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AN EQUAL OPPORTUNITY EMPLOYER

September 8, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Supplement to the Comments of the Minnesota Department of Commerce
Docket No. P999/PR-15-08

Dear Mr. Wolf:

On September 4, 2015, the Department submitted comments in the above referenced matter. The Department neglected to include certain attachments with its comments and hereby submits Attachments 1 and 2, Appendix A, and Addenda 1, 2, and 3 to the TRADE SECRET Appendix B, as referenced in the Department's comments.

Sincerely,

/s/ KATHERINE DOHERTY
Rates Analyst

KD/ja
Attachments

Petitioner	Received Date	Study Area Code(s)
ACE TELEPHONE ASSOCIATION	6/25/2015	361346
ALBANY MUTUAL TELEPHONE ASSOCIATION	6/30/2015	361347
ALLIANCE COMMUNICATIONS COOPERATIVE, INC.- HILLS TELEPHONE CO.	7/1/2015	361405;391405;391657
ARROWHEAD COMMUNICATIONS CORPORATION	7/1/2015	361734
ARVIG TELEPHONE COMPANY D/B/A TDS TELECOM	6/29/2015	361350
BARNESVILLE MUNICIPAL TELEPHONE COMPANY	6/26/2015	361353
BENTON COOPERATIVE TELEPHONE COMPANY	6/30/2015	361356
BLUE EARTH VALLEY TELEPHONE COMPANY	6/30/2015	361358
BRIDGE WATER TELEPHONE COMPANY D/B/A TDS TELECOM	6/29/2015	361362
CALLAWAY TELEPHONE COMPANY INC.	7/1/2015	361365
CANNON VALLEY TELECOM INC.	6/30/2015	361440
CENTURYTEL OF CHESTER DBA CENTURYLINK	6/22/2015	351126
CENTURYTEL OF MINNESOTA, INC. DBA CENTURYLINK	6/22/2015	361445
CENTURYTEL OF NORTHWEST WISCONSIN DBA CENTURYLINK	6/22/2015	330950
CHRISTENSEN COMMUNICATIONS	6/30/2015	361425
CITIZENS TELECOMMUNICATIONS COMPANY OF MINNESOTA, LLC	6/18/2015	367123
CLARA CITY TELEPHONE EXCHANGE COMPANY	7/1/2015	361370
CLEMENTS TELEPHONE COMPANY	7/1/2015	361372
CONSOLIDATED TELEPHONE COMPANY	6/30/2015	361373
CROSSLAKE TELEPHONE COMPANY	6/30/2015	361499
DUNNELL TELEPHONE COMPANY	7/1/2015	361381
EAGLE VALLEY TELEPHONE COMPANY	7/1/2015	361383
EAST OTTER TAIL TELEPHONE COMPANY	7/1/2015	361385
EASTON TELEPHONE COMPANY	7/1/2015	361384

ECKLES TELEPHONE COMPANY	7/1/2015	361386
EMBARQ MINNESOTA, INC. DBA CENTURYLINK	6/23/2015	361456
EMILY COOPERATIVE TELEPHONE COMPANY	6/30/2015	361387
FARMERS MUTUAL TELEPHONE COMPANY	7/1/2015	361389
FEDERATED TELEPHONE COOPERATIVE	7/1/2015	361390;361403
FELTON TELEPHONE COMPANY	7/1/2015	361391
FRONTIER COMMUNICATIONS OF MINNESOTA, INC.	6/18/2015	361367
GARDEN VALLEY TELEPHONE COMPANY	6/30/2015	361395
GARDONVILLE COOPERATIVE TELEPHONE	6/30/2015	361396
GRANADA TELEPHONE COMPANY	7/1/2015	361399
HALSTAD TELEPHONE COMPANY	6/30/2015	361401
HARMONY TELEPHONE COMPANY	6/26/2015	361404
HOME TELEPHONE COMPANY	7/1/2015	361408
HUTCHINSON TELEPHONE COMPANY	6/26/2015	361409
INTERSTATE TELECOMMUNICATIONS COOP, INC.	7/1/2015	361654
JOHNSON TELEPHONE COMPANY	6/30/2015	361410
KASSON & MANTORVILLE TELEPHONE COMPANY	6/30/2015	361412
LISMORE COOPERATIVE TELEPHONE COMPANY	6/19/2015	361419
LONSDALE TELEPHONE COMPANY	6/30/2015	3611422
LORETEL SYSTEMS, INC.	7/1/2015	361443
MABEL COOPERATIVE TELEPHONE COMPANY	6/26/2015	361424
MANCHESTER-HARTLAND TELEPHONE COMPANY	6/30/2015	361426
MANKATO CITIZENS TELEPHONE COMPANY	7/2/2015	361427
MELROSE TELEPHONE COMPANY	7/1/2015	361430
MID-COMMUNICATIONS INC	7/1/2015	361375

