



OTTcommunications

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June 27, 2014

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FCC Mail Room

Via US Mail

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

**Re: WC Docket No. 10-90, FCC Form 481 Data
Otelco Telephone LLC d/b/a Otelco
SAC: 250312**

Dear Ms. Dortch:

Enclosed for filing, please find an original and three (3) confidential versions of Otelco Telephone LLC d/b/a Otelco's Form 481, along with a Request for Confidentiality, pursuant to 47 C.F.R. §§ 0.457 and §0.459. In addition, please find four (4) copies of the redacted version of the Five-Year Plan (Line 112 of Form 481), which was filed electronically with the Commission on June 27, 2014.

If you have any questions or concerns, you may reach me at (207) 992-9920 or trina.bragdon@ottcommunications.com.

Sincerely,

Trina M. Bragdon
General Counsel
Otelco

No. of Copies rec'd 0+3
List ABCDE

OTTcommunications
900D Hammond Street
Bangor, Maine 04401

JUN 11 - 1 2014

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**CONFIDENTIAL FINANCIAL INFORMATION-SUBJECT
TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90,
07-135, 05-337, 03-109, CC DOCKET NO. 01-92, 96-45, GN
DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE
THE FEDERAL COMMUNICATIONS COMMISSION**

June 27, 2014

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

**Re: WC Docket No. 10-90, WC Docket No. 11-42
2014 ETC Annual Report of Otelco Telephone LLC d/b/a Otelco
Study Area Code: 250312
Request for Confidentiality**

Dear Ms. Dortch:

Otelco Telephone LLC d/b/a Otelco (the “Company”) hereby requests, pursuant to Sections 0.457 and 0.459 of the Commission’s rules,¹ withholding from public inspection certain information contained in an attachment to the above referenced reporting requirement. The Company provides the following in support of its request, numbered consistent with the subparagraphs of Section 0.459(b).²

1. The information for which the Company is seeking confidential treatment is an attachment to the Company’s annual reporting information pursuant to Sections 54.313 and 54.422 of the Commission’s rules (“Report”).³
2. Rate-of-Return Eligible Telecommunications Carriers (“ETCs”) must file with the Commission an initial section 54.202(a) Five-Year Service Quality

¹ 47 C.F.R. §§ 0.457, 0.459.

² 47 C.F.R. § 0.459(b)(1) through (9).

³ 47 C.F.R. §§ 54.313, 54.422.

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Improvement Plan (“Five-Year Plan”) which is contained in the attachment to the 2014 Report.⁴

3. The information contained in attachment for which the Company seeks the withholding from public inspection is the entirety of data pertaining to the Company’s Five-Year Plan provided at FCC Form 481 Line 112 attachment. Information of this nature is confidential commercial information routinely withheld from public inspection.
4. With respect to identifying the degree to which the subject attachment concerns a service that is subject to competition, the information is of a financial and competitive nature regarding the provision of telecommunications services. The Line 112 attachment contains competitively sensitive information related to proposed improvements or upgrades and maintenance the Company’s network.

In its *March 5, 2013 Order*, the FCC. The FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”⁵ Accordingly, because the Company is a rate-of-return carrier, it must file a five-year service improvement plan which contains proprietary, competitively sensitive information related to the Company’s existing network, including specific locations of customers as well as planned network improvement and maintenance for the years 2015 through 2019. In addition, the filing includes confidential, competitively sensitive information regarding project start and completion dates, population that will be impacted by the improvements and upgrades at the wire center level and projected capital costs associated with the improvements and upgrades as well as operating costs associated with maintaining the network including depreciation for investments that have already been made.

5. With respect to identifying possible exposure to competitive harm, the information contained in the Line 112 attachment is information that is not customarily released to the public. This information is proprietary to the Company, is unique to the Company’s serving territory, and is only known to the Company and its authorized agents. If the Information is not protected, it would have economic value to potential competitors who would be able to target their marketing to specific customers. In a competitive telecommunications marketplace, this type of information is highly sensitive. If publicly disclosed, it would enable competitors to craft business plans that capitalize on their knowledge of the locations of the

⁴ See *In the Matter of Connect America Fund*, WC Docket No. 10-90, Order DA 14-591 (rel. May 1, 2014).

⁵ See *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at para 9 citing Section 54.202(a) (1) (ii).

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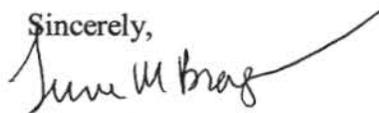
Company's customers which would place the Company at a competitive disadvantage.

