DOCKET FILE COPY ORIGINAL

CHR Solutions

5929 Balcones Drive, Suite 200
Austin, TX 78731-4280
Phone: 512.343.2544
Fax: 512.343.0119

REDACTED – FOR PUBLIC INSPECTION

VIA OVERNIGHT DELIVERY

Received & Inspected
JUL 01 2014
FCC Mail Room

June 30, 2014

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

RE: **REQUEST FOR CONFIDENTIAL TREATMENT** – *Connect America Fund*, WC Docket No. 10-90; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in 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, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Star Telephone Company (the Company), Study Area Code 270441, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 and 11-42. The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan is being made pursuant to section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's November 16, 2012 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Star Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

No. of Copies rec'd 0+1
List ABCDE

Five-Year Service Quality Improvement Plan

Pursuant to section 0.459 of the Commission's rules and Exemption 4 of FOIA, Star Telephone Company requests that the text and data extracted from its five-year service quality improvement plan be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 - Five-Year Service Quality Improvement Plan. Specifically, confidential treatment is sought for all information in the five-year plan related to the Company's access line counts, existing broadband capabilities, and its network investment plans through 2019 that will improve service quality for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket Nos. 10-90 and 11-42 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a five-year service quality improvement plan, pursuant to 47 C.F.R. §§54.202(a)(1)(ii) and 54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan contains granular information on the Company's access line counts and existing broadband capabilities as well as detailed plans for financial investments in its network through 2019 to improve service to subscribers. This is closely guarded, privileged information that the Company does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its strategic plans for network investments. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan is not available to the public, and third party access is limited as described in (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. Although the information reflects the Company's service improvement plans for a five year period, it would provide a very useful baseline for competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the Company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Star Telephone Company seeks confidential treatment of its financial annual report pursuant to the November 16, 2012 *Protective Order* in WC Docket No. 10-90, *et al.*[1] The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

[1] *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 12-1857 (rel. Nov. 16, 2012).

Star Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN 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, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

Lynette Hampton
Authorized Representative for
Star Telephone Company

LH/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. Alvin Kimble, Star Telephone Company

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Rebecca Knighten
<035>	Contact Telephone Number: Number of the person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

			(check box when complete)	
<100>	Service Quality Improvement Reporting	(complete attached worksheet)	✓	
<200>	Outage Reporting (voice)	(complete attached worksheet)	✓	✓
<210>	✓ <-- check box if no outages to report		✓	
<300>	Unfulfilled Service Requests (voice)	0		
<310>	Detail on Attempts (voice)	(attach descriptive document)		
<320>	Unfulfilled Service Requests (broadband)	0	✓	
<330>	Detail on Attempts (broadband)	(attach descriptive document)		
<400>	Number of Complaints per 1,000 customers (voice)			
<410>	Fixed	0.78	✓	✓
<420>	Mobile	0.0		
<430>	Number of Complaints per 1,000 customers (broadband)		✓	
<440>	Fixed	0.0		
<450>	Mobile	0.0		
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	✓	✓
<510>	2704411a510.pdf	(attached descriptive document)	✓	✓
<600>	Functionality in Emergency Situations	(check to indicate certification)	✓	✓
<610>	2704411a610.pdf	(attached descriptive document)	✓	✓
<700>	Company Price Offerings (voice)	(complete attached worksheet)	✓	
<710>	Company Price Offerings (broadband)	(complete attached worksheet)	✓	
<800>	Operating Companies and Affiliates	(complete attached worksheet)	✓	✓
<900>	Tribal Land Offerings (Y/N)? ○ ◉	(if yes, complete attached worksheet)	✓	
<1000>	Voice Services Rate Comparability	(check to indicate certification)	✓	
<1010>	2704411a1010.pdf	(attach descriptive document)	✓	
<1100>	Terrestrial Backhaul (Y/N)? ◉ ○	(if not, check to indicate certification)	✓	
<1110>		(complete attached worksheet)		
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)		✓

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)		
<2005>		(complete attached worksheet)		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

(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	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) ○ ◉
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) ○ ○

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.

2704411a112.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.	☐

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	17.05

<703>

State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<711>

State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {*select*}

-- See attached worksheet --

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<810>	Reporting Carrier	Star Telephone Company
<811>	Holding Company	
<812>	Operating Company	

<813>

Affiliates	SAC	Doing Business As Company or Brand Designation
	-- See attached worksheet --	

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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:

		Select (Yes,No, NA)
<921>	□eeds assess□e□t a□d de□o□□e□t □a□□□□w□th a □oc□s o□ □r□□a□ co□□□□□t□a□chor □□st□t□t□o□s□	
<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.	

