

REDACTED – FOR PUBLIC INSPECTION

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JUL - 1 2014



FCC Mail Room

www.adams.net

405 Emminga Road • P.O. Box 217 • Golden, IL 62339 • Phone: 217-696-4411 • Fax: 217-696-4811

June 24, 2014

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

REF: WC Docket Nos. 10-90 and 11-42 and FCC Form 481

Dear Ms. Dortch:

In compliance with the requirements of the FCC Form 481 and WC Docket Nos. 10-90 and 11-42, Adams Telephone Co-Operative is submitting a copy to the Federal Communications Commission of FCC Form 481 and attachments filed electronically with USAC for Adams Telephone Co-Operative. We are requesting Confidentiality treatment of these documents including but not limited to the copy of Adams Telephone Co-Operative 5-Year Plan and attachments. We have included the original and three confidential copies for FCC use only and four redacted copies for the required public disclosure. Please let me know if you have any questions related to this FCC Form 481 submission that is being submitted to the Commission.

Sincerely,  
ADAMS TELEPHONE CO-OPERATIVE

A handwritten signature in cursive script that reads "Robert L. Hutter".

Robert L. Hutter  
Chief Financial Officer

Enclosures

No. of Copies rec'd \_\_\_\_\_  
List ABCDE \_\_\_\_\_

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**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

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

<010> Study Area Code	340976	<b>Received &amp; Inspected</b>  JUL - 1 2014
<015> Study Area Name	ADAMS TEL COOP	
<020> Program Year	2015	
<030> Contact Name: Person USAC should contact with questions about this data	Robert Hutter	<b>FCC Mail Room</b>
<035> Contact Telephone Number: Number of the person identified in data line <030>	2176964411 ext. 451	
<039> Contact Email Address: Email of the person identified in data line <030>	roberthutter@adams.net	

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	<b>54.313</b> Completion Required	<b>54.422</b> Completion Required
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		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" 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="340976i1510.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="340976i1610.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 checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <input type="text" value="340976i11010.pdf"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

<2000> Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers	(check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

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

**REDACTED - FOR PUBLIC INSPECTION**

REDACTED - FOR PUBLIC INSPECTION

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

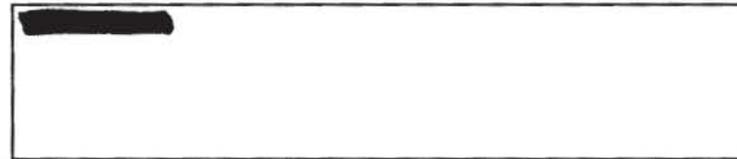
<010> Study Area Code	340976
<015> Study Area Name	ADAMS TEL COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035> Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext.451
<039> Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

<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.



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










**(900) Tribal Lands Reporting  
Data Collection Form**

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

<010> Study Area Code	340976
<015> Study Area Name	ADAMS TEL COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035> Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext.451
<039> Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

<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)

(1100) No Terrestrial Backhaul Reporting  
Data Collection Form

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

<010>	Study Area Code	340976
<015>	Study Area Name	ADAMS TEL COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035>	Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext.451
<039>	Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

<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)

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	340976
<015>	Study Area Name	ADAMS TEL COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035>	Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext.451
<039>	Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

340976i11210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

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"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.
✓

<b>(2000) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	340976
<015>	Study Area Name	ADAMS TEL COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035>	Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext.451
<039>	Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

**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

<b>(3000) Rate Of Return Carrier Additional Documentation</b>	FCC Form 481
<b>Data Collection Form</b>	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	340976
<015> Study Area Name	ADAMS TEL COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Robert Butter
<035> Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext. 451
<039> Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

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

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

Name of Attached Document Listing Required Information

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

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

Name of Attached Document Listing Required Information

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

34097613017.pdf

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

# REDACTED - FOR PUBLIC INSPECTION

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	340976
<015> Study Area Name	ADAMS TEL COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035> Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext. 451
<039> Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
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:	ADAMS TEL COOP
Signature of Authorized Officer:	CERTIFIED ONLINE <span style="float: right;">Date 06/24/2014</span>
Printed name of Authorized Officer:	James Broemmer Jr
Title or position of Authorized Officer:	Chief Executive Officer
Telephone number of Authorized Officer:	2176964411 ext. 431
Study Area Code of Reporting Carrier:	340976 <span style="float: right;">Filing Due Date for this form: 07/01/2014</span>
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.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	340976
<015> Study Area Name	ADAMS TEL COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Robert Hutter
<035> Contact Telephone Number - Number of person identified in data line <030>	2176964411 ext. 451
<039> Contact Email Address - Email Address of person identified in data line <030>	roberthutter@adams.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

