

**SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
LIFELINE/LINK UP ADVERTISING/OUTREACH
ANNUAL REPORT
JUNE 1, 2008**

Company: Hills Telephone Company, Inc.
dba Alliance Communications

Address: 612 3rd Street
PO Box 349
Garretson, SD 57030

Telephone number: (605)594-3411

Company contact: Shirley Flanagan or Amy Ahlers

Study Area Code: 391405

Lifeline/Link Up Advertising/Outreach Activities:

- Advertise in media of general distribution.* (See attached advertisement(s).)
- Letter to existing and new customers regarding the availability of Lifeline/Link Up.* (See attached letter.)
- Company's Lifeline/Link Up information in directory.
- Company's Lifeline/Link Up information available on Company website. (www.alliancecom.net)
- Company's information posted on USAC website.
- Other (describe): Alliance does not publish its own directory. The Information is published by DEX.

*Required



Dear customer:

Lifeline, Link Up and Toll Limitation Service support provide discounts to eligible low-income consumers to help them establish and maintain telephone service. **Note:** Telecommunications carriers cannot charge a Lifeline customer federal USF fees on the local service portion of their telephone bill.

What type of discount is available?

Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive discounts of \$6.50 and \$1.75 each month.

Link Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50 percent discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200.

Toll Limitation Service (TLS) support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

How do I know whether I am eligible?

Eligibility for Lifeline, Link Up and TLS support varies by state. Individuals who reside in states that have their own discount programs qualify for federal Lifeline, Link Up and TLS support if they meet the eligibility criteria established by their state. In states that do not provide state support, an individual is eligible if he or she participates in one of the following programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance or Section 8
- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program's free lunch program

See reverse side for more information.

Speak and you'll be heard.

In addition, a consumer may be eligible if his or her household income is at or below 135 percent of the federal poverty guidelines:

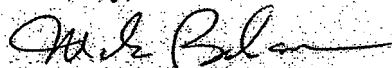
**2006 Estimated Income Requirements for a Household
at or Below 135% of the Federal Poverty Guidelines**

Persons in Family Unit	48 Contiguous States and D.C	Alaska	Hawaii
1	\$13,230	\$16,538	\$15,215
2	\$17,820	\$22,275	\$20,493
3	\$22,410	\$28,013	\$25,772
4	\$27,000	\$33,750	\$31,050
5	\$31,590	\$39,488	\$36,329
6	\$36,180	\$45,225	\$41,607
7	\$40,770	\$50,963	\$46,886
8	\$45,360	\$56,700	\$52,164
For each additional person, add	\$4,590	\$5,738	\$5,279

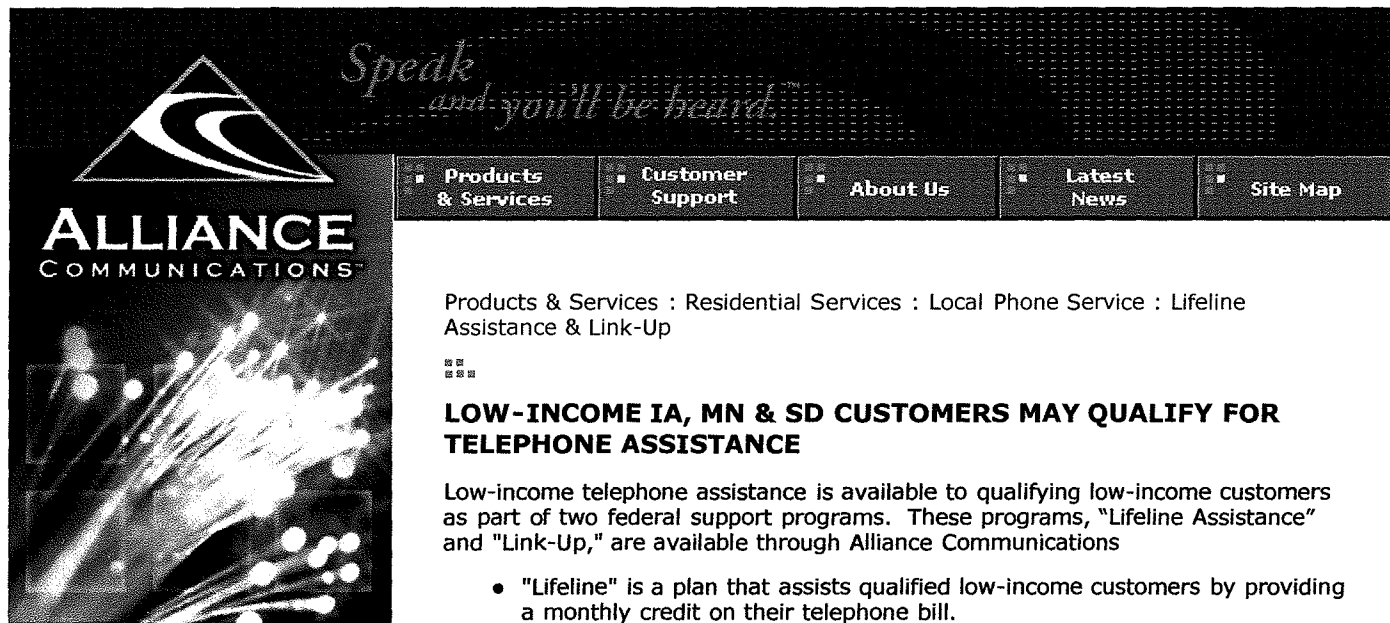
How do I apply to receive Lifeline, Link Up and TLS support discounts?

