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LEGISLATIVE CONSULTANT

EUGENE MALISZEWSKYJ
ENGINEERING CONSULTANT

June 27, 2014

ARTHUR BLOOSTON
1914 – 1999

WRITER'S CONTACT INFORMATION

gjd@bloostonlaw.com
202-828-5528

REDACTED – FOR PUBLIC INSPECTION

VIA HAND DELIVERY AND ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

**RE: Form 481 – Carrier Annual Reporting Data Collection Form
WC Dockets No. 10-90, 11-42 and 14-58
Kinsman Mutual Telephone Company (SAC 341041)**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules and the Commission's *Protective Order*¹ in this proceeding, Kinsman Mutual Telephone Company ("the Company") hereby submits two copies of its "FCC Form 481 – Carrier Annual Reporting Data Collection Form," which was or will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 1, 2014, and which includes a Redacted Confidential Document containing proprietary and confidential financial and 5-year service quality improvement plan information that has been obscured.

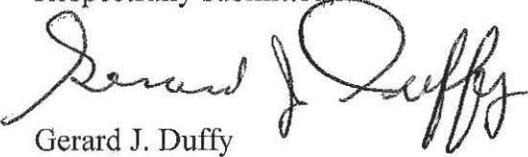
¹ *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket No. 10-90, et al., DA 12-1857, released November 16, 2013.

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The Company seeks confidential treatment under the *Protective Order* for the financial information included in its report pursuant to §54.313(f)(2). Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public. The Company is also submitting a copy of its FCC Form 481 (including the Redacted Confidential Document) via the Electronic Comment Filing System.

The Company has submitted a separate letter requesting confidential treatment pursuant to Section 0.459 of the Commission's Rules for certain proprietary and confidential portions of its "5-Year Service Quality Improvement Plan."

Respectfully submitted,


Gerard J. Duffy

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June 25, 2014

ARTHUR BLOOSTON
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AFFILIATED SOUTH AMERICAN OFFICES

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WRITER'S CONTACT INFORMATION

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FILED VIA ECFS: WC Docket Nos. 10-90 and 14-58

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

**RE: Rule Section 0.459 Request for Confidential Treatment
Kinsman Mutual Telephone Company (SAC 341041)
FCC Form 481 – Carrier Annual Reporting Data Collection Form**

Dear Ms. Dortch:

Kinsman Mutual Telephone Company ("the Company"), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission's Rules, that the redacted portions of the Company's "5-Year Service Quality Improvement Plan" be withheld from public inspection.

In accordance with Section 0.459(b) of the Commission's Rules, the Company states:

1. The specific information for which confidentiality is sought is comprised of the charts detailing annual projected network improvements and upgrades for voice and broadband services during the period from 2015 through 2019, and projecting capital expenditures and operating expenses for voice and broadband services during the same five-year period.

2. This information is submitted in compliance with the requirement in Section 54.313(a)(1) of the Commission's Rules that recipients of high-cost support submit a progress report on their five-year service quality improvement plans.

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Marlene H. Dortch, Secretary

June 25, 2014

Page 2 of 3

3. This information regarding the nature and timing of the Company's construction and network improvement plans, and the estimated costs thereof, is proprietary and confidential commercial and financial information that is routinely withheld from public inspection.

4. The voice and broadband services for which the 5-year service improvement plans have been prepared are subject to potential competition from competitive local exchange carriers, cable television system operators, electric power utilities, fixed and mobile wireless service providers, and/or satellite carriers. Even where such competition is not active at present, the nature and scheduling of the Company's network upgrades and the size and timing of its related expenditures constitute very valuable competitive intelligence for any entity that may be contemplating or planning entry into one or more portions of the Company's service area.

5. Again, whether or not the Company has an active competitor at the present time, there are numerous potential competitors and the nature and scheduling of the Company's network upgrades and the size and timing of its related expenditures constitute very valuable competitive intelligence that can greatly assist the planning of any entity that may be contemplating entry into one or more portions of the Company's service area.

