

LocalTel Communications Internet Transparency Statement

The following disclosures apply to LocalTel Communications' ("LocalTel") broadband Internet access service ("Internet Service"). The disclosures pertain solely to our Internet Service offerings and do not apply to any voice, video or other specialized services offered by LocalTel. The information contained in this disclosure is subject to modification without notice, as we deem necessary and appropriate. These disclosures are in addition to the other disclosures and terms and conditions set forth on our website at <http://www.localtel.com>.

NETWORK MANAGEMENT PRACTICES

LocalTel works to ensure that its Internet Service subscribers have a high quality online experience. The bandwidth and network resources used to deliver our Internet Service are limited and shared among users. The potential for congestion that could adversely affect the performance of our network can arise when a large number of customers use the network at the same time, when a small number of users place an unusually heavy demand on available bandwidth, or a combination of these and other factors. To address this potential problem, we use reasonable network management practices to protect our customers from the impact of activities that can unreasonably burden our network or cause service degradation. LocalTel reserves the right to modify these network management practices in its discretion and in accordance with law.

Blocking

LocalTel does not currently block (or otherwise prevent end users from accessing) lawful content, applications, services or non-harmful devices on its network. However, to protect our customers, we may use reasonable network management practices to block or limit sources that are commonly used to launch malware, or other malicious attacks, send spam, or steal an end-user's identity or personal information. In so doing, we may enforce limits on the number of login, Simple Mail Transfer Protocol (SMTP), Domain Name System (DNS), and Dynamic Host Configuration Protocol (DHCP) transactions per second that customers can send to our servers. In addition, in order to protect our network and our customers against Denial of Service (DoS) attacks, we may block or limit certain ports or protocols commonly used for these attacks.

Throttling

LocalTel does not degrade or impair access to lawful Internet traffic based on the content, application, service, user or the use of a non-harmful device.

Prioritization

LocalTel does not prioritize, either directly or indirectly, traffic on its network in exchange for consideration. LocalTel does not prioritize any affiliate's traffic on its network.

Network Congestion Management

LocalTel does not currently engage in any specific network management practices to address the effects of congestion. For example, we do not block specific applications or traffic that may tend to increase congestion. Instead, we focus on anticipating and minimizing or avoiding congestion by monitoring network usage and augmenting capacity in a targeted manner. Nevertheless, LocalTel recognizes that as Internet traffic volumes continue to grow, it might not be possible to manage network congestion through capacity upgrades alone. Indeed, to ensure all of our customers a high-quality Internet access experience, the FCC permits Internet Service providers

to utilize reasonable network management practices, including congestion management practices. Active congestion management practices typically involve the use of network management tools that may cause minor or temporary impairment to a user's experience.

Network Security Measures

LocalTel reserves the right to protect the security and integrity of its network and its customers by any lawful means. LocalTel actively works to mitigate certain threats – such as compromised routers – but does not scan traffic for malicious content. Viruses, worms, denial of service attacks and the use of malicious software such as spyware, can adversely affect the network and harm customers' computers, impair quality of service, compromise their data, and harm third parties as well. Consistent with its terms of service, LocalTel expressly limits liability for any third-party, or end-user, actions that may give rise to potential network security issues. Nothing in this statement shall limit or otherwise preempt the liability limitations set forth in LocalTel's terms of service and other applicable terms, conditions or laws.

LocalTel employs certain practices on a case-by-case and as-needed basis to protect its network and its customers against third-party attacks. These practices may be triggered if LocalTel detects traffic levels that significantly exceed certain baselines. LocalTel reserves the right to block certain ports that are known to be vulnerable or used for malicious purposes, as may be necessary to protect our customers and our network.

Application Specific Behavior

LocalTel does not use any application-specific network management practices. LocalTel does not block or rate-control specific protocols or protocol ports, modify protocol fields (in ways not prescribed by the protocol standard), and does not inhibit or favor certain applications or classes of applications. LocalTel does not discriminate against or otherwise prevent users of its Internet service from sending and receiving the lawful content of their choice; running lawful applications and using lawful services of their choice; or connecting their choice of legal devices, as long as such applications, services and devices do not harm the network or the provision of Internet Services, facilitate theft of service, or harm other users of the service. Similarly, LocalTel does not impair or degrade particular content, applications, services, or non-harmful devices. LocalTel may employ network management practices to prevent certain harmful or illegal activity, such as viruses or other malicious code or the transfer of child pornography or other unlawful content, including copyright infringing files that are alleged to be or actually are shared via Bit Torrent or other peer-to-peer applications.

Device Attachment Rules

LocalTel's customers have two options regarding attaching devices to our network to make use of our Internet Services: lease a router from LocalTel or purchase their own router at retail. Customers who choose to use equipment that they provide are free to attach any router to their service, as long as it does not harm the network. LocalTel's network uses the TCP/IP technology standards to exchange Internet data with its customers. LocalTel recommends using up-to-date router technology, to keep your Internet access and wireless devices operating at peak efficiencies. Use of a non-compliant or outdated router may lead to service interruptions and performance delays in your Internet service.

