

42/48

TC01-131

DOCKET NO. _____

In the Matter of _____

IN THE MATTER OF THE REQUEST OF _____

SPLITROCK TELECOM _____

COOPERATIVE, INC. AND SPLITROCK _____

PROPERTIES, INC. FOR _____

CERTIFICATION REGARDING ITS USE _____

OF FEDERAL UNIVERSAL SERVICE _____

SUPPORT _____

Public Utilities Commission of the State of South Dakota

MEMORANDA

Case: Filed and Docketed;

Case: Granted Request for Certification;

Case: Fully Adjudicated;

Case: Pending Certification;

Case: Docket Closed.

GLOVER, HELSPER AND RASMUSSEN, P.C.

TC01-131

ALAN F. GLOVER
RICHARD J. HELSPER
ERIC M. RASMUSSEN
VICTORIA M. DUTCH

ATTORNEYS AND COUNSELORS AT LAW
100 TWENTY-SECOND AVENUE, SUITE 200
BROOKINGS, SOUTH DAKOTA 57006
TELEPHONE: (605) 692-7775
FAX: (605) 692-4611

E-MAIL ADDRESSES:

alglov@home.com
helsper@home.com
enr100@home.com
vmd100@home.com

August 16, 2001

South Dakota Public Utilities Commission
Attention: Debra Elofson
500 East Capitol
Pierre, South Dakota 57501

Re: REQUEST OF SPLITROCK TELECOM COOPERATIVE, INC.
FOR CERTIFICATION REGARDING ITS USE OF FEDERAL
UNIVERSAL SERVICE SUPPORT

Dear Ms. Elofson:

Enclosed herewith is an original and 10 copies of a Request for Certification for Splitrock Telecom Cooperative, Inc. If you have any questions pertaining to same, please feel free to contact either myself or Manager Don Snyders.

Thank you very much.

Sincerely,

GLOVER, HELSPER & RASMUSSEN, P.C.


ALAN F. GLOVER

AFG:kls
Enclosure
cc: Don Snyders

RECEIVED

AUG 20 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

RECEIVED

AUG 2 11 2001

**IN THE MATTER OF THE REQUEST OF
SPLITROCK TELECOM COOPERATIVE, INC.
FOR CERTIFICATION REGARDING ITS USE
OF FEDERAL UNIVERSAL SERVICE SUPPORT**

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
DOCKET NO. ___

REQUEST FOR CERTIFICATION

Splitrock Telecom Cooperative, Inc. by and through its attorney hereby submits a Request for Certification to the South Dakota Public Utilities Commission ("Commission") seeking certification from the Commission pursuant to 47 C.F.R. § 54.314. In support of this Request, Splitrock Telecom Cooperative, Inc. offers the following:

1. On May 23, 2001, the Federal Communications Commission (FCC) released an Order relative to the federal universal service support mechanism for rural carriers.¹ This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company ("USAC") stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local

switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

3. Splitrock Telecom Cooperative, Inc. is a rural telephone company that has previously been designated by this Commission as an eligible telecommunications carrier. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 6751 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Splitrock Telecom Cooperative, Inc. and its provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure

¹ CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC

compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.²

5. The purpose of this filing is to provide information constituting Splitrock Telecom Cooperative, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Splitrock Telecom Cooperative, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

6. In the process of determining whether federal universal service support is used in a manner consistent with the Federal Communications Act, the "universal service principles" established in Section 254(b) are instructive. That Section states that the FCC shall base "policies for the preservation and advancement of universal service" on certain, specifically identified principles:

- (1) Quality services should be available at just, reasonable, and affordable rates.
- (2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.
- (3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .
- (4) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

7. The FCC has declined to dictate specifically how the states should ensure that carriers are using federal universal service support consistent with the federal law, but has offered examples of how the support can be used to appropriately further universal service goals. The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas

A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.³

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

² Fourteenth Report and Order, ¶ 188.

³ Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

9. Splitrock Telecom Cooperative, Inc. as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2002. As of this time, specific support amounts the Company should receive in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive⁴:

High-Cost Loop Support	\$_____0_____
Local Switching Support (DEM Weighting)	\$____375,672_____
Safety Net Additive Support	\$_____0_____
Safety Valve Support	\$_____0_____

10. For calendar year 2002, Splitrock Telecom Cooperative, Inc. intends to make the following network facility and equipment investments:

Installation of 24 fiber optic cable and 100-24 copper cable in Redrock addition of Brandon; installation of 36 fiber optic cable and various sizes of copper cable in Northwest Brandon; installation of 24 fiber optic cable and various sizes of copper cable from Howard to the city of Carthage; miscellaneous installation of copper cable to replace old air core cable or for new construction of residential housing or businesses; Nortel 502 upgrade for all central office switches; DMS-10 line card additions; ADSL electronics for additional customers; AFC cabinet in Garretson exchange;

⁴ It should be noted that Long Term Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these amounts. See 14th Report and Order footnote number 446.

11. In providing local exchange telecommunications services, Splitrock Telecom Cooperative, Inc. will also incur other costs. In 2002, these costs will include:

Land and building; vehicle; furniture & office equipment; computer hardware and software; central office; paystations; buried cable repairs and locations; power; testing; plant maintenance; fiber leases; sales; advertising; call completion; directory; executive; director; planning; accounting & finance; traffic studies; cost studies; other general & administrative; dues; insurance;

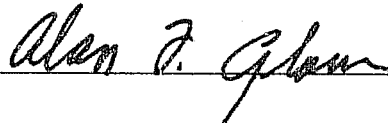
12. Splitrock Telecom Cooperative, Inc. estimates that the total costs described above relating to its planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will exceed \$3,411,089__.

13. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Splitrock Telecom Cooperative, Inc. will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Splitrock Telecom Cooperative, Inc. to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

14. Based on all of the foregoing information and also the Affidavit of Don Snyders, attached as Exhibit A, Splitrock Telecom Cooperative, Inc. requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Splitrock Telecom Cooperative, Inc. is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2002. In order to ensure that this certification is issued to the FCC prior to October 1, 2001, Splitrock Telecom Cooperative, Inc. would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this ~~15~~¹⁶ day of August, 2001.

Respectfully submitted,



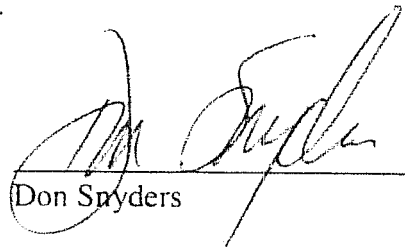
Alan F. Glover

Glover, Helsper, and Rasmussen, PC

EXHIBIT A

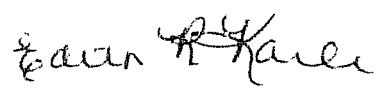
AFFIDAVIT

As an authorized corporate officer of Splitrock Telecom Cooperative, Inc., I, Don Snyders hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Splitrock Telecom Cooperative, Inc. will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).



Don Snyders

Subscribed and Sworn to before me this 13th day of August, 2001.

NOTARY PUBLIC 
My Commission Expires
6/26/2005

Commission expires _____

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of August 16, 2001 through August 22, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CE01-002 **In the Matter of the Complaint filed by Dale Riedlinger, Sioux Falls, South Dakota, against Xcel Energy Regarding Poor Maintenance Service.**

Complainant states that on or about May 21, 2001, Xcel Energy had a tree trimming company come to their area of town and trim trees. Complainant states that when the company trimmed there tree in the front yard of their home, the tree was destroyed by cutting the tree half off. Complainant states that their are only two customers in his neighborhood that do not have buried cable. Complainant inquired about the line being buried and was told that he would have to pay \$7,500.00. Complainant states that Xcel Energy does not have an easement to have the utility pole on his property. Complainant requests that Xcel Energy bury their lines at no cost or a reasonable cost to the customer. Complainant does not feel he should replace his tree because he believes that the problem will occur again when the tree trimming service happens again.

Staff Analyst: Mary Healy
Staff Attorney: Kelly Frazier
Date Docketed: 08/20/01
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC01-111 **In the Matter of the Request of Baltic Telecom Cooperative and East Plains Telecom, Inc for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/16/01
Intervention Deadline: 08/31/01

TC01-112 **In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Cheyenne River Sioux Tribe Telephone Authority's plan for the use of its federal universal service support and to otherwise verify that Cheyenne River Sioux Tribe Telephone Authority will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/17/01
Intervention Deadline: 08/31/01

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-118 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Kadoka Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Kadoka Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-119 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-120 In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Mt. Rushmore Telephone Company and Fort Randall Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Mt. Rushmore Telephone Company and Fort Randall Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-121 In the Matter of the Request of Sanborn Telephone Cooperative, Inc. and SANCOM, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Sanborn Telephone Cooperative, Inc./Sancom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Sanborn Telephone

Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-126 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting West River Telecommunications Cooperative's (Mobridge) plan for the use of its federal universal service support and to otherwise verify that West River Telecommunications Cooperative (Mobridge) will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-127 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Midstate Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Midstate Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-128 In the Matter of the Request of Tri-County Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Tri-County Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Tri-County Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-129 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting McCook Cooperative Telephone Company's plan for the use of its federal universal service support and to otherwise verify that McCook Cooperative Telephone

The purpose of this filing is to provide information constituting Sioux Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/21/01
Intervention Deadline: 08/31/01

**TC01-134 In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification
Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Telephone Cooperative's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Telephone Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

**TC01-135 In the Matter of the Request of Dickey Rural Communications, Inc. for Certification
Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

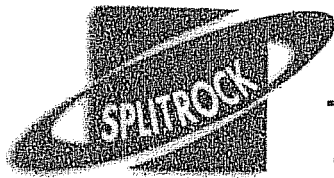
**TC01-136 In the Matter of the Request of Farmers Mutual Telephone Company for Certification
Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Farmers Mutual Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

**TC01-137 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use
of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting RT Communications, Inc.'s plan for the use of its



**SPLITROCK
TELECOM
COOPERATIVE, INC.**

RECEIVED

AUG 23 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

August 21, 2001

Ms. Debra Elofson
Executive Director
Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RE: Request for Certification regarding Universal Service Support

Dear Ms. Elofson

This letter is intended to clarify the certification that you received for Splitrock Telecom Cooperative, Inc. from the firm Glover, Helsper and Rasmussen on August 17, 2001. This filing encompasses both Splitrock Telecom Cooperative, Inc. and Splitrock Properties Inc. as the two companies are considered one study area regarding Federal Universal Service Support.

If you have any questions regarding the above information, please do not hesitate to call our office.

Respectfully,

A handwritten signature in cursive script that reads "Kari J. Flanagan".

Kari J. Flanagan
Accounting Manager

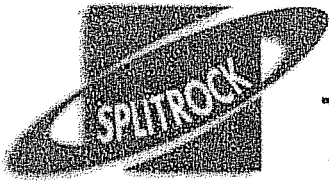
612 Thi

P.O.

Garretson, S

Phone: 605-5

Fax: 605-5



**SPLITROCK
TELECOM
COOPERATIVE, INC.**

August 22, 2001

RECEIVED

AUG 27 2001

Ms. Debra Elofson
Executive Director
Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Amended Request for Certification regarding Universal Service
Support

Dear Ms. Elofson:

Please accept for filing the enclosed original amended Request for Certification and ten copies of the same for Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. This filing encompasses both Splitrock Telecom Cooperative, Inc and Splitrock Properties, Inc., as the two companies are considered one study area regarding Federal Universal Service Support. The Request has been amended to specifically list both companies as per request by your office.

If you have any questions regarding the enclosed forms, please do not hesitate to call our office.

Respectfully,

A handwritten signature in cursive script that reads "Kari J. Flanagan".

Kari J Flanagan
Accounting Manager

612 Third Str

P.O. Box 3

Garretson, SD 570

Phone: 605-594-34

Fax: 605-594-67

GLOVER, HELSPER AND RASMUSSEN, P.C.

ATTORNEYS AND COUNSELORS AT LAW
100 TWENTY-SECOND AVENUE, SUITE 200
BROOKINGS, SOUTH DAKOTA 57006
TELEPHONE: (605) 692-7775
FAX: (605) 692-4611

Alan F. Glover
Bryan J. Helsper
Eric N. Rasmussen
Victoria M. Duda

E-MAIL ADDRESSES:
ALGLOV@ispchannel.com
rjh2@ispchannel.com
ENR@ispchannel.com
VMD@ispchannel.com

August 23, 2001

RECEIVED

AUG 27 2001

South Dakota Public Utilities Commission
Attention: Debra Elofson
500 East Capitol
Pierre, South Dakota 57501

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: REQUEST OF SPLITROCK TELECOM COOPERATIVE, INC.
AND SPLITROCK PROPERTIES, INC., FOR CERTIFICATION
REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE
SUPPORT

Dear Ms. Elofson:

Enclosed herewith is an original and 10 copies of a Request for Certification for Splitrock Telecom Cooperative, Inc., and its subsidiary, Splitrock Properties, Inc. If you have any questions pertaining to same, please feel free to contact either myself or Manager Don Snyders.

