

Attachments

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

RC Technologies (“the Cooperative”) complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its local exchange tariff, which is approved by the South Dakota Public Utilities Commission (“South Dakota PUC”). The tariff contains provisions regarding the Cooperative’s customer service and protection practices.

Service quality standards for voice service are established by the South Dakota PUC. The Cooperative consistently meets or exceeds those standards and provides reports to the South Dakota PUC, in accordance with the South Dakota PUC’s rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a “best effort” service and are dependent upon a number of variables, many of which are outside the control of the Cooperative. The Cooperative also complies with the FCC’s Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require the Cooperative to publicly disclose information regarding its network management practices, performance, and the commercial terms of its broadband services.

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

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

Finally, the Cooperative has a policy and established operating procedures that comply with the FCC’s Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011).

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

RC Technologies (“the Cooperative”) is able to function in emergency situations for both voice and broadband service. The Cooperative can ensure functionality without an external power source. All of the Cooperative’s digital loop carriers’ (DLCs) remote locations and central offices have an eight hour battery backup system. The Cooperative has a fixed generator at its central offices and portable generators for its remote DLCs.

The Cooperative uses a 10 Gig Ethernet ring throughout its network. It also uses an OC48 ring shared with adjoining companies. These provide diverse routing in case of a cable splice or other outage. The same local loop serves both broadband and voice services.

The Cooperative has adequate switching facilities to manage traffic spikes resulting from emergency situations. It can take reasonable steps to reroute traffic or add capacity to manage traffic spikes throughout its network as emergency situations require. Broadband bandwidth is monitored on a regular basis. If usage peaks near the allotted bandwidth, the Cooperative can add additional bandwidth as needed.

LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION

A portion of RC Technologies' ("the Cooperative") study area is on the tribal lands of the Sisseton Wahpeton Oyate tribe. In 2016, the Cooperative sent a letter via certified mail to the Sisseton Wahpeton Oyate tribal government seeking to engage on the issues set forth in Sec. 54.313(a)(9) of the FCC's rules. The letter was sent on June 30, 2016 and received by the tribe on July 5, 2016. The letter and certified mail receipt are attached.

To date, there has not been a response from the Sisseton Wahpeton Oyate tribal government. The Cooperative will continue its outreach to the tribal government and is prepared to discuss with them the issues delineated in Sec. 54.313(a)(9).



RC TECHNOLOGIES

Telephone / Digital Cable TV / High Speed Internet
Home Automation / Networking

June 20, 2016

Sisseton-Wahpeton Oyate
PO Box 509
Agency Village, SD 57262-0509

Dear Chairman Flute:

The Federal Communications Commission (FCC), as part of its 2012 Order reforming the federal universal service mechanisms related to telecommunications and information services, adopted new “Tribal Engagement” provisions that are intended to improve communications and foster a greater understanding between service providers and Tribal entities of the factors necessary to deploy and sustain telecommunication services on Tribal lands. *See* FCC Public Notice, Office of Native Affairs and Policy, Wireless Telecommunications Bureau, and Wireline Competition Bureau Issue Further Guidance on Tribal Engagement Obligation Provisions of the Connect America Fund DA 12-1165, released July 19, 2012.

Pursuant to the FCC’s rules related to Tribal Engagement RC Technologies would, as soon as possible, like to begin discussions with Sisseton-Wahpeton Oyate in a manner consistent with the FCC rules. Accordingly, we would request a meeting with the Tribe and it is our hopes that this meeting could be held sometime prior to the end of October, 2016. The purpose of this meeting will , generally, be to exchange information related to the deployment and provisioning of communications services on Tribal Lands.

While RC Technologies leaves to your discretion attendees from the tribe at this requested meeting, it is important that at least some of the tribal representative attendees at the meeting are “decision makers”, as this can change the perspectives of the discussions. RC Technologies asks that Sisseton-Wahpeton Oyate provide a name and contact information for a Tribal representative who can assist in scheduling and arranging a meeting with the appropriate Tribal government staff and leaders to discuss deployment and sustainability of telecommunications services on Tribal lands. This information may be provided to the undersigned by calling (605) 637-5211 and ask for Scott Bostrom, or thru email directed to sbostrom@tnics.com.

Thank you for your cooperation in this matter. We look forward to discussing these important matters with you.