PERFORMANCE CHARACTERISTICS

Service Description

LocalTel offers residential and commercial customers a variety of packages or “tiers” of Internet Service utilizing different technology, fiber, fixed wireless and DSL, each of which offers different upload and download speeds, features and prices. These services are suitable for real-time applications. The features, branding, pricing and other commercial terms of our service offerings are modified from time to time and not all packages are available in all geographic areas. Full descriptions of pricing and features for the tiers of service currently available in your geographic region can be found by county on our website at <http://www.localtel.com> or by contacting a LocalTel customer service representative at 1-509-888-8888.

Data Usage Allowances

All of our Internet Service plans are subject to a monthly data allowance. Should you exceed the monthly data allowance applicable to your plan, you will still enjoy the same Internet speed and full access, but you may be charged an additional \$0.25 per gigabyte of data or portion thereof used. Any unused portion of your monthly data allotment expires at the end of your billing cycle and does not carry over to subsequent billing cycles. If you find that you are regularly exceeding the data usage allowance applicable to your service plan, please contact a customer service representative at 1-509-888-8888 to discuss alternatives.

Speed

The “actual” speed a customer experiences at any particular time may vary based on a number of factors and conditions, many of which are outside of our control. These conditions include, but are not limited to:

Performance of customer’s Internet-connected devices. The customer’s wired or wireless router(s), computers, cellular phones, tablets and other devices used to access the Internet may limit or impact the performance of Internet Services.

Connection between a customer’s computer, tablet, cellular phone, and router. There is a router between your location’s point of Internet connection and your Internet-connected device. The connection speed you experience can often depend on the model and configuration of the router, the speed of your device’s ports, construction materials used in your building and the distance from your wireless router to your device.

Distance packets travel (round trip). The distance between a customer’s Internet-connected device and its final destination on the Internet, including the number and quality of the networks of various operators in the transmission path.

Congestion or high usage levels at the website or destination. If a large number of visitors are accessing a site or particular destination at the same time, the speed with which your information downloads or uploads may be affected if the site or destination does not have sufficient capacity to serve all of the visitors efficiently at the same time.

Gating of speeds or access by the website or destination. In order to control traffic or performance, many websites filter their traffic or limit the speeds at which a visitor can download from their site.

The suitability of the network-connected device. Some Internet based devices may not be capable of handling higher speeds. Where a router upgrade is necessary to enjoy available speeds a customer's experienced speed may be limited by the technical capabilities of any older devices.

Capacity limitations on LocalTel's network and other networks. The data-carrying capacity on LocalTel's network is shared among many users. If a large percentage of users on a given portion of our network are attempting to upload or download information at the same time, or if a smaller number of users are making intensive use of the network, such activity can affect the data transfer speed experienced by our users. Other examples of heavy usage applications would be streaming video services, gaming services, file sharing/transfers and remote computer/server back-ups. The number of users in a household or office at a particular moment can also affect the speed experienced by such users. LocalTel is not responsible for any capacity limitations on third-party networks that may transport customer data upstream, or elsewhere on the Internet. LocalTel uses leased fiber capacity from the PUD (public utility districts) to deliver some of its Internet services. LocalTel is not responsible for actions arising on the PUD network, such as provisioning errors, fiber breaks, network outages, network or equipment upgrades, which may have the effect of limiting the actual speeds provided to our Internet customers. Further, limitations of fixed wireless technology, such as the lack of clear line of sight, the distance between an access point and the customer's home and weather issues, may have the effect of limiting the actual speeds provided to our Internet customers.

In addition to the variables described above, a customer's Internet speeds will depend on the service level to which they subscribe. As noted above, LocalTel offers different tiers of Internet Services with varying targeted upload and download speeds across its footprint. LocalTel encourages all of our customers to consider the capabilities of their equipment when deciding which tier of service to purchase. A customer may need to upgrade the computers, devices or their internal networks on their own premises to take full advantage of the transmission speeds that LocalTel's network can provide. The foregoing factors are the reason LocalTel, like other ISPs, advertises speeds as "up to" a particular level but does not guarantee such speeds.

Performance

The FCC requires ISPs to disclose information regarding the expected and actual speeds and latency of our Internet Services. There are a number of publicly available sources of information regarding actual broadband performance, each of which uses a different methodology and thus may produce different results. Please note, however, that all performance tests are based on certain assumptions and therefore have certain inevitable biases and flaws. The results of such tests therefore should be considered a guide rather than a definitive measurement of performance. Also, customers should keep in mind that a speed a customer experiences at a specific location may vary from the average speed calculated on a company-wide basis. In addition, these tests are dependent on a variety of factors, including the customer's network configuration, router and Internet-connected devices, external influences and the time of day, and therefore do not reflect the performance of the LocalTel network only.

LocalTel customers can check the speed of their current Internet connection using LocalTel's online speed test at <http://speedtest.localtel.net>. Customers may also test service speeds that they

are receiving on LocalTel’s network by using the free commercial speed test available on other sites. However, LocalTel has no control over the networks and paths to access those other sites.

