

July 3, 2012

David S. Danner  
Secretary and Executive Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250

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

Dear Mr. Danner:

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.<sup>1</sup> This status recently became relevant for purposes of new reporting requirements imposed by the FCC in its *Lifeline Reform Order*.<sup>2</sup>

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).

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.<sup>3</sup>

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

<sup>2</sup> *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*).

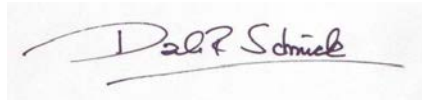
<sup>3</sup> See, *Third Revised Compliance Plan of YourTel America, Inc.* Available at <http://apps.fcc.gov/ecfs/document/view?id=7021923780>

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While YourTel is the only service provider (between YourTel and TerraCom) with a pending petition in your State, 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 your state 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 Schick". The signature is written in a cursive style with a horizontal line underneath the name.

Dale Schick  
Vice President