

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
VARTEC TELECOM, INC. FOR A)	CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE)	AUTHORITY
LOCAL EXCHANGE SERVICES IN SOUTH)	
DAKOTA)	TC01-154

On October 1, 2001, the Public Utilities Commission (Commission) received an application for a certificate of authority from VarTec Telecom, Inc. (VarTec).

VarTec proposes to provide facilities-based services utilizing the unbundled network elements platform of the incumbent local exchange carriers and as such, does not intend to construct any new facilities at this time. VarTec's local exchange services may include, but will not be limited to, basic residential and business local exchange services and class features; residential and business ancillary services (911, directory assistance, etc); private line services; and data transmission services. A proposed tariff was filed by VarTec.

On October 4, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of October 19, 2001, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled November 27, 2001, meeting, the Commission considered VarTec's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-69 and ARSD 20:10:32:03. The Commission finds that VarTec has met the legal requirements established for the granting of a certificate of authority. VarTec has, in accordance with SDCL 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota.

The Commission approves VarTec's application for a certificate of authority, subject to rural safeguards. The certificate of authority for VarTec shall authorize it to offer local exchange services in South Dakota, except in those areas served by a rural telephone company. In the future, should VarTec choose to provide local exchange services statewide, with respect to rural telephone companies, VarTec will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that VarTec's application for a certificate of authority to provide local exchange services is granted; and it is

FURTHER ORDERED, that VarTec shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize VarTec to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company.

Dated at Pierre, South Dakota, this 5th day of December, 2001.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Melaine Kalbo</u>
Date:	<u>12/7/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner