

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange  
Dan Lipschultz  
Matthew Schuerger  
Katie J. Sieben  
John A. Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Annual Certification Related  
to Eligible Telecommunications Carriers'  
(ETCs) Use of the Federal Universal Service  
Support Required Pursuant to § C.F.R 54.313

ISSUE DATE: October 24, 2018

DOCKET NO. P-999/PR-18-8

ORDER CERTIFYING ELIGIBLE  
TELECOMMUNICATIONS CARRIERS'  
USE OF FEDERAL HIGH-COST  
SUBSIDY AND REQUIRING  
COMMENT PERIOD

**PROCEDURAL HISTORY**

**I. Introduction**

Under the Federal Telecommunications Act of 1996, telecommunications carriers must be designated “eligible telecommunication carriers” (ETCs) to qualify for subsidies from the federal Universal Service Fund for serving high-cost areas or low-income consumers.<sup>1</sup> State regulatory commissions have primary responsibility for designating ETCs, although the Federal Communications Commission (FCC) acts on designation requests from carriers who are not subject to state commission jurisdiction.<sup>2</sup>

State commissions must annually certify to the FCC that all high-cost support provided to state-designated ETCs was used in the preceding calendar year, and will be used in the coming year, only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.<sup>3</sup> This Commission has set detailed eligibility criteria and filing requirements that each Minnesota ETC must meet to receive this certification.

The Commission has required each petitioner to file (a) an affidavit from a corporate officer stating that Universal Service funds will be used only for their intended purposes and

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<sup>1</sup> 47 U.S.C. § 254(e).

<sup>2</sup> 47 U.S.C. § 214(e)(6).

<sup>3</sup> 47 C.F.R. § 54.314(a).

(b) documentation pertaining to the previous year's Universal Service Fund subsidies and the company's operating and capital expenditures.<sup>4</sup>

ETCs must file Form 481 with the FCC, which certifies that use of their funds associated with high-cost support complies with 47 C.F.R. § 54.313. In July, 2017, the FCC changed the filing process to eliminate some of the information required (regarding network outages; unfulfilled service requests; complaints received; and pricing for voice and broadband services) and to centralize the filing of the reports using a database that makes the reports available to state commissions.<sup>5</sup>

Consistent with the FCC's new reporting requirements contained in 47 C.F.R. § 54.313 and § 54.422,<sup>6</sup> the Commission revised the annual filing deadline applicable to ETCs by requiring that petitions and supporting documentation be filed by July 1 of each year, beginning in 2014.<sup>7</sup> The Federal Wireline Competition Bureau extended the filing deadline for 2018 to July 16.<sup>8</sup>

## **II. Filings in this Docket**

By July 17, 2018, Minnesota telecommunications carriers had filed their annual petitions asking the Commission to certify to the FCC their continuing eligibility for high-cost subsidies from the Universal Service Fund.

On September 10, 2018, the Department of Commerce (the Department) filed comments recommending that the Commission certify the eligibility of all petitioning carriers and require that all ETCs subject to the FCC's 481 Form filing requirement include a detailed financial summary along with the filing, including an affidavit, that is made with the Commission.

On September 17, 2018, T-Mobile Central LLC and Virgin Mobile USA, L.P. filed comments asserting that wireless carriers receiving federal high-cost support and wireless Lifeline-only ETCs are not required to file financial summaries with the Commission.

On September 20, 2018, the Department filed comments clarifying that only ETCs subject to state certification should be required to file the financial summary as an attachment to the affidavit.

On September 27, 2018, the filings came in front of the Commission.

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<sup>4</sup> *In the Matter of Annual Certifications Related to ETCs' Use of Federal Universal Service Support*, Docket No. P-999/M-02-1403, Order Certifying ETCs' Use of Federal High-Cost Subsidy (December 23, 2002).

<sup>5</sup> *In the Matter of Connect America Fund ETC Annual Reports and Certifications*, Report and Order, WC Docket No. 10-90, WC Docket No. 14-58 (July 7, 2017).

<sup>6</sup> See FCC's Public Notice DA 13-1707, WC Docket Nos. 10-90 and 11-42, released on August 6, 2013.

<sup>7</sup> *In the Matter of Annual Certifications Related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support*, Commission Order, April 11, 2014.

<sup>8</sup> *In the Matter of Connect America Fund*, Order, WC Docket No. 10-90 (June 6, 2018).

## FINDINGS AND CONCLUSIONS

The Commission has reviewed the petitioning companies' filings and concurs with the Department that the filings satisfy the requirements for certification set forth by the Commission and the FCC. All of the companies filed sworn affidavits to demonstrate that they have used and will continue to use federal high cost subsidies only to provide, maintain, and upgrade the facilities and services for which the support is intended.

The Commission will therefore grant the petitions of the ETCs listed in Attachment 1.

The Commission will also require that in future years, an officer of each company subject to state certification file an affidavit with the Commission concurrently with the FCC Form 481 filing. The affidavit must include the information set forth in the ordering paragraphs below.

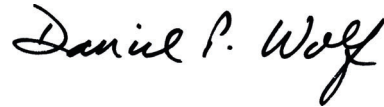
Further, the Commission will issue a notice and establish a comment period on whether a financial summary should be filed along with the affidavit, and whether there is interest in establishing a stakeholder process for further discussion of such issues. The Commission will delegate administrative authority to the Executive Secretary to set the comment periods.

