HAT ISLAND TELEPHONE COMPANY

MARION F. HENNY
PRESIDENT

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February 26, 2014

BY ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Suite TW-A325
Washington, DC 20554

Dear Ms. Dortch:

Re: EB Docket No. 06-36
Form 499 Filer ID: 805749
Annual 47 C.F.R. § 64.2009(e) CPNI Compliance Filing
Due March 1, 2014

Pursuant to 47 C.F.R. § 64.2009(e) and Public Notice DA 14-138 (Enforcement Advisory No. 2014-02), dated February 5, 2014, on behalf of Hat Island Telephone Company ("Company") accompanying this letter for filing with the Federal Communications Commission ("Commission") is an electronic original of the Company's annual 47 C.F.R. § 64.2009(e) CPNI compliance filing due March 1, 2014. The filing consists of a cover sheet and a copy of the Company's most recent compliance certificate and accompanying statement pursuant to Section 64.2009(e) of the Commission's rules and regulations.

Respectfully submitted,

Bruce Russell
Chief Operating Officer

Accompanying Documents

FEDERAL COMMUNICATIONS COMMISSION

EB DOCKET NO. 06-36

ANNUAL 47 C.F.R. § 64.2009(e) CPNI COMPLIANCE FILING
DUE MARCH 1, 2014

HAT ISLAND TELEPHONE COMPANY
(FORM 499 FILER ID: 805749)

DATE: FEBRUARY 26, 2014

COMPLIANCE CERTIFICATE
PURSUANT TO SECTION 64.2009(e) OF THE
RULES AND REGULATIONS OF THE FEDERAL
COMMUNICATIONS COMMISSION, 47 C.F.R. § 64.2009(e)

I, Bruce Russell, being of lawful age, state that I am Chief Operating Officer of Hat Island Telephone Company, that I am authorized to execute this certificate as agent for Hat Island Telephone Company, and that the facts set forth in this certificate are true to the best of my knowledge, information and belief.

On that basis and in that capacity, I state that I have personal knowledge that Hat Island Telephone Company has established operating procedures that are adequate to ensure compliance by Hat Island Telephone Company with the rules and regulations of the Federal Communications Commission set forth in 47 C.F.R. §§ 64.2001 through 64.2011.

Date: February 26, 2014.

HAT ISLAND TELEPHONE COMPANY

By _____
Bruce Russell
Its: Chief Operating Officer

STATEMENT, PURSUANT TO 47 C.F.R. § 64.2009(e), OF

HAT ISLAND TELEPHONE COMPANY ("COMPANY"),

ACCOMPANYING THE COMPANY'S COMPLIANCE CERTIFICATE,

DATED FEBRUARY 26, 2014, PURSUANT TO 47 C.F.R. § 64.2009(e)

The Company has established policy that the Company, its employees and agents shall comply fully with all applicable Federal and state statutes, rules, regulations and orders pertaining to the use of, access to, and disclosure of Customer Proprietary Network Information ("CPNI"), as defined in Section 222 of the Communications Act of 1934, as amended, 47 U.S.C. § 222, and in Section 64.2003 of the rules and regulations of the Federal Communications Commission ("Commission"), 47 C.F.R. § 64.2003, as such definitions have been clarified by the Commission, and as defined in applicable state law and/or rules and regulations. The Company's policy (and/or operating procedures) may impose restrictions on the use of, access to, and/or disclosure of CPNI that are more stringent than those required by Federal or state law, rule, regulation or order. Violation of such policy (and/or operating procedures) by any employee of the Company is grounds for discipline, up to and including termination of employment.

The Company's operating procedures in furtherance of its above-mentioned policy include, but are not limited to, the following:

1. The Company may engage in outbound telemarketing and/or outbound print marketing of communications-related services to those customers that have supplied to the Company oral or written approval for the Company's use of, disclosure of, or permitting of access to their individually identifiable CPNI and such approval has been obtained and recorded in compliance with 47 C.F.R. §§ 64.2007 and 64.2008. During the calendar year 2012, these approval procedures included, but were not necessarily limited to, the following:

