

E-7 MDTC & MTC CPNI Policies & Procedures Manual

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I. Definitions

This McDonough Telephone Cooperative (hereafter MDTC) and MTC Communications (hereafter MTC) CPNI manual relies on the following definitions:

- A. **Account Information.** “Account information” is information that is specifically connected to the customer’s service relationship with MDTC/MTC, including such things as an account number or any component thereof, the telephone number associated with the account, or the bill’s amount.
- B. **Address of record.** An “address of record,” whether postal or electronic, is an address that the carrier has associated with the customer’s account for at least 30 days.
- C. **Affiliate.** The term “affiliate” means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another to own an equity interest (or the equivalent thereof) of more than 10 percent.
- D. **Call detail information.** Any information that pertains to the transmission of specific telephone calls, including, for outbound calls, the number called, and the time, location, or duration of any call and, for inbound calls, the number from which the call was placed, and the time location, or duration of any call.
- E. **Communications-related services.** The term “communications-related services” means telecommunications services, information services typically provided by MDTC/MTC and services related to the provision or maintenance of customer premise equipment.
- F. **Customer.** A customer of MDTC/MTC is a person or entity to which MDTC/MTC is currently providing service.
- G. **Customer premise equipment (CPE).** The term “customer premise equipment (CPE)” means equipment employed on the premises of a person (other than a carrier) to originate, route, or terminate telecommunications.
- H. **Customer Proprietary Network Information (CPNI).** The term “customer proprietary network information” means –

1. Information that relates to the quantity, technical configuration, type, destination, and amount of use of a telecommunications service subscribed to by any customer of MDTC/MTC, and that is made available to MDTC/MTC solely by virtue of the MDTC/MTC-customer relationship; and
 2. Information contained in the bill pertaining to telephone exchange service or telephone toll service received by a customer of MDTC/MTC; except that such term does not include subscriber list information.
- I. **FCC.** The acronym “FCC” refers to the Federal Communications Commission.
- J. **Information services typically provided by MDTC/MTC.** The phrase “information services typically provided by MDTC/MTC” means only those information services that are typically provided by MDTC/MTC, such as Internet access or voice mail services. Such phrase “information services typically provided by telecommunication carriers,” as used in this manual, shall not include retail consumer services provided using Internet website (such as travel reservation services or mortgage lending services), whether or not such services may otherwise be considered to be information services.
- K. **Local exchange carrier (LEC).** The term “local exchange carrier (LEC)” means any person that is engaged in the provision of telephone service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332© of TA-96, except to the extent that the Commission finds that such service should be included in the definition of such term.
- L. **Opt-in approval.** The term “opt-in approval” refers to a method for obtaining customer consent to use, disclose, or permit access to the customer’s CPNI. This approval method requires that MDTC/MTC obtain from the customer affirmative, express consent allowing the requested CPNI usage, disclosure, or access after the customer is provided appropriate notification of MDTC’s/MTC’s request consistent with the requirements.
- M. **Opt-out approval.** The term “opt-out approval” refers to a method for obtaining customer consent to use, disclose, or permit access to the customer’s CPNI. Under this approval method, a customer is deemed to have consented to the use, disclosure, or access to the customer’s CPNI if the

customer has failed to object thereto within the waiting period described after the customer is provided appropriate notification of MDTC's/MTC's request for opt-out consent consistent with the rules.

- N. **Password.** The term “password” means a secret word or sequence of alpha and numeric characters which is used to limit access to a customer’s account to authorized individuals.
- O. **Pretexting.** The term “pretexting” means the practice of pretending to be a particular customer or other authorized person in order to obtain access to that customer’s call detail or other private communications records.
- P. **Readily available biographical information.** “Readily available biographical information” is information drawn from the customer’s life history and includes such things as the customer’s social security number, or the last four digits of that number; mother’s maiden name; home address; or date of birth.
- Q. **Subscriber list information (SLI).** The term “subscriber list information” means any information –
1. Identifying the listed names of subscribers of MDTC/MTC and such subscribers’ telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses, or classifications; and
 2. MDTC/MTC or an affiliate has published, caused to be published, or accepted for publication in any directory format.
- R. **MDTC, MTC or carrier.** The terms “MDTC,” “MTC,” or “carrier” shall have the same meaning.
- S. **Telecommunications service.** The term “telecommunications service” means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- T. **Telephone number of record.** The telephone number associated with the underlying service, not the telephone number supplied as a customer’s “contact information.”
- U. **Valid photo identification.** The term “valid photo identification” means an official identification document issued by a federal or state governmental

agency that identifies the holder of the document that includes a photograph of sufficient clarity to positively identify the holder of the document.

