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SIERRA TELEPHONE

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Annual 47 C.F.R. § 64.2009(e) Customer Proprietary Network Information (CPNI) Certification

EB Docket 06-36

Annual 64.2009(e) CPNI Certification for 2007

Date filed: February 28, 2008

Name of company covered by this certification: Sierra Telephone Company, Inc.

Form 499 Filer ID: 806877

Name of signatory: Harry H. Baker

Title of signatory: President

I, Harry H. Baker, certify that I am an officer of the company named above, and acting as an agent of the company, that I have personal knowledge that the company has established operating procedures that are adequate to ensure compliance with the Commission's CPNI rules. *See* 47 C.F.R. § 64.2001 *et seq.*

Attached to this certification is an accompanying statement explaining how the company's procedures ensure that the company is in compliance with the requirements set forth in section 64.2001 *et seq.* of the Commission's rules. See Exhibit 1.

Sierra Telephone Company, Inc. (Sierra Telephone) has not taken any actions (proceedings instituted or petitions filed by a company at either state commissions, the court system, or at the Commission) against data brokers in the past year. Companies must report on any information that they have with respect to the processes pretexters are using to attempt to access CPNI, and what steps companies are taking to protect CPNI.

Sierra Telephone has not received any customer complaints in the past year concerning the unauthorized release of CPNI.

Signed Harry H Baker

Harry H. Baker
President
Sierra Telephone

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Sierra Telephone (806877)
EB Docket 06-36
Exhibit 1
February 28, 2008

SIERRA TELEPHONE COMPANY, INC.

STATEMENT EXPLAINING HOW SIERRA TELEPHONE COMPANY INC.'S OPERATING PROCEDURES ENSURE COMPLIANCE WITH THE FCC'S CPNI RULES

I. Definition of Customer Proprietary Network Information (CPNI)

Customer Proprietary Network Information or CPNI, is defined in Section 222(h) of the Communications Act to include any (A) information that relates to the quantity, technical configuration, type, destination, or amount of use of a telecommunications service subscribed to by any customer of a telecommunications carrier, that is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and (B) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier (except that CPNI does not include subscriber list information).

Call detail information is a category of CPNI that is particularly sensitive from a privacy standpoint and that is sometimes sought by pretexters, hackers, and other unauthorized individuals or entities for illegitimate and/or illegal purposes. Call detail includes any information that pertains to the transmission of a specific telephone call, including the number called (for outbound calls), the number from which the call was placed (for inbound calls), and the date, time, location and/or duration of the call (for all calls).

The Federal Communications Commission's (FCC's) CPNI Rules are articulated in a series of FCC orders, and summarized in 47 C.F.R. Section 64.2001, *et seq.* Sierra Telephone Company, Inc. (Sierra Telephone) has familiarized itself with these rules, including the definitions of "CPNI" and "call detail" presented above.

II. Sierra Telephone Understands the Importance of Protecting CPNI, and Has Taken Steps to Ensure that Customers' CPNI Remains Secure and Confidential

Sierra Telephone recognizes that CPNI includes information that is personal and individually-identifiable, and Sierra Telephone understands that privacy concerns have led Congress and the FCC to impose restrictions upon its use and disclosure, and upon the provision of or access to CPNI by individuals or entities inside and outside Sierra Telephone. Sierra Telephone has implemented procedures that will preserve the confidentiality of this information, and Sierra Telephone has taken steps to ensure that it is in compliance with the FCC's CPNI Rules.

III. Sierra Telephone's CPNI Compliance Officer and the CPNI/Privacy Team

Sierra Telephone has designated a CPNI Compliance Officer who is responsible for: (a) communicating with Sierra Telephone's attorneys and/or consultants regarding CPNI responsibilities, requirements, and restrictions; (b) supervising the training of Company employees and agents who use or have access to CPNI; (c) supervising the use, disclosure, distribution and/or access to the Sierra Telephone's CPNI by independent contractors;

(d) maintaining records regarding the use of CPNI in marketing campaigns; and (e) receiving, reviewing, and resolving questions or issues regarding use, disclosure, distribution, and/or provision of access to CPNI.

Sierra Telephone's primary CPNI Compliance Officer is the Customer Service Manager and, in her absence or as directed by the primary Compliance Officer, the Customer Service Supervisor is the alternate Compliance Officer.

In addition to the specific matters required to be reviewed and approved by Sierra Telephone's CPNI Compliance Officer, employees are strongly encouraged to bring any and all other questions, issues, or uncertainties regarding the use, disclosure, and/or access to CPNI to the attention of Sierra Telephone's CPNI Compliance Officer for appropriate investigation, review, and guidance. As discussed further below, the extent to which a particular employee or agent brings a CPNI matter to the attention of the CPNI Compliance Officer and receives appropriate guidance is a material consideration in any disciplinary action brought against the employee or agent for impermissible use, disclosure, or access to CPNI.

Sierra Telephone has also developed a CPNI Privacy Team that is comprised of members of Customer Service, Regulatory, Billing, and Information Services Departments. This team works together to ensure that all CPNI requirements are met. Sierra Telephone has created an internal email address that distributes CPNI-related inquiries to the CPNI Compliance Officer, Operations Manager, and the Regulatory Manager. This email address is for use by any and all employees so that they can send questions or information for review and guidance regarding CPNI issues, should they arise.

