quo is appropriate where a serious legal question is presented, when little if any harm will befall other interested persons or the public and when denial of the order would inflict irreparable injury on the movant.”⁵³ As explained above, certain provisions of the USF Order, the USF Recon. Order, and the Access Charge Reform Recon. Order raise significant constitutional and legal questions. Grant of a stay to allow the Commission to consider the issues raised by the Rural Telephone Companies in their Petition for Reconsideration of these decisions would preserve the status quo. CLECs have the opportunity under existing rules to receive USF support for their own investments in infrastructure.⁵⁴ A stay would only prevent them from receiving the USF support or local

⁵² 47.U.S.C. §§ 214(e)(2), 251(f).

⁵³ Holiday Tours, 559 F.2d at 844.

⁵⁴ See Rural Telephone Service Company, Memorandum Opinion and Order, AAD (continued...)

switching cost recovery previously received by the ILECs. Thus grant of a stay would not prevent CLECs from recovering their own costs and they would suffer no harm.

While grant of the stay requested herein would not cause harm to other parties, implementation of the inequitable and unconstitutional provisions of these Commission decisions would irreparably harm the Rural Telephone Companies by (i) denying them a just and reasonable return on their investment in contravention of their Fifth Amendment rights; (ii) producing loss of customer goodwill and reputation, and a permanently eroded customer base; and (iii) irreversibly distorting interconnection and reciprocal compensation negotiations. Accordingly, those regulations requiring the portability of USF support and DEM weighting local switching cost recovery, the treatment of the DEM weighting separations rules as a subsidy, and the arbitrary cap on the recovery of corporate operations expenses should be stayed.

D. A Stay Will Serve the Public Interest.

The public interest is best served by granting this Motion for Stay. Grant of a stay will allow the Rural Telephone Companies to ensure that their rural customers continue to receive high quality service at affordable rates. In reliance on the national policy favoring universal service, the Rural Telephone Companies have made substantial capital investments in their infrastructure. Grant of a stay will allow the Rural Telephone Companies to retain the USF support and local switching cost recovery mechanisms they need in order to recover booked costs associated with this investment, and to implement the equipment upgrades required by the

⁵⁴ (...continued)

96-38, DA 97-77 (rel. January 13, 1997) (granting USF support to a CLEC that overbuilt an ILEC's local exchange).

Commission and demanded by their customers. By implementing these upgrades, the Rural Telephone Companies will ensure that their rural customers will be able to access the same state-of-the-art telecommunications services that urban customers are able to access. This will improve the quality of life in rural America, making it easier for businesses to access essential services, and for residences to remain connected to the world at large. The laudable goals outlined in Section 254 of the Telecommunications Act of 1996, namely delivery of affordable telecommunications service to all Americans and access to advanced telecommunications and information services for schools, health care providers and libraries, require that carriers have the ability to upgrade their networks and to purchase new equipment, where necessary. If the Rural Telephone Companies are not able to access USF support or to recover local switching costs, they will be unable to make necessary infrastructure upgrades, or will be forced to substantially increase their local rates. In either instances, customers will surely suffer -- an outcome directly contrary to the public interest.

Moreover, it is clearly in the public interest to require regulatory agencies to act in a manner which is constitutional and in line with stated agency and Congressional policy. Enforcement of the aspects of the Commission decisions requiring portability of USF support and the recovery of local switching costs through DEM weighting, the treatment of the DEM weighting separations rules as a subsidy, and the arbitrary cap on the recovery of corporate operations expenses would deny the Rural Telephone Companies a just and reasonable return on their investment in contravention of their Fifth Amendment rights. In addition, it would contradict long-standing Commission policies concerning the recovery of costs from cost-causers, the encouragement of investment in rural networks, and the use of USF funds solely for

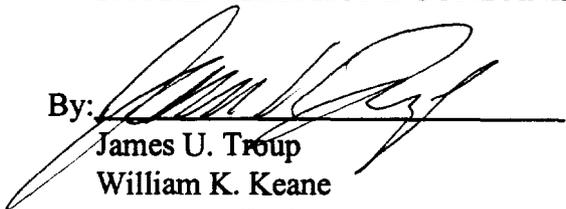
the provision, maintenance and upgrading of facilities and services used to provide universal service. Thus, the public interest demands that these portions of the USF Order, the USF Recon. Order, and the Access Charge Reform Recon. Order be stayed.