II. Company Policy Regarding CPNI

Customer Proprietary Network Information (CPNI) is information that MDTC/MTC obtains when providing telecommunications services to our customers, including services provided by our affiliates. Under federal law, customers have the right and MDTC/MTC has the duty to protect the confidentiality of information regarding the telecommunication services to which customers subscribe. This confidential information includes such things as, specific services the customer purchases, the number of services purchased, who the provider is for a service, call detail records, and charges related to services purchased. MDTC/MTC takes our responsibility to protect our customers' CPNI very seriously and we do not use, disclose, or allow access to our customers' CPNI except as allowed by law.

MDTC/MTC authorized employees are allowed to use CPNI as necessary to:

1. Initiate, render, bill and collect for telecommunications services MDTC/MTC provides;
2. Protect the rights or property of MDTC/MTC, or to protect users of those services and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, such services; or
3. Provide any inbound telemarketing, referral, or administrative services to the customer for the duration of the call, if such call was initiated by the customer and the customer approves of the use of such information to provide such service.

MDTC/MTC shall also disclose CPNI upon affirmative written request by the customer, to anyone designated by the customer.

Other use, disclosure, or permitting access to CPNI for marketing purposes must be conducted within the FCC defined rules.

In this effort, MDTC/MTC must follow all applicable FCC rules as contained in Subpart U – Customer Proprietary Network Information – of Part 64 of Title 47 of the Code of Federal Regulations.

This CPNI Policies and Procedures Manual does not supersede any statute, regulation, order, or interpretation is inconsistent with the provisions of this Manual, and then only to the extent of the inconsistency.

III. Marketing

A. Customer Approval Necessary

MDTC/MTC may, subject to opt-out approval, use a customer's individually identifiable CPNI for the purpose of marketing communications-related services to that customer. MDTC/MTC may, subject to opt-out approval, also disclose its customer's individually identifiable CPNI, for the purpose of marketing communications-related services to that customer, to its agents and its affiliates that provide communications-related services. MDTC/MTC has implemented a system by which the status of a customer's CPNI approval can be clearly established prior to the use of CPNI.

MDTC/MTC shall maintain a record, electronically or in some other manner, of their own and their affiliates' sales and marketing campaigns that use their customers' CPNI. A record shall be maintained of all instances where CPNI was disclosed or provided to third parties, or where third parties were allowed access to CPNI. The record must include a description of each campaign, the specific CPNI that was used in the campaign, and what products and services were offered as a part of the campaign. This record will be retained for a minimum of one year. Sales personnel must obtain supervisory approval of any proposed outbound marketing request for customer approval.

MDTC/MTC will wait a 30-day minimum period of time after giving customers notice and an opportunity to opt-out before assuming customer approval to use, disclose, or permit access to CPNI. MDTC/MTC will notify customers as to the applicable waiting period for a response before approval is assumed. In the case of notification by mail, the waiting period shall begin to run on the third day following the date that the notification was mailed. In the case of an electronic form of notification, the waiting period shall begin to run from the date on which the notification was sent; and

1. Written and Electronic Notification

MDTC/MTC has established an opt-out letter and form consistent with the requirements of the FCC Rules. If the letter and form are ever modified in the future, MDTC/MTC will ensure that they are consistent with the specific notice provisions of the FCC rules set forth below:

(a) Opt-out – General Notice Requirements

- 1) MDTC/MTC will provide notification to the customer of the customer's right to restrict use of, disclosure of, and access to that customer's CPNI.
- 2) Customer notification must provide sufficient information to enable the customer to make an informed decision as to whether to permit MDTC/MTC to use, disclose, or permit access to, the customer's CPNI.