6. The Company limits internal access to its 5-year service improvement plan to its key employees and consultants who need the information for planning, reporting and management purposes. The plan is not posted on any Company website, or included in any Company press release, report or other document that is available to the general public or to unrestricted portions thereof.

7. The Company does not make its 5-year service improvement plans available to the public, and has not previously disclosed the present plan or similar previous plans to third parties.

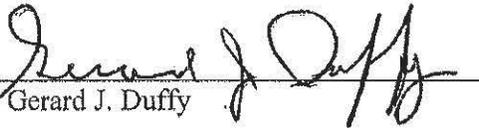
8. The Company requests that the individual annual charts included in the plan not be available for public disclosure until at least the end of the next full calendar year following the calendar year to which the chart applied. Competitors and potential competitors should not be able to see the Company's network deployment and expenditure plans for a particular year prior to the year, during the year, or during the year following the year (particularly because weather and other factors can cause construction delays). After that period, projects are generally completed, and competitors are able to observe directly or read published reports of what the Company actually did to improve its network and services.

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Marlene H. Dortch, Secretary
June 25, 2014
Page 3 of 3

The Company notes that it is also redacting and claiming confidential treatment, pursuant to the Bureau's *Protective Order*, DA 12-1857, released November 16, 2012, for the financial information submitted in compliance with the requirements of Section 54.313(f)(2) of the Commission's Rules.

Respectfully submitted,
Kinsman Mutual Telephone Company

By: 
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens,
Duffy & Prendergast, LLP
2120 L Street NW (Suite 300)
Washington, DC 20037
Telephone: (202) 659-0830
Facsimile: (202) 828-5568
Email: gjd@bloostonlaw.com

<010> Study Area Code 341041

<015> Study Area Name KINSMAN MUTUAL TEL

<020> Program Year 2015

<030> Contact Name: Person USAC should contact with questions about this data Mike Petrouske

<035> Contact Telephone Number: Number of the person identified in data line <030> 8156215212 ext.

<039> Contact Email Address: Email of the person identified in data line <030> mpetrouske@hometel.com

ANNUAL REPORTING FOR ALL CARRIERS

	54.313 Completion Required	54.422 Completion Required
--	----------------------------------	----------------------------------

	54.313 Completion Required	54.422 Completion Required
<100> Service Quality Improvement Reporting (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice) 0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice) (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband) 0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband) (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		
<410> Fixed 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	<input type="checkbox"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		
<440> Fixed 0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile 0.0	<input type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 34104111510.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 34104111610.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> (if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> 341041111010.pdf (attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110> (complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers (complete attached worksheet)	<input type="checkbox"/>	<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> (check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005> (complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000> (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005> (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTJAL TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
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 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.

34104111112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), 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.

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(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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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035>	Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

<910> Tribal Land(s) on which ETC Serves



<920> Tribal Government Engagement Obligation



Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), 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)

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(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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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petruske
<035>	Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetruske@hometel.com

<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)

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(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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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petruske
<035>	Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetruske@hometel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

34104111210.pdf

Name of Attached Document

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), 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.

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(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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<010>	Study Area Code	341041
<015>	Study Area Name	KINSMAN MUTUAL TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035>	Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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.

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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)}

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

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

- <2016> Certification Support Used to Build Broadband

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 document(s), 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

Name of Attached Document Listing Required Information

[3000] Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0985/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	341041
<015> Study Area Name	KINGSMAN MUTUAL TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Mike Petruske
<035> Contact Telephone Number - Number of person identified in data line <030>	8156215212_ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetruske@homepc1.com

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.

(3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

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

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(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 3025 pursuant to § 54.313(f)(2), contains:

(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,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

34104113026 .pdf

Name of Attached Document Listing Required Information

REDACTED - FOR PUBLIC INSPECTION

REDACTED - FOR PUBLIC INSPECTION

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3050-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTUAL TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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:	
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.	