MID-STATE TELEPHONE COMPANY D/B/A TDS TELECOM	6/29/2015	361433;361413
MIDWEST TELEPHONE COMPANY	7/1/2015	361431
MINNESOTA VALLEY TELEPHONE COMPANY	6/19/2015	361439
NEW ULM TELECOM	6/26/2015	361442
NORTHERN TELEPHONE COMPANY	6/29/2015	361500
OSAKIS TELEPHONE COMPANY	7/1/2015	361448
PARK REGION MUTUAL TELEPHONE COMPANY	6/30/2015	361450
PAUL BUNYAN RURAL TELEPHONE COMPANY	7/1/2015	361451
PINE ISLAND TELEPHONE COMPANY	7/1/2015	361454
POLAR COMMUNICATIONS MUTUAL AID 381614	6/30/2015	381630;381614
QWEST CORPORATION DBA CENTURYLINK QC	6/23/2015	365142
RED RIVER RURAL TELEPHONE ASSOCIATION / DBA RED RIVER COMMUNICA	7/1/2015	381631
REDWOOD COUNTY TELEPHONE COMPANY	7/1/2015	3614172
ROTHSAYTELEPHONE COMPANY	7/1/2015	361474
RUNESTONE TEL ASSN	7/1/2015	361475; 361423
SACRED HEART TELEPHONE COMPANY	7/1/2015	361476
SCOTT RICE-INTEGRA	7/1/2015	361479
SLEEPY EYE TELEPHONE COMPANY	6/26/2015	361483
SPRING GROVE COMMUNICATIONS	6/19/2015	361485
STARBUCK TELEPHONE COMPANY	7/1/2015	361487
THE PEOPLES TELEPHONE COMPANY OF BIGFORK	7/1/2015	361453
T-MOBILE	7/1/2015	369014
TWIN VALLEY-ULEN TELEPHONE COMPANY	7/1/2015	361491
UPSALA COOP TEL ASSN	7/1/2015	361491
VALLEYTELEPHONE COMPANY	6/30/2015	361495

WEST CENTRAL TEL	7/1/2015	361501
WESTERN TELEPHONE COMPANY	6/26/2015	361502
WIKSTROM TEL CO INC	7/1/2015	361505
WILDERNESS VALLEY TELEPHONE COMPANY	6/29/2015	361348
WINDSTREAM LAKEDALE, INC.	6/25/2015	361414;361482
WINNEBAGO COOPERATIVE TELECOM ASSOCIATION	6/29/2015	361337
WINSTED TELEPHONE COMPANY D/B/A TDS TELECOM	6/29/2015	361507
WINTHROP TELEPHONE COMPANY	6/30/2015	361508
WOLVERTON TELEPHONE COMPANY 361512	6/30/2015	361512
WOODSTOCK TELEPHONE COMPANY	6/19/2015	361510
ZUMBROTA TELEPHONE COMPANY	7/1/2015	361515
FARMERS MUTUAL TELEPHONE COMPANY	7/1/2015	369020
FEDERATED TELEPHONE COOPERATIVE	7/1/2015	369021

Lifeline Only ETC	Date filed
AMERICAN BROADBAND AND TELECOMMUNICATIONS COMPANY	7/1/2015
BLUE JAY WIRELESS, LLC	7/1/2015
C-I COMMUNICATIONS, INC.	7/1/2015
BOOMERANG WIRELESS, LLC D/B/A ENTOUCH WIRELESS	6/24/2015
BUDGET PREPAY, INC. D/B/A BUDGET MOBILE	6/30/2015
GLOBAL CONNECTION INC DBA STAND UP WIRELESS	6/29/2015
I-WIRELESS, LLC	6/26/2015
Q LINK WIRELESS, LLC	6/26/2015
SAGE TELECOM COMMUNICATIONS, LLC	7/1/2015
TAG MOBILE, LLC	6/29/2015
TEKSTAR COMMUNICATIONS, INC.	7/1/2015
TELRITE CORPORATION D/B/A LIFE WIRELESS	6/26/2015
TEMPO TELECOM, LLC	7/20/2015
TERRACOM, INC.	6/26/2015
TOTAL CALL MOBILE, INC	6/26/2015
TRACFONE WIRELESS INC.	7/8/2015
VIRGIN MOBILE USA L.P.	6/24/2015
C-I COMMUNICATIONS, INC.	7/1/2015
MIDCONTINENT COMMUNICATIONS	6/26/2015