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

2704411a1210.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. ☑

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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) □ease check th□s □o□to co□□□ that the attached doc□□e□t□s□□o□ □□e □□□□ co□ta□□s the re□□□red □□□or□ at□□ □□rs□a□t to □□□□□□ □□□□□□□the carr□er sha□□□ro□de the □□□ □er□□a□ es□a□d addresses o□co□ □ □□□t□a□chor □□st□□□□s to which □e□a□ □ro□d□□□ access to □road□a□d ser□□e □□the □reced□□□ ca□e□dar □ear□

(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)

□ease check these □o□es to co□□□ that the attached doc□□e□t□s□□o□ □□e □□□□co□ta□□s the re□□□red □□□or□ at□□ □□rs□a□t to □ □□□□□□□□□□co□ □□a□ce re□□□est

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

(3016) □oc□□ e□t□s□□or □a□a□ce Sheet□□□co□e State□ e□t a□d State□ e□t o□□ash □□ows ☑

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

2704411a3017.pdf

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) □oc□□ e□t□s□□or □a□a□ce Sheet□□□co□e State□ e□t a□d State□ e□t o□□ash □□ows ☐

(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) □oc□□ e□t□s□□or □a□a□ce Sheet□□□co□e State□ e□t a□d State□ e□t o□□ash □□ows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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.

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.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) Lynette Hampton **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: Lynette Hampton

Name of Reporting Carrier: STAR TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE **Date:** 06/30/2014

Printed name of Authorized Officer: Rebecca Knighten

Title or position of Authorized Officer: Controller

Telephone number of Authorized Officer: 2259260191 ext.

Study Area Code of Reporting Carrier: 270441 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.

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: STAR TEL CO

Name of Authorized Agent or Employee of Agent: Lynette Hampton

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE **Date:** 06/30/2014

Printed name of Authorized Agent or Employee of Agent: Lynette Hampton

Title or position of Authorized Agent or Employee of Agent Authorized Representative

Telephone number of Authorized Agent or Employee of Agent: 5126527725 ext.

Study Area Code of Reporting Carrier: 270441 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.

Attachments

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<711>

State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
LA	ALL	80.0	0.0	80.0	4.0	1.0	0.0	Other, No limit on usage allowance

<010>	Study Area Code	270441
<015>	Study Area Name	STAR TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Rebecca Knighten
<035>	Contact Telephone Number - Number of person identified in data line <030>	2259260191 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rebeccaknighten@star.brcoxmail.com

<810>	Reporting Carrier	Star Telephone Company
<811>	Holding Company	
<812>	Operating Company	

<813>

Affiliates	SAC	Doing Business As Company or Brand Designation
Star Telephone Company (reporting dba)	270441	dba Star Communications

LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN

Following is the initial five-year service quality improvement plan for Star Telephone Company, Inc. ("Star" or "the Company") pursuant to 47 C.F.R. § 54.202(a)(1)(ii) that requires an eligible telecommunications carrier (ETC) to describe proposed improvements or upgrades to the ETC's network throughout its service area. The *USF/ICC Transformation Order* establishes a public interest obligation for rate-of-return ETCs to provide broadband service at speeds of at least 4 Mbps downstream and 1 Mbps upstream (4/1) "upon reasonable request." A service quality improvement plan cannot project where in the service area reasonable requests will be made. However, the proposed service improvements in this plan result in the availability of 4/1 or better service to a greater portion of the Company's service area than is currently available.

Although this plan is a good faith effort by the Company, it is subject to change, given the uncertainty faced by ETCs regarding whether capital investments will be recoverable over the five year planning timeframe. Factors that may affect the capital improvements plan include erosion of the customer base due to competition, alternative technologies, economic conditions in the service area, and unpredictable changes in the universal service support amounts an ETC receives.

Star meets the communications needs for over 2,550 customers within a 686 square mile area that extends over six parishes. Star's facilities serve these customers with five telephone exchanges (Maringouin, Livonia, Rosedale, Innis, & Cheneyville), each equipped with digital switching with all cable plant buried underground to the customer location. The Maringouin, Livonia, Rosedale, and Cheneyville exchanges are served by fiber optic cable which provides the high bandwidth required by state of the art telecommunication applications today such as video conferencing, data transmission, and internet. As seen in the following Service Quality Improvement Plan, the Innis exchange will be served by fiber optic cable by 2015 replacing the microwave transport which exists today.

