

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	482255
<015> Study Area Name	3-RIVERS TEL COOP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Phil Maxwell
<035> Contact Telephone Number: Number of the person identified in data line <030>	800-796-4567
<039> Contact Email Address: Email of the person identified in data line <030>	phil.maxwell@3rivers.coop

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
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			(check box when complete)	
<100>	Service Quality Improvement Reporting <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice) <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input type="checkbox"/> <- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)			
<320>	Unfulfilled Service Requests (broadband)			
<330>	Detail on Attempts (broadband)			
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	<input type="text" value="0.0"/>		
<420>	Mobile			
<430>	Number of Complaints per 1,000 customers (broadband)			
<440>	Fixed			
<450>	Mobile			
<500>	Service Quality Standards & Consumer Protection Rules Compliance <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	<input type="text" value="482255mt:510"/> <i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	<input type="text" value="482255mt:610"/> <i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice) <i>(complete attached worksheet)</i>			
<710>	Company Price Offerings (broadband) <i>(complete attached worksheet)</i>			
<800>	Operating Companies and Affiliates <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if yes, complete attached worksheet)</i>		<input checked="" type="checkbox"/>	
<1000>	Voice Services Rate Comparability <i>(check to indicate certification)</i>			
<1010>	<input type="text"/> <i>(attach descriptive document)</i>			
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i>			
<1110>				
<1200>	Terms and Condition for Lifeline Customers <i>(complete attached worksheet)</i>			<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	<i>(check to indicate certification)</i>			
<2005>	<i>(complete attached worksheet)</i>			

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	<i>(check to indicate certification)</i>			
<3005>	<i>(complete attached worksheet)</i>			

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input checked="" type="radio"/> <input type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	phil.maxwell@3rivers.coop
<910>	Tribal Land(s) on which ETC Serves	Blackfeet Reservation

<920>	Tribal Government Engagement Obligation	482255mt920
		Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)
Yes

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<1210> Terms & Conditions of Voice Telephony Lifeline Plans 482255mt1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP www.3rivers.net/lifelinespecial-needs

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

	<input type="checkbox"/>
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Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

	<input type="checkbox"/>

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

	<input type="checkbox"/>
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Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

	<input type="checkbox"/>

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No.: 3060-0986/CMB Control No.: 3060-0619
	July 2013

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CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

<p>(3010) Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF , on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	<p><input type="checkbox"/></p>
<p>(3012) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} (3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	<p><input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)</p>
<p>(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)</p>		<p><input checked="" type="checkbox"/></p>
<p>(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input checked="" type="checkbox"/></p>
<p>(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation</p>	<p>Name of Attached Document Listing Required Information</p> <p style="text-align: center;">482255mt3017</p> <p>_____</p>	
<p>(3018) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____ (Yes/No)</p>	<p><input type="checkbox"/></p>
<p>(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications</p>		<p><input type="checkbox"/></p>
<p>(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:</p>		<p><input type="checkbox"/></p>
<p>(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,</p>		<p><input type="checkbox"/></p>
<p>(3023) Underlying information subjected to a review by an independent certified public accountant</p>		<p><input type="checkbox"/></p>
<p>(3024) Underlying information subjected to an officer certification.</p>		<p><input type="checkbox"/></p>
<p>(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p> <p>_____</p>	

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	3-RIVERS TEL COOP
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/14/2013
Printed name of Authorized Officer:	Bradley Veis
Title or position of Authorized Officer:	CFO
Telephone number of Authorized Officer:	406-467-4405
Study Area Code of Reporting Carrier:	482255 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Consumer Protection

3 Rivers Telephone Cooperative, Inc. complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

3 Rivers Telephone Cooperative, Inc. complies with the service standards of the State of Montana as promulgated in the Montana Administrative Rule 38.5 subchapter 33, Telecommunications Service Standards.