<b>Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>	
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:**

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

Attachments













www.adams.net

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405 Emminga Road • P.O. Box 217 • Golden, IL 62339 • Phone: 217-696-4411 • Fax: 217-696-4811

June 24, 2014

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

REF: WC Docket Nos. 10-90 and 11-42 and FCC Form 481 5-Year Plan

Dear Ms. Dortch:

In compliance with the requirements of the FCC Form 481 and WC Docket Nos. 10-90 and 11-42, Adams Telephone Co-Operative is submitting a copy to the Federal Communications Commission of FCC Form 481 including 5-Year Plan and attachments filed electronically with USAC for Adams Telephone Co-Operative. We are requesting Confidentiality treatment of these documents including but not limited to the copy of **Adams Telephone Co-Operative 5-Year Plan and attachments**. We have included the original and three confidential copies for FCC use only and four redacted copies for the required public disclosure of the FCC Form 481 including a copy of the 5-Year Plan as part of each set of documents. Please let me know if you have any questions related to this FCC Form 481 5-Year Plan confidentiality request that is being submitted to the Commission.

Sincerely,  
ADAMS TELEPHONE CO-OPERATIVE

Robert L. Hutter  
Chief Financial Officer

Enclosures

[Type text]

**Five-Year Network Improvement Plan  
For Adams Telephone Co-Operative**

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.<sup>1</sup> 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 . . . .”<sup>2</sup>

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.”<sup>3</sup> **Adams Telephone Co-Operative**

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<sup>1</sup> 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 Intercarrier 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).

<sup>2</sup> 47 C.F.R. § 54.202(a) (1) (ii).

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

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

**A. Description of the Company and its Service Area**

Adams Telephone Co-Operative was formed in 1952 and operates in rural West Central Illinois. Adams serves as the incumbent ILEC providing voice and broadband services to the 13 exchanges it serves. Its subsidiaries provide long distance voice service and the actual broadband service to the residents of the area served. Portions of the study area are located in [REDACTED] (Adams, Brown, Hancock, McDonough, Pike, and Schuyler). The company employs [REDACTED] and is one of the largest employers in the rural area served. The service area encompasses [REDACTED] square miles, with [REDACTED] subscribers per route mile and [REDACTED] access lines per square mile. The company provides service to its customers over an infrastructure consisting of [REDACTED]. In 2010, Adams Telephone Co-Operative [REDACTED] [REDACTED] [REDACTED] to those it serves. After the announcement of new FCC regulations on future USF funding following its 2011 USF/ICC Transformation Order and the changes and uncertainty these regulations have created, [REDACTED] [REDACTED] sections of the Cooperative. Due to the uncertainty of investment recovery, Adams has to be fiscally responsible [REDACTED] [REDACTED]

**B. The Exchanges Contained Within the Company’s Study Area**

**Adams Telephone Co-Operative** serves the combined exchange area(s) of:

Augusta, IL	Loraine, IL
Chambersburg, IL	Mendon, IL
Coatsburg, IL	Meyer, IL
Fishhook, IL	Mindale, IL
Golden, IL	Plymouth, IL
Hersman, IL	Ursa, IL
Lima, IL	

**II. The Company 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.”<sup>4</sup> 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 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.”<sup>5</sup> ETCs not designated by a state must file similar certifications with the FCC.<sup>6</sup>

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

<sup>4</sup> 47 U.S.C. § 254(e).

<sup>5</sup> 47 C.F.R. § 54.314(a).

<sup>6</sup> 47 C.F.R. § 54.314(b).

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.<sup>7</sup> The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.<sup>8</sup> 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.”<sup>9</sup>

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of 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. Adams Telephone Co-Operative 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, Adams Telephone Co-Operative's plan and progress reports will demonstrate how Adams Telephone Co-Operative has used and will use USF not only for improvements and

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

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* (emphasis supplied).

upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

### **III. The Company'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.<sup>10</sup>

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”<sup>11</sup> 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

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<sup>10</sup> *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*”).

<sup>11</sup> *Id.*

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.”<sup>12</sup> 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.”<sup>13</sup> Accordingly, the Company’s five-year plan separately provides both capital expenditures and operating expenses.