Baseline Network Description

[redacted]

[redacted]

IMPROVEMENT PLAN OVERVIEW:

Network improvements or enhancements planned to improve service quality, coverage, or capacity for the next five years are described herein. Geographic area and subscribers impacted by the improvements are identified, where available. Due to the current uncertainty of the regulatory environment causing the uncertainty of recovery of expenditures the company, Star advises that this 5 year plan may be modified and the meeting of projected goals altered to accommodate the actual amount of support that Star receives.

Reasonable Requests for Broadband: If the incremental costs of undertaking the necessary upgrades to a particular location exceed the revenues that could be expected from that upgraded line, a request would be deemed not reasonable. Star will consider whether it would be reasonable to make the necessary upgrades in light of anticipated end-user revenues from the retail provision of broadband service and other sources of revenues, including but not limited to federal or state universal service funding projected to be available under current rules. Star will also take into account the reasonable comparability benchmark for broadband services.

2015 – 2019 Service Quality Improvement Plan

2014 – 2015

[redacted]

[redacted]

2016

[redacted]

2017

[redacted]

2018

[redacted]

2019

[redacted]

Additional Issues and Conclusion

[redacted]

Given the regulatory uncertainty and dynamic market conditions, Star reserves the opportunity to alter or modify this plan at any time. Star will re-evaluate this plan on an annual basis as required by the FCC, and any changes or adjustments will be reflected in subsequent annual reports.

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Star Telephone Company complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

Service quality standards for voice service are established by the state commission. The Company consistently meets or exceeds those standards and provides reports to the state commission, in accordance with the state commission's rules.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed annually with the FCC.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Star Telephone Company is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is $46.96, which includes the federal subscriber line charge ("SLC").[1]

In the exchanges served by Star Telephone Company, the highest single-line residential local rate, including any mandatory extended area service charge, is $17.05. When the federal SLC, state SLC and the state universal service fee are added, the total is below the reasonable comparability benchmark of $46.96.

[1] *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply With New Rate Floor*, WC Docket No. 10-90, DA 14-384 (rel. Mar. 20, 2014), p. 2.

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Star Telephone Company (the Company) provides Lifeline subscribers a discount of $9.25 off a stand-alone residential local access line rate. The local exchange access line rate includes an unlimited number of local calling minutes. Additional charges for toll calls associated with the stand-alone residential access line are billed at the rates of the long distance carrier chosen by the subscriber.

Attached are pages from the Company's General Exchange Services Tariff describing Lifeline service terms and conditions and local exchange service rates.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.11 LifeLine

A3.11.1 Description of Service

A. The LifeLine program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service charges for qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996 ***and the FCC Report and Order and Further Notice of Proposed Rulemaking in WC Docket No. 11-42, adopted January 31, 2012***. Specific terms and conditions are as prescribed by the Louisiana Public Service Commission and are set forth in this tariff. (C)

B. LifeLine is supported by the federal universal service support mechanism.

C. Federal baseline support of ***$9.25*** is available for each LifeLine service and is passed through to the subscriber. The amount of credit will not exceed the charge for local service. (C)

A3.11.2 Regulations

A. General

1. One low income credit is available per household and is applicable to the primary residential connection only. ***Lifeline support is limited to a single subscription per household where household is defined to be any individual or group of individuals who are living together at the same address as one economic unit. For the purposes of this rule, an economic unit consists of all adult individuals contributing to and sharing in the income and expenses of a household.*** (C)
2. A LifeLine customer may subscribe to any local service offering available to other residence customers.
3. Toll blocking, if elected, will be provided at no charge to the LifeLine subscriber.
4. The deposit requirement is not applicable to a LifeLine customer who subscribes to toll blocking. If a LifeLine customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
5. The PICC will not be billed to LifeLine customers who subscribe to toll blocking and do not presubscribe to a long distance carrier.
6. ***The Federal Universal Service Charge will not be billed to Lifeline customers.*** (N)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.11 LifeLine (Cont'd)

A3.11.2 Regulations (Cont'd)

A. General (Cont'd)

7. A LifeLine subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local charges with Section A2. Access to toll service may be denied for non-payment of regulated tolls. A LifeLine subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.

B. Eligibility.

1. To be eligible for a LifeLine credit, a customer must be a current recipient of any of of the following low income assistance programs.

   a. Federal Public Housing Assistance or Section 8 Housing
   b. ***Supplemental Nutrition Assistance Program (SNAP)*** (C)
   c. Low Income Energy Assistance Program (LIHEAP)
   d. Medicaid
   e. Supplemental Security Income
   f. ***Temporary Assistance for Needy Families (TANF)*** (N)
   g. ***National School Lunch Program's free lunch program*** (N)

2. ***Additionally, customers not receiving benefits under one of the preceding programs, and whose total gross annual income does not exceed 135% of the Federal Poverty Guidelines are eligible for Lifeline.*** (N) (N) (N)

3. ***All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.*** (N) (N)

A3.11 LifeLine (Cont'd)

A3.11.2 Regulations (Cont'd)

C. Certification.

1. Proof of eligibility in any of the qualifying low income assistance programs ***or for the income based criterion*** should be provided to the Company at the time of application for service. The LifeLine credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the LifeLine credit. When eligibility documentation is provided subsequent to installation, the LifeLine credit will be provided on a going forward basis. ***Recertification is required annually.*** (C) (N)

2. It is the customer's responsibility to notify the Company when the customer is no longer participating in any of the qualifying programs or is no longer eligible based on the requirements established for the income based criterion. (C) (C) (C)

3. The Company reserves the right to periodically audit it's records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the LifeLine plan.

4. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation, the LifeLine credit will be discontinued.

A3.11 LifeLine (Cont'd)

A3.11.3 Rates and Charges

A. General

1. LifeLine is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service Charges in Section A4 are applicable for installing or changing LifeLine service.
3. The secondary Service Charge in A4. is not applicable when existing service is Converted intact to Lifeline Service. (C) (C)

B. The total LifeLine credit passed through to the customer consists of:

1. Federal Credit

		Monthly Credit	
a.	Federal Public Housing Assistance or Section 8 Housing	$9.25	(C)
b.	***Supplement Nutrition Assistance Program (SNAP)***	9.25	(C)
c.	Low Income Home Energy Assistance Program (LIHEAP)	9.25	(C)
d.	Medicaid	9.25	(C)
e.	Supplemental Security Income	9.25	(C)
f.	***Temporary Assistance for Needy Families (TFAN)***	***9.25***	(N)
g.	***National School Lunch Program's free lunch program***	***9.25***	(N)
h.	***Income at or below 135% of the Federal Poverty Guidelines***	***9.25***	(N)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.3 RATES FOR EXCHANGE ACCESS LINES (All Exchanges) (Cont'd)

A3.3.2 Residential

	Monthly Rate	
Cheneyville Exchange:		
A. 1-Party, flat rate	$17.05	(I)
B. * Temporary Rate 4-Party, flat rate	8.52	(I)
Innis Exchange:		
A. 1-Party, flat rate	$17.05	(I)
B. * Temporary Rate 4-Party, flat rate	8.52	(I)
C. Old River Flood-Prone Area	25.00	
Livonia Exchange:		
A. 1-Party, flat rate	$17.05	(I)
B. * Temporary Rate 4-Party, flat rate	8.52	(I)
Maringouin Exchange:		
A. 1-Party, flat rate	$17.05	(I)
B. * Temporary Rate 4-Party, flat rate	8.52	(I)
Rosedale Exchange:		
A. 1-Party, flat rate	$17.05	(I)
B. * Temporary Rate 4-Party, flat rate	8.52	(I)

* Temporary rates apply, at the discretion of the Telephone Company, for interim periods of time to allow for construction and other necessary postponements as may be required for the provision of basic 1-party service, and to provide "Life-Line" service for those subscribers that meet the necessary qualifications.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.3 RATES FOR EXCHANGE ACCESS LINES (All Exchanges) (Cont'd)

A3.3.3 Local Optional Service

(D)
(D)
(D)
(D)
(D)
(D)
(D)
(D)
(D)
(D)

(D)
(D)
(D)

(D)
(D)
(D)
(D)

(D)
(D)
(D)
(D)

(D)
(D)
(D)

(D)
(D)
(D)

(D)
(D)
(D)