To apply for Lifeline, Link Up and TLS discounts, please contact Alliance Communications by dialing 611 from any phone with local phone service from Alliance or call 1-800-701-4980.

Sincerely,



Mark Bahnson
Office Manager



Speak and you'll be heard.

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ALLIANCE COMMUNICATIONS

Products & Services : Residential Services : Local Phone Service : Lifeline Assistance & Link-Up

■ ■ ■

LOW-INCOME IA, MN & SD CUSTOMERS MAY QUALIFY FOR TELEPHONE ASSISTANCE

Low-income telephone assistance is available to qualifying low-income customers as part of two federal support programs. These programs, "Lifeline Assistance" and "Link-Up," are available through Alliance Communications

- "Lifeline" is a plan that assists qualified low-income customers by providing a monthly credit on their telephone bill.
- "Link-Up" is an assistance plan that helps qualified low-income customers pay for the installation of basic telephone service by reducing connection charges by 50 percent, or \$30, whichever is less.

Another feature of the Lifeline program enables qualified applicants to avoid paying a service deposit if they voluntarily agree to have long distance calling blocked from their telephone.

"This telephone assistance plan is available to qualified customers," said Mark Bahnson, Office Manager for Alliance Communications. "Alliance Communications wants to let low-income customers know about these programs, and encourage those eligible customers to apply."

Customers whose income is at or below 135 percent of the Federal Poverty Guidelines are eligible for telephone assistance. Additionally, customers who participate in one or more of the following programs are eligible for telephone assistance:

- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance
- Low-Income Home Energy Assistance Program (LIHEAP)
- Temporary Assistance to Needy Families Program (TANF)
- National School Lunch Program (NSL)

To apply for either or both of these low-income telephone assistance plans, applicants should submit an application to Alliance Communications. Application forms can be obtained from Alliance Communications office in Brandon, Baltic or Garretson or at local and county offices of the Department of Human Services, Area Agency on Aging, and the Community Action Program offices of the Department of Human Rights. You may also download the application in PDF format by clicking [here](#).

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■ ■ ■

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Order High-Speed Now. Now get hooked up for FREE! [Click Here](#)

Notice to all Alliance Communications customers

Changes brought about by the Federal Telecommunications Act of 1996 have resulted in low-income assistance programs. Telephone companies are authorized to provide its customers with telephone assistance programs that were developed in response to concerns about the affordability of telephone service for low-income citizens.

What assistance is available?

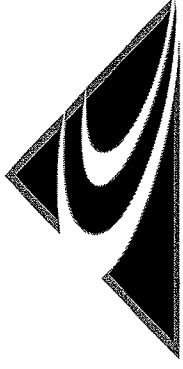
- The **Lifeline** program provides reduced monthly charges to telephone subscribers who qualify.
- The **Link-Up** program provides reduced connection charges to telephone subscribers who qualify.
- The **Telephone Assistance Program**, offered through the State of Minnesota, provides a monthly discount on telephone service for *Minnesota* residents who qualify.

Who is eligible?

Telephone service must be in the applicant's name. The applicant must participate in at least one of the following public assistance programs to be eligible:

Food Stamps, Federal Housing Assistance, Low Income Home Energy Assistance, Medicaid, National School Lunch Program, Minnesota Family Investment Program, Supplemental Security Income, Temporary Assistance to Needy Families Program or have an income at or below 135 percent of the Federal Poverty Guidelines.