#### **A. The Company’s Major Network Improvement Projects**

Based upon this framework, Appendix A reflects Adams Telephone Co-Operative’s major network improvement projects for the five calendar years 2015 through 2019<sup>14</sup> along with the start and completion dates, capital costs, areas and population associated with those projects.

#### **B. How These Projects Will Improve the Network**

#### **Appendix A – Five-Year Plan**

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

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

<sup>14</sup> Based upon informal discussions with the FCC, the five-year network improvement plan will start with calendar year 2015 and run through calendar year 2019.

[REDACTED]

[REDACTED]

[REDACTED]







[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This Five-Year plan does not include construction projects in [REDACTED]  
[REDACTED] as we do not anticipate doing any additional upgrades to  
facilities during the five year period covered by the plan due to recently completed  
construction upgrades in these exchanges.

**C. Part 32 and Yearly Breakdown of Estimated Capital Expenditures  
Associated with the Projects and Operating Expenses**

Appendix B included herein specifies the projects listed in Appendix A in terms of the  
Part 32 capital expenditures categories and in terms of the years in which the costs are  
expected to occur along with depreciation expense associated with the capital  
expenditures. In a separate section, the projected operating expenses are provided.

**D. Maps Depicting the Company's Service**

The instructions to Form 481 state, “[n]ote that while ETCs are free to submit maps with their five-year plans, maps are not required for the initial plan.”<sup>15</sup>

Adams Telephone Co-Operative has elected not to submit maps with their five-year plan this year since this is the initial plan and it is optional in this situation.

**E. List of Community Anchor Institutions to Which the ETC Currently Provides Service**

Although the FCC’s *USF/ICC Transformation Order* only requires listing of community anchor institutions to which the ETC newly began providing service in progress reports, Adams Telephone Co-Operative hereby provides the FCC with a list of community anchor institutions to which it currently provides service.<sup>16</sup> The list of community anchor institutions is included herein as Appendix C.

**F. Determination of Reasonableness**

In its *March 5, 2013 Order*, the Commission stated, “We encourage rate-of-return carriers to explain in their five-year plans what criteria the carrier will use to determine whether a request for broadband is reasonable and how the carrier will decide which areas are feasible to extend terrestrial broadband service to, and which areas are not feasible to serve with terrestrial technologies, given current funding levels.”<sup>17</sup> Adams

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<sup>15</sup> Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

<sup>16</sup> The FCC has defined community anchor institutions in Section 54.5 of its Rules as “schools, libraries, health care providers, community colleges, other institutions of higher education, and other community support organizations and entities.”

<sup>17</sup> *March 5, 2013 Order* at Para. 10.

Telephone Co-Operative hereby responds to the Commission's invitation and provides the following:

In areas where Adams Telephone Co-Operative has already deployed fiber, Adams is able to provide broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream; with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to similar offerings to 100% of residences and businesses in urban areas.

There are some areas in which Adams has not yet deployed fiber and in those areas Adams is able to provide at least some level of broadband service over its copper loops. Subscribers requesting service in these areas are provided with our broadband offerings over the copper loops may or may not be able to receive service of at least 4 Mbps downstream/1 Mbps upstream dependent upon the distance from the central office for that exchange. If the customer requests a speed of at least 4 Mbps downstream/1 Mbps upstream and currently is unable to receive those speeds due to distance from the exchange central office, the Company will evaluate the request on a case by case basis to determine if the request is reasonable. Adams will evaluate whether the costs to make the upgrades to a particular location exceed the revenues that could be expected from that upgraded line given the anticipated revenues that would be received from broadband customers and other sources including federal and state USF.

REDACTED - FOR PUBLIC INSPECTION

Appendix A- Five-Year Plan

Study Area Code	340976
Study Area Name	Adams Telephone Co-Operative
Company Contact Name	Robert L. Hutter
Contact Telephone Number	217-696-4411
Contact Email Address	roberthutter@adams.net

PROJECT LIST FOR 2015-2019

Project	Start Date	Completion Date	Areas	Population	Total Dollars
[REDACTED]	2015	2015	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2015	2015	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2015	2015	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2016	2016	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2016	2016	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2017	2017	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2017	2017	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2018	2018	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2018	2018	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2019	2019	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2019	2019	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2015	2019	[REDACTED]	[REDACTED]	[REDACTED]
Totals					\$ [REDACTED]

REDACTED - FOR PUBLIC INSPECTION  
**Appendix B - Five-Year Plan**

Study Area Code	340976
Study Area Name	Adams Telephone Co-Operative
Company Contact Name	Robert L. Hutter
Contact Telephone Number	217-696-4411
Contact Email Address	roberthutter@adams.net

**5-Year Proposed Capital Expenditures and Operating Expenses**

Regulated Capital Expenditure (CapEX) Projections							
Account	Description	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019
2111 & 2121	Land & Building						
2112	Vehicles						
2122-2124	Support Assets						
2210	Switching Equipment						
2232	Circuit Equipment						
2410	Cable & Wire Facilities						
1220	Materials & Supplies						
	<b>Total Capital Expenditures</b>						

Regulated Operating Expense (OpEx) Projections							
Account	Operating Expenses	2015	2016	2017	2018	2019	Total Operating Expenses 2015-2019
6110-6120	General Support Maintenance						
6210	Switching Maintenance						
6230	COE Transmission Maintenance						
6410	Cable & Wire Facilities						
6530	Non-Specific (Testing, Plant Op., Engineering)						
6561-2110	General Support Depreciation						
6561-2210	Switching Depreciation						
6561-2230	Circuit Equip Depreciation						
6561-2410	Cable & Wire Depreciation						
6610-6620	Customer Operations						
6711-6720	Corporate Operations						
7240	Ad Valorem Expense						
	<b>Total Operating Expenses</b>						



**Adams Telephone Co-Operative’s demonstration of complying with applicable service quality standards and consumer protection rules for voice and broadband services:**

In establishing this certification in its *2005 ETC Order*,<sup>1</sup> the FCC found that an ETC must make “a specific commitment to objective measures to protect consumers.”<sup>2</sup> The Commission found that for wireless ETCs, compliance with CTIA’s Consumer Code for Wireless Service would satisfy this requirement” and that the sufficiency of other commitments would be considered on a case-by-case basis.<sup>3</sup> In this context, the FCC stated, “to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement.”<sup>4</sup>

Adams Telephone Co-Operative (“Company”) hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under the Illinois Administrative Code (IAC), Title 83: Public Utilities, Chapter I: Illinois Commerce Commission, Subchapter f: Telephone Utilities. These obligations include, but are not limited to, the following: adherence to Illinois state consumer protection requirements governing telephone providers which include Quality of Service rules as identified in IAC Part 730 and 732, and Compliance with Anti-Slamming and Anti-Cramming Procedures as

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<sup>1</sup> *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*”).

<sup>2</sup> *Id.* at para. 28.

<sup>3</sup> *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: “(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy.” *Id.* at n. 71.

<sup>4</sup> *Id.* at n. 72.

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adopted in Illinois Public Act 90-610 and 97-0822, (3) truth-in-billing requirements pursuant to federal rule and IAC 735.70; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

The Company is subject 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; 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.

**Adams Telephone Co-Operative demonstration of ability to function in emergency situations for voice and broadband services:**

Adams Telephone Co-Operative (“Company”) hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup> and Title 83, Chapter I, Sub-Chapter f, Section 730.325 of the Illinois Administrative Code. The Company’s network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. In accordance, and compliance, with Title 83, Chapter I, Sub-Chapter f, Section 730.325 (b), all switching offices or equivalent with installed emergency power generating equipment have a minimum of three (3) hours battery capacity; switching offices or equivalent without installed emergency power generating equipment have a minimum battery capacity of five (5) hours.

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<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to “demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.”

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The company's standby generators and battery back-up support both voice and broadband network equipment should an emergency situation occur.

**Line 1010 – Descriptive document for Voice Services Rate Comparability**

The FCC's Wireline Competition Bureau released a Public Notice announcing the results of its urban rate survey for fixed voice services, which it used to establish the 2014 rate floor benchmark for carriers that receive High Cost Loop Support (HCLS). The survey found that the average urban local rate plus state regulated fees is \$20.46. Using this data collected, it was then calculated by the Wireline Competition Bureau that two standard deviations above this average is \$46.96.

As shown in our uploaded Excel file for Line 700 (340976il700), Adams Telephone Co-Operative's local rate plus state regulated fees is [REDACTED], which is more than the base rate of \$20.46 and less than two standard deviations above this rate of \$46.96, meeting the requirement that its rate is less than two standard deviations above the applicable national average urban rate.