- 3) The notification must state that the customer has a right, and MDTC/MTC has a duty, under federal law, to protect the confidentiality of CPNI.
- 4) The notification must specify the types of information that constitute CPNI and the specific entities that will receive CPNI, describe the purposes for which CPNI will be used, and inform the customer of his or her right to disapprove those uses, and deny or withdraw access to CPNI at any time.
- 5) The notification must advise the customer of the precise steps the customer must take in order to grant or deny access to CPNI, and must clearly state that a denial of approval will not affect the provision of any services to which the customer subscribes. However, MDTC/MTC may provide a brief statement, in clear and neutral language, describing consequences directly resulting from the lack of access to CPNI.
- 6) The notification must be comprehensible and must not be misleading.
- 7) The notice must be clearly legible, use sufficiently large type, and be placed in an area so as to be readily apparent to a customer.
- 8) If any portion of a notification is translated into another language, then all portions of the notification must be translated into that language.
- 9) MDTC/MTC may state in the notification that the customer's approval to use CPNI may enhance MDTC's/MTC's ability to offer products and services tailored to the customer's needs. MDTC/MTC also may state in the notification that it may be compelled to disclose CPNI to any person upon affirmative written request by the customer.
- 10) MDTC/MTC may not include in the notification any statement attempting to encourage a customer to freeze third-party access to CPNI.
- 11) The notification must state that any approval, or denial of approval for the use of CPNI outside of the service to which the customer already subscribes from that carrier is valid until the customer affirmatively revokes or limits such approval or denial.
- 12) MDTC's/MTC's solicitation for approval must be proximate to the notification of a customer's CPNI rights.

(b) Opt-Out – Electronic Notice Requirements

- 1) MDTC/MTC must first obtain express, verifiable, prior approval from consumers to send notices via e-mail regarding their services in general, or CPNI in particular;
- 2) MDTC/MTC must allow customers to reply directly to e-mails containing CPNI notices in order to opt-out;
- 3) Opt-out e-mail notices that are returned as undeliverable must be sent to the customer in another form before MDTC/MTC may consider the customer to have received notice.
- 4) The subject line of the message clearly and accurately identifies the subject matter of the e-mail; and
- 5) MDTC/MTC must make available to every customer a method to opt-out that is of no additional cost to the customer and that is available 24 hours a day, seven days a week. MDTC/MTC may satisfy this requirement through a combination of methods, so long as all customers have the ability to opt-out at no cost and are able to effectuate that choice whenever they choose.

2. Oral Notice – One-Time Use of CPNI

MDTC/MTC may use oral notice to obtain limited, one-time use of CPNI for inbound and outbound customer telephone contacts for the duration of the call. The contents of any such notification must comply with the general opt-out requirements listed above, except that MDTC/MTC may omit any of the following notice provisions if not relevant to the limited use for which the carrier seeks CPNI:

- a) MDTC/MTC need not advise customers that if they have opted-out previously, no action is needed to maintain the opt-out election;
- b) MDTC/MTC need not advise customers that they may share CPNI with their affiliates or third parties and need not name those entities, if the limited CPNI usage will not result in use by, or disclosure to, an affiliate or third party;
- c) MDTC/MTC need not disclose the means by which a customer can deny or withdraw future access to CPNI, so long as carriers explain to customers that the scope of the approval the carrier seeks is limited to one-time use; and
- d) MDTC/MTC may omit disclosure of the precise steps a customer must take in order to grant or deny access to CPNI, as long as the carrier clearly communicates that the customer can deny access to his CPNI for the call.

3. Opt-Out Failures

MDTC/MTC must provide written notice within five (5) business days to the FCC of any instance where the opt-out mechanisms do not work properly, to such a degree that consumers' inability to opt-out is more than an anomaly. The notice shall be in the form of a letter, and shall include MDTC's/MTC's name, a description of the opt-out mechanism(s) used, the problem(s) experienced, the remedy proposed and when it will be/was implemented, whether the relevant state commission(s) has been notified and whether it has taken any action, a copy of the notice provided to customers, and contact information. Such notice must be submitted even if the carrier offers other methods by which consumers may opt-out.