Customers should call their local telephone company for more information or to receive an application. Alliance Communications customers should dial 611.



ALLIANCE
COMMUNICATIONS

**2007 Annual Notices
to All Customers**

Annual Notices

Low-income assistance available

Changes brought about by the Federal Telecommunications Act of 1996 have resulted in low-income assistance programs. Low-income subscribers may qualify to receive reduced monthly and installation charges for basic telephone service. Details regarding Lifeline, Link-Up and the Telephone Assistance Program are included in this notice.

You will be required to sign and submit an application that certifies under penalty of perjury that you, in fact, qualify for Lifeline, Link-Up or TAP benefits, and if you become ineligible, you will notify Alliance Communications. Please read this material carefully. If you have any questions regarding these programs, please call Alliance Communications by dialing 611.

Who is eligible for low-income assistance?

Telephone service must be in the applicant's name. The applicant must participate in at least one of the following public assistance programs to be eligible:

- National School Lunch Program
- Medicaid (e.g. Title XIX/Medical, State Supplemental Assistance)
- Supplemental Security Income
- Temporary Assistance for Needy Family or Minn. Family Investment Program
- Federal Public Housing Assistance
- Have an income at or below 135% of the Federal Poverty Guidelines
- Low-Income Home Energy
- Food Stamps

What do the programs provide?

Lifeline provides eligible subscribers with a credit each month on the basic service portion of their telephone bill. The credit applies on the main telephone line listed in the name of the eligible

telephone company subscriber. Lifeline subscribers may also receive blocking of long distance calls on their telephone at no charge.

Link-Up provides eligible subscribers with reduced connection charges for their basic home telephone service. This reduction is 50 percent of the applicable charges or \$30.00, whichever is less. Link-Up also provides for deferred payment of connection charges without interest. It does not cover the cost of wiring inside your home and is limited to one time per home address per subscriber.

The **Telephone Assistance Program (TAP)** is available for Minnesota residents and is designed to make telephone service accessible to qualifying low-income residential households. Through this program, eligible households will receive a monthly discount on their telephone service.

How do I apply?

Federal law requires Alliance Communications to verify that you are eligible to receive the Lifeline, Link-Up or TAP credits on your telephone bill. To apply, Alliance needs you to do the following:

1. Fill out an application form. Dial 611 to receive an application, or go to www.alliancecom.net/pdf/Lifeline_App.pdf.
2. Provide proof that you are eligible for the Lifeline, Link-Up or TAP programs. You will need to photocopy any cards or other documentation that proves you are eligible to receive the credits. You also may stop by our Baltic, Brandon or Garretson office with your completed form and proof of eligibility, and we will make a photocopy of your proof of eligibility for you.
IMPORTANT: Participating in Medicare does NOT qualify you for the Lifeline, Link-Up or TAP credits.
3. Return the form and your proof of eligibility to Alliance Communications, P.O. Box 349, Garretson, SD 57030. Or you can stop by our Baltic, Brandon or Garretson office if that is more convenient.

Could I become ineligible?

When you no longer participate in any of the qualifying public assistance programs, you are no longer eligible for Lifeline,

Link-Up or TAP. You are obligated by law to advise Alliance Communications that you are ineligible.

For more information

If you have questions, contact Alliance Communications by dialing 611.

Statement of Nondiscrimination

Alliance Communications is the recipient of federal financial assistance from the Rural Electrification Administration, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture, which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Don Snyders, general manager. The U.S. Department of Agriculture prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call 1-800-795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Information from Alliance Communications

Alliance Communications respects your privacy and observes the privacy rules established by the Federal Communications Commission and other telecom oversight agencies.

Alliance Communications will never sell your account information or provide details of your telephone calls to other parties, unless required by law enforcement.

From time to time, however, we would like to notify you of additional products available from us outside the existing business relationship we have with you. For example, if you have our local voice service, you may be interested to learn about specials on our cable television service. However, you have the right, under federal law, to be excluded from these special notifications.

If it is acceptable to receive information about additional products and services, you need to do nothing. However, if you prefer to be excluded from these notifications, please call the business office by dialing 1-888-271-0717 and leave a message or e-mail us at cpni@alliancecom.net within 30 days of your receipt of this notice, and we will screen you from all targeted notifications for the next two years. Your Alliance Communications service is not impacted by this notification.

