



Dickey Rural Telephone Cooperative
Dickey Rural Communications, Inc.
Dickey Rural Services, Inc.
Dickey Rural Access, Inc.

August 28, 2003

RECEIVED

SEP 02 2003

Harlan Best, Telecommunications Analyst
South Dakota, PUC
Capitol Building, 1st Floor
500 East Capitol Av
Pierre, SD 57501-5070

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Dear Mr. Best,

Please find enclosed requests of Dickey Rural Telephone Cooperative and Dickey Rural Communications, Inc. for certification regarding use of FEDERAL UNIVERSAL SERVICE FUNDS (FUSF).

If you have any questions, please do not hesitate to contact me at 701-344-6001.

Sincerely,

A handwritten signature in cursive script that reads "Mark Scallon".

Mark Scallon
General Manager

MS/seb

TC03-171
RECEIVED
SEP 02 2003
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE REQUEST OF
DICKEY RURAL TELEPHONE COOPERATIVE
FOR CERTIFICATION
REGARDING ITS USE OF FEDERAL UNIVERSAL
SERVICE SUPPORT**

DOCKET NO. ___

REQUEST FOR CERTIFICATION

Dickey Rural Telephone Cooperative (Company) 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, Dickey Rural Telephone Cooperative 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 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. Dickey Rural Telephone Cooperative 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 forty-five (45) access lines in parts of 4 exchanges within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Dickey Rural Telephone Cooperative 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 Dickey Rural Telephone Cooperative 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. § 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

² 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.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. Dickey Rural Telephone Cooperative 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. The Company, however, offers the following estimates concerning the support it expects to receive⁴:

The information presented represents the entire company of Dickey Rural Telephone Cooperative with customers in both North and South Dakota.

High-Cost Loop Support	\$ 1,090,000
Long Term Support	\$ 92,000
Local Switching Support (DEM Weighting)	\$ 316,000
Interstate Common Line Support	\$ 112,000

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.

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.

Safety Net Additive Support	\$ 0
Safety Valve Support	\$ 0

10. For calendar year 2004, Dickey Rural Telephone Cooperative intends to make the following network facility and equipment investments:

The information presented represents the entire company of Dickey Rural Telephone Cooperative with customers in both North and South Dakota.

Dickey Rural Telephone Cooperative has historically over the past 4 years committed nearly \$500,000 annually in plant upgrades. In addition to this figure are capital costs for electronics upgrades and switching upgrades, both of which are done on the basis of growth and technology needs and customer demands.

11. In providing local exchange telecommunications services, Dickey Rural Telephone Cooperative will also incur other costs. In 2004, these costs will include:

The information presented represents the entire company of Dickey Rural Telephone Cooperative with customers in both North and South Dakota.

The other costs that Dickey Rural Telephone Cooperative expects to incur are as follows:

Plant and Related Expenses	\$800,000
Depreciation	\$2,000,000
Customer/Corporate Operations	\$1,100,000


12. Dickey Rural Telephone Cooperative 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 \$4,000,000.

13. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Dickey Rural Telephone Cooperative will use federal universal service amounts received in 2004 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Dickey Rural Telephone Cooperative 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 the Affidavit attached as Exhibit A, Dickey Rural Telephone Cooperative requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Dickey Rural Telephone Cooperative 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, Dickey Rural Telephone Cooperative would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this th 28 day of August, 2003.

Respectfully submitted,




Mark Scallon, General Manager

EXHIBIT A

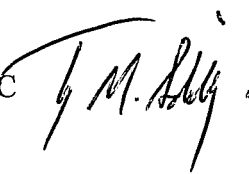
AFFIDAVIT

As an authorized corporate officer of Dickey Rural Telephone Cooperative, I, Mark Scallon 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 Dickey Rural Telephone Cooperative 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).

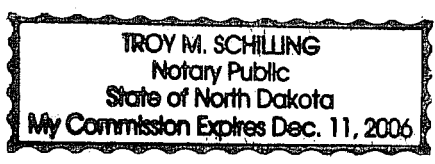


Mark Scallon

Subscribed and Sworn to before me this 28th day of August, 2003.

NOTARY PUBLIC 

Commission expires _____



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

**You may receive this listing and other PUC publications via our website or via internet e-mail.
You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
DICKEY RURAL TELEPHONE COOPERATIVE)	CERTIFICATION
FOR CERTIFICATION REGARDING ITS USE)	
OF FEDERAL UNIVERSAL SERVICE)	TC03-171
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 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 September 2, 2003, the South Dakota Public Utilities Commission (Commission) received a filing from Dickey Rural Telephone Cooperative (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

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.

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 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 23rd 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.	
By:	<u>Relaine Kalbo</u>
Date:	<u>9/24/03</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
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, 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:

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