

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Federal-State Joint Board on Universal Service) WC Docket No. 08-71
)
The Chillicothe Telephone Company (SAC #300597)) CC Docket No. 96-45
Petition for Waiver of Section 54.301(e) Filing Deadline)
For Submission of True-Up Adjustment for)
Local Switching Support for Calendar Year 2010)

TO: Chief, Wireline Competition Bureau

**PETITION FOR WAIVER OF SECTION 54.301(e) DEADLINE
FOR LOCAL SWITCHING SUPPORT TRUE-UP ADJUSTMENT**

THE CHILLICOTHE TELEPHONE COMPANY

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Dated: March 2, 2012

TABLE OF CONTENTS

Summary.....ii

PETITION FOR WAIVER OF SECTION 54.301(e) DEADLINE FOR
LOCAL SWITCHING SUPPORT TRUE-UP ADJUSTMENT.....1

I. Factual Background.....1

II. Good Cause Exists for Waiver of the Section 54.301(e) Deadline.....3

 A. Material and Substantial Compliance Efforts.....5

 B. Uncontrollable Mail Delay or Mix-Up.....6

 C. Prompt Remedy of Situation.....7

 D. Revised Internal Procedures.....7

 E. No Adverse Impact on USF Administration.....8

 F. Adverse Impacts Upon Investment, Local rates and Jobs.....9

 G. Excessive and Onerous Penalty.....9

III. Conclusion.....10

SUMMARY

The Chillicothe Telephone Company requests waiver of the December 31, 2011 deadline established by Section 54.301(e) of the Rules for the filing with the Universal Service Administrative Company ("USAC") of its True-Up Adjustment for its Local Switching Support ("LSS") for Calendar Year 2010.

Good cause, as well as considerations of hardship, equity, and the effective implementation of the Commission's universal service policies, warrant grant of Chillicothe's requested waiver. Waiver is consistent with Commission and Bureau precedent, and is supported by: (a) Chillicothe's previous spotless record of compliance with all USF filing deadlines and its material and substantial attempts to comply with all prior LSS filing requirements for 2010; (b) Chillicothe's reasonable and good faith efforts to prepare and submit its LSS True-Up Adjustment in timely fashion by mailing it to USAC nineteen days prior to the December 31, 2011, deadline; (c) Chillicothe's prompt re-filing of its LSS True-Up Adjustment with USAC as soon as possible after it learned for the first time on February 8, 2012, that it had not been received; (d) Chillicothe's revision of its internal procedures to ensure that all future USF and CAF filings will be filed by commercial delivery services, D.C. communications counsel, or electronic mail to ensure that they will be received by USAC and the Commission in timely fashion; (e) the lack of any significant adverse impact upon USAC's administration of the LSS program for 2010; (f) the avoidance of severe hardship to Chillicothe and its rural Ohio customers and employees; and (g) the avoidance of the imposition of an excessive penalty upon Chillicothe and its customers for what was an unintentional and uncontrollable delay in mail delivery.

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**PETITION FOR WAIVER OF SECTION 54.301(e) DEADLINE
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The Chillicothe Telephone Company (“Chillicothe”; Study Area Code 300597), by its attorney and pursuant to Section 1.3 of the Commission’s Rules, requests waiver of the December 31, 2011 deadline established by Section 54.301(e) of the Rules for the filing with the Universal Service Administrative Company (“USAC”) of its True-Up Adjustment for its Local Switching Support (“LSS”) for Calendar Year 2010.

**I
Factual Background**

Chillicothe is a rural incumbent local exchange carrier (“RLEC”) that serves ten exchanges (approximately 22,250 access lines) in rural Ohio. Chillicothe has been an eligible telecommunications carrier (“ETC”) since the Universal Service provisions of the Telecommunications Act of 1996 were implemented, and has never previously had any required Universal Service Fund (“USF”) filing become lost in the United States mail, or otherwise fail to be filed with or received by USAC or the Commission by a required deadline.

Chillicothe has previously made significant numbers of its USF filings by First Class United States mail without any problem or incident. Whereas mail from Ohio, and from its

consultant's offices in Wyoming and Florida, generally reaches Washington, DC locations in 3-to-5 days, Chillicothe normally has mailed its USF filings to USAC and/or the Commission at least two weeks prior to the applicable deadline to ensure timely receipt.

