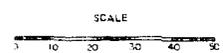


November 1990

**State of Nevada Telephone Exchange and Certificated Areas**

- Legend**
- (A) 710 Northern (Reno) LATA
  - (B) 711 Southern (Las Vegas) LATA
  - (C) 652 Idaho LATA
  - (D) 660 Utah LATA
- Numerical identifies serving company

- 1 NEVADA BELL** (A)
  - Austin
  - Sparks
  - Battle Mountain
  - Carson City
  - Carson Place
  - Churchill Basin
  - Latterwood Creek
  - Crystal Bay
  - Elko
  - Empire
  - Esmeralda
  - Ferrelle
  - First Lake Lake
  - Jacks
  - Hawthorne
  - Imperial
  - Levittown
  - Lund
  - McDermitt
  - Merrill
  - Nixon
  - Orleans
  - Paradise Valley
  - Reno
  - Round Mountain
  - Spring Valley
  - Winnemucca
- 2 CONTEL OF NEVADA** (A)
  - Alamo, CA
  - Coleville, CA
  - Gardnerville
  - Gardnerville Ranchos
  - Glenbrook
  - Jack's Valley
  - Smith Valley
  - Stardline
  - Tobez Lake
  - Yerington
- 3 C P NATIONAL ALLTEL CORP** (A)
  - Jarin
  - Siko
  - Lamoille
  - Leevings
  - Montezuma
  - Ruby Valley
  - Yells
- 4 CENTRAL TELEPHONE COMPANY** (B)
  - Blue Diamond
  - Boulder City
  - Henderson
  - Indian Springs
  - Las Vegas
  - Laughlin
  - Wendover
- 5 CHURCHILL COUNTY TELEPHONE & TELEGRAPH SYSTEM** (A)
  - Fallon (Undefined Exchange Boundaries)
- 6 FILER MUTUAL TELEPHONE COMPANY** (C)
  - Beatty
- 7 GEM STATE UTILITIES CORPORATION** (C)
  - Owyhee Mountain City
- 8 LINCOLN COUNTY TELEPHONE SYSTEM, INC.** (A)
  - Alamo
  - Caliente
  - Lake Valley
  - Penaca
  - Pioche
  - Sand Springs
- 9 MOAPA VALLEY TELEPHONE COMPANY** (B)
  - Glendale
  - Lake Mead
  - Duerton
  - Upper Muddy
- 10 NEVADA TELEPHONE-TELEGRAPH COMPANY-ALLTEL CORP** (A)
  - Goldfield
  - Manhattan
  - Silver Peak
  - Tonopah
- 11 RIO VIRGIN TELEPHONE COMPANY, INC.** (D)
  - Mesquite
- 12 RURAL TELEPHONE COMPANY** (A)
  - Red Rock
  - North Fork
  - Tuscarora
  - Yarbidge
- 13 BEEHIVE TELEPHONE COMPANY, INC.** (A)
  - Mark's River (Undefined Exchange Boundaries)
  - Oasis
  - Western Wendover
- 14 BEEHIVE TELEPHONE COMPANY, INC.** (D)
  - Utah (Complex Areas)

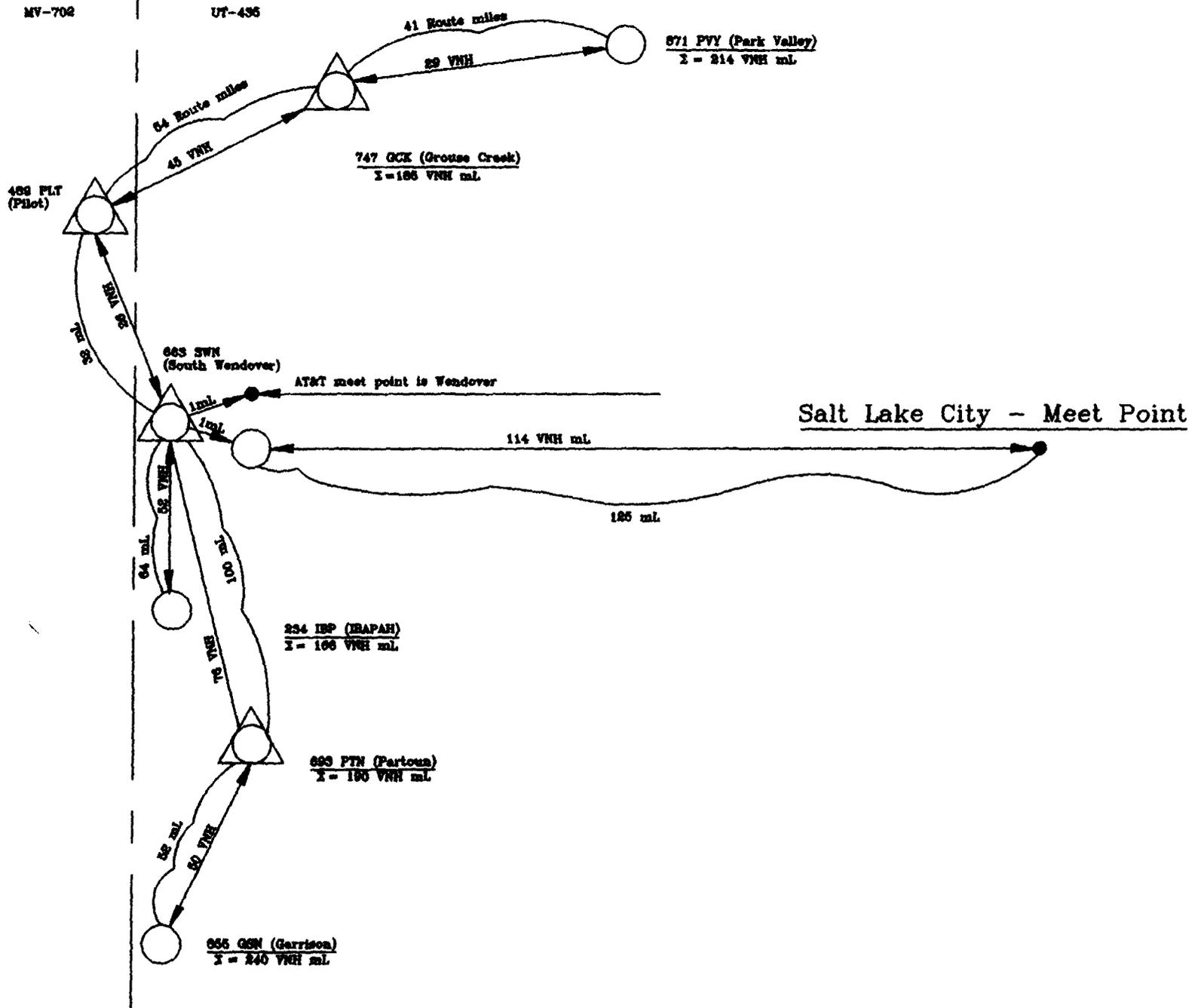




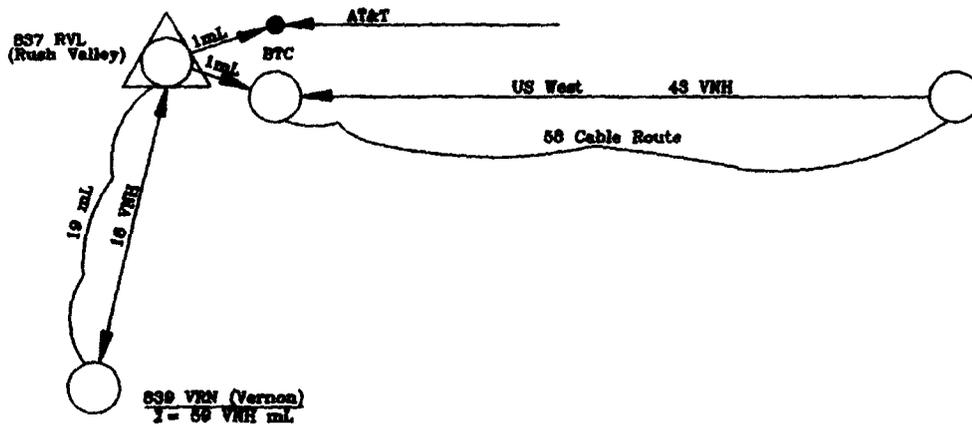
**BEEHIVE TELEPHONE COMPANY ROUTE MILES**