Thank you very much.

Sincerely,

GLOVER, HELSPER & RASMUSSEN, P.C.



ALAN F. GLOVER

AFG:kls
Enclosure
cc: Don Snyders

RECEIVED

AUG 27 2001

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF
SPLITROCK TELECOM COOPERATIVE, INC. AND ITS
SUBSIDIARY SPLITROCK PROPERTIES, INC. FOR
CERTIFICATION REGARDING ITS USE OF FEDERAL
UNIVERSAL SERVICE SUPPORT

DOCKET NO. __

AMENDED REQUEST FOR CERTIFICATION

Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. by and through its attorney hereby submits a Request for Certification to the South Dakota Public Utilities Commission ("Commission") seeking certification from the Commission pursuant to 47 C.F.R. § 54.314. In support of this Request, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. offer the following:

1. On May 23, 2001, the Federal Communications Commission (FCC) released an Order relative to the federal universal service support mechanism for rural carriers.¹ This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company ("USAC") stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of

¹ CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

3. Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. is a rural telephone company that has previously been designated by this Commission as an eligible telecommunications carrier. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately ____6751____ access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. and its provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the

Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.²

5. The purpose of this filing is to provide information constituting Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

6. In the process of determining whether federal universal service support is used in a manner consistent with the Federal Communications Act, the "universal service principles" established in Section 254(b) are instructive. That Section states that the FCC shall base "policies for the preservation and advancement of universal service" on certain, specifically identified principles:

- (1) Quality services should be available at just, reasonable, and affordable rates.
- (2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.

² Fourteenth Report and Order, ¶ 188.

(3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .

(4) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

7. The FCC has declined to dictate specifically how the states should ensure that carriers are using federal universal service support consistent with the federal law, but has offered examples of how the support can be used to appropriately further universal service goals. The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas . . .

A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.³

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

³ Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

9. Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2002. As of this time, specific support amounts the Company should receive in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive⁴:

High-Cost Loop Support	\$ _____ 0 _____
Local Switching Support (DEM Weighting)	\$ _____ 375,672 _____
Safety Net Additive Support	\$ _____ 0 _____
Safety Valve Support	\$ _____ 0 _____

10. For calendar year 2002, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. intends to make the following network facility and equipment investments:

Installation of 24 fiber optic cable and 100-24 copper cable in Redrock addition of Brandon; installation of 36 fiber optic cable and various sizes of copper cable in Northwest Brandon; installation of 24 fiber optic cable and various sizes of copper cable from Howard to the city of Carthage; miscellaneous installation of copper cable to replace old air core cable or for new construction of residential housing or businesses; Nortel 502 upgrade for all central office switches; DMS-10 line card additions; ADSL electronics for additional customers; AFC cabinet in Garretson exchange;

⁴ It should be noted that Long Term Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these amounts. See 14th Report and Order footnote number

11. In providing local exchange telecommunications services, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. will also incur other costs. In 2002, these costs will include:

Land and building; vehicle; furniture & office equipment; computer hardware and software; central office; paystations; buried cable repairs and locations; power; testing; plant maintenance; fiber leases; sales; advertising; call completion; directory; executive; director; planning; accounting & finance; traffic studies; cost studies; other general & administrative; dues; insurance;

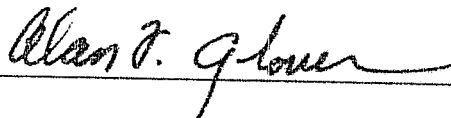
12. Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. estimates that the total costs described above relating to its planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will exceed \$_3,411,089__.

13. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

14. Based on all of the foregoing information and also the Affidavit of Don Snyders, attached as Exhibit A, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2002. In order to ensure that this certification is issued to the FCC prior to October 1, 2001, Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 22nd day of August, 2001.

Respectfully submitted,

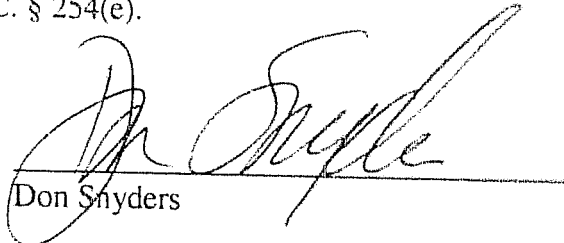
A handwritten signature in cursive script that reads "Alan F. Glover". The signature is written in black ink and is positioned above a horizontal line.