III. CONCLUSION

For the foregoing reasons discussed herein, the Rural Telephone Companies respectfully request that the Commission grant a partial stay of its USF Order, USF Recon. Order, and the Access Charge Reform Recon. Order. In view of the strong likelihood that the Rural Telephone Companies will prevail on the merits of their appeal and the irreparable harm to the Rural Telephone Companies that will occur if this stay is not granted, such a stay is appropriate. This stay will not substantially harm any party and would serve the public interest. Accordingly, the Commission should grant the Rural Telephone Companies' motion for stay.

Respectfully submitted,

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EXHIBIT ONE

Alenco Communications, Inc.	Joshua	TX
Amana Society Service Company	Amana	IA
Arrowhead Communications Corp.	Hector	MN
Ayersville Telephone Company	Defiance	OH
Baraga Telephone Company	Baraga	MI
Barry County Telephone Company	Delton	MI
Bay Springs Telephone Company, Inc.	Bay Springs	MS
Bentleyville Telephone Co.	Bentleyville	PA
Benton Ridge Telephone Company	Benton Ridge	OH
Bloomington Telephone Company	Bloomington	IN
Blue Earth Valley Telephone Co.	Blue Earth	MN
Bruce Telephone Company	Bruce	MS
Casey Mutual Telephone Co.	Casey	IA
CFW Communications	Waynesboro	VA
Citizens Tel. Co. of Kecksburg	Mammoth	PA
Citizens Telephone Corp.	Warren	IN
Clements Telephone Company	Redwood Falls	MN
Climax Telephone Company	Climax	MI
Community Service Telephone Co.	Winthrop	ME

Craigville Telephone Co., Inc.	Craigville	IN
Crockett Telephone Company	Bradford	TN
Dixville Telephone Company	Dixville Notch	NH
Doylestown Telephone Company	Doylestown	OH
Dunbarton Telephone Co., Inc.	Dunbarton	NH
Dunkerton Tel Cooperative	Dunkerton	IA
Eagle Valley Telephone Co.	Hector	MN
Easton Telephone Company	Blue Earth	MN
Eckles Telephone Company	Blue Earth	MN
Elkhart Telephone Company	Elkhart	KS
Eustis Telephone Exch., Inc.	Brady	NE
Farmers Coop Telephone Company	Dysart	IA
Farmers Mutual Telephone Co - OH	Okolona	OH
Farmers Mutual Telephone Co-MN	Bellingham	MN
Flat Rock Mutual Tel. Co.	Flat Rock	IL
Fort Jennings Telephone Co.	Fort Jennings	OH
Frontier Communications of DePue	DePue	IL
Geetingsville Tel Co Inc.	Frankfort	IN
Gervais Telephone Company	Gervais	OR
Graceba Total Communications Inc.	Ashford	AL
Granada Telephone Co.	Hector	MN

Granby Tel & Tlg Company- MA	Granby	MA
Gulf Telephone Co.	Foley	AL
Hartington Telephone Company	Hartington	NE
Hickory Telephone Company	Hickory	PA
Hinton Telephone Company, Inc.	Hinton	OK
Hollis Telephone Company	Wilton	NH
Home Telephone Company - NE	Brady	NE
Home Telephone Company - MN	Grand Meadow	MN
Hot Springs Telephone Co.	Missoula	MT
Huxley Cooperative Tel Co.	Huxley	IA
Indianhead Telephone Co.	Hector	MN
Ironton Telephone Company	Coplay	PA
Jefferson Telephone Co., Inc.	Jefferson	SD
Kadoka Telephone Company	Kadoka	SD
Kaleva Telephone Company	Kaleva	MI
Kalida Telephone Company, Inc.	Kalida	OH
Laurel Highland Telephone Co.	Stahlstown	PA
Ligonier Telephone Company	Ligonier	IN
Mankato Citizens Tel Co.	Mankato	MN
Manti Telephone Company	Manti	UT
Marianna & Scenery Hill Tel Co.	Marianna	PA