    (a) Except as permitted by 47 C.F.R. § 64.2005, prior to the Company's outbound telemarketing and/or print marketing that makes any use of, or entails any disclosure of or permits access to, a customer's individually identifiable CPNI, and prior to the Company's disclosure of or permitting access to any such CPNI to or by any of its agents or affiliates for the purpose of marketing communications-related services to such customer, in compliance with 47 C.F.R. § 64.2008, the Company provides written notification to such customer of the customer's right to restrict use of, disclosure of, and access to the customer's individually identifiable CPNI as described in that rule. On an on-going basis, the Company does not engage in outbound telemarketing and/or print marketing to any new customer that makes any use of, or entails any disclosure of or permitting of access to, individually identifiable CPNI of that customer, or disclose such CPNI to or permit access to such CPNI by, any of the Company's agents and/or affiliates for the purpose of marketing

communications-related services to such customer unless and until the Company has supplied such customer with the notification contemplated by, and in compliance with, 47 C.F.R. § 64.2008. In compliance with 47 C.F.R. § 64.2008(d)(2), the Company provided individual written notification to its customers of the customer's right to restrict use of, disclosure of, and access to the customer's individually identifiable CPNI as described in 47 C.F.R. § 64.2008 either as an insert with the customer's mailed April 1, 2012, invoice or as a separately mailed piece for those customers that did not have an April 1, 2012, invoice mailed to them. The Company intends to provide individual written notification to its customers in the same manner as described immediately above on April 1, 2014. Any applicant for Company-provided service to which 47 C.F.R. §§ 64.2007 and 64.2008 apply and for whom the Company's records do not already reflect assumed or actual consent to the use of, disclosure of, and access to the customer's individually identifiable CPNI, upon applying for such service, is provided with a copy of the above-mentioned written notification. Prior to expiration of the 30-day notification period referred to in paragraph (d) of this item 1, any applicant or customer may affirmatively consent to the use of, disclosure of, and access to the customer's individually identifiable CPNI.

(b) The Company has established, made and makes available to its customers and notified and notifies its customers of the methods by which customers may notify the Company of their choice to opt-out from the Company's use of, disclosure of, or permitting access to their individually identifiable CPNI for outbound marketing purposes. One or more of the methods established by the Company for customers to opt-out are available 24 hours a day, seven days a week, and are available at no cost to the customer.

(c) The Company records any notice received from a customer of the customer's approval or disapproval of the Company's use of, disclosure of, or permitting access to the customer's individually identifiable CPNI for outbound marketing purposes and maintains those records until the customer affirmatively revokes or limits such approval or disapproval. The Company maintains for at least one year records of notification to customers of the customer's right to restrict use of, disclosure of, or permitting access to the customer's individually identifiable CPNI.

(d) After supplying any customer with notice, as described above, of the customer's right to opt-out from the Company's use of, disclosure of, or permitting access to, the customer's individually identifiable CPNI for marketing purposes, the Company does not assume the customer's approval of the Company's use of, disclosure of, or access to the customer's individually identifiable CPNI for marketing purposes until at least thirty (30) days have passed after the date of giving the customer such notice or, in instances in which such notice is mailed to the customer, until at least thirty-three (33) days have passed after the date of such mailing; however, any previously

given or assumed approval is deemed to be of continuing effect until the expiration of two (2) years following the date on which the same became effective, unless such previously given or assumed approval has been modified, revoked or rescinded.

2. The Company does not engage in any outbound telemarketing, or any outbound print marketing, utilizing CPNI to customers that have notified the Company of their choice to opt-out from the Company's use of, disclosure of, or permitting access to their individually identifiable CPNI for such purposes or from whom neither opt-in nor opt-out approval of such use, disclosure or access has been obtained.

3. The Company has an established supervisory review process regarding the Company's compliance with the rules in 47 C.F.R. Part 64, Subpart U for outbound marketing situations that specifically requires its sales personnel to obtain prior supervisory approval for any proposed outbound marketing request for customer approval.

4. The Company's agents and/or affiliates that provide communications-related services are permitted access to, and/or to use, the Company's customers' individually identifiable CPNI for outbound telemarketing or outbound print marketing only in compliance with 47 C.F.R. §§ 64.2005 and/or 64.2007.

5. In accordance with 47 C.F.R. § 64.2009(c), the Company maintains a record, either electronically or in some other manner, of its and its affiliates' sales and marketing campaigns that use its customers' individually identifiable CPNI.

6. Outbound print marketing, if any, that may be distributed by the Company by mail may be addressed to all subscribers or customers within the applicable geographic area, zip code(s) and/or telephone number prefix(es), without regard to the specific services that the subscriber or customer receives, or does not receive, from the Company and/or the Company's affiliates. Such mailings, if they occur, do not use any CPNI and are addressed to the subscriber's or customer's billing name and billing address.[1]

7. The Company does not use, disclose or permit access to any individually identifiable CPNI for any inbound marketing of services that are not within a category of service (*i.e.*, local, interexchange, and CMRS) to which the customer already subscribes from the Company and/or one or more of the Company's affiliates, unless the caller has first been properly authenticated as a person authorized to have access to CPNI of the subject account and either (i) the Company's records do not reflect a currently dated opt-out election and do reflect a currently dated consent election for the subject account or (ii) the caller consents to the use of such CPNI for such purpose for the duration of such call in accordance with the procedures specified in Section 64.2008(f) of the Commission's rules.