B. Customer Approval Not Necessary

MDTC/MTC is allowed to use, disclose, or permit access to customer CPNI by our affiliate(s) who provide telecommunications services for marketing purposes as long as the customer obtains a category of service from both MDTC/MTC and our telecommunications affiliate(s) at the same time.

MDTC/MTC as the provider of local service to the customer is allowed to use, disclose, or permit access to our customers CPNI for marketing what is known as adjunct-to-basic services. Adjunct-to-basic-services would include, but is not limited to, speed dialing, call monitoring, call tracing, call blocking, call return, call waiting and call forwarding.

MDTC/MTC may use, disclose, or permit access to a customers' CPNI for marketing such services as, call answering, voice mail or messaging, voice storage and retrieval services, fax storage and retrieval services and CPE.

MDTC/MTC may use CPNI of a customer lost to a competitor in an attempt to "Win Back" the customer.

IV. Release of Call Detail Information

A. Password Protection

Due to the sensitive nature of call detail CPNI information, the FCC released rules pertaining to the use and disclosure of call detail CPNI. Call detail CPNI refers to any and all information pertaining to the transmission of specific telephone calls such as telephone number called, telephone number calling time, date, charges, location and duration of the telephone call.

Among the new rules is the requirement for MDTC/MTC to allow our customers to establish a password and provide that password during a customer initiated telephone call before MDTC/MTC is authorized to disclose or discuss call detail information. For customer protection, this password cannot derive from readily available biographical or account information such

as their social security number, mother's maiden name, home address or date of birth.

If a customer should lose or forget his/her password, the FCC allows for MDTC/MTC to implement a back-up authentication method. MDTC/MTC may ask the customer to provide a secret question and answer. In the case of a lost or forgotten password, MDTC/MTC may ask the secret question which should prompt the customer for the appropriate answer. MDTC/MTC may then provide the password to the customer. Again, the secret question and answer cannot derive from biographical or account information. As an example the customer's secret question might be: What is the color of my eyes? Or, what is my dog's name? In which case, the back-up answers may be "Green" or "Gizmo" respectively.

MDTC/MTC has set up a back-up authentication system to verify customer identity prior to giving the customer forgotten password information. Customers can choose to answer either of the following two questions: What was the name of your grade school? What was the make of your first car?

B. Authorized Release

MDTC/MTC will release call detail information only if certain specific requirements have been met:

1. Customer Initiated Telephone Account Access

Call detail CPNI information requested by the customer via a customer initiated telephone call will only be released via the following methods:

- a) The requesting individual provides a password of record or proper backup answer to a secret question; or
- b) The information will be sent to the customer's address of record; or
- c) MDTC/MTC will call the telephone number of record and disclose the call detail information.
- d) MDTC/MTC may proceed with routine customer care procedures if the customer can provide all of the call detail information. MDTC/MTC will not disclose any call detail other than the information the customer disclosed during that particular contact.

2. Retail Location Account Access

Customers must have a valid, government issued photo identification, such as a driver's license, passport, or comparable ID to obtain call detail CPNI information at MDTC's/MTC's retail location.

3. Online Account Access

MDTC/MTC requires an online password to protect online access to CPNI. Passwords will be issued to the customer and will consist of alpha and numeric characters. The customer may then design a password of his or her choosing.

MDTC/MTC will authenticate both new and existing customers seeking online access to their CPNI.

If a customer forgets a password, the customer should click “Reset Password” on the bill access login screen. A new password will be generated and sent to the customer’s email of record.

C. Business Customer Exemption

Business customers that are served only by a dedicated MDTC/MTC representative as the primary contact and have a contract in place that includes language regarding MDTC’s/MTC’S duty to protect their CPNI are exempt from the CPNI authentication rules.