## Lifeline and Link Up Assistance Programs

Adams Telephone Co-Operative is a quality telecommunications services provider who provides basic and enhanced services at reasonable rates within its service territory. Basic services are offered at the following rates:

	<u>Monthly Service Charge</u>
<b>Single Party Residence Service*</b>	\$22.39
<b>Single Party Business Service*</b>	\$22.39
<b>Federal Subscriber Line Charge-Single Line</b>	\$ 6.50
<b>Directory Assistance</b>	65¢
<b>Touch Tone Service</b> - provided as part of local service rate	
<b>Toll Blocking</b> - available at no charge for low income customers that qualify	
<b>Emergency 911 Service</b> - charged according to government assessments	
Access to operator services and interexchange services available	

\*Unlimited local minutes provided as part of the plan.

Low-income individuals eligible for Lifeline and Link-Up telephone assistance programs may be eligible for discounts from these basic local service charges through state specified telephone assistance plans. Lifeline is a government assistance program and is non-transferrable. Only eligible consumers may enroll in the program, and the program is limited to one discount per household.

Basic services are offered to all consumers in the Adams Telephone Co-Operative service territories at the rates, terms and conditions specified in the Cooperative's assessments. If you have any questions regarding Adams Telephone Co-Operative services, please call Adams at 217-696-4411 or visit the business office at 405 Emminga Road, Golden, Illinois.

### Lifeline and Link Up Assistance

Lifeline and Link Up are government programs that make telephone service more affordable for eligible, low-income households.

#### What is Lifeline?

Lifeline is a federal program that provides a monthly \$9.25 discount on telephone service to eligible households. If the eligible consumer voluntarily elects toll-blocking while initiating Lifeline service, a deposit is not required.

#### What is Link Up?

Link Up is a state program that helps pay the installation charge for telephone service.

#### Who is eligible?

To be eligible for the program, you, your dependent, or your household must participate in one of the following programs:

- o Medicaid or Medical Assistance Program
- o Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps
- o Temporary Assistance to Needy Families (TANF)

- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Free Lunch Program

Customers may also qualify for Lifeline if their total household income does not exceed 135% of the Federal Poverty Guidelines.

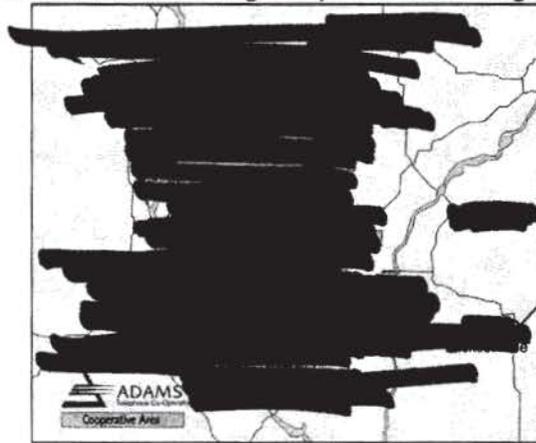
**Are there restrictions?**

The Lifeline and Link Up programs are limited to one benefit per household. Lifeline is non-transferable. Subscribers willfully making false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

**What is the service territory of Adams Telephone Co-Operative?**

Lifeline and Link Up programs are available to eligible customers in the service territory of Adams Telephone Co-Operative, which covers the following telephone exchanges:

Augusta	(217) 392-xxxx
Chambersburg	(217) 327-xxxx
Coatsburg/Paloma	(217) 455-xxxx
Fishhook	(217) 338-xxxx
Golden/LaPrairie	(217) 696-xxxx
Hersman	(217) 289-xxxx
Lima	(217) 985-xxxx
Loraine	(217) 938-xxxx
Mendon	(217) 936-xxxx
Meyer	(217) 647-xxxx
Mindale	(217) 667-xxxx
Plymouth	(309) 458-xxxx
Ursa	(217) 964-xxxx



**How can I apply for the Lifeline and/or Link Up Programs?**

To enroll in Lifeline, please call Adams Telephone Co-Operative at 217-696-4411 or visit the business office at 405 Emming Road, Golden, Illinois.

