

**State of South Dakota
PUBLIC UTILITIES COMMISSION**

Alliance Communications Cooperative, Inc.)
d/b/a Alliance Communications)
)
Application for Expanded Designation) Docket No. _____
As an Eligible Telecommunications Carrier)
For The Purpose of Receiving)
Federal Universal Service Support)

**ALLIANCE COMMUNICATIONS COOPERATIVE, INC. dba ALLIANCE
COMMUNICATIONS APPLICATION FOR EXPANDED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

Alliance Communications Cooperative, Inc. dba Alliance Communications (Alliance) a rural, Incumbent Local Exchange Carrier (ILEC) and an eligible telecommunications carrier (ETC)¹ headquartered in Garretson, SD makes this application to the South Dakota Public Utilities Commission (Commission) to expand its current designated ETC service area to include awarded census blocks as listed in Exhibit A and depicted on the map in Exhibit B. Alliance also requests ETC Lifeline only designation in the yellow highlighted areas as depicted in Exhibit B. This application is made pursuant to 47 U.S.C. 214(e)(2), ARSD 20:10:32:42 and the rules and regulations of the Commission.

As a member of the Great Plains Consortium, Alliance has been awarded Rural Digital Opportunity Fund (RDOF) Phase I support as a winner in the Federal Communication Commission’s (FCC) RDOF Phase I Auction (Auction 904)² for the census blocks listed in Exhibit A. Alliance will receive \$39,079.87 annually for 10 years for 216 locations in South Dakota.³ Alliance herein requests that the Commission expand its ETC service area to include the census blocks listed in Exhibit A and as depicted in Exhibit B.

¹ SDPUC TC11-083, Order Granting Amended Certificate of Authority, dated November 30, 2011.
² *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced*; Public Notice, DA 20-1422, 35 FCC Rcd 13888 (rel. Dec. 7, 2020) (“RDOF Winning Bids Public Notice”).
³ *417 Long-Form Applicants in the Rural Digital Opportunity Fund Phase I Auction (Auction 904)*; Public Notice, DA 21-170

Alliance plans to provide high speed broadband and voice services in the areas where support was awarded in Auction 904. Alliance is required by the FCC to obtain this expanded ETC designation by June 7, 2021,⁴ which is within 180 days of the FCC announcement that it was a winning bidder in the FCC RDOF Action 904. Therefore, Alliance requests expeditious action by the Commission granting this request by June 1, 2021, so that it may meet the FCC's requirement.

By the facts and law provided herein, Alliance satisfies all the statutory and regulatory requirements for designation as an ETC in the requested expanded designated service area. As explained herein, the public interest would be served by granting this petition.

I. Company Background

Alliance Communications officially formed after Baltic Telecom and Splitrock Telecom merged in 2003. Before the merger, both companies expanded by purchasing exchanges from US West in the 1990s. Baltic Telecom, which served Baltic and Crooks, purchased the Alcester and Hudson exchanges. And Splitrock Telecom of Brandon and Garretson bought the Carthage, Howard, Ramona, and Oldham exchanges. Alliance expanded even more when it became the sole owner of Hills Telephone Company in 2003 and the Valley Springs exchange in 2005. In 2011 Alliance merged all nine of their exchanges into Alliance: Howard, Oldham, Valley Springs, Garretson, Crooks, Baltic, Hudson, Alcester, and Brandon. Alliance serves approximately 8,300 local exchange voice service access lines and approximately 9,050 broadband services in South Dakota.

All Alliance customers were connected to and served by fiber optics by the end of 2013. Alliance intends to deliver broadband and voice service to homes within the Auction 904 awarded area. Alliance will leverage its existing fiber-to-the-premise (FTTP) network capable of delivering up to 1 Gigabit symmetrical service utilizing its own facilities or a combination of its own facilities and resale of another carrier's facilities to provide voice over Internet Protocol (VoIP) and broadband services through-out the requested ETC territory.

All inquiries concerning this application should be made to:

Mikaela Burma
Manager of Regulatory and Legal

⁴ *Id.*, para. 17 on p. 7. *See also*, 47 C.F.R. 54.804(b)(5).