Do Not Call Registry relieves you and your loved ones from telemarketers

The National Do Not Call Registry has been established to offer you a choice about receiving telemarketing calls at home. Registering will stop most telemarketing calls, but it will not stop calls from political organizations, charities and companies conducting surveys or companies with whom you have done business within the last 18 months.

Consumers can register their landline and wireless numbers, but the registry does not cover business numbers. The number will be on the Do Not Call list the day after registration; however, telemarketers have up to 31 days to remove the number from their call lists. Registration is effective for five years, and a number can be

removed from the list at any time. You may register up to three numbers at one time if registering on the Internet. If registering via telephone, you can register only one number at a time, and you must call from the telephone number you are registering.

To register or remove a number from the Do Not Call Registry, call 1.888.382.1222. For TTY call 1.866.290.4236, or register on the Internet at www.donotcall.gov.

Additional information can be obtained at www.donotcall.gov.

Relay South Dakota

Relay South Dakota provides telephone accessibility to people who are deaf, hard-of-hearing or speech-disabled. Relay South Dakota is available 24 hours a day, 365 days a year, with no restrictions on the length or number of calls placed. Relay South Dakota provides state-of-the-art technology, a full range of features and highly trained, professional communication assistants to ensure that users are able to communicate easily and effectively every time they place a relay call. All calls are strictly confidential, and no records of any conversations will be maintained. Use Relay South Dakota when you need to be heard and be understood on the phone.

What equipment do I need to use South Dakota Relay?

The most common telephone device used to make a relay call is a TTY (text telephone). There are other telephone devices available, depending on the type of relay services used. South Dakota residents who are deaf, hard of hearing, deaf-blind or speech-disabled are eligible to receive specialized telephone equipment through the equipment Distribution Program at CSD at minimal or no cost. For more information on how to obtain specialized telephone equipment in your area, call toll free 866-246-5759 (v/tty).

Relay Minnesota

Phone your family, friends or vital services even if you have a hearing, speech or physical disability.

Minnesota Relay provides free and full telephone accessibility to anyone who is hard of hearing, deaf or speech disabled.

To make a relay call, dial 711 or 1-800-627-3529

For more information on the variety of services offered through Minnesota Relay, call 1-651-602-9005 or 1-800-657-3775 (voice/TTY), or go to www.commerce.state.mn.us.

Minnesota Telephone Equipment Distribution Program

The Telephone Equipment Distribution (TED) Program provides free assistive phone equipment such as amplified phones, captioned phones, TTYs (text-telephones), TTYs with telebraille or large visual displays, speaker phones, hands-free dialing equipment, and signaling devices to income eligible persons who have difficulty using the phone due to hearing, speech, vision or physical disabilities.

For more information

800-657-3663

TTY: 888-206-6555

ted.program@state.mn.us

www.tedprogram.org

Minnesota Relay and the Telephone Equipment Distribution Program are administered by the Minnesota Department of Commerce Telecommunications Access Minnesota (TAM) and funded by a telephone surcharge.

Relay Iowa

The State of Iowa offers an important public service called Relay Iowa. Relay Iowa is for everyone, including the thousands of people who are deaf, hard of hearing, deaf-blind or speech impaired. Relay Iowa is a program of the Iowa Utilities board and ensures all citizens have access to convenient, reliable services that enable them to communicate by telephone.

How does relay work?

Dial 7-1-1 from any phone in Iowa or the appropriate toll-free number below to connect to Relay Iowa. Give the communication assistant the area code and number you want to call. During a relay call, the communication assistant will voice everything typed by the TTY user and type everything said by the telephone user. Calls handled by Relay Iowa are held strictly confidential.

What is CapTel?

CapTel is ideal for people with some degree of hearing loss and who can speak clearly. CapTel works like any other telephone with one important addition: it displays every word the caller says throughout the entire conversation. CapTel users can listen to the caller and read the captions on the display window built into the CapTel phone.

How do I apply for specialized equipment?

The Iowa Equipment Distribution Program called Telecommunication Access Iowa helps pay for specialized equipment for Iowa residents who are deaf, hard of hearing or speech impaired. Qualified individuals can receive a voucher for approximately 95 percent of the average cost of specialized telephone equipment. To apply online, go to www.relayiowa.com/tai/ or call 1-800-606-5099 V/TTY.