V. Notification of Account Changes

MDTC/MTC will notify customer immediately of any account changes including password, customer response to MDTC/MTC designed back-up means of authentication, online account, or address of record. This notification will be through a voicemail, text message or sent to the address of record. Such notification will not reveal the changed account information and in the case of an address change, notification will be sent to the former address, not the new. New Customers are exempt from this notification at service initiation.

VI. Procedures to Protect Against Pretexting

Pretexting is the practice of pretending to be a particular customer or other authorized person in order to obtain access to that customer’s call detail or other private communications records. MDTC/MTC has employed the above procedures and safeguards in order to achieve reasonable measures designed to discover and protect against pretexting.

VII. Annual Certification

MDTC/MTC will certify annually compliance to the CPNI rules. This certification will be filed with the FCC and will be made publicly available by request.

MDTC’s/MTC’s annual certification will be signed by an Officer as an agent of MDTC/MTC, stating that he/she has personal knowledge that MDTC/MTC has

established operating procedures that are adequate to comply with the FCC CPNI rules.

In addition to the annual certification, MDTC/MTC will provide an accompanying statement explaining how its policies and procedures ensure MDTC/MTC is or is not in compliance with the FCC's CPNI rules. In the explanation, MDTC/MTC will include:

- A. The training employees receive to protect CPNI.
- B. The disciplinary process applicable to improper disclosure of CPNI.
- C. The process used to ensure all requests to opt-in or opt-out are recorded and follow-up methods used.
- D. An explanation of any actions taken against data brokers.
- E. Information the company possesses with respect to the processes pretexters are using in an attempt to access CPNI.
- F. A summary of all customer complaints received in the past year concerning unauthorized release of CPNI.
- G. Other measures relevant to demonstrate compliance with the FCC's CPNI rules.

VIII. Notice of Unauthorized Disclosure and/or CPNI Security Breaches

As used in this section, a "breach" has occurred when a person, without authorization or exceeding authorization, has intentionally gained access to, used, or disclosed CPNI.

As soon as practicable, but in no event later than seven (7) business days, after reasonable determination of the breach, MDTC/MTC shall electronically notify FCC, the United States Secret Service (USSS) and the Federal Bureau of Investigation (FBI) through a central reporting facility. This will be done through the FCC's link to the reporting facility at <http://www.fcc.gov/eb/cpni>.

MDTC/MTC will not notify any of its customers or disclose the breach publicly, whether voluntarily or under state or local law or these rules, until it has completed the process of notifying law enforcement as required and spelled out below.

Customers will only be notified if harm could occur as a result of the breach. If the breach solely involves encrypted data and the carrier or provider has definitive evidence that the encryption key was not accessed, used, or disclosed, the company is not required to let the customer know.

- A. Notwithstanding any state law to the contrary, MDTC/MTC shall notify

customers and disclose the breach to the public without unreasonable delay after receiving notification from Commission and law enforcement agencies. In no case should the disclosure be more than 30 days after reasonable determination of breach, unless the delay is requested by law enforcement.

1. If MDTC/MTC believes that there is an extraordinarily urgent need to notify any class of affected customers sooner than otherwise allowed under the above paragraph of this section, in order to avoid immediate and irreparable harm, it shall so indicate in its notification and may proceed to immediately notify its affected customer only after consultation with the relevant investigating agency. MDTC/MTC shall cooperate with the relevant investigating agency's request to minimize any adverse effects of such customer notification.
2. If the relevant investigating agency determines that public disclosure or notice to customers would impede or compromise an ongoing or potential criminal investigation or national security, such agency may direct MDTC/MTC not to disclose or notify for an initial period of up to 30 days. Such period may be extended by the agency as reasonably necessary in the judgment of the agency. If such direction is given, the agency shall notify MDTC/MTC when it appears the public disclosure or notice to affected customers will no longer impede or compromise a criminal investigation or national security. The agency shall provide in writing its initial direction to MDTC/MTC, and subsequent extension, and any notification that notice will no longer impede or compromise a criminal investigation or national security and such writing shall be contemporaneously logged on the same reporting facility that contains records of notifications filed by carriers.