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Alliance Communications Cooperative, Inc.
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Upon designation as an ETC, Alliance will provide the supported services throughout the requested designated service area as build-out is completed and also offer Lifeline to qualified low-income consumers.

II. Authority for Designation of an ETC

Title 47 U.S.C. 214(e)(2) of the Act provides that a state commission shall upon request designate a common carrier as an ETC for a service area designated by the state commission. Title 47 U.S.C. 214(e)(1) provides that an ETC shall be eligible to receive universal service support in accordance with section 254 of the Act and shall, in the service area for which the designation is received, offer the services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services, and shall advertise the availability of such services and their costs using media of general distribution. The FCC has promulgated a list of the services or functionalities that shall be supported by federal universal service support mechanisms at 47 C.F.R. 54.101. Further, this application is submitted consistent with ARSD 20:10:32:43.

III. Alliance Will Offer Required Services

Pursuant to 47 U.S.C. 214(e)(1)(A) and 47 C.F.R. 54.201(d)(1), Alliance will, throughout the expanded service area for which ETC designation is received, offer the services that are supported by federal universal service support mechanisms defined in 47 C.F.R. 54.101(a). These services include: (1) TDM and VoIP voice telephony services providing voice grade access to the public

switched network or its functional equivalent; minutes of use for local service provided at no additional charge to Alliance end users; access to emergency services provided by local government or other public safety organizations, including 911 and enhanced 911; and toll limitation services to qualifying low-income consumers; (2) Eligible broadband Internet access services which will provide the capability to transmit data to and receive data by wire or radio from all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service. Alliance can and will provide all these required services through the provision of VoIP and high-speed broadband Internet services.

IV. Alliance Will Use Its Own Facilities

Pursuant to 47 U.S.C. 214(e)(1)(A) and 47 C.F.R. 54.201(d)(1), Alliance will use primarily its own facilities, but at times may resell another carrier's services to offer the services that are supported by Federal universal service support mechanisms. Alliance is a facilities-based FTTP carrier and again will primarily use its own state of art facilities to provide any requested services.

V. Alliance Will Provide Service Throughout the Designated Service Area

Pursuant to 47 U.S.C. 214(e)(1) and 47 C.F.R. 54.201(d), Alliance will offer the services that are supported by Federal universal service support mechanisms throughout the service area for which designation is requested as listed in Exhibit A consistent with the FCC RDOF buildout obligations.⁵ In addition, Alliance commits to provide service throughout its proposed designated service area to all customers making a reasonable request for service. Alliance certifies that it will provide service on a timely basis to requesting customers within Alliance's service area where Alliance's network already passes the potential customer's premises or will pass consistent with FCC RDOF buildout requirements.⁶

Alliance further certifies that it will provide service within a reasonable period of time within its designated area, if the potential customer is within Alliance's ETC service area but outside its existing network coverage, if service can be provided at a reasonable cost by: 1) extending, modifying, adjusting, or replacing network or customer facilities; or 2) reselling services from

⁵ 47 C.F.R. 54.802(c)

⁶ 47 C.F.R. 54.202(a)(1)(i)

another carrier's facilities to provide service all as required by 47 C.F.R. 54.202(a)(1)(i) and ARSD 20:10:32:43.01.

VI. Alliance Will Advertise

Pursuant to 47 U.S.C. 214(e)(1)(B) and 47 C.F.R. 54.201(d)(2), Alliance will advertise the availability of its services that are supported by Federal universal service support mechanisms and the terms of service and charges for such services using media of general distribution. Alliance may advertise, among other means, via newspaper, bill inserts, contacts with social service agencies and its website.