Chillicothe filed its projected LSS data for Calendar Year 2010 in timely fashion before October 1, 2009, and its four quarterly line counts for 2010 LSS in timely fashion also. These filings enabled USAC to project and distribute Chillicothe's initially calculated LSS for 2010 on a timely basis without any administrative delays or complications.

With respect to the subject LSS True-Up Adjustment for 2010, Chillicothe's consultant sent it on Monday, December 12, 2011, by First Class United States mail, postage prepaid, from a post office in Summerland, Florida (Zip Code: 33042), addressed to USAC's Washington, DC office (2000 L Street NW, Suite 200, Washington, DC 20036). Given that this was nineteen (19) days before the Saturday, December 31, 2011 filing deadline (which is likely to have rolled over to Tuesday, January 3, 2012, because of the New Year's holiday weekend), Chillicothe and its consultant believed that the filing was being transmitted in a prudent and timely fashion for delivery well before the December 31 deadline.

Chillicothe heard nothing from USAC until Wednesday, February 8, 2012, during which time it reasonably assumed that its LSS True-Up Adjustment had been received by USAC by or before the December 31, 2011, deadline. However, on Wednesday, February 8, 2012, Chillicothe's Chief Financial Officer received a voice mail from a member of USAC's staff inquiring why a LSS True-Up Adjustment had not yet been received by USAC.

Chillicothe immediately investigated the matter. Chillicothe management knew that the LSS True-Up Adjustment had been mailed by its consultant from Florida, but could not determine whether the First Class mail envelope had gone astray in Florida, in the District of

Columbia, or some place in between. Therefore, Chillicothe promptly re-filed its LSS True-Up Adjustment with USAC by email on Monday, February 13, 2012, and re-filed the Certification for the document with USAC by email on Tuesday, February 14, 2012.

Chillicothe management has subsequently adopted a new policy that all future required filings for Universal Service Fund and/or Connect America Fund mechanisms will be transmitted to USAC and/or the Commission (as required by the applicable procedure) by Federal Express or similar delivery service or by hand-delivery via Chillicothe's Washington, DC legal counsel, with an additional copy sent via email where feasible.

Chillicothe is not sure exactly how the unforeseen and uncontrollable delay or mix-up in the delivery of its LSS True-Up Adjustment by the United States Postal Service impacts its receipt of LSS for Calendar Year 2010. Pursuant to its timely-filed projected LSS data and quarterly line counts for Calendar Year 2010, Chillicothe received \$541,620 in LSS support from USAC for 2012 (or \$45,135 per month). Chillicothe's LSS True-Up Adjustment for 2010 indicates that the correct amount of LSS for 2010 should be \$379,189. To the extent that the delay in USAC's receipt of Chillicothe's LSS True-Up Adjustment for 2010 would require Chillicothe to repay any more than the \$162,431 difference between its projected and true-up LSS for 2010, Chillicothe requests waiver of the December 31, 2011 deadline established by Section 54.301(e) of the Rules for the filing such True-Up Adjustment.

II

Good Cause Exists for Waiver of the Section 54.301(e) Deadline

Section 1.3 of the Rules permits the Commission's rules to be waived for good cause shown. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990). In addition, the Commission may take into account

considerations of hardship, equity, and the effective implementation of public policy on an individual basis. WAIT Radio v. FCC, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

During the recent past, the Bureau has waived various USF filing deadlines where carriers promptly filed the required data and revised their internal procedures to ensure compliance with the Commission's Rules and with future universal service filing deadlines. See, for example, *Petitions for Waiver of Universal Service High-Cost Filing Deadlines (Cedar-Wapsie Communications, Inc. et al.)*, DA 11-1337 (WCB, rel. August 2, 2011); and *Petitions for Waiver of Universal Service High-Cost Filing Deadlines (Western New Mexico Telephone Company, Inc. et al.)*, DA 10-107 (WCB, rel. January 22, 2010).

Good cause exists for the requested waiver because: (a) Chillicothe made material and substantial attempts to comply with all of its LSS filing requirements for 2010, including its projected LSS data and quarterly line count filings; (b) Chillicothe made a timely and good faith effort to prepare and submit its LSS True-Up Adjustment well before the December 31, 2011, deadline, but appears to have been prevented by unanticipated and uncontrollable United States Postal Service delays or mix-ups from completing the filing with USAC by the deadline; (c) Chillicothe promptly re-filed the LSS True-Up Adjustment with USAC as soon as possible after Chillicothe learned that USAC had not received it; (d) Chillicothe has revised its internal procedures to ensure that all of its future USF and CAF filings will be received by USAC and/or the Commission in timely fashion prior to any applicable filing deadlines; (e) grant of the requested waiver will have no significant adverse impact upon USAC's administration of the LSS program for 2010 or its remaining life; (f) the loss of any or all of the \$379,189 of LSS to which Chillicothe is otherwise entitled for Calendar Year 2010 will impair the ability of

Chillicothe to invest in new and upgraded telecommunications infrastructure, and may ultimately result in service quality decreases or local service rate increases for its rural Ohio customers; and (g) the loss of approximately \$379,189 of LSS would constitute an excessive penalty for Chillicothe and its customers for what was an unintentional and uncontrollable delay or accident with respect to mail delivery.

A. Material and Substantial Compliance Efforts

The special circumstances supporting grant of the requested waiver begin with the material, substantial and timely efforts made by Chillicothe to comply with the requirements and filings necessary to qualify for and receive LSS for Calendar Year 2010.

As indicated above, Chillicothe filed its projected LSS data for Calendar Year 2010 in timely fashion before October 1, 2009, and also filed its four quarterly line counts for 2010 LSS in timely fashion.

Chillicothe made a material, substantial, timely and good faith effort to comply with the subject December 31, 2011, deadline for the filing of its LSS True-Up Adjustment. The daily business records of Chillicothe's consultant indicate that the consultant completed the final LSS True-Up Adjustment for 2010 (Exhibit 1)¹ on Friday, July 15, 2011, and reviewed and mailed it to USAC about noon on Monday, December 12, 2011 (Exhibit 2). This mailing nineteen (19) days prior to the deadline should have been more than sufficient to accomplish a timely filing.

Finally, Chillicothe notes that it has never previously missed a USF filing deadline since the LSS and other high-cost support mechanisms were implemented following the adoption of the Telecommunications Act of 1996. To the best of Chillicothe's knowledge, it has not missed any USF filing deadlines since December 31, 2011.

¹ The entries in the Chillicothe consultant's time records for July 15, 2011, and December 12, 2011, with respect to other tasks and duties performed on those days are not relevant to the present matters, and have been covered over.

In sum, Chillicothe has made substantial, material, timely and good faith efforts to comply with the LSS and other high-cost support mechanism filing requirements and procedures of the Commission and USAC.

B. Uncontrollable Mail Delay or Mix-Up

The Commission has frequently waived deadlines that were missed due to unforeseen and uncontrollable conditions. It has found that policy and equitable considerations, as well as the avoidance of undue hardship, warrant the grant of waivers to allow the acceptance and consideration of late filings in such circumstances.

The Bureau's order in *Petitions for Waiver of Universal Service High-Cost Filing Deadlines (Western New Mexico Telephone Company, Inc. et al.)*, DA 10-107 (Wireline Competition Bureau, rel. January 22, 2010) included several instances in which filings were mailed reasonably in advance of a USF deadline, but were unexpectedly delayed so that they were not received by USAC and/or the FCC until after the deadline. The FCC has also waived USF filing deadlines in a variety of other circumstances, including *Farmers Mutual Telephone Company*, DA 08-925 (Wireline Comp. Bur. April 21, 2008) (annual Section 54.314(d) state certification filing deadline waived to allow LSS recipient to receive support when confusion between it and the Idaho Public Utility Commission regarding new state ETC requirements resulted in a late-filed certification); *Alliance Communications Cooperative, Inc. and Hills Telephone Company, Inc.*, DA 05-3024 (Wireline Comp. Bur. November 22, 2005) (Section 54.301(b) LSS deadline waived to accept projected LSS data submission filed four months late due to disruptions caused by corporate reorganization and employee reassignments); and *Smithville Telephone Company*, 19 FCC Rcd 8891 (Wireline Comp. Bur. May 18, 2004) (Section 54.301(b) LSS deadline

waived to accept a projected LSS data submission filed four months late due to disruptions caused by the death of the carrier's president and the illness of its regulatory accountant).

