

INLET NO.

In the Matter of

IN THE MATTER OF THE REQUEST OF
RED RIVER TELECOM, INC. FOR
CERTIFICATION REGARDING ITS USE
OF FEDERAL UNIVERSAL SERVICE
SUPPORT

Public Utilities Commission of the State of South Dakota

[illegible]

STOKES LAW OFFICE
Attorney & Counselor at Law
701 2nd Ave North
P.O. Box 1266
Wahpeton, North Dakota 58074-1266
Telephone: (701.643.8813)

A. W. Stokes
Attorney

SEP 21 1991

September 25, 2001

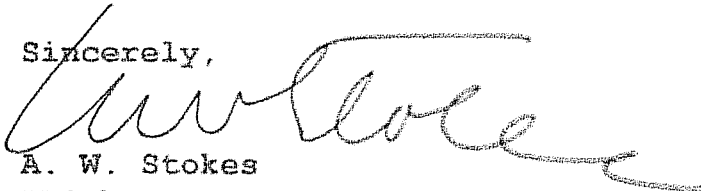
South Dakota Public
Utilities Commission
State Capitol Building
500 East Capitol Ave
Pierre, SD 57501-5070

Re: Red River Telecom, Inc. Request for Certification

Dear Sir or Madam:

Enclosed is the Request for Certification for Red River Telecom, Inc.

Sincerely,



A. W. Stokes
AWS:br
Enclosure

RECEIVED

SEP 21 1991

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

SEP 26 2001

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF
RED RIVER TELECOM, INC.
FOR CERTIFICATION REGARDING ITS
USE OF FEDERAL UNIVERSAL
SERVICE SUPPORT

DOCKET NO. __

REQUEST FOR CERTIFICATION

Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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. Red River Telecom, Inc. only provides service to three South Dakota customers and all three customers are reported as part of the North Dakota study area. Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, would request that to the extent that separate certification for these subscribers is required that it be granted by the Commission. In support of this Request, Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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 (hereinafter 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

¹ CC Docket No. 96-45, CC Docket No. 00-250, Fourteenth Report and Order, Twenty Second Order on Remand, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-250, FCC 01-157, Released May 23, 2001.

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. Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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 3 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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 Red River Telecom, Inc.'s, a subsidiary of Red River Rural Telephone Association, plan for the use of its federal universal service support and to otherwise verify that Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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. . . .

(6) 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.

9. Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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.

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.

The Company, however, offers the following estimates concerning the support it expects to receive⁴:

High-Cost Loop Support	\$46
Local Switching Support (DEM Weighting)	\$72
Safety Net Additive Support	\$0
Safety Valve Support	\$0

(The estimates are apportioned on the basis of access lines.)

10. For calendar year 2002, Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, will continue to add to its infrastructure and that the operations and investment will far exceed the support received for these three customers.

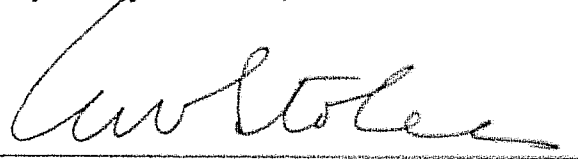
11. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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.

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.

12. Based on all of the foregoing information and also the Affidavit of Ardon Doran attached as Exhibit A, Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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, Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 24th day of September, 2001.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "C. W. Tolson", is written over a horizontal line.

(corporate attorney)

EXHIBIT A

AFFIDAVIT

As an authorized corporate officer of Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, I, Ardon M. Doran, 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 Red River Telecom, Inc., a subsidiary of Red River Rural Telephone Association, 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).

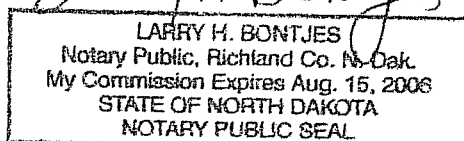


Ardon M. Doran
General Manager

Subscribed and Sworn to before me this 24th day of September, 2001.

NOTARY PUBLIC

Commission expires Aug 15, 2006



South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of September 20, 2001 through September 26, 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 AFFAIRS

CT01-041 In the Matter of the Complaint filed by Susan Brenneman, Iowa City, Iowa, against Qwest Corporation and AT&T Communications of the Midwest, Inc. Regarding Unauthorized Collect Call Charges.

Complainant states that she requested a collect call block on her telephone line. Complainant states that even though she requested a collect call block, she does not believe that the block was put on her line at her original request. Collect calls were made to her home from a correctional facility and Complainant's daughter accepted the collect calls. Complainant feels that she did everything possible to prevent the collect calls and that she should not be held responsible for the charges.