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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<010> Study Area Code	341041
<015> Study Area Name	KINSMAN MUTUAL TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	8156215212 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

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) <u>Mike Petrouske</u> 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:	Mike Petrouske
Name of Reporting Carrier:	KINSMAN MUTUAL TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/19/2014
Printed name of Authorized Officer:	Michelle Baudino
Title or position of Authorized Officer:	Secretary/Treasurer
Telephone number of Authorized Officer:	8153924210 ext.
Study Area Code of Reporting Carrier:	341041 Filing Due Date for this form: 06/30/2014
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:	KINSMAN MUTUAL TEL
Name of Authorized Agent or Employee of Agent:	Mike Petrouske
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/19/2014
Printed name of Authorized Agent or Employee of Agent:	Mike Petrouska
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	8156215212 ext.
Study Area Code of Reporting Carrier:	341041 Filing Due Date for this form: 06/30/2014
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.	

REDACTED - FOR PUBLIC INSPECTION

Attachments

REDACTED - FOR PUBLIC INSPECTION

**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**

July 1, 2014

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Ms. Karen Majcher
Vice President – High Cost Low Income Division
Universal Service Administrative Company
2000 L Street NW, Suite 200
Washington, D.C. 20036

RE: WC Docket No. 10-90: Annual Reporting Requirements for High-Cost Recipients
§54.202(a)(1).

Pursuant to 47 C.F.R. §54.202(a)(1) of the Federal Communications Commission's rules,
enclosed please find the Initial 5-Year Service Quality Improvement Plan for Kinsman
Telephone Company, Study Area Code 341041.

Should you have any questions regarding this filing, please contact me via email at
kinstel@mtco.com or by phone at 815-392-4210.

Sincerely,



Michelle Baudino
Treasurer

Enclosures

cc: Illinois Commerce Commission

REDACTED - FOR PUBLIC INSPECTION

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**

Five-Year Service Quality Improvement Plan

Company Information:

Kinsman Mutual Telephone Company (“Company”) is a small mutual independent rural local exchange carrier providing telecommunications services in central Illinois to the Village of Kinsman, Illinois and the surrounding area. The Company serves a population of approximately 187 within the service area and may provide services to approximately 70 total homes passed in the exchange service territory. The Company’s customer base is primarily rural residential customers located in the service area. The Company also has a few small business customers in the territory who employ less than 20 employees. The company provides service to the following schools and government customers: US Post Office & USDA NFC FSIS facility.

The local exchange service territory is over a geographic area of 8 square miles which includes 9 route miles of facilities with approximately 9 miles of copper and fiber distribution cable. The premise density of the total service territory area is approximately 9 households per square mile and the average number of customers per distribution cable mile is approximately 9 customers per cable facility mile.

In order to ensure that the Voice Telephony supported services would continue to be provided in a satisfactory manner, the Company is evaluating the replacement its legacy switch with a soft switch. To ensure reliability, the network contains the necessary emergency power equipment such as back-up generators and battery-rack that provide continued operation in cases of natural or man-made disasters.

The receipt of Federal Universal Service Fund (“USF”) support, combined with other funding sources should allow the Company to continue to provide reliable, state-of-the-art, high-quality voice and broadband service to its approximately 90 rural customers. Kinsman Mutual Telephone Company has one wire center: **KNMNILXADSO** in the Village of Kinsman, Illinois.

Contingencies:

With the uncertainty of recovery being received as a result of current and potential regulatory action on rural rate-of-return carriers, the Company is taking a balanced and realistic approach in preparing this plan. Forecasted capital and operating expenditures for the period covered must be viewed as a flexible plan that will be modified based on changing recovery mechanisms and market conditions. Therefore, the Company reserves the opportunity to modify its plan in response to further regulatory decisions and their implications upon the Company’s financial viability in providing the required services.

The Company will evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the initial plan submitted for both current and future years in the event of evolving regulatory conditions and/or changes in technology-driven support change the financial recovery

**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**

upon which the plan was formulated. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

Additionally, due to the current uncertainty of the amounts of support funds the company may receive in future years, the Company advises the Commission that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals restrained, to accommodate the actual amount of support that will be received. Furthermore, cash flow and the availability of financing sources will have an impact on the timing of dollars spent on certain projects.