Here, Chillicothe's mailing of its LSS True-Up Adjustment 19 days prior to the December 31, 2011, was more than sufficient to expect timely delivery, even during the Christmas holiday season. Chillicothe's previous experience with mailed filings gave it no reason to expect that 19 days would not be sufficient, or that the filing would be lost or misplaced somewhere within the facilities of the United States Postal Service. Equity requires that Chillicothe's reasonable and substantial compliance efforts be recognized and that the Section 54.301(e) deadline be waived in order to avoid the imposition of undue hardship for a wholly uncontrollable and unexpected delay in the delivery of Chillicothe's filing to USAC.

C. Prompt Remedy of Situation

Once it learned on Wednesday, February 8, 2012, that USAC had not received its LSS True-Up Adjustment, Chillicothe acted immediately to investigate and remedy the matter. By the third business day thereafter, Chillicothe had contacted its consultant, identified the circumstances of the missing filing and determined that its actual location and the reasons for its delay may never be ascertained, and re-filed another copy of the same LSS True-Up Adjustment with USAC by email (Exhibit 3). A copy of the accompanying certification, signed by Chillicothe's Chief Financial Officer, was filed with USAC by email the next day (Exhibit 4).

In sum, Chillicothe remedied the matter promptly after it first came to its attention.

D. Revised Internal Procedures

Chillicothe management has subsequently adopted a new policy that all future required filings for Universal Service Fund and/or Connect America Fund mechanisms will be transmitted to USAC and/or the Commission (as required by the applicable filing procedure and deadline) by

Federal Express or similar delivery service or by hand-delivery via Chillicothe's Washington, DC legal counsel, with an additional copy sent via email where feasible.

While filing by First Class U.S. Mail remains a reasonable and permissible option, Chillicothe has implemented these more expensive and reliable filing procedures to ensure its future compliance with USF and CAF requirements and filing deadlines, and to eliminate even the remote possibility of any future problem regarding a USF or CAF filing deadline.

E. No Adverse Impact on USF Administration

USAC received Chillicothe's projected LSS data for Calendar Year 2010 and its four quarterly line counts for 2010 LSS in timely fashion for it to incorporate Chillicothe's estimated LSS for 2010 into its appropriate USF contribution and disbursement plans and programs. The relatively brief delay from December 31, 2011, to February 13, 2012, in USAC's receipt of Chillicothe's LSS True-Up Adjustment will not disrupt or delay USAC's administration of the LSS program or other federal USF programs. It does not appear that USAC itself noticed that the Chillicothe filing was missing until Wednesday, February 8, 2012. Chillicothe promptly supplied the subject information to USAC three business days later on Monday, February 13, 2012. Consequently, USAC's recovery of the \$162,431 difference between Chillicothe's projected and trued-up LSS for 2010 should not take significantly longer than if it had received the true-up filing on December 31, 2011.

Hence, grant of Chillicothe's requested waiver will not adversely impact administration of the USF programs.

F. Adverse Impacts upon Investment, Local Rates and Jobs

In contrast, the loss of all or a significant portion of the \$379,189 in LSS to which Chillicothe would otherwise be entitled for Calendar Year 2010 would be a severe blow to the Chillicothe and its rural Ohio customers.

Revenue losses of this magnitude are extremely onerous and disruptive for small companies like Chillicothe, particularly when they are not accompanied by offsetting cost reductions. Chillicothe will have no choice but to reduce its expenses, or increase its revenues from other sources, in order to offset such a substantial loss. Among its alternatives are increases in local service rates, reductions in infrastructure investments, and lay-off or salary reductions.

