



June 20, 2006

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol  
Pierre, South Dakota 57501

**RE: Initial Brief of PrairieWave Telecommunications, Inc.  
TC05-016**

Dear Ms. Van Gerpen:

On behalf of PrairieWave Telecommunications, Inc., ("PrairieWave"), enclosed please find an original and one copy of the Initial Brief of PrairieWave Telecommunications, Inc. in support of the application filed by PrairieWave for Commission approval.

Sincerely,

A handwritten signature in cursive script that reads "Dawn Haase". The signature is written in black ink and is positioned above the printed name and title.

Dawn Haase  
Legal Administrative Assistant

Enclosures  
cc: Service List

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

**IN THE MATTER OF THE APPLICATION  
OF PRAIREWAVE COMMUNICATIONS  
INC. FOR DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER IN  
THE CONTIGUOUS WIRE CENTERS OF  
CENTERVILLE AND VIBORG**

TC05-016

**INITIAL BRIEF OF PRAIREWAVE TELECOMMUNICATIONS, INC.**

**Introduction**

On January 24, 2005, PrairieWave Telecommunications, Inc. ("PrairieWave") filed a petition with the Commission for designation as an eligible telecommunications carrier ("ETC") in the Centerville and Viborg wire centers. On May 18, 2006, PrairieWave, Ft. Randall Telephone, Inc. ("Ft. Randall") and the South Dakota Telecommunications Association ("SDTA") filed a Stipulation of Facts ("Stipulation")<sup>1</sup> in this docket. The parties intended that filing to comprise the factual record upon which the Commission would determine whether to grant PrairieWave ETC status for the contiguous wire centers of Centerville and Viborg. Ft. Randall and the SDTA timely intervened in the docket. This brief is in support of that application.

**Facts**

PrairieWave currently provides competitive local exchange service in the Centerville and Viborg wire centers using its own Lucent 5ESS switch located in Viborg and its own fiber, copper and coaxial cable plant for transport and local loop connectivity. PrairieWave also deployed a fixed wireless system in 1998 to provide the local loop connection for voice and Internet service throughout the two wire centers so as to reach

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<sup>1</sup> There are two typos in the Stipulation. In paragraph 55, the reference to Paragraph 55 should be 56; and in paragraph 58, the reference to paragraph 56 should be 57

all potential customers residing in the area. PrairieWave is certified to provide voice local exchange service in these two wire centers.

PrairieWave originally sought ETC status in 1998 in Docket No. TC98-111, but the Commission denied that request because PrairieWave only serves the contiguous wire centers of Centerville and Viborg. Ft. Randall operates in six other wire centers that are not contiguous with the Centerville/Viborg wire centers, and in which the Commission has not certified PrairieWave to serve.

PrairieWave provides voice and high-speed Internet services to customers within the city boundaries of Centerville and Viborg and 3 customers outside those city limits using its own switching, fiber optic, coaxial and copper facilities, and has done so since 1997. PrairieWave does not use, lease or resell any of the incumbent local exchange carrier's services in these wire centers. At least since 1998, PrairieWave served 17 customers outside the city limits for voice and dial-up Internet services using a fixed wireless system, but because of changes in technology and customer expectations, PrairieWave discontinued that service in April of 2004.

PrairieWave is testing and is preparing to deploy a new fixed wireless system as described in paragraphs 23-26 of the Stipulation. The system will provide basic local exchange service, to include voice over Internet protocol ("VoIP"), and high-speed Internet services. It will utilize the features and functionality inherent in the latest technology of the Lucent 5ESS switch. The wireless service provides single-party, voice grade access to the public network with touch-tone dialing. The system provides access to E911, operator services, directory assistance services, and 1+ dialing to at least 51 interexchange carriers. Paragraphs 38 through 48 of the Stipulation describe these

capabilities in more detail. The fixed wireless system will be deployed and operational in three phases over three years as described in the PrairieWave application and paragraphs 27 and 28 of the Stipulation.

The grant of ETC status in these two wire centers would provide PrairieWave with approximately \$15.34 of Universal Service Fund (“USF”) support per month per line served, which would total about \$7,000.00 per month. The impact on the USF would be virtually nonexistent because as related in paragraph 56 of the Stipulation, the per line support is the same for both companies and each company only receives support for the lines each has. To qualify for that support, PrairieWave must meet the requirements stated in 47 C.F.R. ¶ 54.202, and any additional requirements promulgated by Commission rules in ARSD 20:10:32:42 to 20:10:32:49. These requirements are set out in paragraphs 57 and 58 of the Stipulation. Additionally, the Commission is in the process of amending existing rules and promulgating new rules consistent with federal guidance in Docket No. RM06-001. PrairieWave will comply with those rules as an ETC in these two wire centers.