GENERAL EXHANGE SERVICES TARIFF

A3. BASIC LOCAL EXCHANGE SERVICE

A3.3 RATES FOR EXCHANGE ACCESS LINES (All Exchanges) (Cont'd)

A3.3.3 Local Optional Service (Cont'd)

(D)

A. Local Optional Service as described in section A1 of this Tariff is available to one party Residence and Business subscribers. This service provides 7-digit dialed local calling outside the Basic Local Calling Area but within the expanded Local Calling Area as described in section A1 of this Tariff. (T) (T) (T) (TD) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D)

All Local Optional Service calling is measured and billed on a usage based pricing basis. The offering of this service is subject to availability as determined by the Company. (T) (T) (T) (D)

B. Customers subscribing to this service will be billed the following rate in addition to their applicable monthly access line rate. (T) (T) (D)

(1) Rates

	Monthly Rate	USOC	
(a) Residence, per line, trunk	$.97		(T) (T) (D)
(b) Business, per line, trunk, ESSX	$2.00		(T) (D)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.3 RATES FOR EXCHANGE ACCESS LINES (All Exchanges) (Cont'd)

A3.3.3 Local Optional Service (Cont'd)

(D)
(D)

(D)

C. The following usage rates apply to 7-digit direct dialed calls terminating outside of the Basic Local Calling Area but within the Expanded Local Calling Area These rates are based on airline mileage between wire centers. Wire center coordinates are specified in the National Exchange Carrier Association FCC Tariff No. 4. (T) (T) (T) (T) (T) (D) (D) (D)

Mileage Bands	Initial Minute	Add'l Minute	
C (1 - 10 miles)	$.04	$.02	
D (11 - 16 miles)	$.06	$.04	
E (17 - 22 miles)	$.10	$.07	(T)
F (23 - 30 miles Basic LCA and Intra-Parish ELCA)	$.14	$.10	(T)
G (Greater than 30 miles Basic LCA and Intra-Parish ELCA)	$.14	$.14	(T)
H (23 - 30 miles Inter-Parish ELCA)	$.14	$.10	(T)
I (31 - 40 miles Inter-Parish ELCA)	$.14	$.14	(T)
J (Greater than 40 miles Inter-Parish ELCA)	$.14	$.14	(N)

Local usage charges for calls terminating in Bands C – G are capped at $15.00 per month, per residence line and $25.00 per month per business line, trunk, or ESSX Service NAR with the following exception. Local usage charges for hotel/motel guest room service and shared Tenant Service will not be capped. The per line cap for specified local usage charges is applied on an account basis. The cap for an account is equal to the number of lines, trunks or NARs on the account times the appropriate per line cap. (T) (T) (T) (T) (T) (T) (N) (D) (D)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.3 RATES FOR EXCHANGE ACCESS LINES (All Exchanges) (Cont'd)

A3.3.3 Local Optional Service (Cont'd)

(D)
(D)

(D)

D. Local Optional Service is not available to the following. (T)
(D)
(D)
(D)
(D)

1. Volume Usage Measured Rate subscribers (T)
2. Shreveport Metropolitan Call Plan subscribers (T)
3. Expanded Local Area Calling subscribers (T)
4. Joint Users (T)
5. FX lines (T)
6. Toll terminals (T)

E. The peak period rates apply from 8:00 AM to 8:00 PM, Monday through Friday (excluding holidays). Off-peak period rates apply to all other times and are rated at a 50 percent discount. When calls last more than one rate period, total charges for the minutes in each rate period are summarized and the results for each rate period are totaled to obtain the total charge for the call. (T)
(T)
(T)
(T)
(T)
(D)
(D)
(D)
(D)

F. Customers selecting Local Optional Service must subscribe to this service for all outward or two-way access lines on their premises with the following exceptions. Hotels and hospitals may subscribe to Local Optional Service for administrative purposes without subscribing to Local Optional Service for guest or patient use.

(D)
(D)
(D)

G. Itemized statements are not provided except under the provisions of Local Usage Detail as described in A3.9.

(T)
(D)

GENERAL EXHANGE SERVICES TARIFF

A3. BASIC LOCAL EXCHANGE SERVICE

A3.9 LOCAL USAGE DETAIL (LUD) MEASURED SERVICE OPTION

A3.9.1 General

Local Usage Detail – Local Usage Detail (LUD) where available, is a Measured Service option for customers who desire a printed listing of local call details in lieu of the usual summary billing of all dialed sent paid local usage. Requests for LUD must be processed five days prior to the billing date of the month in which it is desired, and must be initiated at the beginning, and terminated at the end of billing periods. In these cases, LUD may be initiated between billing dates only when requested at the time Measured Service is established.