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[1] A customer's billing name, billing address and telephone number are not included within the Commission's definition of CPNI. *See Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customary Proprietary Network Information and Other Customer Information*, CC Docket No. 96-115, Order (DA 98-971), released May 21, 1998 (Chief, Common Carrier Bureau) at ¶¶ 8-9.

8. The Company does not sell to any third party, or provide access to any third party to, any of the Company's CPNI for purposes of marketing the services of the Company or of any of its affiliates, other than as permitted with respect to the Company's affiliates pursuant to item 4. above.

9. Except for CPNI made available to other telecommunications carriers pursuant to tariffed or detariffed billing and collection arrangements and billing and collection services provided pursuant thereto, the Company does not sell CPNI to any third-party for any purpose.

10. The Company, its employees and agents may make such other uses and disclosures of, and permit access to, CPNI as are permitted by applicable statute, rule, regulation or order. Such uses, disclosures or access may include those authorized by Section 222 of the Communications Act of 1934, as amended, by Section 64.2005 of the Commission's rules and by orders of the Commission, such as those pertaining to the authorized exchange of data among telecommunications carriers and preferred carrier freezes. The Company may disclose certain CPNI to third parties that provide services to the Company for uses authorized by Section 222 of the Communications Act of 1934, as amended, but the Company does not make such disclosure to independent contractors for marketing purposes.

11. Except as set forth above, the Company does not provide any individually identifiable CPNI to any governmental entity, or to any other third party (except the subscriber's agent), other than pursuant to subpoena or other lawful process or with the subscriber's prior written consent.

12. The Company does not disclose CPNI based on an in-store visit, customer-initiated telephone contact, or online access except in accordance with the following:[2]

    (a) As a result of a person visiting a Company customer service center, in accordance with the following:

        (i) by presenting to the Company a facially valid, government-issued photo ID matching the subscriber's account information for the relevant account; or

        (ii) if the person visiting a Company customer service center is unable to be authenticated by means of a facially valid, government-issued photo ID, but can be authenticated by either:

            (a) such person furnishing a pre-established password for the relevant account without being prompted by

[2] As used in items 12. (a) & (b), the terms "customer service center" and "customer service representative" also include certain Company representatives involved in the billing and/or collection of customer accounts.

the Company's customer service representative asking for "readily available biographical information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), then if such person also produces an invoice or other correspondence from the Company pertaining to the account, the information contained in the invoice or such other correspondence may be discussed and may be used only to facilitate payment of the account; however, no account-specific information pertaining to the relevant account, other than such account-specific information as is contained in the invoice or other correspondence produced by the customer, shall be disclosed or discussed; or

(b) by such person supplying other personally-identifiable information that the Company can verify as noted on the account records for the relevant account, then if such person also produces an invoice or other correspondence from the Company pertaining to the account, the information contained in the invoice or such other correspondence may be discussed and may be used only to facilitate payment of the account; however, no account-specific information pertaining to the relevant account, other than such account-specific information as is contained in the invoice or other correspondence produced by the customer, shall be disclosed or discussed.

(b) As a result of a person initiating contact by telephone with a Company customer service center, in accordance with the following:

(i) for CPNI consisting of "call detail information," as defined in 47 C.F.R. § 64.2003(d), in accordance with any one or more of the following:

(a) upon *(i)* the person who is requesting "call detail information" identifying himself or herself to be the subscriber (or the subscriber's duly authorized agent), *(ii)* the Company's customer service representative confirming by the Company's records that the name furnished by such person is the same as the name of a person authorized to have access to the subject account and *(iii)* such person

furnishing either (1) a pre-established password without being prompted by the Company's customer service representative asking for "readily available biographic information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), or (2) correct answers to back-up security questions if they have been established for the subject account; or

(b) upon *(i)* the person who is requesting "call detail information" representing himself or herself to be the subscriber (or the subscriber's duly authorized agent) and providing the Company's customer service representative with appropriate identifying information (such as social security number or requested portion thereof, driver's license number, or mother's maiden name) and *(ii)* the Company's customer service representative confirming by the Company's records that the name furnished by such person is the same as the name of a person authorized to have access to the subject account, by then either (1) calling such person back at the telephone number to which the relevant "call detail information" pertains or at the lead telephone number (for billing purposes) of the telephone number to which the relevant "call detail information" pertains, or (2) by sending the requested "call detail information" to the subscriber's address of record; or