6. With respect to steps the Company has taken to ensure against unauthorized disclosure of the information contained in the attachment, the Company is filing the attachment under seal. The Company uses the information contained in the Five-Year Plan to ensure that its customers continue to receive state-of-the-art high quality telecommunications and broadband services that the Company has been providing to them for many years as well as to satisfy mandatory reporting requirements and does not share the information for which protection is sought. The Company protects the secrecy of this information with a security protocol that ensures the information is not inadvertently disclosed or disseminated. Only directors, managers and employees with a direct need to know are authorized to access the information.
7. Any previous versions of this information are not publicly available.
8. Because the information is not routinely available, a need exists for maintaining the confidentiality of this information permanently.
9. Not applicable.

Based on the preceding, the Company respectfully requests that the Commission grant confidential treatment under Section 0.459 to Company's Five-Year Plan provided at FCC Form 481 Line 112 attachment.

Please contact the undersigned with any questions regarding this request.

Sincerely,



Trina M. Bragdon
General Counsel
Otelco

<010> Study Area Code	250312
<015> Study Area Name	OTELCO TELEPHONE LLC
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Megan Cobleigh
<035> Contact Telephone Number: Number of the person identified in data line <030>	2079929050 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	megan.cobleigh@ottcommunications.com

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<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input 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)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<input type="text" value=""/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<input type="text" value=""/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	<input type="text" value="0.0"/>	<input checked="" 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> <input type="text" value="250312a1510.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> <input type="text" value="250312a1610.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 type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="text" value=""/>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input 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"/>



<010>	Study Area Code	250312
<015>	Study Area Name	OTELCO TELEPHONE LLC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035>	Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@otccommunications.com

<110> Has your company received its ETC certification from the FCC? (yes / no)

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)

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.

250312a1112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached document(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	<input type="checkbox"/>
<114>	Report how much universal service (USF) support was received	<input type="checkbox"/>
<115>	How (USF) was used to improve service quality	<input type="checkbox"/>
<116>	How (USF) was used to improve service coverage	<input type="checkbox"/>
<117>	How (USF) was used to improve service capacity	<input type="checkbox"/>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<input type="checkbox"/>



<010>	Study Area Code	250312
<015>	Study Area Name	OTELCO TELEPHONE LLC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035>	Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@otcommunications.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)



<010>	Study Area Code	250312
<015>	Study Area Name	OTELCO TELEPHONE LLC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035>	Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@ottcommunications.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

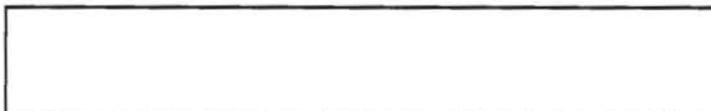
<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)





<010> Study Area Code	250312
<015> Study Area Name	OTELCO TELEPHONE LLC
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035> Contact Telephone Number - Number of person identified in data line <030>	2079922050 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	megan_cobleigh@ottcommunications.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP http://www.otelco-alabama.com/images/pdf/Otelco_Price_List_00057875-50.pdf

"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.



<010>	Study Area Code	250312
<015>	Study Area Name	OTELCO TELEPHONE LLC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035>	Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@otccommunications.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.

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

<010> Study Area Code 250332
 <015> Study Area Name OTTICO TELEPHONE LLC
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Megan CobleIGH
 <035> Contact Telephone Number - Number of person identified in data line <030> 2079229550 ext
 <039> Contact Email Address - Email Address of person identified in data line <030> megan_coble@otticotelecommunications.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

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) Yes No

(3014) If yes, does your company file the RUS annual report (Yes/No) 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) 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 3026 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

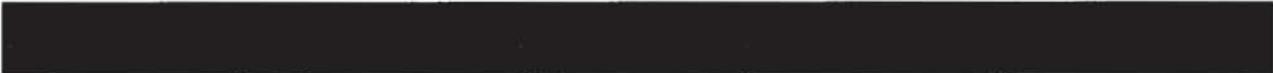
(3026) Attach the worksheet listing required information
 Name of Attached Document Listing Required Information



<010> Study Area Code	250312
<015> Study Area Name	OTELCO TELEPHONE LLC
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035> Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@ottcommunications.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:	OTELCO TELEPHONE LLC
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/26/2014
Printed name of Authorized Officer:	Dennis Andrews
Title or position of Authorized Officer:	Senior Vice President
Telephone number of Authorized Officer:	2565861420 ext.
Study Area Code of Reporting Carrier:	250312 Filing Due Date for this form: 07/01/2014
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.	



<010> Study Area Code	250312
<015> Study Area Name	OTELCO TELEPHONE LLC
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Megan Cobleigh
<035> Contact Telephone Number - Number of person identified in data line <030>	2079929050 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	megan.cobleigh@ottcommunications.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) _____ 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.	

