

421-0

TC01-121

DOCKET NO. _____

In the Matter of _____

IN THE MATTER OF THE REQUEST OF
SANBORN TELEPHONE
COOPERATIVE, INC. AND SANCOM,
INC. FOR CERTIFICATION REGARDING
ITS USE OF FEDERAL UNIVERSAL
SERVICE SUPPORT

Public Utilities Commission of the State of South Dakota

12453

MEMORANDA

*Specs Filed and Docketed;
Specs Public Utility;
Specs as to the Pending Certification;
Specs as to the Docket Closed.*

LARSON AND NIPE

ATTORNEYS AT LAW

JEFFREY D. LARSON
WOONSOCKET
SOUTH DAKOTA 57385

REPLY TO:
P.O. BOX 277
WOONSOCKET
SOUTH DAKOTA 57385
PHONE: 605-796-4245
FAX: 605-796-4227

CHRIS A. NIPE
MITCHELL
SOUTH DAKOTA 57301

RECEIVED

AUG 20 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

August 16, 2001

S. D. Public Utilities Commission
State Capitol Building
Pierre, SD 57501

Re: In the Matter of the Request of Sanborn Telephone Cooperative, Inc./ Sancom, Inc. for
Certification Regarding Their Use of Federal Universal Service Support

To Whom It May Concern:

Enclosed please find for consideration and action by your Commission, the original and
ten (10) copies of a Request for Certification in the above entitled matter on behalf of my clients,
Sanborn Telephone Cooperative, Inc. and Sancom, Inc.

If you have any questions or need further, please contact my office.

Sincerely,



Jeffrey D. Larson

JDL/bar

Enclosures (11)

RECEIVED

AUG 20 2001

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF DOCKET NO. _____
SANBORN TELEPHONE COOPERATIVE, INC./SANCOM, INC.
FOR CERTIFICATION REGARDING THEIR USE
OF FEDERAL UNIVERSAL SERVICE SUPPORT

REQUEST FOR CERTIFICATION

Sanborn Telephone Cooperative, Inc./Sancom, Inc. by and through their attorney hereby submit a Request for Certification to the South Dakota Public Utilities Commission ("Commission") seeking certification from the Commission pursuant to 47 C.F.R. § 54.314. In support of this Request, Sanborn Telephone Cooperative, Inc./Sancom, Inc. offer the following:

1. On May 23, 2001, the Federal Communications Commission (FCC) released an Order relative to the federal universal service support mechanism for rural carriers.¹ This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company ("USAC") stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local

¹CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

3. Sanborn Telephone Cooperative, Inc./Sancom, Inc. are rural telephone companies that have previously been designated by this Commission as eligible telecommunication carriers. The Companies provide local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately five thousand one hundred fifty (5,150) access lines within their established rural service areas in South Dakota.

4. This Commission has limited regulatory oversight over Sanborn Telephone Cooperative, Inc./Sancom, Inc. and their provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.²

5. The purpose of this filing is to provide information constituting Sanborn Telephone Cooperative, Inc./Sancom, Inc.'s plan for the use of their federal universal service support and to otherwise verify that Sanborn Telephone Cooperative, Inc./Sancom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

6. In the process of determining whether federal universal service support is used in a manner consistent with the Federal Communications Act, the "universal service principles" established in Section 254(b) are instructive. That Section states that the FCC shall base "policies for the preservation and advancement of universal service" on certain, specifically identified principles:

- (1) Quality services should be available at just, reasonable, and affordable rates.
- (2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.
- (3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .
- (6) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services....

7. The FCC has declined to dictate specifically how the states should ensure that carriers are using federal universal service support consistent with the federal law, but has offered examples of how the support can be used to appropriately further universal service goals. The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas

A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.³

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

9. Sanborn Telephone Cooperative, Inc./Sancom, Inc. as designated eligible telecommunication carriers have received federal universal service support in the past and expect to receive support during calendar year 2002. As of this time, specific support amounts the Companies should receive in 2002 have not yet been identified by USAC. The Companies, however, offer the following estimates concerning the support they expect to receive⁴:

| | |
|---|--------------|
| High-Cost Loop Support | \$680,203.00 |
| Local Switching Support (DEM Weighting) | \$437,506.00 |

10. For calendar year 2002, Sanborn Telephone Cooperative, Inc./Sancom, Inc. intend to make the following network facility and equipment investments:

Additional Investments are planned to the following items: generic switch upgrade for CALEA compliance and other enhanced services, charger and battery

³Ninth report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

⁴It should be noted that Long Tem Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these

upgrades to compensate for additional power needs, generic upgrade to the Application Peripheral, add intra-company SONET rings and install additional inter-company SONET rings to eliminate isolating exchanges due to cable cuts, and continue to replace aging cable and wire facilities with optical fiber to provide new and better services to rural members, including broadband.

11. In providing local exchange telecommunications services, Sanborn Telephone Cooperative, Inc./Sancom, Inc. will also incur other costs. In 2002, these costs will include:

General support expense, central office switching expense, central office transmission expense, cable and wire facility expense, network operations expense, executive and planning expense, general and administrative expense, taxes, interest expense, and other miscellaneous and associated expenses.