5-27-14

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

Adams Telephone Co-operative

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.  
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING  
December, 2013

BORROWER DESIGNATION  
IL0518

**CERTIFICATION**

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

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

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

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

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

James Broemmer

3/25/2014

DATE

**PART A. BALANCE SHEET**

ASSETS	BALANCE	BALANCE	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 64.87% % of Total Assets

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

IL0518

PERIOD ENDING

December, 2013

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	[REDACTED]	[REDACTED]
2. Network Access Services Revenues	[REDACTED]	[REDACTED]
3. Long Distance Network Services Revenues	[REDACTED]	[REDACTED]
4. Carrier Billing and Collection Revenues	[REDACTED]	[REDACTED]
5. Miscellaneous Revenues	[REDACTED]	[REDACTED]
6. Uncollectible Revenues	[REDACTED]	[REDACTED]
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	[REDACTED]	[REDACTED]
8. Plant Specific Operations Expense	[REDACTED]	[REDACTED]
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	[REDACTED]	[REDACTED]
10. Depreciation Expense	[REDACTED]	[REDACTED]
11. Amortization Expense	[REDACTED]	[REDACTED]
12. Customer Operations Expense	[REDACTED]	[REDACTED]
13. Corporate Operations Expense	[REDACTED]	[REDACTED]
<b>14. Total Operating Expenses (8 thru 13)</b>	[REDACTED]	[REDACTED]
15. Operating Income or Margins (7 less 14)	[REDACTED]	[REDACTED]
16. Other Operating Income and Expenses	[REDACTED]	[REDACTED]
17. State and Local Taxes	[REDACTED]	[REDACTED]
18. Federal Income Taxes	[REDACTED]	[REDACTED]
19. Other Taxes	[REDACTED]	[REDACTED]
<b>20. Total Operating Taxes (17+18+19)</b>	[REDACTED]	[REDACTED]
21. Net Operating Income or Margins (15+16-20)	[REDACTED]	[REDACTED]
22. Interest on Funded Debt	[REDACTED]	[REDACTED]
23. Interest Expense - Capital Leases	[REDACTED]	[REDACTED]
24. Other Interest Expense	[REDACTED]	[REDACTED]
25. Allowance for Funds Used During Construction	[REDACTED]	[REDACTED]
<b>26. Total Fixed Charges (22+23+24-25)</b>	[REDACTED]	[REDACTED]
27. Nonoperating Net Income	[REDACTED]	[REDACTED]
28. Extraordinary Items	[REDACTED]	[REDACTED]
29. Jurisdictional Differences	[REDACTED]	[REDACTED]
30. Nonregulated Net Income	[REDACTED]	[REDACTED]
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	[REDACTED]	[REDACTED]
32. Total Taxes Based on Income	[REDACTED]	[REDACTED]
33. Retained Earnings or Margins Beginning-of-Year	[REDACTED]	[REDACTED]
34. Miscellaneous Credits Year-to-Date	[REDACTED]	[REDACTED]
35. Dividends Declared (Common)	[REDACTED]	[REDACTED]
36. Dividends Declared (Preferred)	[REDACTED]	[REDACTED]
37. Other Debits Year-to-Date	[REDACTED]	[REDACTED]
38. Transfers to Patronage Capital	[REDACTED]	[REDACTED]
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	[REDACTED]	[REDACTED]
40. Patronage Capital Beginning-of-Year	[REDACTED]	[REDACTED]
41. Transfers to Patronage Capital	[REDACTED]	[REDACTED]
42. Patronage Capital Credits Retired	[REDACTED]	[REDACTED]
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	[REDACTED]	[REDACTED]
44. Annual Debt Service Payments	[REDACTED]	[REDACTED]
45. Cash Ratio [(14+20-10-11) / 7]	[REDACTED]	[REDACTED]
46. Operating Accrual Ratio [(14+20+26) / 7]	[REDACTED]	[REDACTED]
47. TIER [(31+26) / 26]	[REDACTED]	[REDACTED]
48. DSCR [(31+26+10+11) / 44]	[REDACTED]	[REDACTED]

USDA-RUS		BORROWER DESIGNATION IL0518
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		PERIOD ENDED December, 2013
INSTRUCTIONS – See help in the online application.		
<b>PART I – STATEMENT OF CASH FLOWS</b>		
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>2. Net Income</b>		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
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		
<b>13. Net Cash Provided/(Used) by Operations</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)		
<b>23. Net Cash Provided/(Used) by Financing Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
<b>28. Net Cash Provided/(Used) by Investing Activities</b>		
<b>29. Net Increase/(Decrease) in Cash</b>		
<b>30. Ending Cash</b>		

Revision Date 2010

REDACTED - FOR PUBLIC INSPECTION