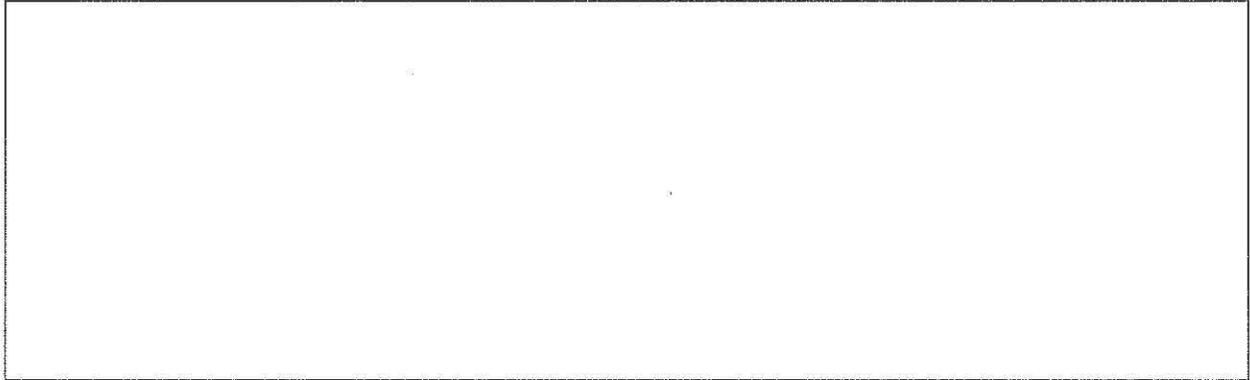
Given the incredible number of recent changes in the industry, the regulatory environment, technology and the service demands of customers, the Company is constantly monitoring its network and operations to make the most effective choices with respect to network investments and operational improvements.

Company Plan:

It is critically important that the services offered by the company are sustainable and that adequate revenues and support for the services are available. Any additional changes to the currently available revenues and recovery sources for the company would alter the projected investment plan presented in this document. Under the currently available revenue sources and recovery mechanisms, the Company anticipates that it will make the following improvements and/or upgrades to its network over the forecast period:

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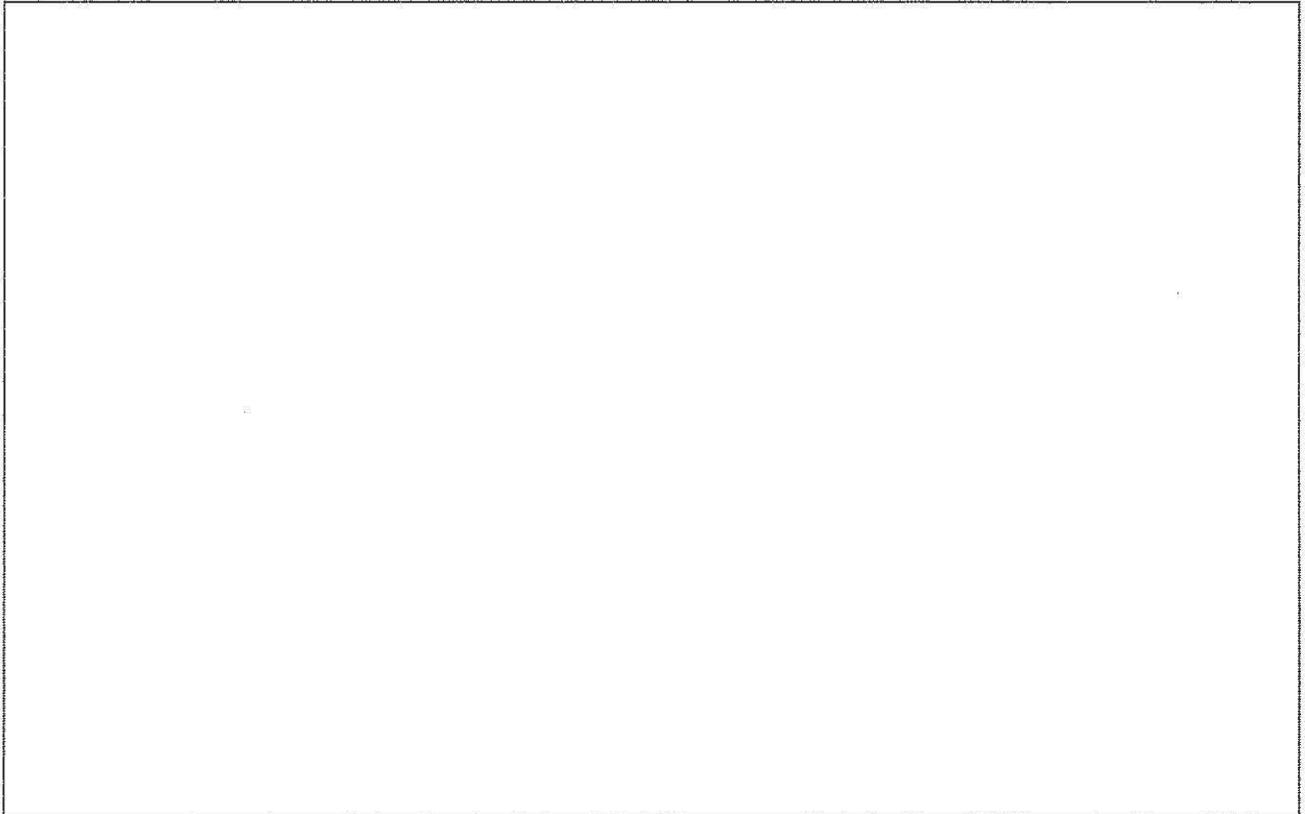
**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**



