

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING OF TRACFONE)	ORDER APPROVING JOINT
WIRELESS, INC.'S PETITION FOR APPROVAL)	STIPULATION; ORDER GRANTING
OF A DESIGNATION AS AN ELIGIBLE)	PETITION FOR DESIGNATION AS
TELECOMMUNICATIONS CARRIER IN THE)	AN ELIGIBLE
STATE OF SOUTH DAKOTA FOR THE LIMITED)	TELECOMMUNICATIONS CARRIER
PURPOSE OF PROVIDING LIFELINE SERVICE)	IN NON-RURAL AREAS
TO QUALIFYING CUSTOMERS)	
)	TC24-005

On February 1, 2024, the South Dakota Public Utilities Commission (Commission) received a Petition from TracFone Wireless, Inc.'s¹ (Verizon Value or Applicant) for an Eligible Telecommunications Carrier (ETC) Designation. Applicant originally sought ETC designation throughout the state, including rural areas and federally recognized tribal lands for the limited purpose of providing lifeline service to qualifying customers.

On February 8, 2024, the Commission electronically transmitted notice of the filing and the intervention deadline of February 23, 2024, to interested individuals and entities on the Commission's PUC Weekly Filing electronic listserv. On February 22, 2024, the Commission issued an Order granting intervention to South Dakota Telecommunications Association (SDTA).

On June 3, 2024, SDTA and Verizon Value filed a Stipulation in which they agreed that Verizon Value would limit its requested ETC designation to only South Dakota CenturyLink wire centers and to not extend into any rural service areas.²

On October 15, 2024, Verizon Value responded to Staff's data requests. On January 21, 2025, SDTA responded to Staff's data request. On February 10, 2025, Verizon Value responded to Staff's data requests. On May 27, 2025, Verizon Value filed a Supplement to its Petition. On May 29, 2025, Verizon Value responded to Staff's data requests. On August 6, 2025, Verizon Value filed an amended response to Staff's data request.

On August 7, 2025, Staff, Verizon Value, and SDTA (Parties) filed a Joint Stipulation whereby all Parties waived an evidentiary hearing and agreed that the filings in this docket could be considered as the official record in this matter. On August 8, 2025, Staff filed its memorandum in this matter.

The Commission has jurisdiction in this matter pursuant to 47 U.S.C. § 214(e), 47 C.F.R. § 54.201, SDCL Chapters 1-26, specifically SDCL 1-26-20, and 49-31, ARSD Chapter 20:10:01, specifically ARSD 20:10:01:19, ARSD Chapter 20:10:32, specifically ARSD 20:10:32:43 through ARSD 20:10:32:43.07.

At its regularly scheduled meeting on August 14, 2025, the Commission considered this matter. All Parties having agreed, the Commission voted unanimously to approve the Joint Stipulation. After reviewing all filings in the docket, considering oral presentations, and asking questions of the Parties, the Commission voted unanimously to grant Applicant's Petition for ETC designation, conditioned upon the commitments made by Verizon Value both in writing in this docket and orally on the record at the August 14, 2025, Commission meeting.

¹ While this docket was pending, TracFone Wireless, Inc. changed its name to Verizon Value, Inc.

² Applicant clarified in its response to Staff Data Request 2-1 that the intent of the Stipulation with SDTA was to exclude from its ETC designation all rural areas, not just rural areas served by SDTA member companies.

In order to be designated a Lifeline-only ETC, a carrier must offer voice telephony service or broadband Internet access service as the supported service, using its own facilities or a combination of its own facilities and resale of another carrier's services, throughout the service area for which the designation is received and advertise the availability of, and the charges for, those services throughout the service area. 47 U.S.C. § 214(e); 47 C.F.R. § 54.401(a)(2). Verizon Value is a facilities-based provider that will utilize a combination of its own facilities³ and resell another carrier's services as needed.⁴

The Federal Communications Commission (FCC) has designated the following voice telephony services for support by federal universal service support mechanisms: (1) voice grade access to the public switched network or its functional equivalent; (2) minutes of use for local service provided at no additional charge to end users; (3) access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and (4) toll limitation services to qualifying low-income consumers. 47 C.F.R. § 54.101(a). Applicant has committed to providing the supported services.⁵

The carrier must also advertise the availability of such services and the charges for the services using media of general distribution. 47 U.S.C. § 214(e)(1)(B). Applicant stated that it will advertise the availability of its services and the charges in a manner reasonably designed to reach Lifeline-eligible consumers in accordance with all applicable requirements.⁶ The Commission finds that Verizon Value has demonstrated that it will meet the advertising requirement.

ARSD 20:10:32:42 states, in part, "the commission may not find it to be in the public interest if the telecommunications company requesting such designation is not offering its services coextensive with the rural telephone company's service area." However, the FCC has granted forbearance to this requirement for companies seeking Lifeline-only ETC designation in the area of a rural telephone company.⁷ Therefore, the Commission may find this designation to be in the public interest although Applicant will not offer its services coextensive with the rural telephone company's service area. The stipulation between Verizon Value and SDTA does not allow Verizon Value to serve in the service area of a rural territory. Therefore, the Commission finds this rule is not applicable.