Dial 7-1-1 OR

TTY: 1-800-735-2942

Voice: 1-800-735-2943

VCO: 1-800-735-4313

Speech to Speech: 1-877-735-1007

Spanish: 1-800-264-7190

Customer Service:

1-888-516-4692 TTY/Voice

iarelay@hamiltonrelay.com

www.hamiltonrelay.com

Low Income Assistance Available

Changes brought about by the Federal Telecommunications Act of 1996 have resulted in low-income assistance programs. Low-income subscribers may qualify to receive reduced monthly and installation charges for basic telephone service.

What do the programs provide?

Lifeline provides eligible subscribers with a credit each month on the basic service portion of their telephone bill. The credit applies on the main telephone line listed in the name of the eligible telephone company subscriber. Lifeline subscribers may also receive blocking of long distance calls on their telephone at no charge.

Link-Up provides eligible subscribers with reduced connection charges for their basic home telephone service. This reduction is 50 percent of the applicable charges or \$30.00, whichever is less. Link-Up also provides for deferred payment of connection charges without interest. It does not cover the cost of wiring inside your home and is limited to one time per home address per subscriber.

The Telephone Assistance Program (TAP) is available for Minnesota residents and is designed to make telephone service accessible to qualifying low-income residential households. Through this program, eligible Minnesota households will receive a monthly discount on their telephone service.

Who is eligible?

Applicants must meet income eligibility requirements. See the reverse side of this form for a list of qualifications. **Telephone service must be in the applicant's name.**

How do I apply?

1. Complete the form on the reverse side of this page.
2. Provide proof that you are eligible. Federal law requires Alliance Communications to verify that you are eligible for the programs. Photocopy any cards or other documentation that proves you qualify. You also may stop by our Baltic, Brandon or Garretson office with your completed form and proof of eligibility, and we will make a photocopy of your proof of eligibility for you.

IMPORTANT: Participating in Medicare does NOT qualify you for the programs.

3. Return your proof as soon as possible. Again, you can stop by our Baltic, Brandon or Garretson office if that is more convenient for you. You also can mail your form and proof of eligibility to Alliance Communications, PO Box 349, Garretson, SD 57030.

Could I become ineligible?

When you no longer meet income eligibility requirements, you no longer qualify for Lifeline, Link-Up or TAP. You are obligated by law to advise Alliance Communications that you are ineligible.

Where can I get more information?

Contact Alliance Communications by dialing 611 or 1-800-701-4980.

Lifeline, Link-Up and TAP Assistance Application

(Please print)

Name

(Last)

(First)

(Middle)

Street Address

(Street)

(City)

(State)

(Zip)

Mailing Address

if different from above

(Address)

(City)

(State)

(Zip)

Telephone # if you have service (MUST be in your name): ()

Number where you can be reached or receive messages: ()

Please answer the following questions (check appropriate lines):

1. I am applying for:

- Lifeline monthly telephone service discount
- Link-Up telephone connection charge discount
- TAP monthly telephone service discount for Minnesota residents

2. I am currently participating in the following program(s). Check all that apply and attach proof.

- | | |
|--|---|
| <input type="checkbox"/> National School Lunch Program | <input type="checkbox"/> Medicaid (Title XIX/Medical, State Supplemental Assist.) |
| <input type="checkbox"/> Supplemental Security Income | <input type="checkbox"/> Temporary Assistance for Needy Family or Minn. Family Investment Program |
| <input type="checkbox"/> Low-Income Home Energy | <input type="checkbox"/> Food Stamps |
| <input type="checkbox"/> Federal Public Housing Assistance | |

If you do not receive benefits from any of the programs listed above BUT have an income at or below 135% of Federal Poverty Guidelines, you still can qualify. Please attach one of the following documents if you didn't check any items above:

- | | |
|--|--|
| <input type="checkbox"/> Last year's state, federal or tribal tax return | <input type="checkbox"/> Three consecutive months of the most recent paycheck stub |
| <input type="checkbox"/> Veterans Administration benefits statement | <input type="checkbox"/> Unemployment or workmen's comp. statement |
| <input type="checkbox"/> Child support document | <input type="checkbox"/> Current annual income statement from employer |
| <input type="checkbox"/> Social Security benefits statement | <input type="checkbox"/> Retirement or pension benefits statement |
| <input type="checkbox"/> Divorce decree | |
| <input type="checkbox"/> Other | |

I agree to notify Alliance Communications when I no longer participate in any of the above qualifying public assistance programs. I certify under the penalty of perjury that the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive Lifeline, Link-Up and TAP assistance on my primary residential line.

Signature

Social Security No.

Date