All such alternatives pose serious hardships for the residents of Chillicothe's rural Ohio service area. Many residents of the outlying portions of Chillicothe's service area do not have viable voice or broadband service alternatives, and would be adversely impacted by rate increases and/or service quality decreases during a time of prolonged economic recession. Likewise, staff or pay reductions will severely disrupt families that are unlikely to find comparable job opportunities in an area that urgently needs to add rather than lose jobs.

G. Excessive and Onerous Penalty

Penalties and forfeitures are not favored by the law, and should be enforced only when they are within both the spirit and letter of the law. *United States v. One Ford Coach*, 307 U.S. 219, 226 (1939). In determining whether penalties and fines are excessive, courts have examined whether they are "so disproportionate to the offense as to shock public sentiment" or "contrary to the judgment of reasonable people concerning what is proper under the circumstances." *Hindt v. State*, 421 A.2d 1325, 1333 (Del. 1980).

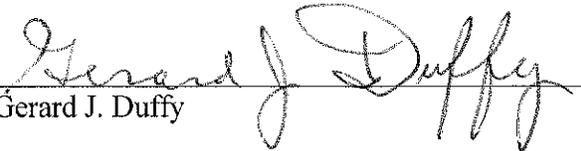
The potential imposition of an effective penalty of as much as \$379,189 upon Chillicothe for an unanticipated and uncontrollable mailing delay would be wholly disproportionate to the alleged "offense" and would be deemed "excessive" in the judgment of virtually all reasonable people. In this respect, it should be noted that Section 503(b)(2)(B) of the Act imposes a smaller maximum penalty of \$100,000 upon a common carrier for a willful violation of a law or regulation.

III **Conclusion**

Good cause, as well as considerations of hardship, equity, and the effective implementation of the Commission's universal service policies, warrant grant of Chillicothe's requested waiver of the December 31, 2011 deadline established by Section 54.301(e) for the filing with USAC of its LSS True-Up Adjustment for Calendar Year 2010. The requested waiver is consistent with Commission and Bureau precedent, and is supported by: (a) Chillicothe's material and substantial attempts to comply with LSS filing requirements; (b) Chillicothe's reasonable and good faith efforts to prepare and submit its LSS True-Up Adjustment in timely fashion; (c) Chillicothe's prompt re-filing of its LSS True-Up Adjustment with USAC as soon as possible after it learned that it had not been received; (d) Chillicothe's revision of its internal procedures to ensure that all future USF and CAF filings will be received in timely fashion; (e) the lack of any significant adverse impact upon USAC's administration of the LSS program for 2010; (f) the avoidance of severe hardship to Chillicothe and its rural Ohio customers and employees; and (g) the avoidance of the imposition of an excessive penalty upon Chillicothe and its customers for what was an unintentional and uncontrollable delay in mail delivery.

Good cause having been shown, the Commission is requested to waive the Section 54.301(e) True-Up Adjustment deadline, and to order USAC to collect from Chillicothe only the \$162,431 difference between Chillicothe's projected and trued-up LSS for 2010.

Respectfully submitted,
THE CHILLICOTHE TELEPHONE COMPANY

By 
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP
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Email: gjd@bloostonlaw.com

Dated: March 2, 2012

Exhibit 1

Exhibit 2

December 12, 2011

Monday

December 2011

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 2012

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

12 Monday		Daily Task List
		Arrange By: Due Date
7 ^{am}		
8 ⁰⁰		
9 ⁰⁰		
10 ⁰⁰		
11 ⁰⁰		
12 ^{pm}	Print Chillicothe's 2010 ISS and perform a second reconciliation of inputs to cost study. Mail to USAC at noon.	
	Out	
1 ⁰⁰		
2 ⁰⁰		
3 ⁰⁰		
4 ⁰⁰		
5 ⁰⁰		
6 ⁰⁰		

Exhibit 3

Kym Rupeiks

From: pinnacle@gemsi.com
Sent: Monday, February 13, 2012 3:42 PM
To: hcfilings@hcli.universalservice.org
Cc: Gerry Duffy
Subject: LSS 2010 final form for SAC 300597
Attachments: December 12, 2011 filing of LSS 2010 final for SAC 300597.pdf

Dear USAC,

Mr. Tony Pusateri, LSS Fund Manager, has informed me that USAC did not receive The Chillicothe Telephone Company's 2010 final LSS form due December 31, 2011. I mailed via United States Postal Service a cover letter and the form on December 12, 2011. Please find attached a copy of the letter and LSS form.

