

KC)HB

DOCKET NO. _____

In the Matter of — IN THE MATTER OF THE REQUEST OF
THREE RIVER TELCO FOR
CERTIFICATION REGARDING ITS USE
OF FEDERAL UNIVERSAL SERVICE
SUPPORT

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
9/13/02	Filed and docketed;
9/16/02	Verbal filings;
9/27/02	Order Granting Certification;
9/27/02	Docket Closed.



Neil K. Classen
Manager
PO Box 66
Lynch, NE 68746

RECEIVED

SEP 13 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

September 6, 2002

To Whom it may concern,

Please find enclosed the original plus 10 copies of Three River Telco's Request for Certification regarding use of Federal Universal Service Support.

If you have any questions, please feel free to give me a call.

Thank-you!!

Sincerely,

A handwritten signature in black ink that reads 'Neil Classen'. The signature is written in a cursive style with a large initial 'N'.

Neil Classen

Phone
(402) 569-2666
Fax
(402) 569-4455
Email
info@threeriver.net

SEP 13 2002

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**IN THE MATTER OF THE REQUEST OF
THREE RIVER TELCO FOR CERTIFICATION
REGARDING USE OF FEDERAL UNIVERSAL
SERVICE SUPPORT.**

DOCKET NO. _____

REQUEST FOR CERTIFICATION

Three River Telco (the "Company"), 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, the Company 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

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.

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 2003 is currently due to be filed with the FCC and USAC on or before October 1, 2002. 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. The Company 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 12 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over the Company 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 indicating the Company's use of federal universal service support and to otherwise verify that the 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.

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....

(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:

² Fourteenth Report and Order, ¶ 188.

[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. The Company as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2003. As of this time, specific support amounts the Company should receive in 2003 have not yet been identified by USAC. Included in Exhibit A attached hereto, however, are estimated universal service support amounts for such period.

10. The Company also provides in Exhibit A, attached hereto, estimates of the expenditures that will be incurred in year 2003 for the provision, maintenance, and upgrading of facilities and services supported by federal universal service. Consistent with the universal service principles set forth in the federal law and also the FCC orders referenced herein, the Company will use federal universal service amounts received in 2003 to offset a portion of 2003 expenditures incurred within the accounts referenced in Exhibit A. This use of federal universal service support will enable the Company 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

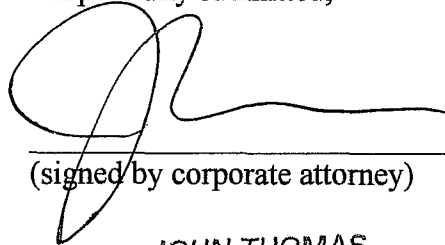
³ Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

universal service support for these purposes is clearly consistent with the federal universal service provisions.

14. Based on the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of Neil Classen, Three River Telco requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Three River Telco 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 2003. In order to ensure that this certification is issued to the FCC prior to October 1, 2002, Three River Telco would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 3 day of Sept, 2002.

Respectfully submitted,



(signed by corporate attorney)

JOHN THOMAS
Attorney at Law
P. O. Box 123
Center NE 68724
(402) 288-4284
402-288-4285 fax

Exhibit A
Three River Telco

Estimated Year 2003 Federal Universal Service Receipts

High cost loop support	\$ 435,095
Local switching support	\$ 215,244
Safety Net Additive support	\$ 0
Safety Valve Loop Cost Adjustment	\$ 0
TOTAL	\$ 650,339

Estimated Year 2003 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Estimated Plant Specific Operations Expenses

Network support (Accts. 6110-16)	\$ 0
General support (Accts. 6120-24)	\$ 28,521
Central office (Accts. 6210-6232)	\$ 243,811
Cable and wire facilities (Accts. 6410-6441)	\$ 100,339
Network operations (Accts. 6530-35)	\$ 93,766
Depreciation and amortization (Accts. 6560-65)	\$ 627,364

Customer Operations Expenses

Customer services (Accts. 6620-23)	\$ 134,121
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Corporate Operations Expenses

Executive and planning (Accts. 6710-6712)	\$ 77,074
General and administrative (Accts. 6720-28)	\$ 319,943

Estimated Total Recurring Year 2003 Supported Expenses, from above, Before Return On Investment **\$1,624,939**

Estimated Additions

Switching (Acct. 2210)	\$ 0
Cable and wire (Acct. 2410)	\$ 392,413
TOTAL	\$ 392,413

Estimated Total Year 2003 Supported Expenditures, Before Return On Investment **\$2,017,352**

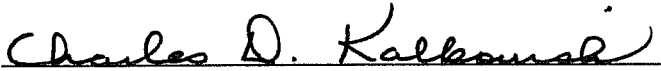
**Exhibit B
AFFIDAVIT**

As an authorized corporate officer of Three River Telco, I, Neil Classen 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 Three River Telco 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).

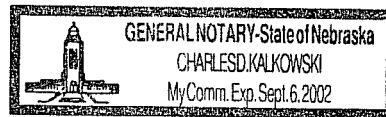


Neil Classen

Subscribed and Sworn to before me this 29th day of August, 2002.



NOTARY PUBLIC



Commission expires: 9-6-2002

South Dakota Public Utilities Commission

WEEKLY FILINGS

SPECIAL NOTICE

September 16, 2002

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 report. Phone: 605-773-3705 Fax: 605-773-3809

TELECOMMUNICATIONS

TC02-158 In the Matter of the Request of Three River Telco for Certification Regarding its Use of Federal Universal Service Support.

On September 13, 2002, Three River Telco provided information constituting Three River Telco's plan for the use of its federal universal service support and to otherwise verify that Three River Telco 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: 09/13/02

Intervention Deadline: 09/23/02

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
THREE RIVER TELCO FOR CERTIFICATION)	CERTIFICATION
REGARDING ITS USE OF FEDERAL)	
UNIVERSAL SERVICE SUPPORT)	TC02-158

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 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2002. 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 13, 2002, the South Dakota Public Utilities Commission (Commission) received a filing from Three River Telco (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 federal

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.

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 September 16, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of September 23, 2002, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 24, 2002, 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 27th day of September, 2002.

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><i>Neilino Kalbo</i></u>
Date:	<u>9/27/02</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

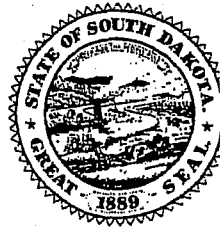
James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner

South Dakota Public Utilities Commission

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



September 27, 2002

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W.
Washington, DC 20554

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

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. Dortch 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, consistent with section 254(e) of the Communications Act. The Commission has granted certification to the following companies:

Armour Independent Telephone Company (391640)
Baltic Telecom Cooperative and East Plains Telecom, Inc. (391642)
Beresford Municipal Telephone Company (391649)
Bridgewater-Canistota Independent Telephone Company (391640) (co. no. 0158)
Brookings Municipal Telephone (391650)
Cheyenne River Sioux Tribe Telephone Authority (391647)
Citizens Telecommunications Company of Minnesota, Inc. (361123)
City of Faith Municipal Telephone Company (391653)



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
Bob Sahr
Commissioner

Debra Elofson
Executive Director

Harlan Best
Martin C. Bettmann
Karen E. Cremer
Tina Douglas
Christopher W. Downs
Terry Emerson
Michele M. Farris
Marlette Fischbach
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Gregory A. Rislav
Keith Senger
John Smith
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