Sierra Telephone takes reasonable measures to discover and protect against activity that is indicative of pretexting, including requiring Company employees to notify the CPNI Compliance Officer immediately by voice, voicemail, or email of any suspicious activity that may suggest that someone is attempting to gain unauthorized access to a customer's CPNI.

IV. Sierra Telephone's Policy Governing Use and Disclosure of CPNI

Sierra Telephone's use of CPNI is generally limited to marketing under the "total services approach," as described in 47 C.F.R. Section 64.2005 and in related FCC orders, and to the types of uses that are recognized as exceptions to the opt-in and opt-out requirements under the federal CPNI rules. Sierra Telephone does not share CPNI or state-protected confidential subscriber information with its affiliates except as permitted by the total services approach or as permitted under federal and state statutory exceptions. To the extent that Sierra Telephone's use or disclosure of CPNI deviates from the total services approach, Sierra Telephone obtains written opt-in notices on a case-by-case basis.

Sierra Telephone's employees and billing agents may use CPNI to initiate, render, bill, and collect for telecommunications services. Sierra Telephone may obtain information from new or existing customers that may constitute CPNI as part of applications or requests for new, additional, or modified services, and its employees and agents may use such customer

information to initiate and provide the services. Pursuant to established exceptions under the FCC's CPNI Rules, Sierra Telephone's employees and billing agents may use customer service and calling records: (a) to bill customers for services rendered to them; (b) to investigate and resolve disputes with customers regarding their bills; and (c) to pursue legal, arbitration, or other processes to collect late or unpaid bills from customers.

Sierra Telephone's employees and agents may use CPNI without customer approval to protect Sierra Telephone's rights or property, and to protect users and other carriers from fraudulent, abusive, or illegal uses of (or subscription to) telecommunication service from which the CPNI is derived. Because allegations and investigations of fraud, abuse, and illegal use of CPNI constitute very sensitive matters, any access, use, disclosure, or distribution of CPNI pursuant to this Section must be expressly approved in advance and in writing by Sierra Telephone's CPNI Compliance Officer.

V. Procedures for Customers to Obtain Access to CPNI

Since December 8, 2007, Sierra Telephone's policy has been to disclose or release call detail information to a customer during customer-initiated telephone contacts only when the customer has been properly authenticated and has provided a pre-established password. Passwords and shared secret questions and answers are designed in a manner that is privately significant and memorable to the customer, but they are not based upon readily obtainable biographical information. If the customer does not provide a password (or correct answers to the shared secret questions and answers), call detail information is released only by sending it to the customer's address of record (defined as the address that has been associated with the customer's account for at least 30 days), or by calling the customer at the telephone number of record (defined as the telephone number associated with the underlying service). As an additional protection to Sierra Telephone's customers that goes beyond the requirements of the CPNI rules, employees authenticate all telephone requests for CPNI in the same manner whether or not the CPNI consists of call detail information.

Sierra Telephone retains all customer passwords and shared secret questions and answers in secure files that may be accessed only by authorized company employees who need such information in order to authenticate the identity of customers requesting call detail information over the telephone.

A customer of record (*i.e.*, a customer whose name is on the account) may review and/or obtain copies of his or her CPNI at any Sierra Telephone Business Office or retail sales location where such CPNI is available by coming in-person to the facility and presenting a valid United States driver's license, United States passport, or other United States government-issued identification that verifies his or her identity, and that lists an address that is the same as the customer's address of record.

Sierra Telephone may, after receiving an appropriate written request from a customer, disclose or provide the customer's CPNI to the customer by sending it to the customer's address of record. Any and all such customer requests of this sort must be made in writing, and must: (a) include the customer's correct billing name, address, and telephone number;

(b) specify exactly what type or types of CPNI are to be disclosed or provided; (c) specify the time period for which the CPNI must be disclosed or provided; and (d) be signed by the customer.

Sierra Telephone permits its customers to establish online accounts, and requires that an appropriate password to be furnished by the customer before he or she can access any CPNI in his or her online account.

Since December 8, 2007, customers may obtain an initial or replacement password if they: (a) come in-person to Sierra Telephone's Business Office, produce a United States driver's license, United States passport, or other United States government-issued identification verifying their identity, and correctly answer certain questions regarding their service and address of record; and/or if they (b) call a specified Company telephone number from their telephone number of record, and then wait at that number until a Company representative calls them back and obtains correct answers to certain questions regarding their service and address.

Sierra Telephone may contract with certain multi-line business customers for different procedures to handle the business customers' requests for CPNI. Such alternative procedures must be reviewed by the CPNI Compliance Officer and counsel before they are implemented.

VI. Customer Notification of Account Changes

Since December 8, 2007, Sierra Telephone has notified customers immediately of certain changes in their accounts that may affect privacy or security matters. The types of changes that require immediate notification include: (a) a change or request for change of the customer's password; (b) a change or request for change of the customer's address of record; (c) a change or request for change of any significant element of the customer's online account; and (d) a change or request for change to the customer's responses that constitute the back-up means of authentication for lost or forgotten passwords. Any of the above changes automatically produces a notice to the address of record.

