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	Public Utilities Commission of the State of South Dakota					
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TC03-170

STOKES LAW OFFICE Attorney & Counselor at Law 702 2nd Ave North P.O. Box 1266 Wahpeton, North Dakota 58074-1266 Telephone: 701-642-8813

A. W. Stokes Attorney

Fax: 701-642-4500

August 25, 2003

## RECEIVED

AUG 2 8 2003

South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, SD 57501-5070

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Re: Red River Telecom

Enclosed is the South Dakota State Certification for Red River Telecom's use of Federal Universal Support Funds. This is their annual certification to you and I, as their corporate attorney am required to certify and submit this information.

If anything further is needed, please let me know.

The Si cerelv. A. W. Stokes

cc: Donna Thiel enc.

# IC03-170 HECEIVED

AUG 2 8 2003

### 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. 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, *Red River Telecom, 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.<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> 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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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.* 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.* 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.<sup>2</sup>

5. The purpose of this filing is to provide information indicating *Red River Telecom*, *Inc.* 's use of 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. § 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

<sup>&</sup>lt;sup>2</sup> Fourteenth Report and Order, ¶ 188.

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.<sup>3</sup>

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.* as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2004. As of this time, specific support amounts the Company should receive in 2004 have not yet been identified by USAC. Included in Exhibit A attached hereto, however, are estimated universal service support amounts for such period.

10. Red River Telecom, Inc. also provides in Exhibit A, attached hereto, estimates of the expenditures that will be incurred in year 2004 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, *Red River Telecom, Inc.* will use federal universal service amounts received in 2004 to offset a portion of 2004 expenditures incurred within the accounts referenced in Exhibit A. This use of federal universal service support will enable *Red River Telecom, Inc.* to: (1) maintain rates for its

<sup>&</sup>lt;sup>3</sup> 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.

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 the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of *Jeffrey Olson*, *Red River Telecom, Inc.* requests that this Commission issue an appropriate certification to the FCC and USAC indicating that *Red River Telecom, 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 2004. In order to ensure that this certification is issued to the FCC prior to October 1, 2003, *Red River Telecom, Inc.* would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this  $\frac{20}{20}$  day of August, 2003.

Respectfully submitted,

Tike

(signed by corporate attorney)

### Exhibit A *Red River Telecom, Inc*.

### **Estimated Year 2004 Federal Universal Service Receipts**

.

High cost loop support	\$	70
Local switching support	\$	200
Safety Net Additive support	\$	0
Safety Valve Loop Cost Adjustment	<u>\$</u>	0
TOTAL	\$	270

<u>Estimated</u> Year 2004 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)	\$	50
Central office (Accts. 6210-6232)	\$	170
Cable and wire facilities (Accts. 6410-6441)		300
Network operations (Accts. 6530-35)	\$	60
Depreciation and amortization (Accts. 6560-65)	\$	600
Customer operations expenses		
Customer services (Accts. 6620-23)	\$	250
Corporate operations expenses		
Executive and planning (Accts. 6710-6712)	\$	140
General and administrative (Accts. 6720-28)	\$_	240
Estimated Total <u>Recurring</u> Year 2004 Supported Expenses, <u>from above,</u> Before Return On Investment	\$	1,810
Estimated Additions		
Switching (Acct. 2210)	\$	0
Cable and wire (Acct. 2410)	\$	0
TOTAL	\$	0
Estimated Total Year 2004 Supported Expenditures, Before Return On Investment	\$	1,810
<b>A Z</b>		

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

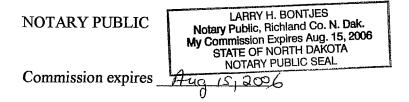
### EXHIBIT B

### AFFIDAVIT

As an authorized corporate officer of *Red River Telecom*, *Inc.*, I, *Jeffrey Olson* 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.* 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).

Jeffier Dison

Subscribed and Sworn to before me this  $\frac{15^{+4}}{5}$  day of August, 2003.



### South Dakota Public Utilities Commission WEEKLY FILINGS

### For the Period of August 28, 2003 through September 3, 2003

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

#### CONSUMER COMPLAINTS

CT03-133 In the Matter of the Complaint filed by Steve Van Zee, Miller, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant states that he holds a promissory note from the Respondent that reached maturity on June 15, 2000, with an option to renew for an additional five years. Complainant was to receive free phone service as a part of the agreement. Service has been terminated and the complainant seeks to have his original investment returned to him.

Staff Analyst: Jim Mehlhaff Staff Attorney: Kelly Frazier Date Docketed: 08/28/03 Intervention deadline: N/A

CT03-134 In the Matter of the Complaint filed by Mark D. Hanson on behalf of Fort Pierre Livestock, Fort Pierre, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that it purchased two six-year prepaid long distance service plans on June 1, 2000, and two seventy five-month plans in July of 02. Service was terminated without notice in June of 2003. Complainant seeks to be reimbursed for the prepaid service not provided.

Staff Analyst: Jim Mehlhaff Staff Attorney: Kelly Frazier Date Docketed: 09/02/03 Intervention deadline: N/A

#### TELECOMMUNICATIONS

# TC03-169 In the Matter of the Application of R2C Communications, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

R2C Communications, Inc. is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant will provide resold interexchange services including direct and dial around, toll free inbound, directory assistance, data, travel card and prepaid calling card services.