EXCHANGES NPA 435	LOCATION UTAH	MEET POINT	CABLE ROUTE MILES	
			BTC STAKING SHEETS	THE OTHER COMPANIES
<b>NXX:</b>				
234	IBAPAH	WENDOVER-SALT LAKE CITY	64	125
456	CAINVILLE	PROVO (through Bullfrog)	72	300
661	DANGLING ROPE MARINA	PROVO (through Bullfrog)	66	300
663	SOUTH WENDOVER	WENDOVER-SALT LAKE CITY	1	125
693	PARTOUN	WENDOVER-SALT LAKE CITY	100	125
712	KOLOB (Under construction)	CEDAR CITY	23	2
747	GROUSE CREEK	WENDOVER-SALT LAKE CITY	86	125
788	TICABOO	PROVO (through Bullfrog)	17	300
837	RUSH VALLEY	SALT LAKE CITY	1	58
839	VERNON	SALT LAKE CITY (through Rush Valley)	19	58
855	GARRISON	WENDOVER-SALT LAKE CITY	152	125
871	PARK VALLEY	WENDOVER-SALT LAKE CITY	127	125
<b>TOTAL</b>			728	
<b>NPA702 NEVADA</b>				
<b>NXX:</b>				
472	MARY'S RIVER	ELKO (through Wendover)	193	1
478	OASIS	ELKO (through Wendover)	140	1
483	WESTERN WIND (Under construction)	ELKO (through Wendover)	110	1
489	PILOT	ELKO (through Wendover)	142	1
533	BURBANK (Under construction)	ELKO (through Wendover)	262	1
534	GOSHUTE (Under construction)	ELKO (through Wendover)	174	1
536	PLEASANT VALLEY (Under construction)	ELKO (through Wendover)	210	1
<b>TOTAL</b>			1231	

# BEEHIVE TELEPHONE COMPANY UTAH ROUTE MILES



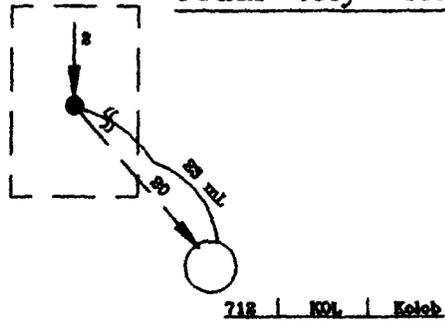
RUSH Valley IS A1&I Meet Point



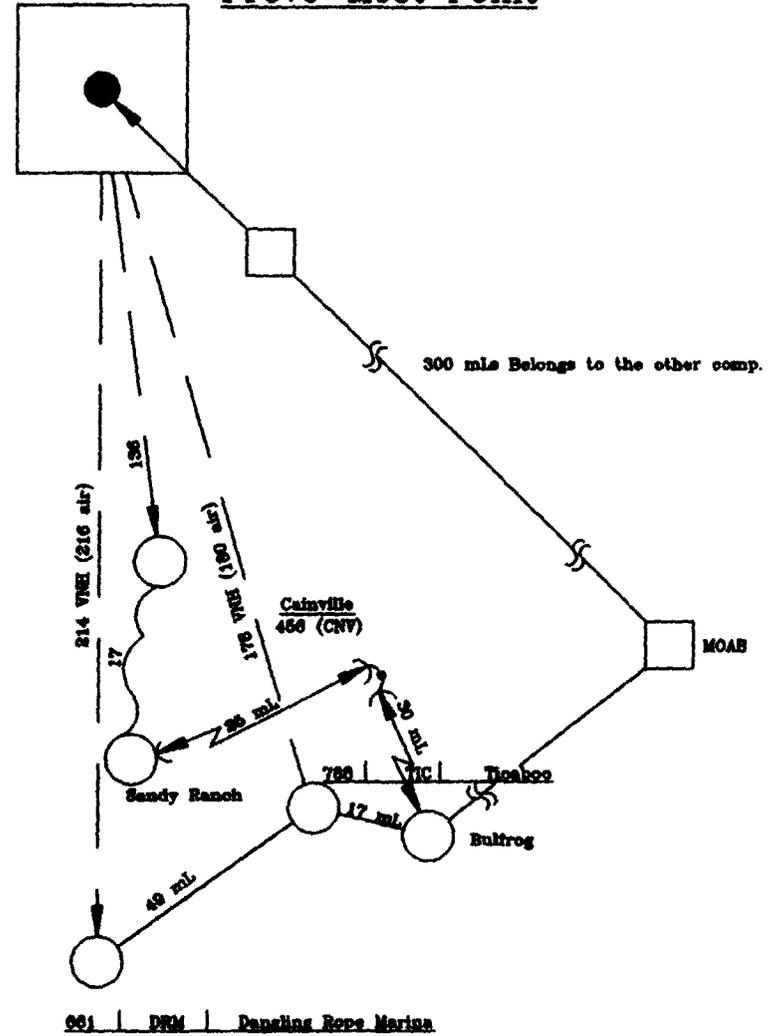
SLC
EXCHANGES OF BTC-UT
NPA 436 (Was 801)

2 mi. Belongs to hte other comp.