Sincerely,

Kym Rupeiks
The Pinnacle Group Inc
Telephone: 305.745.3435
Wireless: 307.690.3889
Email: pinnacle@blissnet.com



THE PINNACLE GROUP INC

PO Box 420502
Summerland, FL 33042
Telephone: 305.735.4021
Wireless: 307.690.3889
E-fax: 800.305.7985
E-mail: pinnacle@blissnet.com

December 12, 2011

USAC
Customer Operations
2000 L Street NW, Suite 200
Washington DC 20036

RE: 2010 LSS Final and Certification for SAC 300597

Dear Customer Operations:

Please find enclosed the 2010 LSS Final and certification for The Chillicothe Telephone Company. If you have any questions please contact Kym Rupeiks at the contact information provided in the letterhead.

Sincerely,

Kym Rupeiks

LOCAL SWITCHING SUPPORT
DATA COLLECTION FORM
COST COMPANY

Approved by OMB
3060-0814

Ave. Burden Estimate per Respondent: 24 Hours

(010) Exchange Carrier Study Area Code (010) 300597
 (020) Exchange Carrier Study Area Name (020) The Chillicothe Telephone Company
 (023) Data Period (023) 2010 Version Original Due 12.31.11
 (025) Submission Period (Check One) Original Projection True-up to Actual

(030) Contact Name: Person USAC should contact for questions about this data (030) Pete Holland

(040) Contact Telephone Number: Number of the person identified in Data Line (030) (040) 740.772.8547

(045) Tax Status (Y = Taxable, N = NonTaxable) (045) Y

II. WORKING LOOPS & DIAL EQUIPMENT MINUTE FACTOR

2010
UNAVERAGED

(050) Category 1.3 Loops: Enter the count of Category 1.3 Loops excluding Category 1.3 TWX (Teletypewriter Exchange service) loops. (050) 22,252

(060) 1996 Interstate Unweighted Dial Equipment Minute (DEM) Factor used in 1996 Cost Study (n.nnnnnn) (060) 0.134858

(070) 1996 DEM Weighting Factor (n.n) (070) 2.0

III. INVESTMENT, PLANT OPERATIONS EXPENSE AND TAXES

Total Account Local Switching

(100) Account 2001 - Telecommunication Plant In Service	(100) <u>143,683,592</u>	
(110) Account 2210 - Central Office Switching Equipment	(110) <u>12,645,112</u>	
(115) Account 2210 Cat. 3 - COE Category 3 (local switching)	(115) <u>12,645,112</u>	<u>\$12,645,112</u>
(120) Account 2220 - Operator System Equipment	(120) <u>0</u>	
(130) Account 2230 - Central Office Transmission Equipment	(130) <u>30,212,192</u>	
(140) Total Central Office Equipment [Sum of Data Lines (110) + (120) + (130)]	(140) <u>42,857,304</u>	
(150) Account 2310 - Information Origination/Terminator	(150) <u>0</u>	
(160) Account 2410 - Cable and Wire Facilities	(160) <u>80,780,219</u>	
(170) Account 2110 - General Support Facilities	(170) <u>18,688,680</u>	<u>\$1,911,403</u>
(180) Account 2680 - Amortizable Tangible Assets	(180) <u>19,388</u>	<u>\$1,983</u>
(190) Account 2690 - Intangibles	(190) <u>1,338,000</u>	<u>\$136,845</u>
(200) Account 2002 - Property Held for Future Telecommunications Use	(200) <u>0</u>	<u>\$0</u>
(210) Account 2003 - Telecommunications Plant Under Construction	(210) <u>4,895,334</u>	<u>\$430,824</u>
(220) Account 2005 - Telecommunications Plant Adjustment	(220) <u>0</u>	<u>\$0</u>
(230) Account 1402 - Investments in non-Affiliated Companies (Rural Telephone Bank Stock)	(230) <u>0</u>	<u>\$0</u>
(240) Account 1220 - Materials and Supplies	(240) <u>815,434</u>	<u>\$71,764</u>
(250) Cash Working Capital	(250) <u>884,604</u>	<u>\$77,851</u>
(260) Account 3100 - Accumulated Depreciation-Switching Assumes negative	(260) <u>10,545,664</u>	<u>\$10,545,664</u>
(265) Account 3100 - Accumulated Depreciation-Support Assets Assumes negative	(265) <u>10,733,541</u>	<u>\$944,627</u>
(270) Account 4100 - Net Deferred Operating Income Taxes Assumes negative	(270) <u>(372,231)</u>	<u>-\$32,759</u>
(280) Account 4340 - Net Noncurrent Operating Income Taxes Assumes negative	(280) <u>11,260,271</u>	<u>\$990,983</u>
(290) Account 3400 - Accumulated Amortization - Tangible Assumes negative	(290) <u>0</u>	<u>\$0</u>
(300) Account 3500 - Accumulated Amortization - Intangible Assumes negative	(300) <u>0</u>	<u>\$0</u>
(310) Account 3600 - Accumulated Amortization - Other Assumes negative	(310) <u>0</u>	<u>\$0</u>
(320) Account 6110 - Network Support Expense	(320) <u>179,938</u>	<u>\$15,836</u>
(330) Account 6120 - General Support Expense	(330) <u>2,221,827</u>	<u>\$227,240</u>