Alan F. Glover


Glover, Helsper, and Rasmussen, PC

AFFIDAVIT

As an authorized corporate officer of Splitrock Telecom Cooperative, Inc., and its subsidiary Splitrock Properties, Inc. I, Don Snyders hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Splitrock Telecom Cooperative, Inc. and its subsidiary Splitrock Properties, Inc. will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).


Don Snyders

Subscribed and Sworn to before me this 23rd day of August, 2001.

NOTARY PUBLIC 

My Commission Expires
6/26/2006
Commission expires _____

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
SPLITROCK TELECOM COOPERATIVE, INC.)	CERTIFICATION
AND SPLITROCK PROPERTIES, INC. FOR)	
CERTIFICATION REGARDING THEIR USE OF)	TC01-131
FEDERAL UNIVERSAL SERVICE SUPPORT)	

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.¹ This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 § C.F.R. 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, a state that desires rural carriers within its jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company (USAC) stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only be made available in the future if the State Commission files the requisite certification pursuant to § 54.314.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2001 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the state are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

On August 20, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from Splitrock Telecom Cooperative, Inc. regarding its Request for Certification Regarding Its Use of Federal Universal Service Support. On August 22, 2001, the Commission received an amended filing from Splitrock Telecom Cooperative,

¹CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

Inc. and Splitrock Properties, Inc. (Company). The purpose of these filings was to provide information constituting Company's plan for the use of its federal universal service support and to otherwise verify that Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254. As a part of its plan, Company listed estimates of the support it expected to receive from USAC as well as its estimated costs for the provision, maintenance, and upgrading of facilities and services. An Affidavit was attached to the Request for Certification.

On August 23, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of August 31, 2001, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 7, 2001, the Commission considered this matter.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 254. The Commission found that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission unanimously voted to approve Company's Request for Certification Regarding Its Use of Federal Universal Service Support. It is therefore

ORDERED, that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. It is

FURTHER ORDERED, that the Commission approves Company's Request for Certification Regarding Its Use of Federal Universal Service Support.

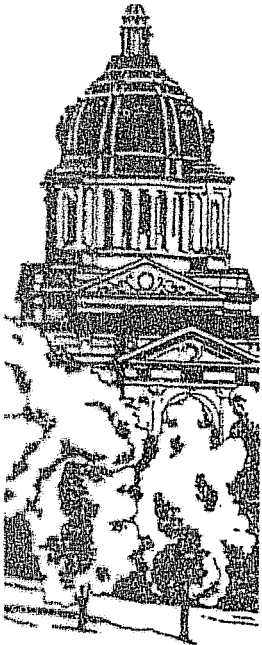
Dated at Pierre, South Dakota, this 20th day of September, 2001.

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 Kelbo</u>
Date	<u>9/25/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

September 25, 2001

Ms. Magalie R. Salas
Federal Communications Commission
Office of the Secretary
445 12th St. S.W.
Washington, DC 20554

Ms. Irene Flannery
Universal Service Administrative Company
2120 L Street N.W., Suite 600
Washington, DC 20037

RE: CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001

Annual State Certification of Support for Rural Carriers

Dear Ms. Salas and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carriers and/or eligible telecommunications carriers within its jurisdiction have been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carriers listed below filed requests for certification with the Commission which support their affirmations that all federal high-cost support provided to them will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission has granted certification to the following companies:

Armour Independent Telephone Company
Baltic Telecom Cooperative and East Plains Telecom, Inc.
Beresford Municipal Telephone Company
Bridgewater-Canistota Independent Telephone Company
Cheyenne River Sioux Tribe Telephone Authority
Citizens Telecommunications Company of Minnesota, Inc.
City of Brookings Municipal Telephone
Consolidated Telcom
Dakota Community Telephone

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet Website
www.state.sd.us/puc/

Jim Burg
Chairman
Pam Nelson
Vice-Chairman

Debra Elofson
Executive Director

Hazlan Best
Martin C. Bettmann
Sue Cichos
Karen E. Cremer
Christopher W. Downs
Terry Emerson
Michele M. Farris
Marlette Fischbach
Heather K. Forney
Kelly D. Frazier
Mary Giddings
Leni Healy
Mary Healy
Lisa Hull
Dave Jacobson
Amy Kayser
Jennifer Kirk
Bob Knadle
Delsaine Kolbo
Charlene Lund
Gregory A. Ristov
Keith Senger
Rosalynne Ailts Wiest