Marseilles Telephone Company	Metamora	IL
McClure Telephone Company	McClure	OH
McDonough Telephone Coop Inc.	Colchester	IL
MEBTEL Communications	Mebane	NC
Merchants & Farmers Tel. Co.	Hillsboro	IN
Metamora Telephone Company	Metamora	IL
Mid Century Telephone Coop Inc.	Canton	IL
Mid Communications Tel Co	Mankato	MN
Mid-Iowa Telephone Coop Assn	Gilman	IA
Middle Point Home Tel Co.	Middle Point	OH
Midstate Telephone Co-ND	Stanley	ND
Midwest Telephone Company	Parkers Prairie	MN
Miles Cooperative Tel Assn	Miles	IA
Millry Telephone Company, Inc.	Millry	AL
Minford Telephone Company, Inc.	Minford	OH
Minnesota Lake Telephone Co	Minnesota Lake	MN
Mt. Angel Telephone Company	Mt. Angel	OR
National Telephone of Alabama, Inc.	Cherokee	AL
New Lisbon Telephone Company	New Lisbon	IN

North-Eastern Pennsylvania Telephone Co.	Forest City	PA
North English Coop Tel Co.	North English	IA
Northwest Iowa Telephone Company, Inc.	Sergeant Bluff	IA
Northwestern Indiana Tel. Co	Hebron	IN
Nova Telephone Company	Nova	OH
Odin Telephone Exchange, Inc.	Odin	IL
Orwell Telephone Company	Orwell	OH
Osakis Telephone Company	Parkers Prairie	MN
Palmerton Telephone Company	Palmerton	PA
Panhandle Telephone Coop, Inc.	Guymon	OK
Panora Cooperative Tel. Assn	Panora	IA
Pennsylvania Telephone Co.	Jersey Shore	PA
Peoples Mutual Telephone Co	Gretna	VA
Peoples Telephone Company, Inc.	Erin	TN
Pierce Telephone Company, Inc.	Pierce	NE
Pine Island Telephone Co.	Hector	MN
Pinnacle Communications	Lavaca	AR
Prairie Grove Telephone Co	Prairie Grove	AR
Pymatuning Independent Tel Co	Greenville	PA
Redwood County Telephone Co.	Redwood Falls	MN
Roanoke Telephone Co., Inc.	Roanoke	AL

Roberts County Tel Coop Assn	New Effington	SD
Ronan Telephone Company	Ronan	MT
Searsboro Telephone Company	Searsboro	IA
Shell Rock Telephone Company	Shell Rock	IA
South Canaan Telephone Company	South Canaan	PA
Southern Montana Tel. Co.	Wisdom	MT
State Long Distance Tel Co	Elkhorn	WI
State Telephone Company	Coxsackie	NY
Stayton Cooperative Tel Co	Stayton	OR
Stockholm-Strandburg Tel Co	Stockholm	SD
Summit Telephone Company	Fairbanks	AK
Swayzee Telephone Company	Swayzee	IN
Sycamore Telephone Company	Sycamore	OH
Tri County Telephone Co., IN	New Richmond	IN
Tri-County Tel. Membership Corp.	Belhaven	NC
United Utilities, Inc.	Anchorage	AK
Valley Telephone Company, Inc.	Parkers Prairie	MN
Van Horne Coop. Telephone Co	Van Horne	IA
Venus Telephone Corporation	Venus	PA
Volcano Telephone Company	Pine Grove	CA

West Iowa Telephone Company	Remsen	IA
West Liberty Telephone Company	West Liberty	IA
West Side Telephone Company	Morgantown	WV
West Side Telephone Company - PA	Morgantown	WV
West Tennessee Telephone Co., Inc.	Bradford	TN
Western Telephone Company - SD	Faulkton	SD
Wikstrom Telephone Company, Inc.	Karlstad	MN
Wilton Telephone Company - NH	Wilton	NH
Yadkin Valley Telephone Memb Corp	Yadkinville	NC
Yukon-Waltz Telephone Company	Yukon	PA

EXHIBIT TWO

This exhibit is not available to the public because it contains proprietary commercial information. *See* 47 C.F.R. § 0.457(d). The Rural Telephone Companies are individually filing this exhibit under separate cover pursuant to 47 C.F.R. § 0.459.

EXHIBIT THREE

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EXHIBIT FOUR

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