## ORDER

1. The Commission hereby certifies that all of the petitioning ETCs in Attachment 1 have used High Cost Universal Service Support received in 2017 and will use Federal High Cost Universal Support received in the coming year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.
2. The Commission will require in future years that an officer of each company subject to state certification file an affidavit with the Commission concurrently with the FCC Form 481 filing. The affidavit must include:
  - a. The position of the affiant.
  - b. That the affiant understands and is familiar with the requirements of the FCC concerning universal service funding.
  - c. That the funds are and will be used appropriately.
  - d. That the company is compliant with applicable rules on service quality and consumer protection.
  - e. That there is sufficient backup power to ensure functionality without an external power source, and the company is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergencies.
3. The Commission will issue a notice and establish a comment period on whether a financial summary should be filed along with the financial affidavit, and on whether there is interest in establishing a stakeholder process for further discussion of such issues.

4. The Commission hereby delegates administrative authority to the Executive Secretary to set the comment periods.
5. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf  
Executive Secretary



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# ATTACHMENT 1

## High Cost Certification Listing from USAC website for 2018

<input type="checkbox"/>	330950	CENTURYTEL-NW WI	WI	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	351126	CENTURYTEL-CHESTER	IA	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361123	CITIZENS-FRONTIER-MN	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361337	WINNEBAGO COOP ASSN	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361346	ACE TEL ASSN-MN	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361347	ALBANY MUTUAL ASSN	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361348	WILDERNESS VALLEY	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361350	ARVIG TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361353	CITY OF BARNESVILLE	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361356	BENTON COOP TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361358	BLUE EARTH VALLEY	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361362	BRIDGEWATER TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361365	CALLAWAY TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361367	FRONTIER-MINNESOTA	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361370	CLARA CITY TEL EXCH	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361372	CLEMENTS TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361373	CONSOLIDATED TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361374	ARROWHEAD COMM CORP	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361375	MID-COMM-HICKORYTECH	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361381	DUNNELL TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361383	EAGLE VALLEY TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361384	EASTON TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361385	EAST OTTER TAIL TEL	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361386	ECKLES TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361387	EMILY COOP TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361389	FARMERS MUTUAL TEL	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361390	FEDERATED TEL COOP	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361391	FELTON TEL CO. INC.	MN	ILEC	Yes	No	<a href="#">Download</a>
<input type="checkbox"/>	361395	GARDEN VALLEY TEL CO	MN	ILEC	Yes	No	<a href="#">Download</a>

<input type="checkbox"/>	361396	GARDONVILLE COOP TEL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361399	GRANADA TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361401	HALSTAD TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361403	FEDERATED UTILITIES	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361404	HARMONY TEL. CO.	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361405	HILLS TEL CO, INC	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361408	HOME TEL CO - MN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361409	HUTCHINSON TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361410	JOHNSON TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361412	KASSON & MANTORVILLE	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361413	MID STATE DBA KMP	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361414	Windstream Communications, Inc.	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361419	LISMORE COOP TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361422	LONSDALE TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361423	Runestone Telephone Association	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361424	MABEL COOP TEL - MN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361425	CHRISTENSEN COMM CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361426	MANCHESTER-HARTLAND	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361427	MANKATO-HICKORYTECH	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361430	MELROSE TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361431	MIDWEST TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361433	MID STATE TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361439	MINNESOTA VALLEY TEL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361440	CANNON VLY TELECOM	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361442	NEW ULM TELECOM, INC	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361443	LORETEL SYSTEMS, INC	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361445	CENTURYTEL-MINNESOTA	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361448	OSAKIS TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361450	PARK REGION MUTUAL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361451	PAUL BUNYAN RURAL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361453	PEOPLES TEL CO - MN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361454	PINE ISLAND TEL CO	MN ILEC Yes No	<a href="#">Download</a>

<input type="checkbox"/>	361456	EMBARQ MINNESOTA	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361472	REDWOOD COUNTY TEL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361474	ROTHSAY TEL CO, INC	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361475	RUNESTONE TEL ASSN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361476	SACRED HEART TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361479	SCOTT RICE -INTEGRA	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361482	Windstream Communications, Inc.	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361483	SLEEPY EYE TEL CO	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361485	SPRING GROVE COOP	MN ILEC Yes No	<a href="#">Download</a>
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<input type="checkbox"/>	361500	NORTHERN TEL CO - MN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361501	WEST CENTRAL TEL	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	361502	WESTERN TEL CO	MN ILEC Yes No	<a href="#">Download</a>
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<input type="checkbox"/>	366110	Lake County d/b/a Lake Connections	MN CETC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	366130	Federated Telephone Cooperative	MN CETC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	366132	Paul Bunyan Rural Telephone Cooperative	MN CETC Yes No	<a href="#">Download</a>
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<input type="checkbox"/>	367123	CITIZENS-FRONTIER-MN	MN ILEC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	369014	T-Mobile Central LLC	MN CETC Yes No	<a href="#">Download</a>
<input type="checkbox"/>	369015	Midcontinent Communications	MN CETC Yes No	<a href="#">Download</a>

- 381614 POLAR TELECOMM. ND ILEC Yes No [Download](#)
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- 381631 RED RIVER RURAL TELEPHONE ASSOC. ND ILEC Yes No [Download](#)
- 391405 HILLS TEL CO-SD SD ILEC Yes No [Download](#)
- 391657 SPLITROCK TELECOM COOPERATIVE INC. SD ILEC Yes No [Download](#)