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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**



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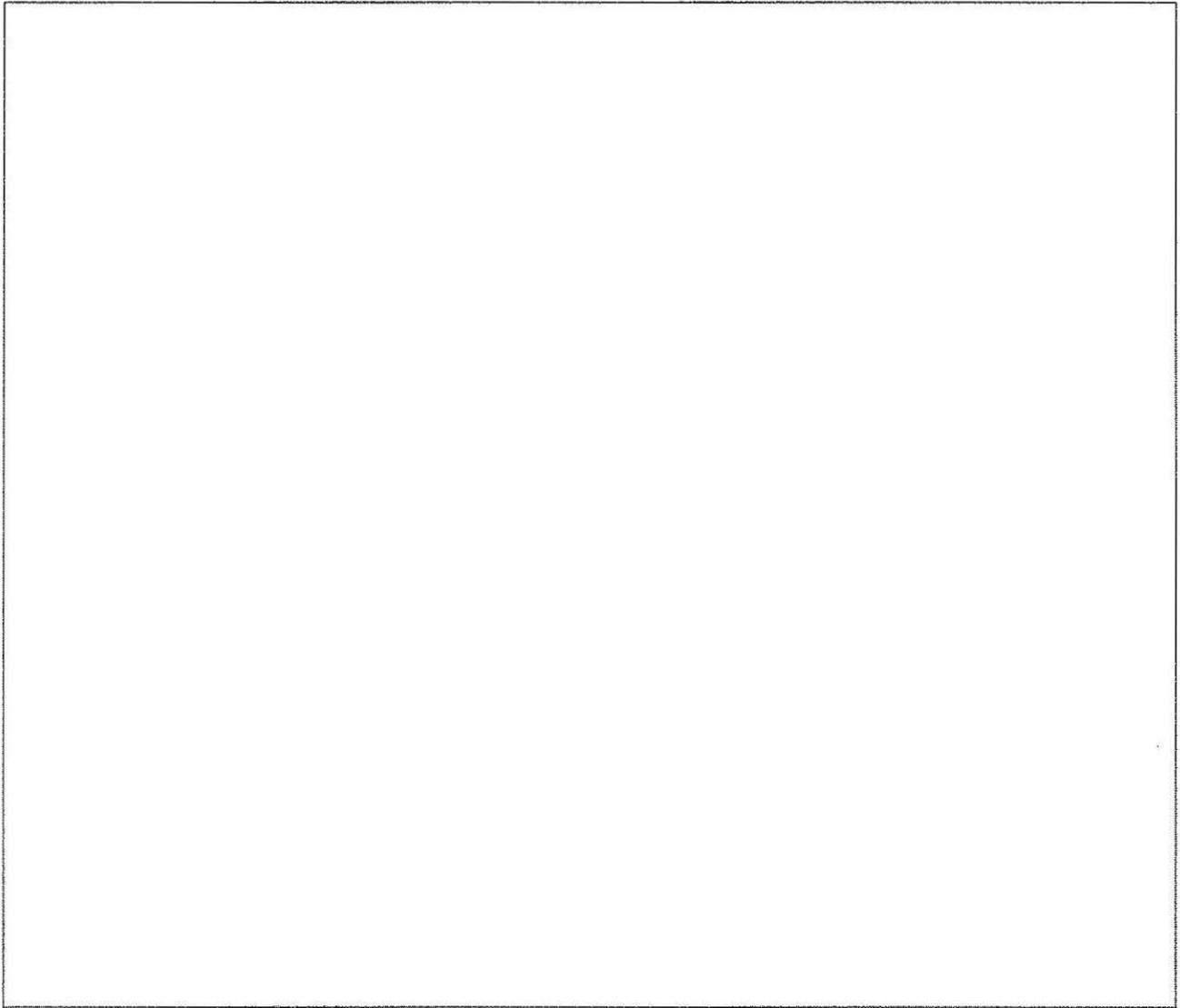
**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**