Office Hours and Telephone Availability

3 Rivers Telephone Cooperative Inc. maintains a local and toll-free line for taking customer calls. This line is available 24 hours a days, 7 days a week. During normal business hours, 7 a.m. – 5 p.m. Monday through Friday, a customer representative answers and responds to customer inquiries. After normal business hours, 3 Rivers Telephone Cooperative Inc. contracts with an after hour call center that is able to assist customers. Some calls may be referred back to the business office for specific requests, with expectation that the customer will be called back the next business day.

A typical call to 3 Rivers Telephone Cooperative Inc. is answered within 15 seconds after the connections are made.

3 Rivers Telephone has five customer service centers as well as bill payment locations throughout our service territory. In addition, bill payment options are available through five local banks and online at 3 Rivers.net. On-line payments may be made with a debit/credit card or through e-check.

Installations, Outages, and Service Calls

New Connect Orders -- which are orders that do not require a technician visit to the location -- expected to be performed within 1-3 business days after an order has been placed.

Except during conditions beyond its control, 3 Rivers Telephone Cooperative, Inc. will dispatch a technician the same day that a trouble is received with expectation for same day/next day resolution.

Billing Practices

Thirty days advance notice (in writing) is given to subscribers of any increase in rates.

Back-up Power

3 Rivers Telephone Cooperative, Inc. has the following back-up power capabilities:

Switches- stand alone and/or host

All 3 River's Switch locations have battery backup rated to hold the office for 8 Hrs. In addition, either a diesel or propane generator is on site, which automatically comes on in the case of a power outage. These generators are capable of running for over 2 days with no human interface. Propane and diesel providers for each location are available to refill tanks in the case of a prolonged outage. Generators are tested under a full load every week.

Remote Central Offices

All remote central offices are equipped with battery backup rated to hold the office for 8 Hrs. In addition, either a diesel or propane powered generator are located on site with an approximate run time of 48 hours with no maintenance.

3 Rivers Telephone Cooperative, Inc. has multiple trailer mounted mobile gasoline and propane powered generators for any buildings without stationary backup power, each with fuel capacity to run approximately 8 hours. These are stored at centralized locations within our Northern and Southern Exchanges.

Subscriber carrier (DL C's, B L C's, e tc.)

All remote Cabinets have batteries capable of maintaining power to the unit for 6-8 hrs. In addition, 3 Rivers has multiple portable gas or propane powered generators strategically stored at locations throughout our Exchanges for quick deployment in the event of a commercial power failure. The Cabinets are equipped with external connections for use with mobile generators.

Network Interface Devices (NIDs)

All 3 Rivers Telephone Cooperative Inc. customers with copper connections to the Central Office have their NIDs powered from the Central Office.

In the case of customers with fiber optic connections to the Central Office, these customers are provided a battery backup unit at their location. These batteries are rated to last 6 hours.

Ability to reroute traffic around damaged facilities

3 Rivers Telephone Cooperative, Inc. maintains multiple forms of redundancy across its network, including copper/Sonet, Fiber/IP based, and microwave. 3 Rivers also leases capacity from other carriers to enhance its ability to have multiple routes to remote locations. 3 Rivers assures that its upstream providers, for both voice and data, maintain redundancy in their Networks as well. All critical equipment installed by 3 Rivers in its network is "Carrier Grade", with redundancy.

Capability to manage traffic spikes resulting from emergency situations

3 Rivers, by way of internal redundancy, and through the cooperative efforts with partner and upstream carriers, has the ability to re-route traffic in the case of an outage. 3 Rivers monitors traffic flows to maintain adequate capacity.

Tribal Governmental Engagement

- July 23, 2012 - Contacted Derek Cline, the Blackfeet Tribal Council legal representative, to inquire about establishing a contact with the Tribal Council to develop a working relationship to fulfill the FCC's tribal engagement requirements.
- July 30, 2012 - Derek Cline responded that he would be the contact until he brief the council and they determined which Tribal leader(s) would serve as the representative. *A representative from the Tribal Council has not been named at this time.*
- August 1, 2012 - Invited Derek Cline to the annual Montana Telecommunication Association meeting in Whitefish Montana. – Derek accepted the invitation and attended the meetings.
- August 9, 2012 - Contacted Derek Cline concerning lifeline recertification PSAs for the local Browning radio station.
- August 15, 2012 finalized Lifeline recertification PSAs and Derek Cline sent them to the local radio station.
- September 6, 2012 Don Serido met with Mike Lafromboise, head of Culture and Language Department at Blackfeet Community College, to discuss culturally sensitive and relevant marketing. These conversations ultimately lead to a newspaper ad campaign in February 2013 and cultural sensitivity training for 3 Rivers outside personnel in April 2013.
- October 30, 2012 Dave Gibson, Brad Veis, Don Serido and Phil Maxwell attended the Montana Broadband Program Tribal Summit in Great Falls Montana