(340)	Account 6210 - Central Office Switching Expense	(340)	<u>677,676</u>	<u>\$199,950</u>
(350)	Account 6220 - Operator Systems Expense	(350)	<u>0</u>	<u>\$0</u>
(360)	Account 6230 - Central Office Transmission Expense	(360)	<u>1,034,811</u>	<u>\$305,323</u>
(361)	Account 6310 - Information Origination/Termination Expense	(361)	<u>0</u>	
(362)	Account 6410 - Cable and Wire Facilities Expense	(362)	<u>1,930,189</u>	
(370)	Account 6510 - Other Property Plant and Equipment Expense	(370)	<u>0</u>	<u>\$0</u>
(380)	Account 6530 - Network Operations Expense	(380)	<u>2,178,572</u>	<u>\$191,730</u>
(381)	Account 6540 - Access Expense	(381)	<u>650,761</u>	
(390)	Account 6610 - Customer Services Marketing Expense	(390)	<u>862,656</u>	<u>\$75,920</u>
(400)	Account 6620 - Customer Operations Services Expense	(400)	<u>1,633,115</u>	<u>\$143,726</u>
(410)	Account 6710 - Executive and Planning Expense	(410)	<u>1,347,133</u>	<u>\$148,472</u>
(420)	Account 6720 - Corporate Operations Expense	(420)	<u>3,963,858</u>	<u>\$436,869</u>
(430)	Account 7230 - Operating State and Local Income Taxes	(430)	<u>85,098</u>	<u>\$7,489</u>
(440)	Account 7240 - Operating Other Taxes	(440)	<u>471,709</u>	<u>\$41,514</u>
(450)	Account 7210 - Operating Investment Tax Credits - net	(450)	<u>0</u>	<u>\$0</u>
(460)	Account 7250 - Provision for Deferred Operating Income Taxes -net	(460)	<u>823,639</u>	<u>\$72,477</u>
(470)	Account 6560 - Depreciation and Amortization Expense-Switching	(470)	<u>627,811</u>	<u>\$627,811</u>
(475)	Account 6560 - Depreciation and Amortization Expense-Support	(475)	<u>1,124,605</u>	<u>\$98,973</u>
(480)	Account 7370 - Charitable Contributions only	(480)	<u>145,605</u>	<u>\$12,814</u>
(490)	Account 7500 - Interest and Related Items	(490)	<u>717</u>	<u>\$63</u>
(500)	Account 7340 - Allowance for Funds Used During Construction Assumes negative	(500)	<u>399,589</u>	<u>\$35,167</u>
(510)	Account 1410 - Other Non-current Assets	(510)	<u>0</u>	<u>\$0</u>
(520)	Account 1500 - Other Jurisdictional Assets - net Assumes negative	(520)	<u>0</u>	<u>\$0</u>
(530)	Account 4370 - Other Jurisdictional Liabilities and Deferred Credits - net	(530)	<u>0</u>	<u>\$0</u>
(540)	Account 4040 - Customer Deposits Assumes negative	(540)	<u>0</u>	<u>\$0</u>
(550)	Account 4310 - Other Long-Term Liabilities Assumes negative	(550)	<u>15,733,868</u>	<u>\$1,384,673</u>
(560)	Account 1438 - Deferred Maintenance and Retirements	(560)	<u>0</u>	<u>\$0</u>
	CONTROL TOTAL		<u>417,725,095</u>	
A Factor	((COE Category 3)/(COE+CWF+IOT))		<u>0.102276</u>	
B Factor	(COE Category 3/Total Plant In Service)		<u>0.088007</u>	
C Factor	(COE Category 3/Total COE)		<u>0.295052</u>	
D Factor	(COE 3 Expense/Big 3 Expense)		<u>0.110213</u>	
E Factor	(COE 3/COE Switching)		<u>1.000000</u>	
	Current Period Net Investment			<u>\$1,442,596</u>
	Prior Period Net Investment			<u>\$2,396,585</u>
	Average Net Investment			<u>\$1,919,575</u>
	Return on Investment			<u>\$215,952</u>
	Federal Taxable Income			<u>\$180,722</u>
	Federal Income Tax Requirement			<u>\$97,312</u>
	Expenses and Other Taxes			<u>\$2,533,865</u>
	Local Switching Revenue Requirement			<u>\$2,811,762</u>
	Local Switching Support			<u>\$379,189</u>