Pursuant to ARSD 20:10:32:43.01, an applicant for ETC status must commit to providing service to customers making a reasonable request for service in the service area. Applicant demonstrated through its filings, responses to data requests, and responses to Commissioner questions at the August 14, 2025, Commission meeting that it is able to satisfy this rule for the areas in which it receives ETC designation.

ARSD 20:10:32:43.02 requires an applicant requesting designation as an ETC to submit a two-year plan that describes proposed improvements or upgrades to the applicant's network throughout its proposed designated service area. As a Lifeline-only ETC, Applicant will not be receiving high-cost support as contemplated by this administrative rule. Therefore, the Commission finds this rule is not applicable and a two-year plan is not necessary.

Pursuant to ARSD 20:10:32:43.03, an applicant must demonstrate its ability to remain functional in emergency situations including a demonstration that it has a reasonable amount of back-up power to

³ Staff Memorandum, p. 3.

⁴ Comment from Verizon Value at the August 14, 2025, Commission Meeting

⁵ Petition, pgs. 5-7.

⁶ Petition, p. 9; Exhibit 11.

⁷ *In the Matter of Telecommunications Carriers Eligible for Support, Lifeline and Link Up Reform*, Memorandum Opinion and Order, WC Docket No. 11-42, FCC 13-44, ¶ 1.

remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. Through the Petition and responses to data requests, Verizon Value demonstrated that it has the ability to remain functional in emergency situations.⁸

Pursuant to ARSD 20:10:32:43.04, an applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. Verizon Value has demonstrated that it will satisfy this rule.⁹

ARSD 20:10:32:43.05 requires that a requesting company demonstrate that it offers a local usage plan comparable to the one offered by the incumbent local exchange carrier in the service areas for which the applicant seeks designation. This requirement was removed from federal law back in 2012.¹⁰ Therefore, the Commission finds Verizon Value need not submit a local usage plan and this rule is not applicable.

ARSD 20:10:32:43.06 requires an applicant requesting ETC designation to certify that it will provide equal access to long distance carriers if no other eligible telecommunications carrier is providing equal access within the service area. This requirement was removed from federal law in 2012. Therefore, the Commission finds such certification is not required in this matter and this rule is not applicable.

In order to designate an applicant as an ETC, the Commission must determine whether such designation is in the public interest pursuant to ARSD 20:10:32:43.07. After evaluating the public interest considerations, the Commission finds that the designation of Verizon Value will bring the benefits of increased consumer choice with the offering of a zero-cost option for Lifeline customers, and it has committed to providing quality services to the designated service area. The Commission finds the designation of Verizon Value as a Lifeline-only ETC is in the public interest.

ARSD 20:10:32:43.07 requires the Commission to conduct a creamskimming analysis if an applicant seeks designation in the study area of a rural telephone company. The FCC has stated that creamskimming is not a relevant concern regarding the designation of a Lifeline-only ETC.¹¹ The stipulation between Verizon Value and SDTA does not allow Verizon Value to serve in the service area of a rural territory. Therefore, the Commission finds that a creamskimming analysis is not required and this rule is not applicable.

Pursuant to 47 C.F.R. § 54.201(h), a state commission may not designate a Lifeline-only ETC “unless the carrier seeking such designation has demonstrated that it is financially and technically capable of providing the supported Lifeline service in compliance with subpart E of this part.” The Petition and responses to data requests provided financial and technical information about Verizon Value and its parent company. The Commission finds that Applicant has demonstrated it is financially and technically capable of providing the supported Lifeline service in compliance with subpart E.

It is therefore

ORDERED, that the request for approval of Joint Stipulation is hereby granted. It is further

ORDERED, that Verizon Value is hereby designated as an Eligible Telecommunications Carrier in nonrural areas in South Dakota for the purpose of receiving federal low-income universal service support for prepaid wireless Lifeline services. It is further

⁸ Petition, p. 9.

⁹ Petition, p. 10.

¹⁰ 47 C.F.R. § 54.202 (2012).

¹¹ *In the Matter of Telecommunications Carriers Eligible for Support, Lifeline and Link Up Reform*, Memorandum Opinion and Order, WC Docket No. 11-42, FCC 13-44, ¶ 13.

ORDERED, that this ETC designation is conditioned upon all representations and commitments made by Verizon Value both in writing and orally in this docket including filings, responses to data requests, and statements to the Commission, as well as upon the terms of the June 3, 2024, Stipulation between SDTA and Verizon Value.

Dated at Pierre, South Dakota, this 18th day of August 2025.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: Jenni L. Everest

Date: 08/18/2025

BY ORDER OF THE COMMISSION:

Gary Hanson

GARY HANSON, Chairman

Chris Nelson

CHRIS NELSON, Commissioner

Kristie Fiegen

KRISTIE FIEGEN, Commissioner