REDACTED - FOR PUBLIC INSPECTION

Attachments

**Otelco Telephone LLC
Line 510**

Service Quality Standards and Consumer Protection Rules

The company complies with applicable service quality standards and consumer protections, including, without limitation: (1) compiling and submitting monthly trouble index data to the Alabama Public Service Commission ("ALPSC"); (2) maintaining local service tariffs and price lists on file, giving notice of changes to such tariffs and price lists to the ALPSC, and making rate and service information available for public inspection at the company's offices and on its website; (4) clearly listing all charges and credits on customers' bills; (5) providing full and prompt investigation of, and response to, customer complaints in accordance with dispute resolution procedures established by the ALPSC; (6) providing access to enhanced 911; (7) participating in a statewide system to assist the hearing impaired and providing service discounts for the deaf, hard of hearing, blind and visually impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC's guidance on measures to detect/prevent identity theft (Red Flag).

In addition, the Company adheres to consumer protection obligations for broadband services under federal law. These obligations include, but are not limited to, the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services we publish the acceptable use policy, open internet disclosure, and accessibility policy on the website; as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, service and device providers to develop, market, and maintain internet offerings as specified in F.C.C. 47 C.F.R. Part 8 §8.3 we publish or price list on the website, also promote products using our website, bill stuffers, TV commercials, radio spots, newspaper ads, and direct mail. Copies of all pricing, products, and current promotions are available at our two lobby locations, 505 3rd Ave East, Oneonta, AL 35121 and 113 South Main Street, Arab, AL 35016.

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Otelco Telephone LLC
Line 610

Functionality in Emergency Situations

The company certifies that it is able to function in emergency situations. The company has permanent standby generators at plant operations centers, host central offices, and 90% of remote locations. Portable generators are used for remotes without permanent generators. All locations have back-up battery power. In addition, onsite technicians are on-call 24-7 and able to access all systems remotely. Company provided cells phones are available for use in emergency situations. Poles, cables, central office, remote, and miscellaneous plant equipment are kept on site to be used for emergency repairs.

REDACTED - FOR PUBLIC INSPECTION

Five-Year Network Improvement Plan
For Otelco Telephone LLC d/b/a Otelco

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) requires Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.¹ Section 54.202(a) (1) (ii) states in part that ETCs are to [s]ubmit a five-year plan that describes with specificity proposed improvements or upgrades to the [ETC’s] network throughout its proposed service area. Each [ETC] shall estimate the area and population that will be served as a result of the improvements”²

In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”³ Otelco Telephone LLC d/b/a Otelco

¹ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Inter-carrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); see also *Connect America Fund et al.*, WC Docket 10-90 et al., Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 et al., Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 et al., Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para’s. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

² 47 C.F.R. § 54.202(a) (1) (ii).

³ *March 5, 2013 Order* at Para. 9 citing Section 54.202(a) (1) (ii).

("Otelco") is a rate-of-return carrier ETC and hereby submits its five-year network improvement plan.

I. The Challenges Faced by Otelco in Providing Voice and Broadband to its Rural Service Area

A. Description of Otelco and its Service Area

Otelco Telephone LLC provides both voice and broadband services within its service area in Blount County, AL, located in the North Central part of the state. The service area covers approximately 158 square miles, has one exchange and is rural. The largest town in the service area is Oneonta with a population of 6,567. The service area has an estimated [REDACTED] households. The terrain consists of foothills of the Appalachian mountain range, covered in hardwood and pine forests. This geography, along with the low density, leads to a higher cost to both deploy and maintain services.

B. The Exchanges Contained Within Otelco's Study Area

Otelco serves the combined exchange area(s) of:

Oneonta	
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II. Otelco Has Used and Will Use Universal Service Support Only For the Intended Purposes

Section 254(e) of the Communications Act of 1934, as amended, requires ETCs to use Universal Service support ("USF") "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁴ Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all

⁴ 47 U.S.C. § 254(e).

federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁵ ETCs not designated by a state must file similar certifications with the FCC.⁶

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.⁷ The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.⁸ In this context, the Commission stated, “[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”⁹

Essentially, under the existing rules and processes, the federal USF received by Otelco and other incumbent rural telephone companies are, in fact, an integral part of

⁵ 47 C.F.R. § 54.314(a).

⁶ 47 C.F.R. § 54.314(b).

⁷ See *USF/ICC Transformation Order* at Para. 612.

⁸ *Id.*

⁹ *Id.* (emphasis supplied).

the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Otelco depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Otelco's plan and progress reports will demonstrate not only how Otelco has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. Otelco's Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its 2005 ETC Order, it set forth the following criteria as to how the ETC is to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.¹⁰

¹⁰ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order").

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”¹¹ Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”¹² The instructions also require that in subsequent annual progress reports which must include the total amount of universal support received must provide this information “broken out separately by the amount spent on capital expenses and the amount spent on operating expenses.”¹³ Accordingly, Otelco’s five-year plan separately provides both capital expenditures and operating expenses.

¹¹ *Id.*

¹² Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112

¹³ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112

Name (cont'd)

Address (cont'd)

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OTELCO - ONEONTA
5 YEAR BUDGET PLAN