When an order is issued solely for the purpose of initiating LUD, a charge equivalent in amount to a Record Order charge in A4 applies. If LUD is initiated at the same time an order is being issued for any other purpose, the charge preceding does not apply.

A3.9.2 Rates and Charges

A. The following charge applies for LUD

	Charge
1. Printed Listing	
a. Per month	$1.00
b. Per message listed	$ .01

Charges for LUD are in addition to other applicable local usage charges in this tariff. LUD will be provided on a per account basis only.

A3.10 LOCAL DETAIL LISTING (LDL)

A3.10.1 General

Local Detail Listing (LDL) where available, is a printed listing of the sent paid local usage billed in a specific billing period after said billing period has passed. LDL is provided on a per request basis only. Requests for LDL must be made within three (3) months of the most current billing cycle.

A3.10.2 Rates and Charges

A. The following charge applies for LDL

	Charge
1. Printed Listing	
a. Per month	$15.00

Charges for LDL are in addition to other applicable local usage charges specified in this tariff.

USDA-RUS	*This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.*	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER NAME Star Telephone Company, Inc.	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2013	BORROWER DESIGNATION LA0509

CERTIFICATION

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

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

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

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

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

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

Total Equity = [redacted]

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** *INSTRUCTIONS- See RUS Bulletin 1744-2*	BORROWER DESIGNATION LA0509 PERIOD ENDING December, 2013

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	[redacted]	
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)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
LA0509

PERIOD ENDED
December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (Including fiber) (a)	FIBER (b)
Cheneyville	[redacted]						
Innis							
Maringouin							
Livonia							
Rosedale							
Mobile/Wireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
LA0509

PERIOD ENDED
December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

			Details on Least Expensive Broadband Service					
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Cheneyville	[redacted]							
Innis								
Meringouin								
Livonia								
Rosedale								
Total								

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION LA0509 PERIOD ENDING December, 2013
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

[redacted]

PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)		
a. 270441	Interstate:	☐ Average Schedule	☒ Cost Basis
b.	Intrastate:	☐ Average Schedule	☒ Cost Basis
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[redacted]
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION LA0509 PERIOD ENDING December, 2013

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) [X] YES [ ] NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	[redacted]
2. Land and support assets - Aircraft	[redacted]
3. Land and support assets - Special purpose vehicles	[redacted]
4. Land and support assets - Garage and other work equipment	[redacted]
5. Land and support assets - Buildings	[redacted]
6. Land and support assets - Furniture and Office equipment	[redacted]
7. Land and support assets - General purpose computers	[redacted]
8. Central Office Switching - Digital	[redacted]
9. Central Office Switching - Analog & Electro-mechanical	[redacted]
10. Central Office Switching - Operator Systems	[redacted]
11. Central Office Transmission - Radio Systems	[redacted]
12. Central Office Transmission - Circuit equipment	[redacted]
13. Information origination/termination - Station apparatus	[redacted]
14. Information origination/termination - Customer premises wiring	[redacted]
15. Information origination/termination - Large private branch exchanges	[redacted]
16. Information origination/termination - Public telephone terminal equipment	[redacted]
17. Information origination/termination - Other terminal equipment	[redacted]
18. Cable and wire facilities - Poles	[redacted]
19. Cable and wire facilities - Aerial cable - Metal	[redacted]
20. Cable and wire facilities - Aerial cable - Fiber	[redacted]
21. Cable and wire facilities - Underground cable - Metal	[redacted]
22. Cable and wire facilities - Underground cable - Fiber	[redacted]
23. Cable and wire facilities - Buried cable - Metal	[redacted]
24. Cable and wire facilities - Buried cable - Fiber	[redacted]
25. Cable and wire facilities - Conduit systems	[redacted]
26. Cable and wire facilities - Other	[redacted]

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION LA0509
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2013

	PART I – STATEMENT 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) Adj for retirements	
28.	**Net Cash Provided/(Used) by Investing Activities**	
29.	**Net Increase/(Decrease) in Cash**	
30.	**Ending Cash**	

Revision Date 2010

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION LA0509
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION LA0509
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	