

Board Policy 118

Valley Communications

Network Management Practices Policy Disclosure

Pursuant to the Federal Communications Commission's newly enacted Open Internet Rules found in Part 8 of Title 47 of the Code of Federal Regulations, Valley Communications' ("Provider") policies regarding network management practices, performance characteristics, and commercial terms are provided in entirety so that Provider's current customers, prospective customers, third-party content providers and other interested parties can make informed choices regarding the broadband Internet access services offered by Provider, and the extent Provider's network management practices may affect those services.

Network Management Practices

In the interest of providing the best online experience possible for all of Provider's customers, Provider utilizes reasonable network management practices tailored to achieve legitimate network management purposes. Because bandwidth is a limited resource for broadband Internet service providers, it is essential that Provider reasonably manages its network to promote the use and enjoyment of the Internet by all of Provider's customers. By engaging in reasonable and responsible network management, Provider prevents its customers from being subjected to the negative effects of spam, viruses, security attacks, network congestion, and other risks that threaten to degrade service. The network management practices employed by Provider are consistent with industry standards.

Congestion Management

Provider does not employ any congestion management tools, practices and/or software on network traffic.

Application-Specific Behavior

Provider does not make use of any application-specific network management practices. Provider does not favor, modify, inhibit, rate control or block any specific protocols, protocol ports or fields, or any applications or classes of applications.

Device Attachment Rules

In order for a device to be approved for use on the Provider's network, the device must conform to publicly available industry standards and be non-harmful to Provider's network.

Security

Provider offers its customers unrestricted access to all of the lawful content, services, and applications available on the Internet. Provider uses industry standard tools and generally accepted best practices and policies to protect our customers from spam, phishing, and other unwanted or harmful online content and activities. In the instances where these tools and policies identify online content as harmful or unwanted, the content may be prevented from reaching customers, or customers may be permitted to identify or inspect content to determine if it is harmful or unwanted.

Traffic on Provider's network is authenticated; however, individual network users are allowed to adjust and control spam and other personal email delivery settings. The authentication measures in place on Provider's network should not interfere with an end user's ability to run specific applications.

To ensure added security protection for network users, Provider has SecureIT services available for a minimal monthly fee. The SecureIT services available from Provider include protection against computer viruses and spyware, pop-up blockers, parental controls, personal firewalls and PC cleanup.

Performance Characteristics

Provider offers broadband Internet access service via Ethernet, Asymmetric Digital Subscriber Line ("ADSL") and Very-High-Bit-Rate Digital Subscriber Line ("VDSL"). Ethernet is a high-speed data service that provides end-to-end transmission using Ethernet packet technology. ADSL and VDSL are types of wireline broadband communications transmission technology that transmit data faster over last mile facilities already installed to homes and businesses.

The advertised speed of Provider's Internet service is the maximum speed achievable with the technology utilized by Provider. While the maximum advertised speed is attainable for end users, several factors may affect the actual speed of Provider's Internet service offerings, including, but not limited to: the distance of the consumer's home or office from Provider's central office (*i.e.*, the further away the customer is from the central office, the slower the broadband speed), the end user's computer, modem or router, activity during peak usage periods, and other Internet traffic.

In gauging network performance, Provider utilizes a variety of testing mechanisms, including, but not limited to: EXFO, JDSU and Fluke, Calix Systems and SDN Communications. Based on Provider's internal testing measures, during peak usage periods (*i.e.*, between 7:00 p.m. and 11:00 p.m. on weeknights) Provider's end users achieve speeds nearly equivalent to their subscribed bandwidth tier. Provider monitors network traffic during peak usage

periods to ensure the broadband facility is sufficiently sized to accommodate all network activity. Latency on Provider's network has been tested and qualified by the State of South Dakota, and falls within industry standards.

On its website, Provider has made available the tools and resources to end users for the purpose of conducting speed tests on their Internet service. For more information on these tools, please visit:

<http://www.valleytel.net/tools/>

<http://speedtest.sdncommunications.com/>

The actual speeds achieved with Provider's Internet service offering make Provider's Internet service suitable for real-time applications, such as Voice over Internet Protocol ("VoIP").

In terms of specialized services, Provider offers Internet Protocol Television (*i.e.*, IPTV) and a Transparent Local Area Network Service (*i.e.*, TLS). The specialized services offered by Provider do not affect the last-mile capacity available for, and the performance of, Provider's broadband Internet access service. Provider continually monitors the bandwidth capacity and availability and has future plans to deploy additional capacity in order to meet network demand.

Commercial Terms

Pricing

In order to meet the usage and budgetary needs of all of our customers, Provider offers a wide selection of broadband Internet access plan options, including promotional offerings, bundled service choices, and ala carte alternatives.

To see Provider's current promotions and pricing on broadband Internet access service, please visit <http://www.valleytel.net/services/item.asp?ID=26> or call 605-437-2615 to speak with a customer service representative. If you are outside of Provider's service area, please call 1-800-437-2615.

Early Termination Fees

If a customer previously entered into a service agreement with Provider for broadband Internet access service for a defined service term, and customer desires to terminate the service agreement prior to the expiration of that term, Provider may charge a reasonable early termination fee if such fee is clearly indicated in the service agreement.

Usage-Based Fees

Provider's Internet service is priced on a flat-fee basis (plus taxes). Provider does not charge end users a usage-based fee for Internet service.

For additional information on Provider's fee schedule for additional network services, visit Provider's website at:

<http://www.valleytel.net/services/item.asp?ID=32>

Privacy Policy

The various network management tools and techniques utilized by Provider do not monitor, inspect or store the network activity and traffic of its Internet service users. Further, as part of its network management practices, Provider does not distribute information on network activity and/or traffic to any third party, or use network traffic information for any non-network management purpose.

The Provider's network management practices as discussed herein are intended solely to provide the best online experience possible for all of Provider's customers by safeguarding our network and its users from spam, viruses, phishing, and other unwanted or harmful online content and activities. Provider's network management practices are not intended, nor implemented, to block consumers from accessing the content and applications of their choice, deprive consumers of their entitlement to competition, or discriminate against or in favor of certain network traffic. End users with questions, concerns or complaints regarding Provider's network management practices are encouraged to contact Provider for issue resolution.

Contact Us

If you have any questions regarding Provider's Network Management Practices Policy or would like to file a complaint with Provider regarding its network management practices, please contact Provider at:

Valley Communications
P.O. Box 7
102 Main St. S
Herried, SD 57632
(605) 437-2615
(605) 437-2220
valley@valleytel.net
www.valleytel.net

Further, if you believe that Provider is in violation of the FCC's Open Internet Rules, you may file either an informal or formal complaint with the FCC.

<http://esupport.fcc.gov/complaints.htm>

Additional Disclaimers

The Open Internet Rules, as adopted, and Provider's Network Management Practices Policy are not intended to affect, alter or otherwise supersede the legal status of cooperative efforts by broadband Internet access service providers and other service providers that are designed to curtail infringement in response to information provided by rights holders in a manner that is timely, effective, and accommodates the legitimate interests of providers, rights holders, and end users.

Furthermore, the Open Internet Rules, as adopted, and Provider's Network Management Practices Policy do not prohibit Provider from making reasonable efforts to address the transfer of unlawful content or unlawful transfers of content.