

**State of South Dakota
PUBLIC UTILITIES COMMISSION**

Interstate Telecommunications)
Cooperative, Inc.)
)
Application for Designation as an Eligible) Docket No. ____ - _____
Telecommunications Carrier For)
The Purpose of Receiving)
Federal Universal Service Support For)
Lifeline Only)

**INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.
APPLICATION FOR EXPANDED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER FOR LIFELINE ONLY**

Interstate Telecommunications Cooperative, Inc. (ITC) a rural, Incumbent Local Exchange Carrier (ILEC) and an eligible telecommunications carrier (ETC)¹ headquartered in Clear Lake, SD, makes this application to the South Dakota Public Utilities Commission (Commission) to expand its current designated ETC service area to include the communities of South Lake Poinsett and Lake Albert in Hamlin County, Brookings County, and Kingsbury County and the Century Link Watertown exchange in Codington County, as depicted on the maps in Exhibit A, for the purpose of Lifeline only support. 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.

ITC has been awarded approximately \$5.5 million in South Dakota Connect Grant (Connect Grant) support to extend its broadband services to Lakes Poinsett and Albert and Rural Codington County in South Dakota. ITC plans to build a FTTP network to provide high speed broadband and voice services, including Lifeline service, in the areas where the Connect Grant was awarded to it. ITC herein requests that the Commission expand its ETC service area to include the entire Watertown exchange and the identified area around Lakes Poinsett and Albert, as depicted in Exhibit A, for the purpose of Lifeline only support.

¹ *Findings of Fact, Conclusions of Law, Order and Notice of Entry of Order*, SDPUC TC97-078 (December 17, 1997).

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

I. Company Background

In 1952, Deuel Telephone Cooperative and the Brookings County Telephone Cooperative Association were both organized. Six years later Brookings County Telephone Cooperative Association changed its name to Brookings-Lake Telephone Company. In 1988, Deuel Telephone Cooperative and Brookings-Lake Telephone Company consolidated to form Interstate Telecommunications Cooperative, Inc (ITC). By 1989 ITC entered the new age of fiber optic technology and in 1994 became the first commercial company in South Dakota to offer Internet service to its member owners. In 1995, ITC purchased former U.S. West exchanges by its wholly own subsidiary Intra-State Telephone and in 1999 ITC and Intra-State Telephone merged. In 2006, ITC completed a merger with Stockholm/Strandburg Telephone Company (SST), including SST's wholly owned CLEC subsidiary, SSTelecom, Inc (SSTI). In 2012 the Commission approved an order amending ITC's Certificate of Authority to include SST and SSTI, resulting in all exchanges being served by the parent ITC.²

Today, ITC serves the following 28 exchanges in Eastern South Dakota: Astoria, Bradley, Brandt, Brookings, Bryant, Castlewood, Chester, Clark, Clear Lake, Elkton, Estelline, Florence, Gary, Goodwin, Hayti, Lake Norden, Nunda, Revillo, Sinai, South Shore, Stockholm, Toronto, Waubay, Webster, Wentworth, West Hendricks, White, and Willow Lake. ITC also operates as a Competitive Local Exchange Carrier (CLEC) providing broadband and voice communications in the Milbank and Watertown exchanges.

ITC recently expanded its ETC designation to include areas it was awarded in the 2020 Rural Digital Opportunity Fund Phase I Auction 904 (RDOF Auction904).³ In total, ITC currently provides local exchange voice services to approximately 8,600 access lines and broadband service

² *Order Granting Amended Certificates of Authority*, SDPUC TC12-182 (Nov. 29, 2012).

³ *Order Granting Expanded Eligible Telecommunications Carrier Designation in Certain Census Blocks; Order Granting Waiver*, SDPUC TC21-011 (May 19, 2021).

to approximately 9,200 locations in South Dakota,⁴ with plans to expand over the next two years using funding from its recent awards from the RDOF Auction 904 and the Connect Grant.⁵

ITC will deliver broadband and voice service to homes within portions of Hamlin County, Brookings County, Kingsbury County, and Codington County, which are within the CenturyLink exchanges of Arlington and Watertown. ITC will leverage its existing fiber-to-the-premises (FTTP) technology 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 throughout the requested ETC territory.

All inquiries concerning this application should be made to:

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ITC's Name, Address and Telephone Number are:

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312 Fourth St. West
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Upon designation as an ETC, ITC will provide Lifeline services throughout the requested designated service area as build-out is completed to qualified low-income consumers.

⁴ Annual ETC Certification Filing, SDPUC TC20-007 (filed June 4, 2020).