3 Rivers contacted the Tribal Council several times but was not able to arrange a meeting in 2012. The company continues to try to meet with the Tribal Council pursuant to § 54.313(a)(9). Consequently 3 Rivers has not been able to address:

- Needs assessment and deployment planning with a focus on Tribal community anchor institutions,
- Feasibility and sustainability planning, or
- Marketing services in a culturally sensitive manner.

On an ongoing basis through projects on the Blackfeet reservation 3 Rivers is compliant with:

- Right of way processes,
- Land Use permitting requirements,
- Facilities Siting rules,
- Environmental Review processes, and
- Cultural Preservation review processes.
- Tribal Business and Licensing requirements

Community Enhancement Funds

Browning Community Development Corporation

\$1500.00 - Browning Community Development Corporation is dedicated to serving all community members by providing life enhancing opportunities through business mentoring, financial education, life skills assessment and training, and community enhancement programs. The BCDC is seeking funds to aid in expanding a community park. The philosophy is that giving families the opportunity to enjoy the outdoors together in a safe clean environment will promote more physical activity. The park currently has a small playground structure and they want to add a slide and another climbing structure.

Heart Butte School District #1

\$2000.00 - The Heart Butte School science department is requesting a grant to buy basic equipment for the k-8 science program. The new administration and teachers are working to improve attendance at school and last year they began a concentrated effort to show the children that learning and especially learning about the sciences and life around them can be fun. The science room has become a place where the kids want to hang out.

2012 Upgrades and New Installations

Installed new PBX for the Browning Schools – 5 locations

Upgraded services for the Indian Health Center in Heart Butte

Upgraded services for the BIA offices in Browning

Service upgrades in progress for the Blackfeet College

Installing new state-of-the-art PBX and call accounting system in the new tribally owned Holiday Inn Express (Browning currently has limited motel choices, and this facility will allow the School to host Tournaments, and improve attendance at other events in Browning).

As part of the Health Information Exchange of Montana project, brought new facilities into the hospitals in Browning and Heart Butte

Continue to operate a Radio Shack franchise store, allowing tribal members to purchase electronics, receive live assistance, etc. locally

Provided new phone system and fiber facilities to the new Tribal owned grocery store

New PBX in progress for the Tribal Offices.

Ongoing upgrades throughout the entire Reservation to improve DSL speeds waiting for #s from Vicky

Lifeline provides qualified telephone customers discounts on monthly basic telephone services only. The monthly basic service plan, which is the same for regular telephone subscribers and lifeline subscribers, allows a customer to make unlimited local and 911 calls. Features such as voice mail, caller ID, call waiting, etc. and toll calls (long distance) are available to the lifeline subscriber at the same rate that is available to the general public.

The descriptions and rates of the features and toll offerings are contained on the next two pages.

The Lifeline eligibility, certification, and household certification requirements can be found on the 3 Rivers website at <http://www.3rivers.net/lifelinespecial-needs>.

Telephone Features



Add any of the features below to your local phone service for just \$5 per month!

Anonymous Call Rejection

Call Forward Busy

Call Forward Don't Answer

Call Forward Remote Access

Call Forwarding

Call Waiting

Caller ID Name and Number

Caller ID On Call Waiting

Conference Calling

Conference Calling Plus

Continuous Redial

Distinctive Ring

Last Call Return

Selective Call Acceptance

Selective Call Forwarding

Selective Call Rejection

Speed Dialing

Voice Mail

Other Special Calling Services Available

Account Codes * \$4.00 per month

Originating Call Management * \$8.00 per month

Teen Service * \$4.00 per month

Toll Restriction * \$5.00 per month

* One-time programming fee applies. Please call for details.