State of Minnesota
DEPARTMENT OF COMMERCE

Nonpublic
Public

Utility Information Request

TRADE SECRET DOCUMENT

Docket Number: P999/PR-15-08

Date of Request: 8/17/2015

Requested From: Shannon M. Heim
Dykema Gossett, PLLC
90 South 7th St., Suite 4000
Minneapolis, MN 55402
SHeim@dykema.com

Response Due: 9/2/2015

Analyst Requesting Information:

Type of Inquiry: [].....Financial [].....Rate of Return [].....Rate Design
[].....Engineering [].....Forecasting [].....Conservation
[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#1	<p>In the Matter of Annual Certifications Related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support</p> <p>Dunnell Telephone Company's (Dunnell) response to line 700 of its filed Form 481 indicates that [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: center;">TRADE SECRET INFORMATION ENDS.] Please submit a revised response and attachment to line 700. Please also provide current tariff pages to reflect Dunnell's terms and conditions for Lifeline customers.</p> <p><u>Dunnell's response:</u></p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

[TRADE SECRET INFORMATION BEGINS

TRADE SECRET INFORMATION ENDS.]

Additionally, Dunnell submits its current tariff pages for its Lifeline program terms and conditions as Attachment B.

Response by: Shannon M. Heim

Title: Attorney

Department: Dykema Gossett PLLC

Telephone: 612.486.1586

List sources of information:

Kimberly Starr, VNC Enterprises

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Charles Curtis, Aegis Consulting Group

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[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#2	<p>Dunnell's response to line 510 (Service Quality Standards and Consumer Protection Rules) of Form 481 indicates that [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: right;">TRADE</p> <p>SECRET INFORMATION ENDS.] Please file a revised attachment that includes a response to Line 510 that is specific to Dunnell Telephone Company and the Minnesota Public Utilities Commission.</p> <p><u>Dunnell's response:</u> [TRADE SECRET INFORMATION BEGINS</p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

TRADE SECRET INFORMATION ENDS.]

Response by: Shannon M. Heim

Title: Attorney

Department: Dykema Gossett PLLC

Telephone: 612.486.1586

List sources of information:

Kimberly Starr, VNC Enterprises

Morgan Wallace, VNC Enterprises

Charles Curtis, Aegis Consulting Group

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Response Due: 9/2/2015

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[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#3	<p>Please explain why Dunnell's plant-specific operations expenses [TRADE SECRET INFORMATION BEGINS SECRET INFORMATION ENDS.] TRADE</p> <p>Dunnell's response: [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: center;">TRADE SECRET INFORMATION ENDS.]</p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

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SHeim@dykema.com

Response Due: 9/2/2015

Analyst Requesting Information:

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 [].....Engineering [].....Forecasting [].....Conservation
 [].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#4	<p>Please explain why Dunnell's [TRADE SECRET INFORMATION BEGINS SECRET INFORMATION ENDS.] TRADE</p> <p>Dunnell's response: [TRADE SECRET INFORMATION BEGINS INFORMATION ENDS.] TRADE SECRET</p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

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Response Due: 9/2/2015

Analyst Requesting Information:

Type of Inquiry: [].....Financial [].....Rate of Return [].....Rate Design
[].....Engineering [].....Forecasting [].....Conservation
[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#5	<p>Dunnell has received [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: center;">TRADE SECRET INFORMATION ENDS.] Assuming that Dunnell's costs are similar in 2015, does Dunnell anticipate receiving a similar amount of high cost support in 2016?</p> <p><u>Dunnell's response:</u> [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: right;">TRADE SECRET</p> <p>INFORMATION ENDS.]</p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

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SHeim@dykema.com

Response Due: 9/2/2015

Analyst Requesting Information:

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[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#6	<p>Dunnell's service quality improvement plan submitted in 2014 indicated that Dunnell planned to [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: center;">TRADE SECRET INFORMATION ENDS]</p> <p>a. Please describe, with specificity, the proposed improvements and/or upgrades to Dunnell's network as a result of the planned investments, and describe specifically how universal service support was used and will be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended.</p> <p>b. Which years, specifically, are YEARS "1", "2", "3", "4", and "5" reflected in Dunnell's service improvement plan, <i>i.e.</i>, is "Year 1" 2015 or 2014?</p> <p>c. Are these planned investments over and above Dunnell's current and projected operations expenses?</p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

d. Dunnell indicates that in year 2 of the plan it will [TRADE SECRET INFORMATION BEGINS

TRADE SECRET INFORMATION ENDS.]

e. What is meant by [TRADE SECRET INFORMATION BEGINS

TRADE SECRET INFORMATION ENDS.]? Please clarify.

f. What is meant by [TRADE SECRET INFORMATION BEGINS

TRADE SECRET

INFORMATION ENDS.] Please clarify.

g. When did Dunnell complete the [TRADE SECRET INFORMATION BEGINS

TRADE SECRET INFORMATION ENDS.]

h. According to the service quality improvement plan Dunnell plans investment of [TRADE SECRET INFORMATION BEGINS

TRADE SECRET INFORMATION ENDS]?

Dunnell's response:

a. [TRADE SECRET INFORMATION BEGINS

b.

c.

d.

e.

f.

g.

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

h.

TRADE SECRET INFORMATION ENDS.]

Response by: Shannon M. Heim

Title: Attorney

Department: Dykema Gossett PLLC

Telephone: 612.486.1586

List sources of information:

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Response Due: 9/2/2015

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[].....Cost of Service [].....CIP [].....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#7	<p>Dunnell indicated in its 2014 Form 481 that it offered broadband to [TRADE SECRET INFORMATION</p> <p style="text-align: right;">TRADE SECRET</p> <p>INFORMATION ENDS.] In its 2015 Form 481, Dunnell indicates that it [TRADE SECRET INFORMATION BEGINS</p> <p style="margin-left: 40px;">b.</p> <p style="margin-left: 40px;">d.</p> <p style="text-align: right;">TRADE SECRET INFORMATION ENDS.]</p> <p><u>Dunnell's response:</u></p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

a. [TRADE SECRET INFORMATION BEGINS

b.

c.

d.

TRADE SECRET INFORMATION ENDS.]

Response by: Shannon M. Heim

Title: Attorney

Department: Dykema Gossett PLLC

Telephone: 612.486.1586

List sources of information:

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If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
#8	<p>Dunnell has provided a certification [TRADE SECRET INFORMATION BEGINS</p> <p style="text-align: right;">TRADE</p> <p>SECRET INFORMATION ENDS.]</p> <p>c.</p> <p style="text-align: right;">TRADE</p> <p>SECRET INFORMATION ENDS.]</p> <p><u>Dunnell's response:</u></p>

Response by: Shannon M. Heim

List sources of information:

Title: Attorney

Kimberly Starr, VNC Enterprises

Department: Dykema Gossett PLLC

Morgan Wallace, VNC Enterprises

Telephone: 612.486.1586

Charles Curtis, Aegis Consulting Group

a. [TRADE SECRET INFORMATION BEGINS

b.

c.

TRADE SECRET INFORMATION ENDS.]

Response by: Shannon M. Heim

Title: Attorney

Department: Dykema Gossett PLLC

Telephone: 612.486.1586

List sources of information:

Kimberly Starr, VNC Enterprises

Morgan Wallace, VNC Enterprises

Charles Curtis, Aegis Consulting Group

§54.313 Annual reporting requirements for high-cost recipients.

(a) Any recipient of high-cost support shall provide the following, with the information and data required by paragraphs (a)(1) through (7) of this section separately broken out for both voice service and broadband service:

(1) A progress report on its five-year service quality improvement plan pursuant to §54.202(a), including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve service quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled in the prior calendar year. The information shall be submitted at the wire center level or census block as appropriate;

(2) Detailed information on any outage in the prior calendar year, as that term is defined in 47 CFR 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect

(i) At least ten percent of the end users served in a designated service area; or

(ii) A 911 special facility, as defined in 47 CFR 4.5(e).