These two wire centers have benefited from the competitive presence of PrairieWave. The customers of these two wire centers have a choice of providers for local exchange services. The price of local exchange service has stabilized and it continues to be very economical. The companies have deployed switch upgrades to provide service features and provide the latest in high-speed Internet. PrairieWave’s Class 5 switch for South Dakota is located in the Viborg wire center. PrairieWave participates in local community events in both wire centers including parades, fund raisers, and high school athletic events, as well as sponsoring youth activities. There

have been no customer complaints about either company regarding the quality and availability of service. Ft. Randall has not been harmed by the competition. It continues to successfully provide local exchange and Internet services throughout the wire centers after more than 8 years of local exchange competition. Finally, the high-cost support will be used exclusively to expand service coverage and improve service quality.

The impact of the designation of PrairieWave on the USF is negligible. The support amounts to about \$7,000 per month or \$84,000 per year. As the Commission noted in its order in the *Swiftel* case,<sup>2</sup> an annual draw of \$100,000 is a very small percentage of the projected support for ETCs in South Dakota and will not dramatically burden the USF.

The service to be provided has unique characteristics. It is IP based and will be able to provide high-quality voice and Internet service to an expanded calling area with all of the features associated with a Lucent 5ESS switch. It will have on-premises back-up power to insure continued service in emergencies. It is a fixed service that enables E911 that assists emergency responders in time of need. PrairieWave will have the service fully installed and available to all customers throughout the wire centers in three years, which is a reasonable period of time. PrairieWave believes it will be able to reach all residents in these two wire centers using the technology described in its 3 year plan.

As PrairieWave indicated in its application, it provides Lifeline service on one customer in the Centerville wire center and five customers in the Viborg wire center. PrairieWave continues to advertise the availability of the Lifeline and Link-up programs

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<sup>2</sup> *In the Matter of the Filing by Brookings Municipal Utilities d/b/a Swiftel Communications for Designation as an Eligible Telecommunications Carrier*, Docket No. TC04-213, Order Granting Eligible Telecommunications Designation, p. 4 (Feb. 10, 2006) (*Swiftel*).

on its cable TV system and throughout the region in regional and local publications. The latest publicity was released on

The application requests a redefinition of the Centerville and Viborg wire centers. The decision in *Swiftel*, which redefined Centerville and Viborg as a separate service area, has been concurred in by the Federal Communications Commission ("FCC") effective June 8, 2006. The Centerville and Viborg wire centers are a separate service area for purposes of determining USF support.

### Argument

There is no good reason to deny PrairieWave's petition for designation as an ETC in the Centerville and Viborg service area. PrairieWave meets all of the qualifications under federal and state law, has made all certifications and reports required by federal and state law, and is willing to provide any and all reports required by federal and state law. The wireless technology that PrairieWave will deploy as an ETC provides high-quality voice service with all the required features and functionality and very high-speed access to the Internet. The system accesses emergency responders, is on a survivable fiber ring, with auxiliary power back-up in the network and at the customer premises.

The public interest is served by granting this petition. Looking at the chart presented in paragraph 36 of the Stipulation, it is evident that this is a very rural part of South Dakota. There are only 1506 access lines in the service area, but in that rural area today 1042 access lines/customers have a choice of provider. When PrairieWave sought ETC designation in 1998, it had deployed a wireless system that gave all 1506 access lines a choice, and 17 customers did exercise that choice. Unfortunately, by 2002 the technology became outdated and the customer expectations regarding service quality and

access to high-speed Internet caused PrairieWave to begin decommissioning the system, with the last customer exiting in April of 2004. PrairieWave wants to restore the ability to choose to those 461 access lines/customers outside the city limit of Centerville and Viborg.

The service area redefinition issue is moot. The FCC, by virtue of its failure to act on the petition by this Commission to have the Centerville and Viborg redefined as a separate service area for ETC and USF purposes, has concurred in the redefinition of that area for Brookings Municipal Utilities d/b/a Swiftel Communications ("Swiftel").<sup>3</sup> That concurrence was effective June 8, 2006.<sup>4</sup> PrairieWave does not read section 54.207 of the FCC's rules to limit the redefinition to Swiftel, but the redefinition is effective for any ETC designation and USF support.

#### Conclusion

Accordingly, PrairieWave respectfully requests that its petition for ETC designation in the Centerville and Viborg service area be granted.



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Dated: 06/20/06

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<sup>3</sup> Public Notice, *The Wireline Competition Seeks Comment on a Petition to Redefine the Service Areas of Certain Rural Telephone Companies in the State of South Dakota*, CC Docket No. 96-45 (DA 06-564, rel. March 10, 2006).

<sup>4</sup> *Id.* at 1-2.

**CERTIFICATE OF SERVICE**

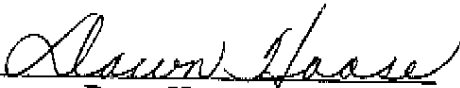
I, Dawn Haase, on the 20th day of June, 2006, served the attached **Initial Brief of PrairieWave Telecommunications, Inc. in Docket No. TC-05-016** via electronic filing and UPS overnight mail to:

Patricia Van Gerpen, Executive Director  
SD Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

via email and UPS overnight mail to:

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Dawn Haase