Long Distance - Calling Plans**3 Rivers 600-Minute Long Distance Plan ****

Get 600 minutes of Long Distance calls added to your basic 3 Rivers telephone service for just **\$29.95** per month. Plus, you'll save on any calls made beyond 600 minutes with a discounted rate of 10 cents per minute.

Save \$4.95 by adding the 600-Minute Long Distance Plan to your \$5 Unlimited Calling Features plan. (Available only to customers who have 3 Rivers local telephone service.)

Long Distance Basics

- 15 cents per minute anywhere in the United States any time of day (including AK & HI)*
- 22 cents per minute calling cards*
- Incoming nationwide toll free (optional)
 - \$2.50 per month and 15 cents per minute
 - \$4.95 per month and 10 cents per minute

8-Cents-Per-Minute Plan

- 8 cents per minute anywhere in the United States anytime of day for \$7.95 per month*

Contact our Customer Service Department at 1-800-796-4567, Monday through Friday, 8:00 a.m. to 5:00 p.m. to sign up for any of our Long Distance services or to obtain more detailed information.

** Does not include federal, state or local taxes and fees.*

***600-Minute Long Distance Plan Terms and Conditions*

3 Rivers' 600-Minute Long Distance Plan is available only to 3 Rivers local service customers for typical domestic residential voice usage only. Plan covers direct-dial calls to the lower 48 United States (does not include Alaska, Hawaii or Canada). Monthly recurring charge applies per line. Plan may not be used for dial-up internet access; other restrictions apply. Directory Assistance/Information calls are not included as part of the 600 Minute Long Distance plan. Usage may be monitored for compliance with plan restrictions. Long Distance service provided by 3 Rivers Telephone Coop, Inc. Subject to all taxes, tariffs and regulations. All rates subject to change. Contact a 3 Rivers customer representative for further information at 1-800-796-4567.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	This data will be used by RUS to review your financial situation. Your response is required by 7 USC 9911 and subject to Federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME 3 Rivers Telephone Cooperative, Inc. (Prepared with Audited Data)	
INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2012	BORROWER DESIGNATION MT0513

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.

_____ 4/5/2013 _____
 Bradley Veis DATE

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	10,796,894	10,027,601	25. Accounts Payable	4,342,752	4,518,528
2. Cash-RUS Construction Fund		1,000	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	1,191,431	981,190
a. Telecom, Accounts Receivable			28. Customer Deposits	104,075	105,735
b. Other Accounts Receivable			29. Current Mat. L/T Debt	3,032,745	2,983,732
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	1,721,070	1,422,994	32. Income Taxes Accrued	(482,813)	(100,000)
b. Other Accounts Receivable	2,670,635	636,576	33. Other Taxes Accrued	447,257	535,446
c. Notes Receivable	400,000	400,000	34. Other Current Liabilities	1,739,314	1,619,439
5. Interest and Dividends Receivable	2,278	(257)	35. Total Current Liabilities (25 thru 34)	10,374,741	10,644,070
6. Material-Regulated	4,380,239	3,510,168	LONG-TERM DEBT		
7. Material-Nonregulated	228,543	360,571	36. Funded Debt-RUS Notes	7,215,551	19,174,682
8. Prepayments	114,457	257,199	37. Funded Debt-RTB Notes	1,094,433	830,336
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	20,314,116	16,615,852	39. Funded Debt-Other	10,530,664	8,847,996
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	12,185,087	11,797,233	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	6,424,996	6,212,268	46. Total Long-Term Debt (36 thru 45)	18,840,648	28,853,014
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	28,691	28,317	47. Other Long-Term Liabilities	5,459,441	6,080,294
15. Deferred Charges	222,557	330,235	48. Other Deferred Credits	2,022,209	1,454,389
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	18,861,331	18,368,053	50. Total Other Liabilities and Deferred Credits (47 thru 49)	7,481,650	7,534,683
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	164,050,317	180,561,985	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use	427,120	91,923	52. Additional Paid-in Capital		
20. Plant Under Construction	1,913,403	1,538,256	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	4,222,632	1,231,859	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	116,345,149	115,650,966	55. Other Capital	7,405,030	6,776,251
23. Net Plant (18 thru 21 less 22)	54,268,323	67,773,057	56. Patronage Capital Credits	45,367,327	47,837,825
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	3,974,374	1,111,119
	93,443,776	102,756,962	58. Total Equity (51 thru 57)	56,746,731	55,725,195
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	93,443,776	102,756,962