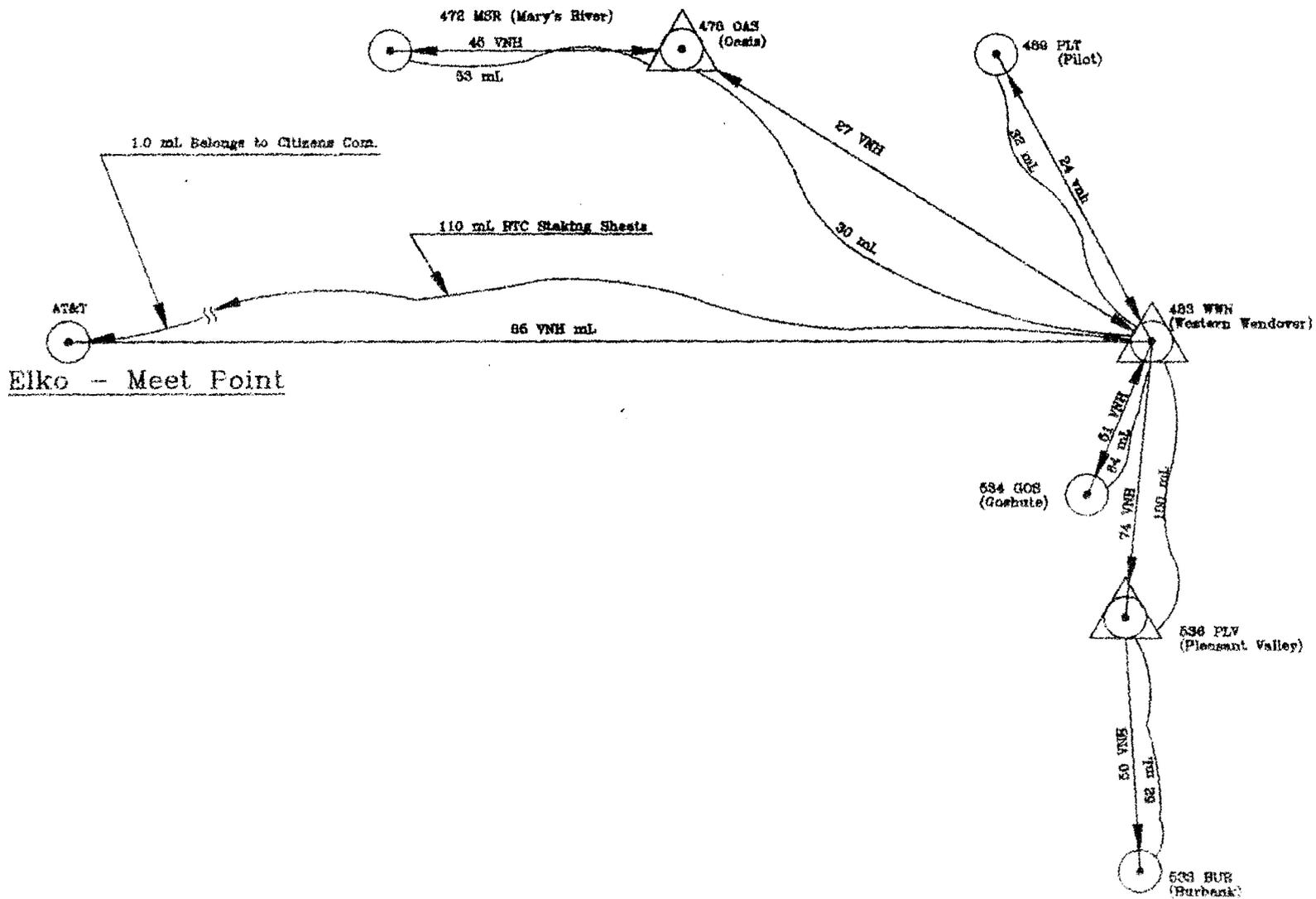
Cedar City- Meet Point



Provo-Meet Point



BEEHIVE TELEPHONE COMPANY  
NEVADA ROUTE MILES





## EXHIBIT 4

COMPANY	ACCESS LINES per		
	ROUTE MILE A	EXCHANGES B	ACCESS LINES C
DELL TELEPHONE COOP INC	0.31	9	964
SOUTHERN MONTANA TELEPHONE CO	1.52	5	815
PIONEER TELEPHONE COMPANY	1.86	2	823
SOUTHWEST OKLAHOMA TEL CO	1.87	5	937
HEMINGFORD CO-OP TELEPHONE CO	1.93	1	927
ROCK COUNTY TELE CO	2.17	2	991
H & B COMMUNICATIONS INC	2.27	3	965
DILLER TELEPHONE CO	2.35	4	903
THE CURTIS TELEPHONE CO INC	2.47	1	821
THE BLANCA TELEPHONE COMPANY	2.69	1	899
CLARKS TELEPHONE COMPANY	2.79	3	964
NORTHEAST LOUISIANA TEL CO INC	2.95	2	909
LINCOLN TELEPHONE COMPANY	3.04	2	976
MODERN COOP TEL CO	3.29	4	887
DUCOR TELEPHONE CO	3.69	2	836
C R TELEPHONE COMPANY	3.70	2	916
UPSALA COOP TEL ASSN	3.70	1	944
S & A TELEPHONE COMPANY INC	3.84	2	850
SPRUCE KNOB SENECA ROCKS TEL C	3.90	1	1,000
KEYSTONE FARMERS COOP TEL CO	4.49	3	994
RIVER VALLEY TELE COOP	4.66	2	983
CASTLEBERRY TELEPHONE CO INC	5.42	1	889
GOSHEN TELEPHONE CO INC	5.53	1	836
HENDERSON COOP TELEPHONE CO	5.64	1	988
NORTH RIVER TELE COOP	5.83	1	951
HARMONY TELEPHONE COMPANY	6.28	1	954
BYERS PETROLIA TELE CO INC	6.37	2	829
TROY TELEPHONE COMPANY INC	6.85	1	884
LAKESIDE TELEPHONE CO	7.03	2	879
THE BUCKLAND MUTUAL TEL CO	7.55	1	831
SPRING VALLEY TELEPHONE CO	8.42	1	960
CROWN POINT TELE CORP	8.93	1	929
WESTPHALIA TELEPHONE COMPANY	9.49	1	949
NEW LONDON TELEPHONE CO	10.40	1	916
PERKINSVILLE TELEPHONE CO INC	11.28	1	852
MONROE TELEPHONE COMPANY	12.97	1	882
GERVAIS TELEPHONE COMPANY	16.67	1	966
BEEHIVE TELEPHONE COMPANY	0.75	14	882