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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Kinsman Mutual Telephone Company**



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341041il510.pdf

Kinsman Mutual Telephone Company (SAC 341041)

FCC Form 481 – Line 510

Program Year – 2015

Service Quality Standards and Consumer Protection Compliance Explanation Document:

The company is in compliance with all Federal and State service quality standards and consumer protection rules.

The Illinois Commerce Commission has defined standards for service quality in its administrative rule parts 730 and 735 for incumbent local exchange carriers. The company is in compliance with these rules. The company has systems in place for customers with regard to service trouble reporting, billing issues questions and complaints, service offerings information, after hours service problem reporting and other customer issues resolution.

The company also complies with all applicable consumer protection rules including the implementation of customer data protection under the Federal Communications Commission's rules for Customer Proprietary Network Information.

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341041il610.pdf

Kinsman Mutual Telephone Company (SAC 341041)

FCC Form 481 – Line 610

Program Year – 2015

Emergency Functionality Explanation Document:

The company maintains emergency backup power for the local distribution plant and central office and transmission facilities that keep the company functional in an emergency which deprives the company equipment of commercial electrical power.

The central office facility is powered with commercial electric power and battery banks that continue power to the office and transmission equipment for a period of 8 hours in the event of a power source outage. The central office is equipped with a liquid propane powered generator with a fuel capacity of 12 hours of generation capacity to continue supplying power in the event of a power outage. The propane can be replenished without stopping the generator, so the company has the ability to continue generation of power beyond the initial capacity of the tank. The company can remain operational in the situation where commercial power is lost..

The company has additional route capacity to keep emergency service (911 service) available in the event of an emergency situation. The company also supplies an emergency answering point (call box) for emergency personnel in the event of an isolation or emergency situation.

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341041il1010.pdf

Kinsman Mutual Tel. Co. (SAC 341041)
FCC Form 481 – Line 1010
Program Year – 2015

Voice Services Rate Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10) Kinsman Mutual Telephone Co. certifies that it is in compliance with the requirement that voice service rates are no more than two standard deviations above the national average urban rate for voice service of \$46.96 as specified in Public Notice DA 14-384 issued on March 20, 2014.

Kinsman Mutual Telephone Co. current total local end-user rate¹ of \$14.00 (which includes a local fee of \$14.00) is not above the standard deviation as specified in the USF/ICC Transformation Order.²

¹ Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

² USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) “The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average.”

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341041il1210.pdf

Kinsman Mutual Telephone Co. (SAC 341041)
FCC Form 481 – Line 1210
Program Year – 2015

Terms & Conditions of Voice Telephony Lifeline Program

The Lifeline Program is a federally funded program established to provide monthly assistance to low income households. Eligible subscribers may receive a discount of \$9.25 for the monthly Federal subscriber line charge and voice telephony service, or a bundled service that includes voice telephony service.

