

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE ESTABLISHMENT)	ORDER REQUESTING
OF DIFFERENT RATES FOR)	COMMENTS
INTERCONNECTION AND UNBUNDLED)	
NETWORK ELEMENTS IN AT LEAST THREE)	TC99-106
GEOGRAPHIC AREAS)	

In August of 1996, the Federal Communications Commission (FCC) issued its Local Competition Order implementing section 251 of the federal Telecommunications Act of 1996. Section 51.507(f) required each state commission to establish different rates for interconnection and unbundled network elements (UNEs) in at least three geographic areas within the state to reflect geographic cost differences. The Eighth Circuit subsequently stayed and then vacated the deaveraging rule. Based on those decisions, the Commission did not establish different rates for different geographic areas. However, in January of 1999, the U. S. Supreme Court reversed the Eighth Circuit's decision. On May 7, 1999, the FCC stayed the effectiveness of the rule in order to allow states additional time to comply with the rule. By order released November 2, 1999, the FCC ruled that the stay will be lifted on May 1, 2000. *In the Matter of the Federal-State Joint Board on Universal Service*, CC Docket 96-45, Ninth Report and Order and Eighteenth Order on Reconsideration, FCC 99-306, paragraph 120 (rel. Nov. 2, 1999). The order provides that by May 1, 2000, "states are required to establish different rates for interconnection and UNEs in at least three geographic areas pursuant to section 51.507(f) of the Commission's rules." *Id.*

At its November 15, 1999, meeting, the Public Utilities Commission (Commission) considered how to proceed in this matter. After listening to comments from interested persons, the Commission decided to request written comments on how to proceed from interested persons or entities. On or before December 17, 1999, interested persons or entities may file written comments on how the Commission should establish different rates for interconnection and UNEs in at least three geographic areas within the state to reflect geographic cost differences. The Commission is interested in comments on whether the Commission may comply with the FCC's order to establish different rates for interconnection and UNEs in at least three geographic areas through a rulemaking or whether different rates must be established for specific companies in contested case dockets. Interested persons or entities may submit proposed rules along with their comments. It is therefore

ORDERED, that interested persons or entities may file written comments and proposed rules on or before December 17, 1999, on how the Commission should establish different rates for interconnection and UNEs in at least three geographic areas within the state to reflect geographic cost differences.

Dated at Pierre, South Dakota, this 19th day of November, 1999.

<p>CERTIFICATE OF SERVICE</p> <p>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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>Delaine Kelso</i></u></p> <p>Date: <u>11/19/99</u></p> <p align="center">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

James A. Burg
 JAMES A. BURG, Chairman

Pam Nelson
 PAM NELSON, Commissioner

Laska Schoenfelder
 LASKA SCHOENFELDER, Commissioner