COMPANY	TOTAL LOOPS	ACCT 2001	TOT EXPENSE	EXPENSE to 2001 RATIO	TPIS to LOOP RATIO	EXPENSE to LOOP RATIO
FRONTIER-MT. PULASKI	1,965	2,497,100	2,843,891	113.89%	1,271	1,447
ACCIPITER COMM.	39	226,179	234,046	103.48%	5,799	6,001
KINGSGATE TEL., INC.	97	683,514	511,689	74.86%	7,047	5,275
JEFFERSON TEL CO -SD	573	869,399	632,256	72.72%	1,517	1,103
NOXAPATER TEL CO	1,024	2,183,959	1,497,588	68.57%	2,133	1,462
GEORGETOWN TEL CO	312	1,202,309	742,164	61.73%	3,854	2,379
ODIN TEL EXCH INC	1,186	1,961,291	1,052,111	53.64%	1,654	887
ELKHART TEL CO INC	1,677	4,003,737	2,139,914	53.45%	2,387	1,276
INTERSTATE TEL CO	14,789	17,357,994	9,076,200	52.29%	1,174	614
CASS COUNTY TEL CO	3,109	4,276,765	2,208,216	51.63%	1,376	710
BRETTON WOODS TEL CO	436	1,133,917	571,987	50.44%	2,601	1,312
<b>BEEHIVE TEL CO - NV &amp; UT</b>	<b>909</b>	<b>6,325,307</b>	<b>3,171,131</b>	<b>50.13%</b>	<b>6,959</b>	<b>3,489</b>
YUKON TEL CO INC	557	1,885,028	921,028	48.86%	3,384	1,654
CHAMPLAIN TEL CO	5,594	10,770,915	5,215,337	48.42%	1,925	932
YATES CITY TEL CO	548	1,041,192	502,874	48.30%	1,900	918
MIDSTATE TEL CO	1,829	4,889,190	2,356,117	48.19%	2,673	1,288
LA HARPE TEL CO	1,100	2,097,752	1,005,114	47.91%	1,907	914
BETTLES TEL CO INC	94	447,470	208,787	46.66%	4,760	2,221
MONROE TELEPHONE CO.	940	1,979,989	921,231	46.53%	2,106	980
KADOKA TELEPHONE CO	598	1,302,032	587,817	45.15%	2,177	983
MADISON TEL CO	1,474	3,902,337	1,721,948	44.13%	2,647	1,168
HANCOCK TEL CO	1,818	3,750,226	1,624,336	43.31%	2,063	893
GERMANTOWN TEL CO	2,523	5,972,300	2,583,441	43.26%	2,367	1,024
MIDVALE TEL EXCH -OR	226	985,903	420,993	42.70%	4,362	1,863
RICHMOND TEL CO	1,067	1,777,564	757,080	42.59%	1,666	710
STAR TEL CO	4,871	11,331,827	4,715,895	41.62%	2,326	968
RESERVE TEL CO	5,316	11,746,350	4,881,072	41.55%	2,210	918
FISHERS ISLAND TEL	954	1,369,899	565,736	41.30%	1,436	593
MCCLURE TEL CO	749	1,829,533	755,145	41.28%	2,443	1,008
ARCTIC SLOPE TEL	2,247	8,673,640	3,540,516	40.82%	3,860	1,576
STANTON TEL CO, INC	1,188	2,955,004	1,199,133	40.58%	2,487	1,009
CHIPPEWA COUNTY TEL	1,371	3,351,359	1,323,943	39.50%	2,444	966
TERRAL TEL CO	317	1,088,255	424,256	38.98%	3,433	1,338
DARIEN TEL CO	5,408	12,117,627	4,694,695	38.74%	2,241	868
SUMMIT TEL & TEL -AK	131	1,039,723	400,978	38.57%	7,937	3,061
CROWN POINT TEL CORP	1,024	3,735,298	1,408,045	37.70%	3,648	1,375
WINN TEL CO	721	1,500,469	565,189	37.67%	2,081	784
CITIZENS HAMMOND NY	1,729	7,317,454	2,709,478	37.03%	4,232	1,567
HOLWAY TEL CO	562	1,749,895	646,982	36.97%	3,114	1,151
HOT SPRINGS TEL CO	682	1,513,416	554,082	36.61%	2,219	812
SYCAMORE TEL CO	1,992	4,574,533	1,668,454	36.47%	2,296	838
TATUM TEL CO	897	2,956,762	1,059,788	35.84%	3,296	1,181
ZENDA TEL COMPANY	231	1,113,163	396,389	35.61%	4,819	1,716
TRANS-CASCADES TEL	160	1,050,092	370,849	35.32%	6,563	2,318
WALNUT HILL TEL CO	5,008	16,500,629	5,793,813	35.11%	3,295	1,157
PATTERSONVILLE TEL	1,391	2,724,703	940,562	34.52%	1,959	676
BORDER TO BORDER	84	1,831,284	630,779	34.44%	21,801	7,509
COLTON TEL CO	1,204	3,332,155	1,139,124	34.19%	2,768	946
WEST TEXAS RURAL TEL	2,026	12,609,752	4,303,474	34.13%	6,224	2,124

COMPANY	TOTAL LOOPS	ACCT 2001	TOT EXPENSE	EXPENSE to 2001 RATIO	TPIS to LOOP RATIO	EXPENSE to LOOP RATIO
DELL TEL CO-OP - TX	689	16,661,766	2,433,379	14.60%	24,183	3,532
BORDER TO BORDER	84	1,831,284	630,779	34.44%	21,801	7,509
DELL TEL CO-OP - NM	345	7,363,957	1,070,791	14.54%	21,345	3,104
OREGON-IDAHO UTIL.	781	11,289,601	1,513,974	13.41%	14,455	1,939
BIG BEND TEL CO INC	4,558	65,165,652	9,256,114	14.20%	14,297	2,031
SCOTT COUNTY TEL CO	127	1,576,914	263,092	16.68%	12,417	2,072
RICO TEL CO	142	1,590,134	303,885	19.11%	11,198	2,140
HUMBOLDT TEL CO	670	7,424,652	1,145,000	15.42%	11,082	1,709
XIT RURAL TEL CO-OP	1,329	14,633,643	3,024,456	20.67%	11,011	2,276
ENMR TEL COOP INC-NM	11,834	129,343,238	18,467,767	14.28%	10,930	1,561
VALLEY TEL CO-OP -TX	5,785	58,433,277	8,650,343	14.80%	10,101	1,495
FORT MOJAVE TEL, INC	404	4,017,647	900,311	22.41%	9,945	2,228
WESTERN NEW MEXICO	5,778	55,118,066	8,206,863	14.89%	9,539	1,420
ISLAND TEL CO	600	5,697,644	755,834	13.27%	9,496	1,260
BACA VALLEY TEL CO	784	7,444,337	948,743	12.74%	9,495	1,210
ASOTIN TEL - OR	122	1,128,745	192,490	17.05%	9,252	1,578
HELIX TEL CO.	268	2,470,834	605,664	24.51%	9,220	2,260
INTERBEL TEL COOP	1,567	14,271,714	2,053,428	14.39%	9,108	1,310
PENASCO VALLEY TEL	2,856	25,983,176	3,988,101	15.35%	9,098	1,396
ALENCO COMMUNICATION	1,472	13,251,857	2,231,391	16.84%	9,003	1,516
BUSH-TELL INC.	790	7,003,779	1,611,454	23.01%	8,866	2,040
MIDVALE TEL EXCH INC	1,061	9,380,726	1,178,807	12.57%	8,841	1,111
RURAL TEL CO - ID	428	3,719,195	859,427	23.11%	8,690	2,008
S & T TEL COOP ASSN	1,969	16,568,255	2,540,176	15.33%	8,415	1,290
POKA-LAMBRO TEL COOP	3,661	29,549,271	5,222,658	17.67%	8,071	1,427
SUMMIT TEL & TEL -AK	131	1,039,723	400,978	38.57%	7,937	3,061
PINNACLES TEL CO	252	1,956,783	580,852	29.68%	7,765	2,305
RURAL TEL CO - NV	611	4,617,588	821,228	17.78%	7,557	1,344
ENMR TEL COOP-TX	902	6,536,053	907,132	13.88%	7,246	1,006
MID-RIVERS TEL COOP	10,529	75,963,124	8,730,660	11.49%	7,215	829
NORTHERN TEL COOP	1,428	10,297,064	1,527,740	14.84%	7,211	1,070
NAVAJO COMMUN-UT	354	2,546,427	717,690	28.18%	7,193	2,027
KINGSGATE TEL., INC.	97	683,514	511,689	74.86%	7,047	5,275
<b>BEEHIVE TEL CO - NV &amp; UT</b>	<b>909</b>	<b>6,325,307</b>	<b>3,171,131</b>	<b>50.13%</b>	<b>6,959</b>	<b>3,489</b>
SOUTHERN MONTANA TEL	951	6,616,569	1,175,557	17.77%	6,957	1,236
CENTRAL TEXAS CO-OP	6,743	46,543,421	6,023,178	12.94%	6,902	893
UNION TELEPHONE CO	6,485	44,455,370	7,417,284	16.68%	6,855	1,144
ROGGEN TEL COOP CO	240	1,637,949	334,458	20.42%	6,825	1,394
ROCKLAND TEL CO INC	1,206	8,205,555	1,240,018	15.11%	6,804	1,028
UNITED UTILITIES INC	5,324	36,150,640	9,269,222	25.64%	6,790	1,741
SUNFLOWER TEL - CO	328	2,212,162	282,514	12.77%	6,744	861
LEAF RIVER TEL CO	624	4,196,625	938,393	22.36%	6,725	1,504
WESTERN WAHAKIUM	1,105	7,379,915	1,792,824	24.29%	6,679	1,622
HORNITOS TEL CO	577	3,837,395	493,707	12.87%	6,651	856
TRANS-CASCADES TEL	160	1,050,092	370,849	35.32%	6,563	2,318
PINE TEL SYSTEM INC.	948	6,186,018	1,197,681	19.36%	6,525	1,263
POTTAWATOMIE TEL CO	2,147	13,836,505	2,314,369	16.73%	6,445	1,078
SILVER STAR TEL- ID	557	3,511,784	855,966	24.37%	6,305	1,537
UINTAH BASIN TEL	2,818	17,674,854	3,204,288	18.13%	6,272	1,137