- B. **Customer Notification.** After MDTC/MTC has completed the process of notifying law enforcement as listed above, it shall notify the affected customer(s) of the CPNI breach.
- C. **Recordkeeping.** MDTC/MTC will maintain a record, electronically or in some other manner, of any breaches discovered, notifications made to the USSS and the FBI, and all notifications made to customers. This record must include, if available:
 1. Dates of discovery and notification.
 2. A detailed description of the CPNI that was the subject of the breach.

3. The circumstances of the breach.
4. MDTC/MTC will retain the record for a minimum of 2 years.

IX. Safeguards by Company

A. Customer Records

When a marketing campaign requires customer approval, MDTC/MTC customer service records will clearly establish the status of the customer CPNI approval. Record of this approval or disapproval will be kept for a minimum of (one) year. The customers' approval or disapproval will remain in effect until revoked by the customer.

All existing personnel of MDTC/MTC will be trained and upon commencement in the case of new employment regarding customer CPNI status. This will include when the employee is authorized to use and when they are NOT authorized to use CPNI. Any infractions of MDTC's/MTC's CPNI policies will be reported to the President and a record will be made of the infraction(s) and the appropriate disciplinary steps taken.

Discipline for infractions of the CPNI policies will fall under applicable company disciplinary policies.

X. Interface with CALEA Compliance

In order to comply with certain Communications Assistance for Law Enforcement Agencies (CALEA) rules, the MDTC and MTC Board of Directors have named a Designated Employee to be the point of contact for any request by law enforcement for any form of electronic surveillance or any information pertaining to such surveillance. The Designated Employee is charged with the responsibility of:

- A. Determining whether a request comes with the proper legal authorization.
- B. Ensuring that no customer CPNI is release without the proper legal authorization.
- C. Overseeing the implementation of every call intercept or access to call-identifying information conducted on MDTC/MTC premises.
- D. Completing a Certificate of Electronic Surveillance for every electronic surveillance conducted on MDTC/MTC premises.

XI. Interface with Contractors

MDTC/MTC has occasion to utilize Contractors for specific projects in conducting its normal business. The following or similar language will be included in the Contractor agreement to protect customer CPNI.

Whereas MDTC/MTC is required by law and under MDTC/MTC policies to protect the privacy and security of the information regarding its customers, MDTC's/MTC's Contractors, in rendering services for MDTC/MTC may have access to customer proprietary network information, as the term is defined under 47 U.S.C. Section 222 and interpreted by the FCC ("CPNI"). Contractors shall maintain the confidentiality of such CPNI according to the policies and procedures implemented by MDTC/MTC. Upon completion of the project, Contractor shall promptly delete from its records any CPNI that is received in its engagement with MDTC/MTC.

XII. Training of Employees

MDTC/MTC provides annual training to existing employees, and training to all new employees, on the proper use and disclosure of CPNI. Records of the training material and documentation of attendance are kept on file. Individual employee training records are maintained for seven years after the end of the individual's employment with the company.

Included as a part of the employee training is the need to communicate to MDTC/MTC employees that the customer always retains the right to restrict MDTC/MTC or affiliate use of CPNI data. This restriction applies to the authorized use and sharing of CPNI without customer approval as stated in Section "Customer Approval Not Necessary" of this policies and procedures manual. The customer decision regarding MDTC/MTC use of CPNI will not affect MDTC's/MTC's provision of any current customer services.

XIII. Annual Review by Company Executive Team

MDTC/MTC treats customer privacy as a serious issue. MDTC/MTC is proud of its long history of reliable, trustworthy service and is vigilant in the steps that will be taken to ensure customer privacy. Accordingly, MDTC/MTC policy requires this CPNI Policy Manual to be reviewed by the President on an annual basis.

XIV. Signature Page

This manual was reviewed by _____ on

(Name of Employee)

(Date)

I have read and understand the CPNI compliance policy of McDonough Telephone Cooperative and MTC Communications.

(Signature of Employee)

(This signature page is to be detached from this manual and kept on file by the President for a period of not less than seven years after the end of the individual's employment with the company.)