Total Equity = 54.23% of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

MT0513

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1 Local Network Services Revenues	5,793,544	5,600,964
2 Network Access Services Revenues	25,863,245	21,257,538
3 Long Distance Network Services Revenues	1,659	1,744
4 Carrier Billing and Collection Revenues		
5 Miscellaneous Revenues	671,312	704,516
6 Uncollectible Revenues	14,466	12,422
7. Net Operating Revenues (1 thru 5 less 6)	32,315,294	27,552,340
8 Plant Specific Operations Expense	7,657,164	7,397,928
9 Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	3,284,409	3,278,551
10 Depreciation Expense	7,350,997	8,062,227
11 Amortization Expense		0
12 Customer Operations Expense	2,352,168	2,522,378
13 Corporate Operations Expense	4,506,037	4,044,157
14. Total Operating Expenses (8 thru 13)	25,150,775	25,305,241
15 Operating Income or Margins (7 less 14)	7,164,519	2,247,099
16 Other Operating Income and Expenses		
17 State and Local Taxes		
18 Federal Income Taxes	338,198	66,200
19 Other Taxes	873,370	1,012,582
20. Total Operating Taxes (17+18+19)	1,211,568	1,078,782
21 Net Operating Income or Margins (15+16-20)	5,952,951	1,168,317
22 Interest on Funded Debt	900,649	802,619
23 Interest Expense - Capital Leases		
24 Other Interest Expense	6,331	6,228
25 Allowance for Funds Used During Construction	68,474	238,944
26. Total Fixed Charges (22+23+24-25)	838,506	569,903
27 Nonoperating Net Income	(3,753,314)	(1,975,599)
28 Extraordinary Items		
29 Jurisdictional Differences		
30 Nonregulated Net Income	2,613,243	2,488,304
31. Total Net Income or Margins (21+27+28+29+30-26)	3,974,374	1,111,119
32 Total Taxes Based on Income		
33 Retained Earnings or Margins Beginning-of-Year	4,761,055	3,974,374
34 Miscellaneous Credits Year-to-Date		
35 Dividends Declared (Common)		
36 Dividends Declared (Preferred)		
37 Other Debits Year-to-Date		
38 Transfers to Patronage Capital	4,761,055	3,974,374
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	3,974,374	1,111,119
40 Patronage Capital Beginning-of-Year	42,012,828	45,367,327
41 Transfers to Patronage Capital	4,761,055	3,974,374
42 Patronage Capital Credits Retired	1,406,556	1,503,876
43. Patronage Capital End-of-Year (40+41-42)	45,367,327	47,837,825
44 Annual Debt Service Payments	4,016,948	4,016,646
45 Cash Ratio [(14+20-10-11) / 7]	0.5883	0.6650
46 Operating Accrual Ratio [(14+20+26) / 7]	0.8417	0.9783
47 TIER [(31+26) / 26]	5.7398	2.9497
48 DSCR [(31+26+10+11) / 44]	3.0281	2.4257