COMPANY	TOTAL LOOPS	ACCT 2001	TOT EXPENSE	EXPENSE to 2001 RATIO	TPIS to LOOP RATIO	EXPENSE to LOOP RATIO
BORDER TO BORDER	84	1,831,284	630,779	34.44%	21,801	7,509
ACCIPITER COMM.	39	226,179	234,046	103.48%	5,799	6,001
KINGSGATE TEL., INC.	97	683,514	511,689	74.86%	7,047	5,275
DELL TEL. CO-OP - TX	689	16,661,766	2,433,379	14.60%	24,183	3,532
<b>BEEHIVE TEL CO - NV &amp; UT</b>	<b>909</b>	<b>6,325,307</b>	<b>3,171,131</b>	<b>50.13%</b>	<b>6,959</b>	<b>3,489</b>
DELL TEL CO-OP - NM	345	7,363,957	1,070,791	14.54%	21,345	3,104
SUMMIT TEL & TEL -AK	131	1,039,723	400,978	38.57%	7,937	3,061
GEORGETOWN TEL CO	312	1,202,309	742,164	61.73%	3,854	2,379
TRANS-CASCADES TEL	160	1,050,092	370,849	35.32%	6,563	2,318
PINNACLES TEL CO	252	1,956,783	580,852	29.68%	7,765	2,305
XIT RURAL TEL CO-OP	1,329	14,633,643	3,024,456	20.67%	11,011	2,276
HELIX TEL CO.	268	2,470,834	605,664	24.51%	9,220	2,260
FORT MOJAVE TEL, INC	404	4,017,647	900,311	22.41%	9,945	2,228
BETTLES TEL CO INC	94	447,470	208,787	46.66%	4,760	2,221
RICO TEL CO	142	1,590,134	303,885	19.11%	11,198	2,140
WEST TEXAS RURAL TEL	2,026	12,609,752	4,303,474	34.13%	6,224	2,124
SCOTT COUNTY TEL CO	127	1,576,914	263,092	16.68%	12,417	2,072
BUSH-TELL INC.	790	7,003,779	1,611,454	23.01%	8,866	2,040
BIG BEND TEL CO INC	4,558	65,165,652	9,256,114	14.20%	14,297	2,031
NAVAJO COMMUN-UT	354	2,546,427	717,690	28.18%	7,193	2,027
RURAL TEL CO - ID	428	3,719,195	859,427	23.11%	8,690	2,008
OREGON-IDAHO UTIL.	781	11,289,601	1,513,974	13.41%	14,455	1,939
MIDVALE TEL EXCH -OR	226	985,903	420,993	42.70%	4,362	1,863
DUCOR TELEPHONE CO	853	5,258,756	1,563,383	29.73%	6,165	1,833
UNITED UTILITIES INC	5,324	36,150,640	9,269,222	25.64%	6,790	1,741
ZENDA TEL COMPANY	231	1,113,163	396,389	35.61%	4,819	1,716
HUMBOLDT TEL CO	670	7,424,652	1,145,000	15.42%	11,082	1,709
YUKON TEL CO INC	557	1,885,028	921,028	48.86%	3,384	1,654
MUKLUK TEL CO INC	1,034	6,454,102	1,686,090	26.12%	6,242	1,631
WESTERN WAHAKIUM	1,105	7,379,915	1,792,824	24.29%	6,679	1,622
INLAND TEL-ID	326	1,862,857	521,767	28.01%	5,714	1,601
ASOTIN TEL - OR	122	1,128,745	192,490	17.05%	9,252	1,578
ARCTIC SLOPE TEL	2,247	8,673,640	3,540,516	40.82%	3,860	1,576
CITIZENS HAMMOND NY	1,729	7,317,454	2,709,478	37.03%	4,232	1,567
ENMR TEL COOP INC-NM	11,834	129,343,238	18,467,767	14.28%	10,930	1,561
RIVIERA TEL CO INC	1,083	5,841,338	1,684,186	28.83%	5,394	1,555
SILVER STAR TEL- ID	557	3,511,784	855,966	24.37%	6,305	1,537
ALENCO COMMUNICATION	1,472	13,251,857	2,231,391	16.84%	9,003	1,516
LEAF RIVER TEL CO	624	4,196,625	938,393	22.36%	6,725	1,504
VALLEY TEL CO-OP -TX	5,785	58,433,277	8,650,343	14.80%	10,101	1,495
NOXAPATER TEL CO	1,024	2,183,959	1,497,588	68.57%	2,133	1,462
FRONTIER-MT. PULASKI	1,965	2,497,100	2,843,891	113.89%	1,271	1,447
POKA-LAMBRO TEL COOP	3,661	29,549,271	5,222,658	17.67%	8,071	1,427
WESTERN NEW MEXICO	5,778	55,118,066	8,206,863	14.89%	9,539	1,420
PENASCO VALLEY TEL	2,856	25,983,176	3,988,101	15.35%	9,098	1,396
ROGGEN TEL COOP CO	240	1,637,949	334,458	20.42%	6,825	1,394
KEYSTONE-ARTHUR TEL	639	3,130,540	886,802	28.33%	4,899	1,388
CROWN POINT TEL CORP	1,024	3,735,298	1,408,045	37.70%	3,648	1,375
MOULTRIE INDEPENDENT	793	4,850,629	1,089,008	22.45%	6,117	1,373