The notice is provided by a written notice mailed to the customer's address of record. The notice is mailed to the customer's prior address of record if the change includes a change in the customer's address of record.

VII. Data Security Procedures for Protecting CPNI

Electronic files and databases containing CPNI are maintained on computers that are not accessible from the Internet or that are on Sierra Telephone's Intranet behind firewalls that are regularly monitored and tested for effectiveness. In addition, such electronic files and databases may be accessed only by authorized Company employees who have been authenticated by providing a unique login ID and password. Sierra Telephone policy mandates that files containing CPNI be maintained in a secure manner such that they cannot be used, accessed, disclosed, or distributed by unauthorized individuals or in an

unauthorized manner. Paper files containing CPNI are kept in secure areas, and may not be used, removed, or copied without specific, prior authorization from the Sierra Telephone supervisor and/or the CPNI Compliance Officer. Company employees are required to notify the CPNI Compliance Officer of any access or security problems they encounter with respect to files containing CPNI.

VIII. Law Enforcement Requests for CPNI and Reporting of Unauthorized Disclosures

Sierra Telephone will provide a customer's telephone records or other CPNI to a law enforcement agency in accordance with applicable legal requirements. Company employees are required to direct all law enforcement requests for CPNI (whether or not accompanied by a warrant or subpoena) to the CPNI Compliance Officer, who is responsible for handling such requests and for consulting with counsel as necessary.

Effective December 8, 2007, Sierra Telephone must provide an initial notice to law enforcement and a subsequent notice to the customer if a security breach results in the disclosure of the customer's CPNI to a third party without the customer's authorization. As soon as practicable (and in no event more than seven (7) days) after Sierra Telephone discovers that a person (without authorization or exceeding authorization) has intentionally gained access to, used, or disclosed CPNI. Sierra Telephone must provide electronic notification of such a breach to the United States Secret Service (USSS) and to the Federal Bureau of Investigation (FBI) via a central reporting facility accessed through the following link maintained by the FCC: http://www.fcc.gov/eb/cpni. Sierra Telephone will notify the customer and/or disclose the breach publicly after seven business days following notification to the USSS and the FBI, if the USSS and the FBI have not requested that the telecommunications carrier continue to postpone disclosure.

IX. CPNI Employee Training

Sierra Telephone employees who work with CPNI have been informed that there are substantial federal restrictions upon CPNI use, distribution, and access. In order to be authorized to use or access Sierra Telephone's CPNI, employees received training with respect to the requirements of Section 222 of the Communications Act and the FCC's CPNI Rules.

Sierra Telephone provided on-site training for all employees over a three-day period from Thursday, December 6, 2007 through Saturday, December 8, 2007 regarding how to protect CPNI and other types of confidential subscriber information and otherwise protected information. The training was provided by Sierra Telephone's attorney, Patrick Rosvall, of Cooper, White and Cooper, LLP, with assistance from the Sierra Telephone CPNI/Privacy Team. Three different tiers of training were provided: (a) general training sessions; (b) intensive training for employees with customer contact and employees who have access to customer records; and (c) management training for all managers and supervisors.

General training sessions were held for all employees who do not have customer contact or access to customer records. These sessions were designed to instill a heightened

awareness of the issues impacting CPNI.

Intensive training sessions were tailored to employees who have more extensive access to customer records, and these sessions were designed to foster a broad knowledge of privacy issues amongst that group. A special, separate, and intensive Customer Service Representative Session was held that focused on the issues customer service representatives face in complying with FCC Order 07-22 and the other aspects of the FCC's CPNI Rules. All Intensive training sessions included the information presented in the general training sessions.

The **management training** for all managers and supervisors included the information from the general training sessions, plus additional training regarding maintenance of a company culture that values and protects confidential subscriber information. This session provided advice for managers, and gave managers a sufficient background regarding the applicable law in this area to allow them to help monitor the Company's ongoing compliance.

Upon completion of these training sessions, each employee signed a Certificate of Attendance and Acknowledgement of Duty to Protect Customer Proprietary Network Information and Other Protected Information. These certificates are maintained in the employee's personnel records.

Sierra Telephone provides CPNI training and obtains the same acknowledgment from new employees.

Sierra Telephone has drafted a comprehensive CPNI manual detailing the elements of its compliance with the federal CPNI rules, and setting forth its policies for handling CPNI and other confidential subscriber information.

X. Employee Disciplinary Procedures

Sierra Telephone has informed its employees, agents, and independent contractors that it considers compliance with the Communications Act and FCC Rules regarding the use, disclosure, and access to CPNI to be very important. Violation by Company employees or agents of such CPNI requirements will lead to disciplinary action up to and including remedial training, reprimands, unfavorable performance reviews, probation, and termination. Discipline in a given situation will depend upon the circumstances of the violation or violations, including the severity of the violation, whether the violation was a first time or repeat violation, whether appropriate guidance was sought or received from the CPNI Compliance Officer, and the extent to which the violation was or was not deliberate or malicious.