(iii) Specifically, the eligible telecommunications carrier's annual report must include information detailing:

(A) The date and time of onset of the outage;

(B) A brief description of the outage and its resolution;

(C) The particular services affected;

(D) The geographic areas affected by the outage;

(E) Steps taken to prevent a similar situation in the future; and

(F) The number of customers affected.

(3) The number of requests for service from potential customers within the recipient's service areas that were unfulfilled during the prior calendar year. The carrier shall also detail how it attempted to provide service to those potential customers;

(4) The number of complaints per 1,000 connections (fixed or mobile) in the prior calendar year;

(5) Certification that it is complying with applicable service quality standards and consumer protection rules;

(6) Certification that the carrier is able to function in emergency situations as set forth in §54.202(a)(2);

(7) The company's price offerings in a format as specified by the Wireline Competition Bureau;

(8) The recipient's holding company, operating companies, affiliates, and any branding (a "dba," or "doing-business-as company" or brand designation), as well as universal service identifiers for each such entity by Study Area Codes, as that term is used by the Administrator. For purposes of this paragraph, "affiliates" has the meaning set forth in section 3(2) of the Communications Act of 1934, as amended;

(9) *Beginning July 1, 2013.* To the extent the recipient serves Tribal lands, documents or information demonstrating that the ETC had discussions with Tribal governments that, at a minimum, included:

(i) A needs assessment and deployment planning with a focus on Tribal community anchor institutions;

(ii) Feasibility and sustainability planning;

(iii) Marketing services in a culturally sensitive manner;

(iv) Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes; and

(v) Compliance with Tribal business and licensing requirements. Tribal business and licensing requirements include business practice licenses that Tribal and non-Tribal business entities, whether located on or off Tribal lands, must obtain upon application to the relevant Tribal government office or division to conduct any business or trade, or deliver any goods or services to the Tribes, Tribal members, or Tribal lands. These include certificates of public convenience and necessity, Tribal business licenses, master licenses, and other related forms of Tribal government licensure.

(10) *Beginning July 1, 2013.* A letter certifying that the pricing of the company's voice services is no more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau and Wireless Telecommunications Bureau; and

(11) *Beginning July 1, 2013.* The results of network performance tests pursuant to the methodology and in the format determined by the Wireline Competition Bureau, Wireless Telecommunications Bureau, and Office of Engineering and Technology.

(12) A certification that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.

(b) In addition to the information and certifications in paragraph (a) of this section:

(1) Any recipient of incremental Connect America Phase I support pursuant to §54.312(b) and (c) shall provide:

(i) In its next annual report due after two years after filing a notice of acceptance of funding pursuant to §54.312(b) and (c), a certification that the company has deployed to no fewer than two-thirds of the required number of locations; and

(ii) In its next annual report due after three years after filing a notice of acceptance of funding pursuant to §54.312(b) and (c), a certification that the company has deployed to all required locations and that it is offering broadband service of at least 4 Mbps downstream and 1 Mbps upstream, with latency

sufficiently low to enable the use of real-time communications, including Voice over Internet Protocol, and with usage allowances, if any, associated with a specified price for a service offering that are reasonably comparable to comparable offerings in urban areas.

(2) In addition to the information and certifications required in paragraph (b)(1) of this section, any recipient of incremental Connect America Phase I support pursuant to §54.312(c) shall provide:

(i) In its annual reports due after one, two, and three years after filing a notice of acceptance of funding pursuant to §54.312(c), a certification that, to the best of the recipient's knowledge, the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1 Mbps; and

(ii) In its annual reports due after one, two, and three years after filing a notice of acceptance of funding pursuant to §54.312(c), a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent.

(c) In addition to the information and certifications in paragraph (a) of this section, price cap carriers that receive frozen high-cost support pursuant to §54.312(a) shall provide:

(1) *By July 1, 2013.* A certification that frozen high-cost support the company received in 2012 was used consistent with the goal of achieving universal availability of voice and broadband;

(2) *By July 1, 2014.* A certification that at least one-third of the frozen-high cost support the company received in 2013 was used to build and operate broadband-capable networks used to offer the provider's own retail broadband service in areas substantially unserved by an unsubsidized competitor;

(3) *By July 1, 2015.* A certification that at least two-thirds of the frozen-high cost support the company received in 2014 was used to build and operate broadband-capable networks used to offer the provider's own retail broadband service in areas substantially unserved by an unsubsidized competitor; and

(4) *By July 1, 2016 and in subsequent years.* A certification that all frozen-high cost support the company received in the previous year was used to build and operate broadband-capable networks used to offer the provider's own retail broadband service in areas substantially unserved by an unsubsidized competitor.

