

**Docket Number:** TC20-051  
**Subject Matter:** First Data Request  
**Request to:** Clear Rate Communications, Inc. (Clear Rate)  
**Request from:** South Dakota Public Utilities Commission Staff  
**Date of Request:** January 7, 2021  
**Responses Due:** January 21, 2021

- 1-1. Provide information indicating the extent to and time-frame by which Clear Rate will provide service through use of its own facilities, the purchase of unbundled network elements, or resale.

**RESPONSE: Upon approval Clear Rate Communications, Inc. ("Clear Rate) intends to provide service within 90 days as a reseller.**

- 1-2. Does Clear Rate anticipate negotiating an interconnection agreement with any other companies other than CenturyLink?

**RESPONSE: Clear Rate does not anticipate negotiating an interconnection agreement with any other companies other than CenturyLink/Lumen.**

- 1-3. What is the likely timing of initiation of interconnection service and when negotiations for interconnection started or are likely to start? Provide a copy of any request for interconnection made if it has been made.

**RESPONSE: Clear Rate Communications, Inc. intends to begin negotiation for an interconnection agreement upon the approval of their application with the South Dakota PUC.**

- 1-4. Provide additional financial statements such as an income and cash flow statements. Please provide audited statements if available.

**RESPONSE: Copies of Clear Rate's 2019 Financials are attached and marked CONFIDENTIAL.**

- 1-5. If it has been received, please provide Clear Rate's South Dakota sales tax number.

**RESPONSE: Clear Rate has not obtained a South Dakota sales tax number yet but will do so upon approval.**

- 1-6. Please provide a written description and explanation of each requested waiver and why waivers of those rules are necessary if those rules requested for waiver do not apply to Clear Rate.

**RESPONSE: Clear Rate Communications, Inc. would reserve the right to seek any regulatory waivers which may be required for it to compete effectively with the state's local exchange and resale market. Clear Rate Communications, Inc. requests that the Commission grant it a**

waiver of those regulatory requirements inapplicable to competitive local service providers. Such rules are not appropriate for competitive providers and constitute an economic barrier to entry into the local exchange market.

A. Clear Rate Communications, Inc. requests that it be exempt from any financial recording rules or regulations that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). As a competitive provider, Clear Rate Communications, Inc. currently maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers. Since Clear Rate Communications, Inc. utilizes GAAP, the Commission will have a reliable method by which to evaluate Clear Rate Communications, Inc.'s operations. Therefore, Clear Rate Communications, Inc. requests to be exempt from any and all USOA requirements of the Commission.

B. In addition, Clear Rate Communications, Inc. requests a waiver to be allowed to maintain its books and records at its headquarters location in Troy, Michigan. In the event that the Commission finds it necessary to review Clear Rate Communications, Inc.'s books, this information will be provided upon request to the Commission or Clear Rate Communications, Inc. will bear the expense of travel for the Commission staff to examine the books and records located outside of South Carolina.

C. Clear Rate Communications, Inc. requests that it not be required to publish local exchange directories. Clear Rate Communications, Inc. will make arrangements with the incumbent LECs whereby the names of Clear Rate Communications, Inc.'s Customers will be included in the directories published by the incumbent LECs. These directories will be distributed to Clear Rate Communications, Inc.'s Customers. This approach is entirely reasonable and will have a direct benefit to the customers of both Clear Rate Communications, Inc. and the incumbent LECs since customers will have to refer to only one directory for a universal listing of customer information. It would be an unnecessary burden on the Clear Rate Communications, Inc. to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for Clear Rate Communications, Inc. to simply include its Customer list in the existing directories of the incumbent LECs.

D. Clear Rate Communications, Inc. finally requests waivers of any reporting requirements which are not applicable to competitive providers such as Clear Rate Communications, Inc. because such requirements (a) are not consistent with the demands of the competitive market; or (b) they constitute an undue burden on a competitive provider, thereby requiring an ineffective allocation of resources.

- 1-7. Will Clear Rate agree to the condition that Clear Rate not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission and be subject to rural safeguards?

**RESPONSE:** Clear Rate agrees to the condition that Clear Rate will not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission and be subject to rural safeguards.