Sincerely,
Scott Bostrom, General Manager, RC Technologies

SISSETON-WAHPETON OYATE
 PO BOX 509
 AGENCY VILLAGE, SD 57262-0509

June 30, 2016

CERTIFIED MAIL # 7014 3490 0002 1169 1983
 9590 9402 1206 5246 2393 41

FORM 481 TRIBAL FILING
 RC TECHNOLOGIES

7014 3490 0002 1169 1983

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To <u>Sisseton-Wahpeton Oyate</u>	
Street & Apt. No., or PO Box No. <u>PO Box 509</u>	
City, State, ZIP+4 <u>Agency Village, SD 57262</u>	
PS Form 3800, July 2014 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <u>Tillene Miller</u> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Arlene Miller</u> C. Date of Delivery <u>7/5/16</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>																
<p>1. Article Addressed to:</p> <p><u>Sisseton-Wahpeton Oyate</u> <u>PO Box 509</u> <u>Agency Village, SD 57262</u></p>  <p>9590 9402 1206 5246 2393 41</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
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<p>2. Article Number (Transfer from service label)</p> <p><u>7014 3490 0002 1169 1983</u></p>																	
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt																

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau’s 2017 reasonable comparability benchmark for voice services is \$49.51, which includes the federal subscriber line charge (“SLC”).¹

In all of the exchanges served by RC Technologies (“the Cooperative”), the single-line residential local rate in effect as of January 1, 2017 was \$18.00. When the federal SLC (\$6.50) is included, the total rate was \$24.50. Therefore, the Cooperative’s pricing of fixed voice services is less than the reasonable comparability benchmark of \$49.51.

¹ *Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations*, Public Notice, WC Docket No. 10-90, 32 FCC Rcd 1358 (2017).

LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY

As of January 1, 2017, RC Technologies was charging a residential rate of \$59.95 for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than \$77.98, which is the 2017 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.¹

¹ *Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations*, Public Notice, WC Docket No. 10-90, 32 FCC Rcd 1358 (2017).

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Residential customers of RC Technologies (“the Company”) residing on non-Tribal lands who qualify for the Lifeline Program receive a federal discount of \$9.25 on local voice telephony service. Residential Lifeline customers of the Company residing on Tribal lands receive a discount of \$24.50 on local voice telephony service (\$9.25 federal discount + additional \$15.25 federal discount).

Throughout the Company’s study area, the Lifeline single-line residential rate for non-Tribal customers, including the federal subscriber line charge (“SLC”), is \$15.25 (\$24.50 standard rate - \$9.25 discount). The Lifeline single-line residential rate for customers residing on Tribal lands, including the federal SLC, is \$0.90 (\$24.50 standard rate - \$23.60 discount).

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

For calls outside of the local calling area, Lifeline customers may subscribe to long distance service offered by RC Long Distance at non-discounted rates. Customers may choose from several plans: (1) 90 minutes for \$8.00/month, (2) 200 minutes for \$15.00/month, or (3) \$.14/min. Lifeline customers may also choose another long distance carrier. Customers may elect to subscribe to toll blocking at no charge.

Lifeline Program reductions do not apply to additional services such as custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Lifeline customers may subscribe to any service bundle offered by the Company that includes voice telephony service and will receive the applicable Lifeline discount off the regular price of the bundle.

Additional information regarding the terms and conditions of voice telephony Lifeline plans can be found at <http://www.tnics.com/services/telephone/telephone-assistance/>

LINE 3010 – CERTIFICATION OF PUBLIC INTEREST OBLIGATIONS

RC Technologies (“the Cooperative”) hereby certifies that the Cooperative has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 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, and that requests for such service were met within a reasonable amount of time.

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

SD0519

PERIOD ENDING

December, 2016

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

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>BORROWER DESIGNATION SD0519</p> <p>PERIOD ENDED December, 2016</p>
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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
New Effington	26.00	18.00					
Claire City	26.00	18.00					
Summit	26.00	18.00					
Veblen	26.00	18.00					
Peever	26.00	18.00					
Wilmot	26.00	18.00					
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	6						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0519
	PERIOD ENDING December, 2016

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 391674 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
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PART F. FUNDS INVESTED IN PLANT DURING YEAR

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

PART G. INVESTMENTS IN AFFILIATED COMPANIES

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

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION SD0519</p> <hr/> <p>PERIOD ENDING December, 2016</p>
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PART H. CURRENT DEPRECIATION RATES

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

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

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0519
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2016
PART I – STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3.	Add: Depreciation
4.	Add: Amortization
5.	Other (Explain) Aud Adj to tie
<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
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable
15.	Increase/(Decrease) in Notes Payable
16.	Increase/(Decrease) in Customer Deposits
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital
20.	Less: Payment of Dividends
21.	Less: Patronage Capital Credits Retired
22.	Other (Explain)
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)
25.	Other Long-Term Investments
26.	Other Noncurrent Assets & Jurisdictional Differences
27.	Other (Explain)
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>SD0519</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2016</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	
<p>This is audited data, and coincides to the pro-forma in place for the RUS loan application.</p>	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0519
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2016
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	