⁵ *417 Long-Form Applicants in the Rural Digital Opportunity Fund Phase I Auction (Auction 904)*, Public Notice, DA 21-170 (rel. February 18, 2021) (ITC will receive \$192,902.80 annually for 10 years for 732 locations in South Dakota).

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. ITC Will Offer Required Services

Pursuant to 47 U.S.C. 214(e)(1)(A) and 47 C.F.R. 54.201(d)(1), ITC 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 ITC 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. ITC can and will provide all these required services through the provision of VoIP and high-speed broadband Internet services.

IV. ITC Will Use Its Own Facilities

Pursuant to 47 U.S.C. 214(e)(1)(A) and 47 C.F.R. 54.201(d)(1), ITC 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. ITC is a facilities-based FTTP carrier and again will primarily use its own state of art facilities to provide any requested services.

V. ITC 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), ITC 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 its Connect Grant buildout obligations. In addition, ITC commits to provide service throughout its proposed designated service area to all customers making a reasonable request for service. ITC certifies that it will provide service on a timely basis to requesting customers within ITC's service area where ITC's network already passes the potential customer's premises or will pass consistent with Connect Grant buildout requirements.⁶

ITC further certifies that it will provide service within a reasonable period of time within its designated area, if the potential customer is within ITC'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 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. ITC Will Advertise

Pursuant to 47 U.S.C. 214(e)(1)(B) and 47 C.F.R. 54.201(d)(2), ITC 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. ITC may advertise, among other means, via newspaper, bill inserts, newsletter, contacts with social service agencies, and its website.

VII. ITC Will Make Available Lifeline Service

Pursuant to 47 C.F.R. 54.405, ITC 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. ITC will make a concerted effort to notify municipal, state, and federal governmental agencies whose clientele may likely benefit the most from having ITC designated as an ETC by the Commission. In addition, ITC may advertise, among

⁶ 47 C.F.R. § 54.202(a)(1)(i).

other means, via newspaper, bill inserts, newsletter, and its website. ITC 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, ITC 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

ITC requests ETC designation in South Dakota for the service areas as listed in Exhibit A, a portion of the CenturyLink Arlington Exchange and all of the Watertown Exchange. These areas are in portions of Hamlin County, Brookings County, Kingsbury County, and Codington County.

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.

ITC has a reasonable amount of back-up power to ensure functionality of voice services without a commercial power source. ITC'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. ITC 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 ITC's main route, voice traffic is automatically rerouted to a redundant back-up route.

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. ITC as a current ETC has been complying with these rules for over 23 years and commits to do the same by complying with all 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

Pursuant to 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. ITC 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, ITC will be able to obtain the requisite amount of lending under its existing lines of credit. ITC is also able to obtain additional financing, if necessary, in addition to the Connect Grant support being made available to ITC to support this request. ITC has been building and operating FTTP networks since 2006 and has seasoned operations and technical staff that have been with the company for years. The same staff will be used for the Connect Grant 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. ITC will provide Lifeline local voice grade access through the phase-out of voice Lifeline service in December 2021. 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 ITC distinguishes between local and toll calls, ITC will provide optional toll limitation service at no additional charge. One Lifeline service (voice or broadband) will be available to a qualifying household. ITC 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.

ITC 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.

ITC plans to offer the following Lifeline supported Voice and Internet service plans found on the website at: <https://www.itc-web.com/find-services-your-area/poinsettalbert-expansion/> .

Voice:

- Voice phone Service starting at \$22.50

Broadband Internet:

- 50/5 Mbps starting at \$69.95
- Additional tiers and pricing are available up to 1Gbps/100Mb speeds

XIII. Waiver of Two-Year Plan

Since this request is pursuant to the Connect Grant program which has its own buildout requirements, ITC asks that the Commission waive the requirement to submit a two-year network plan pursuant to ARSD 20:10:32:43.02. ITC will be required to meet all buildout, service, and reporting requirements for the Connect Grant program and agreement. Further, all buildout progress will be included in ITC's annual ETC recertification requests, which will keep the Commission informed of ITC's progress to meeting buildout and service goals.

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

Designation of ITC as an ETC is in the public interest. ITC has been deploying state of art FTTP services to its customers since 2006. Now with the funding awarded in the Connect Grant, ITC intends to further deploy FTTP services to the area 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. ITC will support the goal of ending the digital divide by ensuring that the federal universal service support is used efficiently and effectively.

The designation of ITC 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 47 U.S.C 254(e), ITC certifies that it will comply with all state and federal service requirements applicable to the support that it receives, including the requirements for Connect Grant 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. ITC 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, ITC regularly complies with all Commission requirements and will comply with all ETC rules.

XVI. Annual Reporting Requirements

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

XVII. Conclusion

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

Respectfully submitted,

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