COMPANY	TOTAL LOOPS	ACCT 2001	TOT EXPENSE	EXPENSE to 2001 RATIO	TPIS to LOOP RATIO	EXPENSE to LOOP RATIO
FRONTIER-MT. PULASKI	1,965	2,497,100	2,843,891	113.89%	1,271	1,447
ACCIPITER COMM.	39	226,179	234,046	103.48%	5,799	6,001
KINGSGATE TEL., INC.	97	683,514	511,689	74.86%	7,047	5,275
JEFFERSON TEL CO -SD	573	869,399	632,256	72.72%	1,517	1,103
NOXAPATER TEL CO	1,024	2,183,959	1,497,588	68.57%	2,133	1,462
GEORGETOWN TEL CO	312	1,202,309	742,164	61.73%	3,854	2,379
ODIN TEL EXCH INC	1,186	1,961,291	1,052,111	53.64%	1,654	887
ELKHART TEL CO INC	1,677	4,003,737	2,139,914	53.45%	2,387	1,276
INTERSTATE TEL CO	14,789	17,357,994	9,076,200	52.29%	1,174	614
CASS COUNTY TEL CO	3,109	4,276,765	2,208,216	51.63%	1,376	710
BRETTON WOODS TEL CO	436	1,133,917	571,987	50.44%	2,601	1,312
YUKON TEL CO INC	557	1,885,028	921,028	48.86%	3,384	1,654
CHAMPLAIN TEL CO	5,594	10,770,915	5,215,337	48.42%	1,925	932
YATES CITY TEL CO	548	1,041,192	502,874	48.30%	1,900	918
MIDSTATE TEL CO	1,829	4,889,190	2,356,117	48.19%	2,673	1,288
LA HARPE TEL CO	1,100	2,097,752	1,005,114	47.91%	1,907	914
BETTLES TEL CO INC	94	447,470	208,787	46.66%	4,760	2,221
MONROE TELEPHONE CO.	940	1,979,989	921,231	46.53%	2,106	980
KADOKA TELEPHONE CO	598	1,302,032	587,817	45.15%	2,177	983
MADISON TEL CO	1,474	3,902,337	1,721,948	44.13%	2,647	1,168
HANCOCK TEL CO	1,818	3,750,226	1,624,336	43.31%	2,063	893
GERMANTOWN TEL CO	2,523	5,972,300	2,583,441	43.26%	2,367	1,024
MIDVALE TEL EXCH -OR	226	985,903	420,993	42.70%	4,362	1,863
RICHMOND TEL CO	1,067	1,777,564	757,080	42.59%	1,666	710
STAR TEL CO	4,871	11,331,827	4,715,895	41.62%	2,326	968
RESERVE TEL CO	5,316	11,746,350	4,881,072	41.55%	2,210	918
FISHERS ISLAND TEL	954	1,369,899	565,736	41.30%	1,436	593
MCCLURE TEL CO	749	1,829,533	755,145	41.28%	2,443	1,008
ARCTIC SLOPE TEL	2,247	8,673,640	3,540,516	40.82%	3,860	1,576
STANTON TEL CO, INC	1,188	2,955,004	1,199,133	40.58%	2,487	1,009
CHIPPEWA COUNTY TEL	1,371	3,351,359	1,323,943	39.50%	2,444	966
TERRAL TEL CO	317	1,088,255	424,256	38.98%	3,433	1,338
DARIEN TEL CO	5,408	12,117,627	4,694,695	38.74%	2,241	868
SUMMIT TEL & TEL -AK	131	1,039,723	400,978	38.57%	7,937	3,061
CROWN POINT TEL CORP	1,024	3,735,298	1,408,045	37.70%	3,648	1,375
WINN TEL CO	721	1,500,469	565,189	37.67%	2,081	784
CITIZENS HAMMOND NY	1,729	7,317,454	2,709,478	37.03%	4,232	1,567
HOLWAY TEL CO	562	1,749,895	646,982	36.97%	3,114	1,151
<b>BEEHIVE TEL CO - NV &amp; UT</b>	<b>909</b>	<b>7,722,658</b>	<b>2,835,131</b>	<b>36.71%</b>	<b>8,496</b>	<b>3,119</b>
HOT SPRINGS TEL CO	682	1,513,416	554,082	36.61%	2,219	812
SYCAMORE TEL CO	1,992	4,574,533	1,668,454	36.47%	2,296	838
TATUM TEL CO	897	2,956,762	1,059,788	35.84%	3,296	1,181
ZENDA TEL COMPANY	231	1,113,163	396,389	35.61%	4,819	1,716
TRANS-CASCADES TEL	160	1,050,092	370,849	35.32%	6,563	2,318
WALNUT HILL TEL CO	5,008	16,500,629	5,793,813	35.11%	3,295	1,157
PATTERSONVILLE TEL	1,391	2,724,703	940,562	34.52%	1,959	676
BORDER TO BORDER	84	1,831,284	630,779	34.44%	21,801	7,509
COLTON TEL CO	1,204	3,332,155	1,139,124	34.19%	2,768	946
WEST TEXAS RURAL TEL	2,026	12,609,752	4,303,474	34.13%	6,224	2,124



BEEHIVE TELEPHONE COMPANY

BILLED ACCESS MINUTES - Used in rate development

Beehive Utah

	Feature Group B Non-Premium	Feature Group C Premium	TOTAL
1995	10,123,685	14,721,149	24,844,834
1996	13,448,833	16,411,165	29,859,998
	<u>23,572,518</u>	<u>31,132,314</u>	<u>54,704,832</u>

Beehive Nevada

	Feature Group B Non-Premium	Feature Group C Premium	TOTAL
1995	605,344	15,184	620,528
1996	0	260,104	260,104
	<u>605,344</u>	<u>275,288</u>	<u>880,632</u>

Beehive - Total Company

	Feature Group B Non-Premium	Feature Group C Premium	TOTAL
1995	10,729,029	14,736,333	25,465,362
1996	13,448,833	16,671,269	30,120,102
<b>Total Access Minutes</b>	<u>24,177,862</u>	<u>31,407,602</u>	<u>55,585,464</u>

DEM MINUTES - Used in Cost Studies for jurisdictional assignment.  
 Equals Sum of Billed Access Minutes and Feature  
 Group A minutes multiplied by 1.07

	Feature Group B Non-Premium	Feature Group C Premium	TOTAL
Access Minutes	24,177,862	31,407,602	55,585,464
FGA (Utah only)	7,589		7,589
	<u>24,185,451</u>	<u>31,407,602</u>	<u>55,593,053</u>
	1.07	1.07	1.07
<b>Total DEM Minutes</b>	<u>25,878,432</u>	<u>33,606,134</u>	<u>59,484,566</u>



BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C.

In the matter of telephone  
High Cost Funds....

CC Docket No. 96-45

COMMENTS FROM THE BEEHIVE TELEPHONE COMPANIES...

> The Beehive Companies consist of two Corporations. Both owned by their founder A. W. Brothers, 67 (author of these comments) who since 1966, has provided first time ever telephone service to 10 remote villages in Utah. My Nevada Corporation has established 3 exchanges providing phones to similar remote areas of Nevada. On average, as funds and time to construct has been obtained, growth has enabled adding one new exchange every two years. This vast unserved area was passed over by Ma Bell as being unprofitable. Those rural folk did not have enough political clout or money to get phones. However, by working cheap and ultimately participating in REA financing and "cost pooling" - I've made do.

>> Each month, over the past 20 years, I've authored an opinion editorial appearing on the last page of the industry magazine "Americas Network". It and numerous newspaper articles and TV has chronicled my battles with those who would stand in the way of telecommunications for rural folk who - even today - did not have any phones - let alone a choice.

>>> I am told by the publishers that their 55,000 telephone professionals consistently rate my stories as the single most popular item they read. These comments are therefore submitted to the Commission as a compilation of conclusions from someone who has - as they say - BEEN THERE AND DONE THAT...

>>>> STATISTICS: Beehive's 14 central office locations are in rural parts of 11 Counties - 9 have paved roads, 4 have dirt roads and one has no road (water accessible only). Three do not have commercial power. We provide phones (and data including compressed video) to 7 schools. Residence dwellings with phones number 600. Business lines number 200. I've constructed over 600 route miles of long distance facilities just to get to the center of those 14 villages. We pay power bills at 27 electric meters from 6 power companies, and use solar for 5 more. It takes more than a mile of line to get the local loops to each customer from their associated central switching center. The nearest 7-11 is from one to three hours distant. From the Partoun exchange near the West Desert High School (where 12 year old kids drive themselves up to 58 mile round trip) the closest gas station is one hour over dirt roads.