(c) if the person who is requesting "call detail information" does not furnish a pre-established password without being prompted by the Company's customer service representative asking for "readily available biographic information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), but *(i)* does identify himself or herself in accordance with subparagraph *(b)* immediately preceding, including the Company's customer service representative confirming by the Company's records that the name furnished by such person is the same as the name of a person authorized to have access to the subject account, and *(ii)* supplies all of the "call detail information" necessary for the Company's customer service representative to

respond to such person's inquiry, without divulging any additional "call detail information" or other CPNI, by responding to such person's inquiry without divulging any additional "call detail information;" or

(d) if the person who is requesting "call detail information" represents himself or herself to be the authorized agent of a business customer and the Company's customer service representative is able to confirm by the Company's records that a person so named is an authorized agent of the business customer, but such person is unable to provide a pre-established password without being prompted by the Company's customer service representative asking for "readily available biographic information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), then either (1) by calling such person back at the telephone number to which the relevant "call detail information" pertains or at the lead telephone number (for billing purposes) of the telephone number to which the relevant "call detail information" pertains and confirming such person's identity by the use of appropriate identifying information (such as social security number or requested portion thereof, driver's license number, or mother's maiden name), or (2) by sending the requested "call detail information" to the subscriber's address of record; or

(ii) for CPNI consisting of other than "call detail information," as defined in 47 C.F.R. § 64.2003(d), in accordance with one or more of the following:

(a) upon the person representing himself or herself to be the subscriber (or the subscriber's duly authorized agent) and providing the Company's customer service representative with either *(i)* a pre-established password without being prompted by the Company's customer service representative asking for "readily available biographic information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), or *(ii)* correct answers to back-up security questions if they have been established for

the subject account, or *(iii)* appropriate identifying information (such as social security number or requested portion thereof, driver's license number, or mother's maiden name) and the Company's customer service representative confirming by the Company's records that the name furnished by such person is the same as the name of a person authorized to have access to the subject account; or

(b) upon *(i)* the person representing himself or herself to be the subscriber (or the subscriber's duly authorized agent) and *(ii)* the Company's customer service representative confirming by the Company's records that the name furnished by such person is the same as the name of a person authorized to have access to the subject account, but either (i) no password has been established for the subject account and the Company's customer service representative is unable to confirm such person's identity by appropriate identifying information (such as social security number or requested portion thereof, driver's license number, or mother's maiden name), or (ii) if such a password has been established, such person is unable to provide such password without being prompted by the Company's customer service representative asking for "readily available biographic information," as defined in 47 C.F.R. § 64.2003(m), or "account information," as defined in 47 C.F.R. § 64.2003(a), and either no back-up security questions have been established for the account, or, if such back-up security questions have been established, such person is unable to answer them correctly, by then either (1) calling such person back at the telephone number to which the requested CPNI pertains or at the lead telephone number (for billing purposes) of the telephone number to which the requested CPNI pertains, or (2) by sending the requested CPNI to the subscriber's address of record; or

(c) if the person represents himself or herself to be the authorized agent of a business customer but the Company's customer service representative is unable to confirm by the Company's records that a person so named is an authorized agent of the business customer, then by either (1) calling such

person back at the primary telephone number for the relevant business subscriber or (2) sending the requested CPNI to the subscriber's address of record.

(c) As a result of the person establishing an online, e-billing account with the Company or with an affiliate of the Company that performs billing on the Company's behalf, in accordance with procedures prescribed by the Company or such billing affiliate, and the said e-billing account being accessed by means of the user name and password associated with that e-billing account being correctly input into the online e-billing system.

13. Company personnel receive ongoing training as to when they are and are not authorized to use CPNI.

14. In the event of a breach of any customer's CPNI, the procedures set forth in 47 C.F.R. § 64.2011 are to be observed. As used in this item 14, a "breach" has occurred when a person, without authorization or exceeding authorization, has intentionally gained access to, used, or disclosed CPNI.

15. Customers are to be notified whenever a password, customer response to a back-up means of authentication for lost or forgotten passwords, online account, or address of record is created or changed. This notification may be through a Company-originated voicemail or text message to the telephone number of record, or by mail to the address of record, but is not to reveal the changed information or be sent to the new account information.

During the calendar year ended December 31, 2013, the Company did not take any action against any data broker in connection with access to CPNI.

During the calendar year ended December 31, 2013, the Company did not receive any customer complaints concerning the unauthorized release of CPNI.

During the calendar year ended December 31, 2013, the Company did not acquire first-hand any information that it has identified as being information with respect to the processes pretexters are using to attempt to access CPNI.

HAT ISLAND TELEPHONE COMPANY