PUBLIC UTILITIES COMMISSION MINUTES OF PUBLIC HEARING

The Public Utilities Commission convened the public hearing at 2:00 p.m. on May 24, 2006, in Room 412, fourth floor, of the State Capitol Building, Pierre, South Dakota.

The purpose of the meeting was to conduct a public hearing on the proposed rules regarding the designation and certification of eligible telecommunications carriers.

Hearing conducted by: Rolayne Ailts Wiest, Commission attorney.

Commission members present: Bob Sahr, Dusty Johnson, and Gary Hanson.

Others in attendance: Colleen Sevold, Qwest Corporation; Richard Coit, South Dakota Telecommunications Association; Rae Ann Kelsch, Alltel Communications, Inc.; David Gerdes, Midcontinent Communications; Patty Van Gerpen, Executive Director, SDPUC; Harlan Best, Analyst, SDPUC; and Phil Lusk, Analyst, SDPUC.

Written Comments

Prior to the hearing, written comments were received from Alltel Communications; Qwest Corporation, RCC Minnesota, Inc. and Wireless Alliance LLC d/b/a Unicel; Vantage Point Solutions; and Heartland Telecommunications of Iowa d/b/a Hickory Tech. After the hearing, written comments were received from Midcontinent Communications and the South Dakota Telecommunications Association.

Oral Comments

Richard Coit, executive director and general counsel for the South Dakota Telecommunications Association, requested that some flexibility be put into the rules regarding the certification requirements since not all carriers may need to provide the same level of information. He also expressed concerns about meeting the deadlines in 20:10:32:52. Mr. Coit then brought up confidentiality concerns but later agreed that the Commission's current rules to keep information confidential would be sufficient. With respect to 20:10:32:43.01, he thought the reference to "reasonable cost" was too lenient. For 20:10:32:43.02, he stated it could be clarified that improvements would not be needed in each wire center each year. He also requested that 20:10:32:43.03 reference damages to transport facilities instead of all facilities. For 20:10:32:43.04, Mr. Coit wanted the rule to reference current service quality standards and also stated that the CTIA code only addresses consumer protection, not service quality, so that should be changed. For 20:10:32:48, he requested that the "one

year language" from the federal requirements be added to this rule. Mr. Coit also objected to the use of the word "potentially" in 20:10:32:54, stating that the word makes the rule too vague. He suggested deleting it.

Rae Ann Kelsch, representing Alltel Communications, first expressed her agreement with requiring a two-year plan as opposed to a five-year plan which is required by the FCC. For 20:10:32:43.04, she wanted the word "may" changed to "would" with respect to the CTIA code satisfying service quality and consumer protection standards. For 20:10:32:43.05, she requested that the Commission clarify that comparable local usage does not mean identical usage or rates for incumbent local exchange carriers and wireless ETCs. For 20:10:32:43.06, Ms. Kelsch stated that the reference to the "commission" requiring equal access should be changed to the "FCC." For 20:10:32:54, subparagraph two, she requested that ETCs only be required to provide an informational copy of the outage reports currently mandated by the FCC. Finally, she stated that the reference to "wire centers" should be changed to an ETC's study area for 20:10:32:43.02.

Colleen Sevold, representing Qwest Corporation, stated that she agreed with Mr. Coit that there should be different certification criteria for incumbent ETCs. For 20:10:32:43.02, she suggested that instead of requiring a two-year plan, it should only be a one-year plan and that the plan should encompass a larger area than a wire center. For 20:10:32:52, Ms. Sevold requested that the June first date for certification be changed to August 1. For 20:10:32:54, subparagraph two she stated that Qwest already reports its outages to the FCC. For subparagraph three, she stated that the Commission already knows the number of consumer complaints that are received against Qwest.

Dave Gerdes, representing Midcontinent Communications, stated that the public interest standard in 20:10:32:43.07 should be expanded to include the public interest criteria used by the Commission when it designated ETCs in the past. For 20:10:32:54, subparagraph four, he stated that it should be clarified what type of complaint should be included. He also stated that the time frame for the information required should be included.