Over time, winds across the great desert of western Utah - salt coats insulator ability to multiplex telephone trunks over open wire lines. Thus, most of our lines are now underground and being upgraded to fiber as finances permit. A service call can result in 300 miles of travel, mostly over dirt roads.

## MONEY - SETTLEMENTS - DISCUSSION

1. Our rates are \$16 for business and \$11.67 for residence. Before divestiture our residence charge was \$14.50. We were one of the half dozen American telcos who were harmed by elimination of toll settlement called "Schedule C on costs", after that method of settlement was eliminated by Commission Order. It was agreed by NECA and the CC Bureau that Beehive would convert to full cost - but retain "direct assignment" of our toll costs. This was in recognition of the unique status of Beehive's very large expensive to maintain (on a per subscriber basis) toll network. It is my understanding that the new hands at NECA now wish to invalidate that commitment. Perhaps because, to my knowledge, Beehive is the only company in America which uses this variant from traditional separation of plant to account for the toll function.

2. USF: The industry has been clever. Instead of one national pool, many smaller less obvious pools were created. The Utah State pool required us to lower our local service up to \$3.00/month (with annual revisions) so we could receive that USF subsidy, financed by a half cent per minute tax on all State toll. That provided Beehive a subsidy of \$97 per month per subscriber. We converted to "access" for terminating State toll. Due to U.S. West's complex calculation requirements, it was cheaper to just revert to a bill and keep situation which continues to this day.

3. To permit stated national goals of unfettered competition, Beehive believed that eventually all pooling and USF might be disallowed. It appeared reasonable that we create a plan for continued existence without subsidy. We devised a system that would continue the Congressional and FCC mandate that Beehive's customers pay similar rates for local and long distance as others in America. This resulted in a FCC access tariff (based on our revenue requirement) rate which would keep rural high cost companies like mine from going broke. This would meet the objective of standing on our own - and remove us from the public subsidy trough, or pools.

4. Our subsequent tariff of \$.47 per minute for the 80,000 monthly interstate minutes resulted in IXC questions. Most paid. Some clever IXCs reprogrammed their switches to block or re-route Beehive's traffic to other carriers.

5. In order to lower our revenue requirement per minute, Beehive set out to stimulate additional minutes. ie: a) expand the innovative use of our block of 800-629 numbers; and b) stimulate traffic for joint conference capability. One method of the latter is called "chat lines". By late 1994, I realized our minute stimulation was successful. Incoming traffic was increasing by an order of magnitude. Existing routes and switching facilities were swamped. To handle the traffic, Beehive leased switching facilities. We needed to revise our rates. FCC procedures for this were not conducive for Beehive's situation.

6. Under the auspices of Federal Courts, we established the precedent of negotiated rate reductions approved by the CC Bureau. MCI and Sprint concurred. AT&T refused. AT&T chose a self help tactic of not paying its bills (which represents half of our income). This put Beehive in a serious financial situation which haunts us to this day. (See file No. 95-CV-0171W, U.S. District Court, Central Division for Utah - Beehive v. AT&T - settlement arbitrated - decision pending; also FCC File No E-97-04, AT&T v. Beehive; and CC Docket 97-237)

7. On July 1, 1995, the CC Bureau allowed new Beehive access rates wherein the premium rate was lowered from \$.47 to \$.13 per minute. AT&T adopted blocking calls into Beehive by not providing enough trunks plus selective grading of inbound toll to fast busy and decided to not pay its bills.

8. The BOC's did not like Beehive's 800 number stimulation concept. Bellcore's BOC directors ordered it to take back all our assigned numbers. We sued - see U.S. District Court for Utah civil No. 2:96 CV 0188C. As far as our ultimate business plan is concerned, the BOC's were successful. The majority block of numbers are frozen by the Court. One enterprise that looked to Beehive for seven thousand numbers has gone out of business.

9. Our roller coaster stimulation of business and resulting minutes allowed us to lower our rates again in tariff filings effective in mid 1996, and again in mid 1997. Our legal fees remain high. AT&T flat-out refuses to negotiate.

Which brings us to 1998 and the subject of these comments:

This filing is to rebut the Commission's objective to require 75% of universal service (high cost) funds be paid by the States.

10. This attempt to define welfare does two bad things. First, it is anti-competitive, over and above the traditional regulatory audit oversight and setting a reasonable rate of return. The utility or business offering conference services such as chat lines or 800 access must compete with all other companies as the one with the least costs will get the profits v. those who don't. Second it locks rural service providers into a government defined and expensive NECA administered layer of costs, with no allowance to be innovative. It would appear more reasonable for the Commission to adopt a multiple choice method of achieving certain uniform service goals for rural high cost service areas.

10. Thus, as a direct response to this Docket, Why should an arbitrary percentage be applied? Why can not the ratio be the actual division of minutes within the effected company? If any subsidy is paid - the ratio would be developed by total minutes of interstate v. intrastate + local. Then round totals to the nearest whole number. Mandate that the States would be required to accept those figures.

11. Over 95% of our traffic is from interstate toll. Is it fair to expect 75% of Beehive's interstate toll costs be paid for by the State? Beehive doesn't fit any known LEC model for costs and ratio of traffic. Yet, this is part of where the Commission is coming from by its decision in a related case CC Docket No 97-237 dated 1-6-98.

12. By that decision Beehive's leasing of switching equipment was rejected. Yet, for purposes of rate compliance Beehive's two year study agreed with those of AT&T. Where we were wrong was using only one year to base rates. As a result of being taken to the woodshed, we amended the tariff and refunded all amounts within two weeks of notice by the Commission. Part of our problems are that the Commission has not had facts and is dealing with some weird statistics which lead to wrong assumptions.

13. Beehive is unique and not comparable to any other companies: Beehive has 800 customers. Fifty five other companies have 800 customers. The Bureau said our costs should not be different. Yea. Sure. And if costs are not the same - just disallow the different costs. My analysis of 55 typical NECA reports show companies with 800 customers have only one or two exchanges. Not 14 like Beehive. The average doesn't have millions of minutes like we, nor is their ratio of directly assigned costs over 95% like Beehive.

14. Consider that the latest "Hatfield" model of stand alone switch costs are \$560,000 per switch. Not counting the additive for line costs, if this figure is multiplied by our 14 offices, the industry acceptable investment by Beehive for this function would be \$7,840,000. At a 25% annual cost, an acceptable revenue requirement would be an undisputed \$1,960,000. That's double what we use! In short, no consideration was given to how we achieved lower access charges by proportional increases in costs of service. Are we to be punished for being innovative?

15. If we are to have mandated costs and standardized operations with artificial separation of state v. interstate, we will be forced to go back on the State USF (which we have not drawn on since early 1995) Over the years, our average rate of return has been 11%. However, using 1996 figures, when state v. interstate is separated we underearned \$750,000 on the State side, and overearned by \$750,000 on the interstate side of the ledger. Thus, the Commission effort to drive down interstate costs is clearly a taking. And poses a problem for Beehive. Such is the dramatic and disruptive effect well intended rules will achieve. Beehive respectfully urges the Commission reconsider the entire matter of arbitrary separation of inter/intra State functions. Or is the FCC switching us down the same track as was last seen Western Union?

