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TC 06-138

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AUG 04 2006

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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

August 4, 2006

Patty Van Gerpen  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501

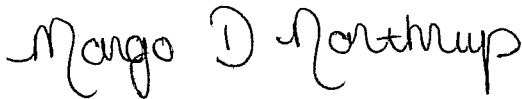
Re: In the Matter of Cheyenne River Sioux Tribe Telephone Authority for Certification regarding its use of Federal Universal Service Support.

Dear Patty:

Please find enclosed herein for filing the original and four (4) copies of the Annual ETC Certification Filing submitted pursuant to ARSD §§ 20:10:32:52 *et seq.*, on behalf of Cheyenne River Sioux Tribe Telephone Authority ("CRST"). CRST hereby requests confidential treatment of Exhibit A and Exhibit B, which are submitted as confidential pursuant to the requirements of ARSD § 20:10:01:41. These Exhibits contain company specific financial data and strategy, and disclosure of the information contained therein could jeopardize CRST's financial and competitive position. CRST requests that such information be maintained as confidential by the Commission in perpetuity.

Please contact me should you have any questions.

Sincerely yours,



Margo D. Northrup  
Attorney at Law

MDN/ea

Enclosures

cc: J.D. Williams

BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF  
CHEYENNE RIVER SIOUX TRIBE )  
TELEPHONE AUTHORITY FOR )  
CERTIFICATION REGARDING ITS USE )  
OF FEDERAL UNIVERSAL SERVICE )  
SUPPORT. )

ANNUAL ETC CERTIFICATION  
FILING AND SUBMITTAL  
PURSUANT TO ARSD § 20:10:32:53

Cheyenne River Sioux Tribe Telephone Authority (the "Authority"), by and through its attorney, makes this filing to seek certification from the South Dakota Public Utilities Commission (the "Commission") as is required under 47 C.F.R. § 54.314 and to comply with the Commission's new rules pertaining to ETCs, including the provisions of ARSD §§ 20:10:32:52, 20:10:32:53 and 20:10:32:54. As part of this filing, the Authority offers the following:

1. Pursuant to 47 C.F.R. § 54.314, a carrier that has been designated as an eligible telecommunications carrier to receive future federal universal service support must file an annual Universal Service Administrative Company ("USAC") Form 485 that details the support provided to the carrier. The support provided to the carrier 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 47 C.F.R. § 54.314.

2. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2007 is currently due to be filed with

the FCC and USAC on or before October 1, 2006. 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 Authority is a rural telephone company that has previously been designated by this Commission as an ETC. The Authority provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 3,320 access lines within its established rural service area in South Dakota.

4. As is required by the provisions of ARSD § 20:10:32:43.01, the Authority is committed to providing service throughout its existing rural service area, or study area, to all customers making a reasonable request for service. The Authority has since 1958 served as the incumbent local exchange carrier within its established service area and has operated as a “carrier of last resort” in such area. As the carrier of last resort, the Authority already has extended wireline local exchange network facilities throughout its service area as necessary to make all essential local exchange services that are supported by federal universal service available to all end-user customers within its service area. Consistent with its past practice, the Authority hereby certifies that it will provide service on a timely basis to all requesting customers within its designated ETC service area. In certain cases, the provisioning of this service may require a customer in a new location to first meet the requirements of the Authority’s line extension policies. These line extension policies are, however, consistent with the requirement under both federal and state law to meet all reasonable requests for service.

5. The Authority has the ability to remain functional in emergency situations as required by the provisions of ARSD § 20:10:32:43.03. The Authority is currently in compliance with this Commission's "auxiliary and battery power requirements" set forth in ARSD 20:10:33:19.

6. The provisions of ARSD § 20:10:32:54 addressing the annual "Certification requirements" set forth by this Commission indicate in part that the ETC must show "how much universal service support was received." Accordingly, attached hereto as "Exhibit A" is information indicating "Year 2005 Federal Universal Service Receipts" received by the Authority. This same Exhibit also shows total expenditures of the Authority in 2005 related to the provision, maintenance and upgrading of the facilities and services that are supported by Federal Universal Service Funding and further estimates these same expenditures for calendar year 2007. Consistent with federal universal service principles, the Authority will use federal universal service amounts received in 2007 to offset a portion of these 2007 expenditures. This use of federal universal service support will enable the Authority 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.

7. In addition to the information included in Exhibit A, the following information is provided to meet the Commission's "Certification requirements" set forth in 20:10:32:54:

- The Authority's service quality improvement plan is to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service

requirements and maintain high quality service throughout its service area. As an incumbent local exchange carrier and the carrier of last resort in its service area, the Authority upgrades and replaces facilities and equipment as necessary. In furtherance of its service quality improvement plan, the Authority will use any high-cost universal service amounts received by it to offset expenditures incurred as it continues to upgrade and replace facilities and equipment. The Authority's "two-year service quality improvement plan," required under the provisions of ARSD 20:10:32:54, is attached hereto as "Exhibit B."

- During calendar year 2005, the Authority experienced the no service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes.
- The Authority was able to provide service to all potential customers that requested service during 2005, and as of December 31, 2005, the Authority had no unfulfilled requests for service.
- During 2005, the Authority's customer service department received no complaints from consumers. No complaints were received by the Authority more formally as written complaints or as complaints that needed to be resolved with the involvement of other Authority representatives outside of the customer service department.
- Also attached as "Exhibit C" is a document containing other certifications, including those required under the provisions of ARSD §§ 20:10:32:54(5), 20:10:32:54(6), 20:10:32:54(7) and 20:10:32:54(8).

8. Based on all of the foregoing information, including the information provided on Exhibits A, B and C, the Authority requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Cheyenne River Sioux Tribe Telephone

Authority is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Authority in 2007. In order to ensure that this certification is issued to the FCC prior to October 1, 2006, the Authority would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 3<sup>rd</sup> day of August 2006.

Respectfully submitted,

  
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Attorney for the Authority

CONFIDENTIAL

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