Exhibit 4

Local Switching Support

CERTIFICATION

This certification statement must be signed by the officer or employee responsible for the overall preparation of the data submission. (Ref. Part 54 of FCC Rules, 47 C.F.R. Section 54.707).

The completed certification statement must accompany the data submission.

CERTIFICATION

I am Mr. Pete Holland. I hereby certify that I have overall
(Title of Certifying Officer or Employee)

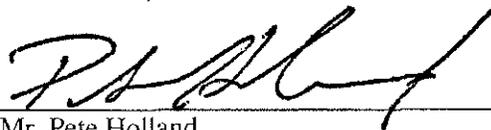
responsibility for the preparation of all data in the attached 2010 Local Switching Support

Final data submission for The Chillicothe Telephone Company and that I am

authorized to execute this certification. Based on information known to me or provided to me by employees responsible for the preparation of the data in this submission, I hereby certify that the data have been examined and reviewed and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

Date: December 12, 2011

Certifying Signature:



Name:

Mr. Pete Holland

Title:

Chief Financial Officer

Period Covered:

January 1, 2010 to December 31, 2010 [Final]

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, as amended, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

DECLARATION UNDER PENALTY OF PERJURY

I, Kym Rupeiks, hereby state as follows, under penalty of perjury:

1. I am a cost consultant for The Chillicothe Telephone Company ("Chillicothe"), and have worked in this role for Chillicothe for over 15 years.

2. During the course of my work for Chillicothe, I have filed documents on its behalf with the Federal Communications Commission ("FCC") and/or the Universal Service Administrative Company ("USAC") in Washington, DC via First Class United States mail from Jackson Hole, Wyoming, and from Summerland, Florida. I have never previously encountered delays or other problems that affected the timely receipts of these documents by the FCC or USAC.

3. I mailed Chillicothe's True-Up Adjustment for its Local Switching Support for Calendar Year 2010 to USAC from Summerland, Florida on Monday, December 12, 2011.

4. I have read Chillicothe's foregoing "Petition for Waiver of Section 54.301(e) Deadline for Local Switching Support True-Up Adjustment," and verify that I have personal knowledge of the factual statements and representations therein, and that such factual statements and representations are true and correct.

5. I have also reviewed the exhibits attached to Chillicothe's foregoing petition, and verify that they are true and correct copies of the underlying documents (with the exception of the excised portions of my time records that dealt with non-relevant matters).



Kym Rupeiks

March 2, 2012
Date