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0513
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2012
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		10,796,894
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		1,111,119
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		8,062,227
4. Add: Amortization		0
5. Other (Explain) Decrease/(Increase) in interest receivable and Increase/(Decrease) in taxes payable		473,557
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		2,332,135
7. Decrease/(Increase) in Materials and Inventory		738,043
8. Decrease/(Increase) in Prepayments and Deferred Charges		(250,420)
9. Decrease/(Increase) in Other Current Assets		0
10. Increase/(Decrease) in Accounts Payable		175,776
11. Increase/(Decrease) in Advance Billings & Payments		(210,241)
12. Increase/(Decrease) in Other Current Liabilities		(119,875)
13. Net Cash Provided/(Used) by Operations		12,312,321
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		0
15. Increase/(Decrease) in Notes Payable		0
16. Increase/(Decrease) in Customer Deposits		1,660
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		9,963,353
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		53,033
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(628,779)
20. Less: Payment of Dividends		0
21. Less: Patronage Capital Credits Retired		(1,503,876)
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		7,885,391
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(15,801,324)
25. Other Long-Term Investments		600,582
26. Other Noncurrent Assets & Jurisdictional Differences		374
27. Other (Explain) Retirement of plant against the reserve accounts and net change in intangible assets		(5,765,637)
28. Net Cash Provided/(Used) by Investing Activities		(20,966,005)
29. Net Increase/(Decrease) in Cash		(769,293)
30. Ending Cash		10,028,601

Revision Date 2010



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Trustees
3 Rivers Telephone Cooperative, Inc.

We have audited the consolidated financial statements of 3 Rivers Telephone Cooperative, Inc. and its subsidiary for the year ended December 31, 2012, and have issued our report thereon dated February 25, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In planning and performing our audit of the consolidated financial statements of 3 Rivers Telephone Cooperative, Inc. and its subsidiary for the year ended December 31, 2012, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)**

7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the consolidated financial statements are free from material misstatement, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33(e)(2) and related party transactions and investments. In addition, our audit of the consolidated financial statements also included the procedures specified in 7 CFR 1773.38-.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditor's report, and our independent auditor's report on internal control over financial reporting and on compliance and other matters, all dated February 25, 2013) or summary of recommendations (other than the audit fieldwork exit conference) related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding 3 Rivers Telephone Cooperative, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- The materials control.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)**

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

At your request, we have performed the procedures listed below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract, agreement, or lease between the borrower and an affiliate for the year ended December 31, 2012, of 3 Rivers Telephone Cooperative, Inc.;
 - Obtained and read a borrower-prepared schedule of new written contracts, agreements, or leases between the borrower and an affiliate as defined in 7 CFR 1773.33(e)(2)(i).
 - Reviewed Board of Trustees' minutes to ascertain whether Board-approved written contracts are included in the borrower-prepared schedule.
 - Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedure to be performed with respect to the requirement to submit the operating report for telecommunications borrowers to the RUS;
 - We will agree amounts reported in the operating report for telecommunications borrowers to 3 Rivers Telephone Cooperative, Inc.'s records when that report becomes available.

The results of our tests indicate that, with respect to the items tested, 3 Rivers Telephone Cooperative, Inc. complied, in all material respects, with the specific RUS loan and security instruments provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of the RUS to enter into any contract, agreement, or lease with an affiliate as defined in 7 CFR 1773.33(e)(2)(i); and
- The borrower will submit its operating report for telecommunications borrowers to the RUS once that report is available for completion. We will verify that the borrower has submitted the report to the RUS and that the report is in agreement with 3 Rivers Telephone Cooperative, Inc.'s audited records, in all material respects, and appears reasonable based on the audit procedures performed.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audit of the consolidated financial statements of 3 Rivers Telephone Cooperative, Inc., nothing came to our attention that caused us to believe the Cooperative failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33(c)(1);

INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)

- The Cooperative updates its continuing property records annually to agree with its general ledger. Due to the volume of activity, this routinely takes several months after year end to complete. As of audit fieldwork, the Cooperative's continuing property records were current through 2011 and in process for 2012;
- The clearing of construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- The approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33(c)(5);
- The disclosure of material related party transactions, for the year ended December 31, 2012, in the consolidated financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33(e); and
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments in affiliated companies required by 7 CFR 1773.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as whole.

See attached Schedule of Investments in affiliated companies.

This report is intended solely for the information and use of the Board of Trustees, management, the RUS, and supplementary lenders and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Spokane, Washington
February 25, 2013