VII. Alliance Will Make Available Lifeline Service

Pursuant to 47 C.F.R. 54.405, Alliance will make Lifeline service available to qualifying low-income consumers and publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service. Alliance will make a concerted effort to notify municipal, state, and federal governmental agencies whose clientele may likely benefit the most from having Alliance designated as an ETC by the Commission. In addition, Alliance may advertise, among other means, via newspaper, bill inserts and its website. Alliance will indicate on materials describing the service, using easily understood language, that it is a Lifeline service, that Lifeline is a government assistance program, the service is non-transferable, only eligible consumers may enroll in the program, and the program is limited to one discount per household. In the event a subscriber no longer qualifies for the program, Alliance will de-enroll the subscriber from the program appropriately as defined within 47 C.F.R. 54.405(e).

VIII. Service Area for Which Designation Is Requested

Alliance requests ETC designation in South Dakota for all the census blocks awarded in Auction 904 as listed in Exhibit A. A map of the RDOF awarded areas is also provided in Exhibit B for a visual depiction. The FCC has awarded RDOF support by census blocks. Therefore, this request is consistent with the RDOF Auction 904 and FCC rules.⁷ Second, Alliance also requests ETC Lifeline only designation in the areas as depicted in Exhibit B.

⁷ 47 C.F.R. 54.802(a)

IX. Emergency Situations

Pursuant to 47 C.F.R. 54.202(a)(2), a carrier seeking ETC designation must demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

Alliance has a reasonable amount of back-up power to ensure functionality of voice services without a commercial power source. Alliance's specific back-up power sources are, lead calcium batteries, gel cell batteries, fixed AC and DC natural/LP gas generators, fixed AC and DC gasoline/diesel generators and portable LP/gasoline generators. Each existing node or central office will contain a reserve battery supply of at least 8 hours where emergency power generators are not installed and at least 8 hours or more where they are in place. Alliance has a fiber optic protected ring as its backbone to each exchange area served and can reroute traffic around damaged facilities. It also has extensive capacity that is capable of managing traffic spikes resulting from emergency situations. If there is a failure of Alliance's main route, voice traffic is automatically rerouted to a redundant back-up route.

Alliance also has disaster assistance plans in place with neighboring companies to assist with operational and equipment needs and ongoing safety and disaster training with industry associations and consultants to help prepare and respond to emergency situations.

X. Consumer Protection and Service Quality Standards

Pursuant to 47 C.F.R. 54.202(a)(3), a carrier seeking ETC designation must demonstrate that it will satisfy applicable consumer protection and service quality standards.⁸ Alliance as a current ETC has been doing this for over 23 years and commits to do the same by complying with all

⁸ *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021*, AU Docket No. 20-34, WC Docket Nos. 19-126 and 10-90, Public Notice, DA 20-1422 n. 71 (rel. Dec. 7, 2020) (extending the waivers of Rules section 54.202 to Auction 904 winners); *WCB Reminds Connect America Fund Phase II Applicants of the Process for Obtaining Federal Designation as an Eligible Telecommunications Carrier*, Public Notice, WC Docket No. 09-197 et al., 33 FCC Rcd 6696 (WCB 2018) (waiving the FCC requirement for a winning bidder to file a five-year plan (47 C.F.R. 54.202(a)(1)(ii)) and to demonstrate it will satisfy applicable consumer protection and service quality standings (47 C.F.R. 54.202(a)(3))).

applicable Commission and FCC rules concerning consumer protection and service quality throughout the requested designated service area.

XI. Financially and Technically capable of providing Lifeline

47 C.F.R. 54.202(a)(4) of the FCC's rules require a common carrier seeking ETC designation for Lifeline support to demonstrate it is financially and technically capable of providing Lifeline service. Alliance possesses the financial and technical capabilities to pay for all capital and operating expenses (*e.g.*, construction, network, hardware, operations, etc.) to get its fiber optic network built and to begin the provision of voice and broadband services throughout its proposed ETC designation area. When and as needed, Alliance will be able to obtain the requisite amount of lending under its existing lines of credit. Alliance is also able to obtain additional financing, if necessary, in addition to the RDOF Phase I support being made available to Alliance to support this request. Last, Alliance has been operating FTTP networks since 2005 and has years of experience in building, expanding, and operating its FTTP network with a seasoned management and technical staff. That same team will be guiding this RDOF expansion.