(d) In addition to the information and certifications in paragraph (a) of this section, beginning July 1, 2013, price cap carriers receiving high-cost support to offset reductions in access charges shall provide a certification that the support received pursuant to §54.304 in the prior calendar year was used to build and operate broadband-capable networks used to offer provider's own retail service in areas substantially unserved by an unsubsidized competitor.

(e) In addition to the information and certifications in paragraph (a) of this section, any price cap carrier that elects to receive Connect America Phase II model-based support shall provide:

(1) On July 1, 2016 an initial service quality improvement plan that includes a list of the geocoded locations already meeting the §54.309 public interest obligations at the end of calendar year 2015, and the total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2015.

(2) On July 1, 2017 and every year thereafter ending July 1, 2021, a progress report on the company's service quality improvement plan, including the following information:

(i) A certification that it is meeting the interim deployment milestones as set forth;

(ii) The number, names, and addresses of community anchor institutions to which the eligible telecommunications carrier newly began providing access to broadband service in the preceding calendar year;

(iii) A list of the geocoded locations to which the eligible telecommunications carrier newly deployed facilities capable of delivering broadband meeting the §54.309 public interest obligations with Connect America support in the prior year. The final progress report filed on July 1, 2021 must include the total number and geocodes of all the supported locations that a price cap carrier has built out to with service meeting the §54.309 public interest obligations;

(iv) The total amount of Phase II support, if any, the price cap carrier used for capital expenditures in the previous calendar year; and

(v) A certification that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries (as described in §54.501) located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings.

(3) On July 1, 2018, a certification that the recipient offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017.

(4) On July 1, 2019, a certification that the recipient offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018.

(5) On July 1, 2020, a certification that the recipient offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019.

(6) On July 1, 2021, a certification that the recipient offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020.

(f) In addition to the information and certifications in paragraph (a) of this section, any rate-of-return carrier shall provide:

(1) *Beginning July 1, 2015*. A progress report on its five-year service quality plan pursuant to §54.202(a) that includes the following information:

(i) A letter certifying that it is taking reasonable steps to provide upon reasonable request 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 comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time;

(ii) The number, names, and addresses of community anchor institutions to which the ETC newly began providing access to broadband service in the preceding calendar year; and

(iii) For rate-of-return carrier recipients of high-cost support, a certification that it bid on category one telecommunications and Internet access services in response to all reasonable requests in posted FCC Form 470s seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries (as described in §54.501) within its service area, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings.

(2) *Privately held rate-of-return carriers only.* A full and complete annual report of the company's financial condition and operations as of the end of the preceding fiscal year.

(i) Recipients of loans from the Rural Utility Service (RUS) shall provide copies of their RUS Operating Report for Telecommunications Borrowers as filed with the RUS. Such carriers must make their underlying audit and related workpapers and financial information available upon request by the Commission, USAC, or the relevant state commission, relevant authority in a U.S. Territory, or Tribal government, as appropriate.

(ii) All privately held rate-of-return carriers that are not recipients of loans from the RUS and whose financial statements are audited in the ordinary course of business must provide either: A copy of their audited financial statement; or a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, accompanied by a copy of a management letter issued by the independent certified public accountant that performed the company's financial audit. A carrier choosing the latter option must make its audit and related workpapers and financial information available upon request by the Commission, USAC, or the relevant state commission, relevant authority in a U.S. Territory, or Tribal government, as appropriate.

(iii) All other privately held rate-of-return carriers must provide either: A copy of their financial statement which has been subject to review by an independent certified public accountant; or a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, with the underlying information subjected to a review by an independent certified public accountant and accompanied by an officer certification that: The carrier was not audited in the ordinary course of business for the preceding fiscal year; and that the reported data are accurate. If the carrier elects the second option, it must make the review and related workpapers and financial information available upon request by the Commission, USAC, or the relevant state commission, relevant authority in a U.S. Territory, or Tribal government, as appropriate.