Respectfully submitted this 20th day of January, 1997 -c-  
A. W. Brothers, President, the Beehive Telephone Companies  
2000 E Sunset, Lakepoint, Ut. 84074. fax 801 250 4420.



# A really big disconnect

You call this reform? Try getting a phone line in the sticks

BY FRED VOGELSTEIN

**T**he view from the porch of Don and Wanda Womack's home outside of Scottsdale, Ariz., is one of the prettiest in America—a limitless expanse of desert wilderness abutting a mountain range of 7,000-foot peaks. But most days they hardly notice it. The sight of the telephone poles in front of their neighbors' yards makes them too angry to think about much else.

To the Womacks, the poles are a constant reminder of what's missing in their otherwise happy lives—telephones. Since building and moving into their dream home nearly two years ago, they haven't been able to get phone service. The local phone company, U S West, says it doesn't have to serve them—and doesn't want to. Too expensive, company officials say. So the couple, who run a construction business out of their home, have been stuck in a kind of telecommunications twilight zone, making do with cell phones that work about 75 percent of the time—and produce annual bills in excess of \$10,000. "They [U S West] actually told me they 'don't desire to serve us,'" Wanda Womack says. "I mean, who ever heard of not being able to get a phone?"

**Reach out and maul.** Billed as the law that would revolutionize communications in America, the 1996 Telecommunications Act was supposed to bring lower rates and better service. But prices have not fallen, service has not improved, and, as the predicament of the Womacks illustrates, it has become more difficult for some Americans in parts of the rural

West to get connected at all.

When the act passed two years ago, one of its central themes was to enhance, not erode, the nation's decades-old commitment to "universal service"—which holds that everyone should be able to get affordable phone service. As a result of this commitment, there are telephones in some of the most remote spots in the country—in the bottom of the Grand Canyon, at the top of Aspen Mountain, and at

truck stops throughout the Mojave Desert, for example.

Yet a study by state utility regulators last summer revealed that there are some 5,000 involuntarily phoneless souls like the Womacks in Arizona alone. Though no overall national figures exist, interviews with phone companies big and small, as well as with consultants, regulators, and other government officials, suggest there are thousands of other Ameri-



**For two years, Don Womack has tried to get phone service.**

cans in mostly rural areas who cannot get phone service.

What went wrong? In short, the new law threw an old system into limbo without replacing it. Before the Telecom Act, an elaborate subsidy system put billions of dollars of extra cash into the hands of the Baby Bells and GTE to encourage them to offer affordable rural service. Part of that cash came from major long-distance companies like AT&T, which paid local companies 40 cents of every dollar of revenue in access charges. Much of the rest came from business customers and city dwellers, who paid a premium for their phone services and therefore helped subsidize services for rural inhabitants. The result was that big, local phone companies usually had plenty of money to hook up expensive rural areas at affordable rates.

**Rural friends.** Sometimes the big companies balked, saying that serving a particularly remote area was just too expensive. When that happened, customers would turn to one of the nation's 1,400 small, local phone companies. These outfits, some with no more than a few hundred customers, had access to low-interest loans from the government's Rural Utilities Service. Money from a separate \$2 billion federal subsidy pot helped them pay the loans back over time. With this setup, they could offer service in places the giants wouldn't tread. In doing so, small phone companies have been the rural dweller's best friend for generations, and now serve some 15 percent of the U.S. population.

The ultimate hope was that within a year of the Telecom Act's passage, competition among long-distance providers and local monopolies would produce cheaper phone services for almost everyone. To ensure universal service, the act also called for a new, more efficient subsidy system. But implementation of the law has been slowed by an incredible legal battle among phone companies over whether long-distance or regional markets should be opened up first. The issue has become so knotted that the U.S. Supreme Court is deciding whether to hear the case. Meanwhile, the Federal Communications Commission, charged with

developing the new subsidy system, is more than a year behind schedule. Worse, it has hinted that it plans to radically change the way subsidies are awarded, but it has yet to spell out how.

Because of all this confusion, regional Bells and GTE appear to be concentrating on serving business customers and other profitable urban niches like cellular service, de-emphasizing rural service. With competition from AT&T, Sprint, and MCI on the horizon, U S West spokesman James Roof asks: "Why should we be

aster," says Rodney Huff, president of tiny Pine Telephone, which serves some 750 customers in and around Halfway in eastern Oregon. He said he has already spent three years and \$220,000 trying to find a way to get phone lines to the 100 people clamoring for service in Granite, some 90 miles away. But no one will promise him he'll get enough in subsidies to repay the \$1 million loan he'd need to do the work.

Why is it taking the FCC so long? The agency says it is trying to develop a program that responds to thousands of variables. It's a mind-numbingly complex task. The goal is to ensure that everyone who wants a phone line gets one but, at the same time, to create a flexible system that rewards new technologies and penalizes those that stick to old, costly methods.

**Enter politics.** The FCC also must move cautiously because the size of the federal subsidy program has become politically controversial. There's even a dispute over how big the old subsidy program was (estimates range from \$6 billion to more than \$20 billion). In any event, rural companies and states are pressing for a bigger percentage of any new subsidy pot, saying they'll need it to survive in a hyper-competitive telecom era. Powerful rural senators like Byron Dorgan of North Dakota, a member

of the subcommittee responsible for universal service oversight, have made it clear to FCC officials that they want more funds for the little guys.

But there also is political pressure from urban states to limit the size of the pot. Politicians like John Kerry, the Democratic senator from Massachusetts, complain that it is unfair that folks in Boston and New York pay additional subsidies so that citizens in the West can continue to enjoy cheap, basic phone rates.

The debate is certain to intensify this year. The battle over FCC's decision on the size and structure of the subsidy fund "will make the current fight over the local companies' entry into long distance look like a sideshow," says former FCC Chairman Reed Hundt. The Womacks of Arizona can only hope the combatants make up their minds soon. ■



Residents of Iowa Hill, Calif., demand phone service.

spending money in expensive rural areas if we need to upgrade our network in the cities to compete with competitors?"

At the same time, small, rural phone companies have cut back borrowing for new network construction and upgrades by 35 percent. "There's too much uncertainty for these companies to take the borrowing risk," says Bob Petranek, an RUS field officer outside Portland, Ore. "Some people who have gotten loans aren't even spending the money. The bureaucrats in Washington really have no idea what's going on out here," he adds.

The companies that specialize in rural service don't know if the subsidies under any new system will be big enough to pay back the money they borrow today. That's crucial since these companies often borrow money for 10 years and more. "For the rural areas, the Telecom Act is a total dis-

**CERTIFICATE OF SERVICE**

I, Katherine A. Baer, a secretary in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 5th day of February, 1998, had a copy of the foregoing PETITION FOR RECONSIDERATION hand-delivered to the following:

James D. Schlichting, Chief  
Competitive Pricing Division  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N. W., Room 518  
Washington, D. C. 20554

Paul D'Ari, Esquire  
Common Carrier Bureau  
Federal Communications Commission  
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Mr. James Lichford  
Ms. Josephine Simmons  
Tariff and Price Analysis Branch  
Federal Communications Commission  
1919 M Street, N. W., Room 518  
Washington, D. C. 20554

\*Peter Jacoby, Esquire  
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295 North Maple Avenue, Room 3250J1  
Basking Ridge, New Jersey 07920



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Katherine A. Baer

\*via U.S. Mail