XII. Lifeline Service Plans to Eligible Consumers

47 C.F.R. § 54.202(a)(5) and (6) of the FCC's rules require a common carrier seeking ETC designation for Lifeline support to submit information describing the terms and conditions of the voice and broadband plans offered. Alliance will provide Lifeline local voice grade access. The service will include unlimited local minutes of use at no additional charge to consumers (long distance and international will be an additional charge). Access to 911 and enhanced 911, to the extent local governments have implemented it, will also be offered. Since Alliance distinguishes between local and toll calls, Alliance will provide optional toll limitation service at no additional charge. One Lifeline service (Voice or broadband) will be available to a qualifying household. Alliance will follow all Lifeline program rules and guidelines including requiring all customers maintain their Lifeline eligibility through the Lifeline National Verifier as defined in 47 C.F.R. 54.404, 54.406 and 54.409.

Alliance will provide Lifeline broadband Internet access service with the capability to transmit data to and receive data by wire from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the service.

Alliance plans to offer the following Lifeline supported Voice and Internet service plans found on the website at: <https://www.alliancecom.net/phone/lifeline/>

Voice:

- Voice phone Service for approximately \$18.00
- Long Distance rates are set at \$.10/minute

Broadband Internet:

- 50/50 Mbps for \$49.99
- Additional Tiers and pricing are available up to Gigabit speeds

Additional information regarding Alliance service plans including Internet practices can be found at: <https://www.alliancecom.net/>

XIII. Waiver of Two-Year Plan

Since this request is pursuant to the FCC's award of RDOF funding, Alliance asks that the Commission waive the requirement to submit a two-year network plan pursuant to ARSD 20:10:32:43.02. Alliance will be required to meet all buildout and public interest reporting requirements for the RDOF support found in 47 CFR 54.316, most of which are more detailed than ARSD20:10:32:43.02. Further, all buildout progress will be included in Alliance's annual ETC recertification requests, which will keep the Commission informed of Alliance's progress to meeting buildout and service goals.

XIV. Designation of Alliance as an ETC Is in the Public Interest

Designation of Alliance as an ETC is in the public interest. Alliance has been deploying state of art FTTP services to its customers since 2005. Now with the funding won in the FCC RDOF Auction 904, Alliance intends to further deploy FTTP services to the census blocks in Exhibit A all to better serve these customers and communities. These customers, who have been waiting for better broadband for decades will now have access of up to Gigabit speeds and better voice service.

Alliance will support the Commission's goal of ending the digital divide in its designated RDOF territory by ensuring that the federal universal service support is used efficiently and effectively.

The designation of Alliance as an ETC will offer Lifeline-eligible customers a greater choice of providers for accessing telecommunications services not available to such customers today and should likely expand participation of qualifying customers in the Lifeline program.

XV. Service and Performance Quality Requirements

Pursuant to 47 C.F.R. 54.805 and 47 U.S.C 254(e), Alliance certifies that it will comply with all state and federal service requirements applicable to the support that it receives including the requirements for RDOF Phase I support and will provide a network that is capable of delivering voice and broadband service that meets the requisite performance requirements and sufficient capacity to meet customer demand at or above the prescribed levels during peak usage periods. Alliance will use the high-cost support received only for the provision, maintenance and upgrading of facilities to deploy, improve and support services to consumers. As an existing ILEC and ETC in South Dakota, Alliance regularly complies with all Commission requirements and will comply with all ETC rules.

XVI. Annual Reporting Requirements

Alliance will comply with all annual reporting requirements for designated ETCs as applicable. Alliance has a good understanding of all Commission ETC filings and procedures.

XVII. Conclusion

By the facts and law provided herein, Alliance satisfies all the statutory and regulatory requirements for designation as an ETC in the requested designated service area. As explained herein, the public interest would be served by granting this petition. Therefore, Alliance respectfully requests Commission expanded designation as an ETC for all the purposes listed above in the RDOF census blocks listed in Exhibit A and Exhibit B as well as an ETC Lifeline only designation in the areas as depicted in Exhibit B.

Respectfully submitted,

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