Staff Analyst: Mary Healy
Staff Attorney: Karen E. Cremer
Date Docketed: 09/20/01
Intervention Deadline: N/A

CT01-042 In the Matter of the Complaint filed by Mark E. Ferdig on behalf of Siouxland Telephone Company, Inc., North Sioux City, South Dakota, against Lightyear Communications, Inc. f/k/a UniDial Communications Regarding Failure to Pay Dial-Around Compensation.

Complainant's representative alleges that Siouxland Telephone Co., has been unable to collect compensation for payphone calls made using its facilities. Complainant requests that the SD Public Utilities Commission order the respondent to pay Dial-around compensation of \$97,049.07, plus interest at the rate of 11.25%.

Staff Analysts: Charlene Lund/Harlan Best
Staff Attorney: Karen E. Cremer
Date Docketed: 09/26/01
Intervention Deadline: N/A

CT01-043 In the Matter of the Complaint filed by Mark E. Ferdig on behalf of Siouxland Telephone Company, Inc., North Sioux City, South Dakota, against ALLTEL Communications, Inc. Regarding Failure to Pay Dial-Around Compensation.

Complainant's representative alleges that Siouxland Telephone Co., has been unable to collect compensation for payphone calls made using its facilities. Complainant requests that the SD Public Utilities Commission order the respondent to pay Dial-around Compensation of \$11,681.05, plus interest at the rate of 11.25%.

Staff Analysts: Charlene Lund/Harlan Best
Staff Attorney: Karen E. Cremer
Date Docketed: 09/26/01
Intervention Deadline: N/A

ELECTRIC

EL01-021 In the Matter of the Joint Request for an Electric Service Territory Boundary Change between Xcel Energy and Southeastern Electric Cooperative, Inc.

Southeastern Electric Cooperative, Inc. and Xcel Energy jointly request the Commission grant an electric service territory boundary change. The boundary change is requested to allow each utility to provide electric service to the proposed Sunset Ridge Addition, Sioux Falls, SD in a more efficient manner based on the layout of the street

comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than October 15, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier

Date Docketed: 09/24/01

Initial Comments Due: 10/15/01

TC01-152

In the Matter of the Request of Red River Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Red River Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Red River 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 E. Cremer

Date Docketed: 09/26/01

Intervention Deadline: 09/27/01

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

IN THE MATTER OF THE REQUEST OF RED)	ORDER GRANTING
RIVER TELECOM, INC. FOR CERTIFICATION)	CERTIFICATION
REGARDING ITS USE OF FEDERAL)	
UNIVERSAL SERVICE SUPPORT)	TC01-152

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 September 26, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from Red River Telecom, Inc. (Company) regarding its Request for Certification Regarding Its Use of Federal Universal Service Support. The purpose of this filing 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

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.

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. An Affidavit was attached to the Request for Certification.

On September 26, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of September 27, 2001, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 28, 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.

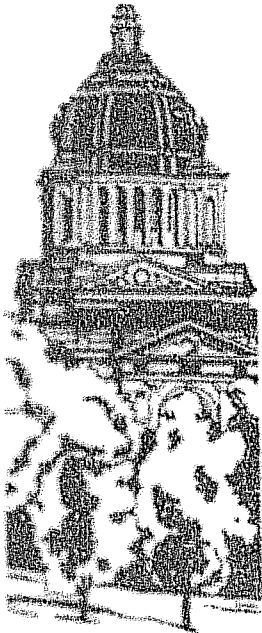
Dated at Pierre, South Dakota, this 28th day of September, 2001.

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>Helaine Kelko</u>
Date	<u>9/28/01</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 28, 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

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 Elston
Executive Director

Harlan Best
Martin C. Beumann
Suz Cichos
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Christopher W. Downs
Terry Emerson
Michele M. Farris
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Heather K. Forney
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Dave Jacobson
Amy Kayser
Jennifer Kirk
Bob Knadle
Delaine Kolbo
Charlene Lund
Gregory A. Rinkov
Keith Senger
Rosalyn Aulis Wiest

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 carrier and/or eligible telecommunications carrier within its jurisdiction has been certified to receive support pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carrier listed below has filed a request for certification with the Commission which supports its affirmation that all federal high-cost support provided to it will be used only for the provision of maintenance, and upgrading of facilities and services for which the support is intended. The Commission has granted certification to the following company:

Red River Telecom, Inc.

Also enclosed is the Order Granting Certification to the above-referenced rural incumbent local exchange carrier and/or eligible telecommunications carrier. Should you have any questions, please do not hesitate to contact us for further information.

Sincerely,

James A. Burg
James A. Burg
Chairman

Pam Nelson
Pam Nelson
Commissioner