To qualify for the program, the Lifeline applicant must participate in any of the following assistance programs. The Illinois Department of Human Services may certify the applicant's participation in assistance programs listed below for purposes of determining eligibility.

- Medicaid
- Supplemental Nutrition Assistance Program
- Supplemental Security Income (SSI)
- Federal Housing Assistance (Section 8)
- Low Income Home Energy Assistance (LIHEAP)
- National School Lunch Program's free lunch program
- Temporary Assistance to Needy Families (TANF)
- Head Start
- Customer household income is at or below 135% of the National Poverty Guidelines, for a household of that size

The Telephone Company's verification of income eligibility will be through the Department of Human Services or, in lieu of electronic verification, applicants will sign a form certifying that the applicant qualifies under the program criteria, and provide program participation or income documentation to the Company for review and verification of eligibility.

The Lifeline program credit shall be limited to one credit per low income household or economic unit.

Lifeline service shall not be disconnected for non-payment of toll charges.

Qualifying low-income subscribers who voluntarily elect toll blocking, where available, will not be required to pay a service deposit in order to initiate Lifeline Service. This service will only be provided at the customer's request.

Qualifying Lifeline customers will not be charged a monthly number-portability charge.

Basic Residential Local Exchange service is available to all Lifeline qualified customers.

Basic Residential Local Exchange Service offers the customer unlimited local calling, emergency service calling (at no additional charge), access to directory assistance service (additional charge per call), equal access to interexchange toll carrier service (additional charges based on carrier toll plans) and access to operator services.

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KINSMAN MUTUAL TELEPHONE CO.

219 W. MAIN ST. P.O. BOX 747
KINSMAN, IL 60437-0747
(815)392-4210 (815)392-4211 FAX

SECTION 54.313(f)(2)(iii) OFFICER CERTIFICATION

Pursuant to Section 54.313(f)(2)(iii) of the FCC Rules, I, Michelle Baudino, hereby certify the following under penalty of perjury:

1. I am the Secretary/Treasurer of Kinsman Mutual Telephone Company (the "Carrier"; Study Area Code 341041), and am authorized to make this certification on its behalf.
2. The Carrier was not audited in the ordinary course of business for the preceding fiscal year.
3. The reported data in the accompanying financial statements of the Carrier are accurate.
4. The accompanying financial statements of the Carrier have been subject to review by Marlett & Associates, CPAs LTD, an independent certified public accountant.

Michelle Baudino
Signature

Michelle Baudino
Printed Name

June 16, 2014
Date

(8005a) Operating Report for Privately-Held Data of Return Carrier Balance Sheet - Data Collection Form Page 1 of 3	FCC Form 487 OMB Control No. 3060-0085 OMB Control No. 3060-0619 9/6/2013
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<010> Study Area Code: 341041
 <015> Study Area Name: Kinsmen Mutual Telephone Company
 <020> Program Year: 2015
 <030> Contact Name - Person USAC should contact regarding this data: Mike Petruske
 <035> Contact Telephone Number - Number of person identified in data line <030>: 815-621-5212
 <039> Contact Email Address - Email Address of person identified in data line <030>: mpetruske@lumetel.com

Filed as reviewed single company Filed as audited single company
 Filed as reviewed consolidated company Filed as audited consolidated company
 Filed as subsidiary of reviewed consolidated company Filed as subsidiary of audited consolidated company

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.

Michelle Baudino
 Signature

June 16, 2014
 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			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets - Investment Securities			38. Funded Debt-FFB Notes		
0. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
1. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
2. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
3. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
4. Other Noncurrent Assets			47. Other Long-Term Liabilities		
5. Deferred Charges			48. Other Deferred Credits		
6. Jurisdictional Differences			49. Other Jurisdictional Differences		
7. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
8. Telecom, Plant-in-Service			51. Cap. Stock Outstanding & Subscribed		
9. Property Held for Future Use			52. Additional Paid-In-Capital		
0. Plant Under Construction			53. Treasury Stock		
1. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
2. Less Accumulated Depreciation			55. Other Capital		
3. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
4. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Income Statement - Data Collection Form	OMB Control No. 3060-0986
Page 2 of 3	OMB Control No. 3060-0819
	July 2013

<010> Study Area Code 341041
 <015> Study Area Name Kinsman Mutual Telephone Company
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Mike Petrouske
 <035> Contact Telephone Number - Number of person identified in data line <030> 815-621-5212
 <039> Contact Email Address - Email Address of person identified in data line <030> mpetrouske@hamtel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
0. Depreciation Expense		
1. Amortization Expense		
2. Customer Operations Expense		
3. Corporate Operations Expense		
4. Total Operating Expenses (8 thru 13)		
5. Operating Income or Margins (7 less 14)		
6. Other Operating Income and Expenses		
7. State and Local Taxes		
8. Federal Income Taxes		
9. Other Taxes		
0. Total Operating Taxes (17+18+19)		
1. Net Operating Income or Margins (15+16-20)		
2. Interest on Funded Debt		
3. Interest Expense - Capital Leases		
4. Other Interest Expense		
5. Allowance for Funds Used During Construction		
6. Total Fixed Charges (22+23+24-25)		
7. Nonoperating Net Income		
8. Extraordinary Items		
9. Jurisdictional Differences		
0. Nonregulated Net Income		
1. Total Net Income or margins (21+27+28+29+30-26)		
2. Total Taxes Based on Income		
3. Retained Earnings or Margins Beginning-of-Year		
4. Miscellaneous Credits Year-to-Date		
5. Dividends Declared (Common)		
6. Dividends Declared (Preferred)		
7. Other Debits Year-to-Date - Unrealized Loss on Investment Securities		
8. Transfers to Patronage Capital		
9. Retained Earnings or Margins end-of-Period $[(31+33+34)-(35+36+37+38)]$		
0. Patronage Capital Beginning-of-Year		
1. Transfers to Patronage Capital		
2. Patronage Capital Credits Retired		
3. Patronage Capital End-of-Year (40+41-42)		
4. Annual Debt Service Payments		
5. Cash Ratio $[(14+20-10-11)/7]$		
6. Operating Accrual Ratio $[(14+20+26)/7]$		
7. TIER $[(31+26)/26]$		
8. DSCR $[(31+26+10+11)/44]$		

(3005c) Operating Report for Privately-Held Rate of Return Carriers Cash Flow - Data Collection Form Page 3 of 3	FCC Form 481 OMB Control No. 3060-0986 OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	341041
<015> Study Area Name	Kinsman Mutual Telephone Company
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Mike Petrouske
<035> Contact Telephone Number - Number of person identified in data line <030>	815-621-5212
<039> Contact Email Address - Email Address of person identified in data line <030>	mpetrouske@hometel.com

PART C. STATEMENTS OF CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)
CASH FLOWS FROM OPERATING ACTIVITIES	
2.	Net Income
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation
4.	Add: Amortization
5.	Other (Explain)
Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable
7.	Decrease/(Increase) in Materials and Inventory
8.	Decrease/(Increase) in Prepayments and Deferred Charges
9.	Decrease/(Increase) in Other Current Assets
10.	Increase/(Decrease) in Accounts Payable
11.	Increase/(Decrease) in Advance Billings & Payments
12.	Increase/(Decrease) in Other Current Liabilities
13.	Net Cash Provided/(Used) by Operations
CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable
15.	Increase/(Decrease) in Notes Payable
16.	Increase/(Decrease) in Customer Deposits
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital
20.	Less: Payment of Dividends
21.	Less: Patronage Capital Credits Retired
22.	Other (Explain)
23.	Net Cash Provided/(Used) by Financing Activities
CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)
25.	Other Long-Term Investments
26.	Other Noncurrent Assets & Jurisdictional Differences
27.	Other (Explain) - Purchase of Investment Securities, Net
28.	Net Cash Provided/(Used) by Investing Activities
29.	Net Increase/(Decrease) in Cash
30.	Ending Cash

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