Staff Analyst: Keith Senger Staff Attorney: Kelly Frazier Date Docketed: 08/28/03 Intervention Deadline: 09/19/03

# TC03-170 In the Matter of the Request of Red River Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 28, 2003, Red River Telecom, Inc. (Red River) provided information constituting Red River's plan for the use of its federal universal service support and to otherwise verify that Red River 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: 08/28/03 Intervention Deadline: 09/12/03

### TC03-171 In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification Regarding its Use of Federal Universal Service Support.

On September 2, 2003, Dickey Rural Telephone Cooperative (Dickey Rural) provided information constituting Dickey Rural's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural 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: 09/02/03 Intervention Deadline: 09/12/03

### TC03-172 In the Matter of the Request of Dickey Rural Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 2, 2003, Dickey Rural Communications, Inc. (Dickey Rural) provided information constituting Dickey Rural's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural 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: 09/02/03 Intervention Deadline: 09/12/03

# TC03-173 In the Matter of the Application of South Dakota Big Sky Telecom for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On September 2, 2003, South Dakota Big Sky Telecom filed an application for a Certificate of Authority to provide Telecommunication Services in South Dakota. South Dakota Big Sky Telecom intends to provide resold long distance telecommunications services throughout South Dakota.

Staff Analyst: Michele Farris Staff Attorney: Karen Cremer Date Docketed: 09/02/03 Intervention Deadline: 09/19/03

### TC03-174 In the Matter of the Request of Citizens Telecommunications Company of Minnesota, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 4, 2003, Citizens Telecommunications Company of Minnesota, Inc. (Citizens) provided information constituting Citizens' plan for the use of its federal universal service support and to otherwise verify that Citizens 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: 09/04/03 Intervention Deadline: 09/12/03

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

# IN THE MATTER OF THE REQUEST OF RED)RIVER TELECOM, INC. FOR CERTIFICATION)REGARDINGITSUSEOFFEDERAL)UNIVERSAL SERVICE SUPPORT)

### ORDER GRANTING CERTIFICATION

### TC03-170

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.<sup>1</sup> 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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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 28, 2003, 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 federal

<sup>&</sup>lt;sup>1</sup>CC Docket No. 96-45, CC Docket No. 00-256, <u>Fourteenth Report</u> 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 4, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of September 12, 2003, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 16, 2003, 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 <u>23.0000</u> day of September, 2003.

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.	
Date: 9/24/03	
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

dur.

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner



Bob Sahr, Chair Gary Hanson, Vice-Chair Jim Burg, Commissioner

### SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue Pierre, South Dakota 57501-5070 www.state.sd.us/puc Capitol Office (605) 773-3201 (605) 773-3809 fax

Transportation/Warehouse (605) 773-5280 (605) 773-3225 fax

> Consumer Hotline 1-800-332-1782

September 24, 2003

Ms. Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th Street S.W., Room TW-A306 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, <u>Fourteenth Report and</u> <u>Order, Twenty Second Order on Reconsideration, and Further Notice of</u> <u>Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in</u> <u>CC Docket No. 00-256</u>, 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:

Alliance Communications Cooperative, Inc. (Baltic) (391642) Alliance Communications Cooperative, Inc. (Splitrock Properties, Inc.) (391657) Armour Independent Telephone Company (391640) Beresford Municipal Telephone Company (391649) Bridgewater-Canistota Independent Telephone Company (391640) (co. no. 0158) Cheyenne River Sioux Tribe Telephone Authority (391647) Citizens Telecommunications Company of Minnesota, Inc. (361123) City of Brookings Municipal Telephone (391650) City of Faith Municipal Telephone Company (391653) Consolidated Telcom (381607) Dickey Rural Communications, Inc. (381611) (co. no. 1681) Dickey Rural Telephone Cooperative (381611) (co. no. 1611) Golden West Telecommunications Cooperative, Inc. (391659) Great Plains Communications, Inc. (371577) Heartland Telecommunications Company of Iowa d/b/a Hickory Tech Corporation (351096) Interstate Telecommunications Cooperative, Inc. (391654) James Valley Cooperative Telephone Company (391664) Jefferson Telephone Company (391666) Kadoka Telephone Company (391667) Kennebec Telephone Company (391668) McCook Cooperative Telephone Company (391669) Midstate Communications, Inc. (391670) Mount Rushmore Telephone Company and Fort Randall Telephone Company (391660) Nebcom, Inc. PrairieWave Community Telephone, Inc. (391652) Red River Telecom, Inc. (381631) Roberts County Telephone Cooperative Association and RC Communications, Inc. (391674) RT Communications, Inc. (512251) Santel Communications Cooperative, Inc. (391676) Sioux Valley Telephone Company (391677) Stockholm-Strandburg Telephone Company (391679) Three River Telco (371525) Tri-County Telcom, Inc. (391682) Union Telephone Company (391684) Valley Telecommunications Cooperative Association, Inc. (391685) Valley Telephone Company (361495) Venture Communications Cooperative (391680) Vivian Telephone Company d/b/a Golden West Communications. Inc. (391686) Western Telephone Company (391688) Western Wireless Corporation (399002) West River Cooperative Telephone Company (391689) West River Telecommunications Cooperative (381637) (co. no. 4414) West River Telecommunications Cooperative (Mobridge) (391671)

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

Sincerely,

Robert K. Sahr Chairman

Gary Hanson Commissioner

James A. Burg Commissioner