



2012.07.13 10:53:59
Kansas Corporation Commission
/S/ Patrice Petersen-Klein

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July 9, 2012

Ms. Christine Aarnes
Chief of Telecommunications
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Re: YourTel America, Inc. Clarification of Corporate Structure Letter

Dear Christine,

If you have any questions regarding the enclosed letter from YourTel, please do not hesitate to contact Dale or me.

Thanks.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Rose', followed by a horizontal line.

Rose Mulvany Henry

KANSAS CORPORATION COMMISSION

JUL 10 2012

UTILITIES DIVISION



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KANSAS CORPORATION COMMISSION

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UTILITIES DIVISION

Re: *Clarification of Corporate Structure of YourTel America, Inc.*

Dear Ms. Aarnes:

I have endeavored to be open and transparent with regard to the common ownership of YourTel and TerraCom, however so as to ensure full disclosure, YourTel America, Inc. ("YourTel") is writing to explain to the Commission its corporate affiliations under the Communications Act of 1934, as amended by the Telecommunications Act of 1996.¹ This status recently became relevant for purposes of new reporting requirements imposed by the FCC in its *Lifeline Reform Order*.²

YourTel operates as a wireless/wireline service provider, and as a Lifeline-only ETC in the State of Kansas. YourTel has provided service in Kansas in accordance with all state and federal regulations since being designated an ETC in 2009 (Docket No. 09-TPCT-596-ETC).

In December of 2010, YourTel accepted an investment from trusts controlled by the majority shareholders of TerraCom, Inc. ("TerraCom"), an Oklahoma corporation also engaged in the provision of wireless and wireline Lifeline services in other states. One consequence of the TerraCom investment was to make YourTel an "affiliate" of TerraCom under the statutory definition of "affiliate" in 47 U.S.C. § 153(2).

¹ Pub. LA. No. 104-104, 110 Stat. 56 (1996). 47 U.S.C. § 1, *et seq.*

² *Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (*Lifeline Reform Order*).

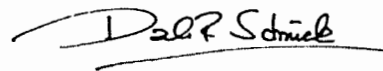
Ms. Aarnes
Chief of Telecommunications
Kansas Corporation Commission

YourTel and TerraCom have some common shareholders, but operate as separate companies. Neither YourTel nor TerraCom acts as a holding company, and neither *company* owns any interest in the other. Both TerraCom and YourTel have explained this relationship in the current versions of their Compliance Plans on file with the FCC.³

While YourTel is the only service provider (between YourTel and TerraCom) that operates in Kansas, you should also understand that YourTel and TerraCom have the necessary systems in place to ensure that neither company will enroll a customer already receiving Lifeline service from the other. The ability to cross-check customer service records between companies is company-wide, and not limited to the one state (Oklahoma) where both carriers offer Lifeline service.

While I am not aware of any changes in regulatory status in Kansas that would be created by YourTel's classification as an "affiliate" of TerraCom (under the Communications Act), please let me know if the federal classification of this relationship triggers any additional state-specific regulatory compliance, or reporting requirements. Also, please do not hesitate to contact me if you have any further questions about this clarification letter.

Sincerely,

A handwritten signature in black ink that reads "Dale Schmick". The signature is written in a cursive style with a horizontal line underneath the name.

Dale Schmick
Vice President

³ See, *Third Revised Compliance Plan of YourTel America, Inc.* Available at <http://apps.fcc.gov/ecfs/document/view?id=7021923780>