(g) *Areas with No Terrestrial Backhaul.* Carriers without access to terrestrial backhaul that are compelled to rely exclusively on satellite backhaul in their study area must certify annually that no terrestrial backhaul options exist. Any such funding recipients must certify they offer broadband service at actual speeds of at least 1 Mbps downstream and 256 kbps upstream within the supported area served by satellite middle-mile facilities. To the extent that new terrestrial backhaul facilities are constructed, or existing facilities improve sufficiently to meet the relevant speed, latency and capacity requirements then in effect for broadband service supported by the CAF, within twelve months of the new backhaul facilities becoming commercially available, funding recipients must provide the certifications required in

paragraphs (e) or (f) of this section in full. Carriers subject to this paragraph must comply with all other requirements set forth in the remaining paragraphs of this section.

(h) *Additional voice rate data.* (1) All incumbent local exchange carrier recipients of high-cost support must report all of their rates for residential local service for all portions of their service area, as well as state fees as defined pursuant to §54.318(e), to the extent the sum of those rates and fees are below the rate floor as defined in §54.318, and the number of lines for each rate specified. Carriers shall report lines and rates in effect as of June 1.

(2) In addition to the annual filing, local exchange carriers may file updates of their rates for residential local service, as well as state fees as defined pursuant to §54.318(e), on January 2 of each year. If a local exchange carrier reduces its rates and the sum of the reduced rates and state fees are below the rate floor as defined in §54.318, the local exchange carrier shall file such an update. For the update, carriers shall report lines and rates in effect as of December 1.

(i) All reports pursuant to this section shall be filed with the Office of the Secretary of the Commission clearly referencing WC Docket No. 14-58, with the Administrator, and with the relevant state commissions or relevant authority in a U.S. Territory, or Tribal governments, as appropriate.

(j) *Filing deadlines.* (1) In order for a recipient of high-cost support to continue to receive support for the following calendar year, or retain its eligible telecommunications carrier designation, it must submit the annual reporting information required by this section annually by July 1 of each year. Eligible telecommunications carriers that file their reports after the July 1 deadline shall receive a reduction in support pursuant to the following schedule:

(i) An eligible telecommunications carrier that files after the July 1 deadline, but by July 8, will have its support reduced in an amount equivalent to seven days in support;

(ii) An eligible telecommunications carrier that files on or after July 9 will have its support reduced on a pro-rata daily basis equivalent to the period of non-compliance, plus the minimum seven-day reduction.

(2) *Grace period.* An eligible telecommunications carrier that submits the annual reporting information required by this section after July 1 but before July 5 will not receive a reduction in support if the eligible telecommunications carrier and its holding company, operating companies, and affiliates as reported pursuant to paragraph (a)(8) of this section have not missed the July 1 deadline in any prior year.

(k) This section does not apply to recipients that solely receive support from the Phase I Mobility Fund.

[76 FR 73873, Nov. 29, 2011, as amended at 77 FR 14302, Mar. 9, 2012; 77 FR 30914, May 24, 2012; 78 FR 22201, Apr. 15, 2013; 78 FR 29656, May 21, 2013; 78 FR 3843, Jan. 17, 2013; 78 FR 38233, June 26, 2013; 79 FR 11336, Feb. 28, 2014; 79 FR 39189, July 9, 2014; 80 FR 4477, Jan. 27, 2015;]

Effective Date Notes: 1. At 77 FR 14302, Mar. 9, 2012, §54.313 was amended by revising paragraphs (a)(9) introductory text and (f)(2). These paragraphs contain information collection and recordkeeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

2. At 79 FR 11336, Feb. 28, 2014, §54.313 was amended by revising paragraphs (e)(1), (e)(2) and (e)(3) introductory text. These paragraphs contain information collection and recordkeeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

3. At 80 FR 4476, Jan. 27, 2015, §54.313 was amended by adding paragraph (a)(12) and revising paragraph (e). These paragraphs contain information collection and record keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

4. At 80 FR 5987, Feb. 4, 2015, §54.313 was amended by revising paragraphs (e)(2)(iii) and (iv), adding paragraph (e)(2)(v), revising paragraphs (f)(1)(i) and (ii), and revising paragraph (f)(1)(iii). These paragraphs contain information collection and recordkeeping requirements and will not become effective until approval have been given by the Office of Management and Budget.