The table below shows LocalTel’s expected and actual upstream and downstream speeds and expected and actual latency during busy and non-busy times. The majority of LocalTel’s customers subscribe to one of the marketed service tiers listed below. Performance data reflected below was collected by LocalTel during busy and non-busy times over a 24-hour period for each of the Internet service levels reflected on the table below and reflects an average result. The results below are illustrative of what the majority of users in our markets experience on average. However, the results do not reflect the performance levels to be expected by any individual customer at any particular time.

Provisioned Speed (Download/Upload in Mbps)	Expected (Mbps)	Actual (Mbps)	Latency (expected/actual in ms)
Fiber			
1 Gig (1000 Mbps)	1000Mb/1000Mb	774Mb/930Mb	2ms/1ms
1GB/100Mb	1000Mb/100Mb	760Mb/94Mb	2ms/1ms
100Mb/100Mb	100Mb/100Mb	108Mb/96Mb	2ms/1ms
100Mb/10Mb	100Mb/10Mb	111Mb/9Mb	2ms/1ms
DSL			
6Mb/768K	6Mb/768K	5Mb/649K	30ms/20ms
3Mb/768K	3Mb/768K	3Mb/675K	30ms/22ms
1.5Mb/384K	1.5Mb/384K	1.4Mb/367K	30ms/30ms
Wireless			
25Mb/2Mb	25Mb/2Mb	25Mb/4Mb	10ms/6ms
10Mb/2Mb	10Mb/2Mb	10Mb/3Mb	10ms/6ms

Description and Impact of Specialized Services

LocalTel has built its network to support a range of quality services, including, but not limited to, its residential and commercial Internet Services, its cable television services and its voice telephone services. The performance of such a shared network will vary depending upon how much aggregate bandwidth is used by all users and all services at a given time.

Services that share bandwidth with Internet Services, but do not necessarily include Internet Services or are not primarily intended for that purpose are known as “specialized services.” LocalTel provides certain cable TV services over its network in IP format that may fall within that category. LocalTel also offers its video service on other customer devices, such as a smart phone or tablet device, via its “TVPlus Mobility” service and its “Watch TV Everywhere” service. In addition, LocalTel offers Voice-over-IP (“VoIP”) services. These VoIP services use shared network capacity. In order to accommodate the technical requirements of VoIP service, LocalTel gives VoIP traffic priority in its network over general data traffic. However, because VoIP services use relatively little bandwidth, VoIP services are not likely to affect the performance of LocalTel’s Internet Service. Although all services are affected at any given time by the total network usage, LocalTel’s provision of specialized services does not adversely affect its provision of Internet Services.

COMMERCIAL TERMS

Pricing

LocalTel's prices for residential Internet Services are set forth at <http://www.localtel.com/Prices-Bundles.php>. Prices for commercial Internet Services are set forth at <http://www.localtel.com/Business-Prices-Bundles.php>. Prices may vary by region, are subject to change over time, may be based on current promotions and are dependent on a customer's particular needs. All rates are subject to change and certain restrictions. The rates set forth on the pricing page identified above are not inclusive of additional monthly fees for other services, such as voice and/or cable, or other recurring or one-time fees, which may include service charges, equipment charges, late fees, regulatory fees and Federal, state and local taxes. Customers under contract will receive the regular rate card charges for their services at the expiration of their contract.

Current subscribers can find pricing information concerning their services on their monthly bill or by contacting a customer service representative. Prospective customers can obtain full descriptions of pricing and features for the tiers of Internet Service currently available in their geographic regions by selecting their county on our website at <http://www.localtel.com> or may obtain pricing information by contacting a LocalTel sales representative at 1-509-888-8888.

Privacy Policy

LocalTel values the privacy of our Internet service customers and follows procedures to ensure that information we collect is reasonably protected. As indicated above, in order to manage our network performance, ensure that our network runs smoothly and deny malicious actors, LocalTel analyzes network traffic on our system. In connection with this analysis, LocalTel stores certain traffic information (such as the identity of a customer using a particular IP address during a specific period) for time periods required by state or federal law. As explained in our privacy policy, we may be required to disclose certain personal information to respond to subpoenas, court orders, civil investigative demands or other legal process.

We do not collect, store or use traffic information to profile our customers in order to sell additional services to them or for similar non-network management purposes. Personal information you provide to LocalTel is governed by LocalTel's Customer Privacy Notice, which is available at http://www.localtel.net/Policy_CNPI.php and is subject to change from time to time.

Redress Options

For questions, complaints or requests for additional information about LocalTel's Internet Services or regarding any of the information set forth above, please contact a customer service representative at 1-509-888-8888. Please visit <http://www.localtel.com/Support> for technical support concerning Internet service issues, or <http://www.localtel.com/Contact.php> for further assistance.

The FCC has established procedures for addressing informal and formal complaints regarding broadband service. For information concerning these formal and informal complaint procedures, please refer to the FCC's website at <http://www.fcc.gov/guides/getting-broadband>.