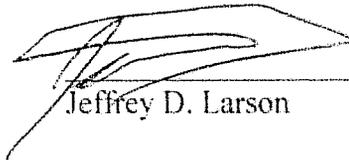
12. Sanborn Telephone Cooperative, Inc./Sancom, Inc. estimate that the total costs described above relating to their planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will exceed \$3,400,000.00.

13. Consistent with the universal service principles set forth in the federal law, and also the recent FCC orders referenced herein, Sanborn Telephone Cooperative, Inc./Sancom, Inc. will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Sanborn Telephone Cooperative, Inc./Sancom, Inc. to: (1) maintain rates for their local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade their telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

14. Based on all of the foregoing information, and also the Affidavit of Eugene Kroell, attached as Exhibit A, Sanborn Telephone Cooperative, Inc./Sancom, Inc. request that this Commission issue an appropriate certification to the FCC and USAC indicating that Sanborn Telephone Cooperative, Inc./Sancom, Inc. are in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Companies in 2002. In order to ensure that this certification is issued to the FCC prior to October 1, 2001, Sanborn Telephone Cooperative, Inc./Sancom, Inc. would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 16th day of August, 2001.

Respectfully submitted,

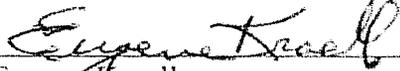
A handwritten signature in black ink, appearing to read "Jeffrey D. Larson", is written over a horizontal line. The signature is stylized and somewhat illegible.

Jeffrey D. Larson

EXHIBIT A

AFFIDAVIT

As an authorized corporate officer of Sanborn Telephone Cooperative, Inc./Sancom, Inc., I, Eugene Kroell hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Sanborn Telephone Cooperative, Inc./Sancom, Inc. will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).



Eugene Kroell

Subscribed and Sworn to before me this 16th day of August, 2001.



Notary Public - South Dakota
Commission expires 7-24-03

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of August 16, 2001 through August 22, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CE01-002 In the Matter of the Complaint filed by Dale Riedlinger, Sioux Falls, South Dakota, against Xcel Energy Regarding Poor Maintenance Service.

Complainant states that on or about May 21, 2001, Xcel Energy had a tree trimming company come to their area of town and trim trees. Complainant states that when the company trimmed there tree in the front yard of their home, the tree was destroyed by cutting the tree half off. Complainant states that there are only two customers in his neighborhood that do not have buried cable. Complainant inquired about the line being buried and was told that he would have to pay \$7,500.00. Complainant states that Xcel Energy does not have an easement to have the utility pole on his property. Complainant requests that Xcel Energy bury their lines at no cost or a reasonable cost to the customer. Complainant does not feel he should replace his tree because he believes that the problem will occur again when the tree trimming service happens again.

Staff Analyst: Mary Healy
Staff Attorney: Kelly Frazier
Date Docketed: 08/20/01
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC01-111 In the Matter of the Request of Baltic Telecom Cooperative and East Plains Telecom, Inc for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/16/01
Intervention Deadline: 08/31/01

TC01-112 In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Cheyenne River Sioux Tribe Telephone Authority's plan for the use of its federal universal service support and to otherwise verify that Cheyenne River Sioux Tribe Telephone Authority will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/17/01
Intervention Deadline: 08/31/01

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-118 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Kadoka Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Kadoka Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-119 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-120 In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Mt. Rushmore Telephone Company and Fort Randall Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Mt. Rushmore Telephone Company and Fort Randall Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-121 In the Matter of the Request of Sanborn Telephone Cooperative, Inc. and SANCOM, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Sanborn Telephone Cooperative, Inc./Sancom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Sanborn Telephone

Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-126 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting West River Telecommunications Cooperative's (Mobridge) plan for the use of its federal universal service support and to otherwise verify that West River Telecommunications Cooperative (Mobridge) will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-127 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Midstate Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Midstate Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-128 In the Matter of the Request of Tri-County Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Tri-County Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Tri-County Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-129 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting McCook Cooperative Telephone Company's plan for the use of its federal universal service support and to otherwise verify that McCook Cooperative Telephone

The purpose of this filing is to provide information constituting Sioux Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/21/01
Intervention Deadline: 08/31/01

TC01-134 In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Dickey Rural Telephone Cooperative's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Telephone Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-135 In the Matter of the Request of Dickey Rural Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Dickey Rural Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-136 In the Matter of the Request of Farmers Mutual Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Farmers Mutual Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-137 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting RT Communications, Inc.'s plan for the use of its

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

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

| | |
|---------------------------------------|----------------|
| IN THE MATTER OF THE REQUEST OF) | ORDER GRANTING |
| SANBORN TELEPHONE COOPERATIVE, INC.) | CERTIFICATION |
| AND SANCOM, INC. FOR CERTIFICATION) | |
| REGARDING THEIR USE OF FEDERAL) | TC01-121 |
| UNIVERSAL SERVICE SUPPORT) | |

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.¹ This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 § C.F.R. 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, a state that desires rural carriers within its jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company (USAC) stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only be made available in the future if the State Commission files the requisite certification pursuant to § 54.314.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2001 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the state are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

On August 20, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from Sanborn Telephone Cooperative, Inc. and SANCOM, Inc. (Company) regarding their Request for Certification Regarding their Use of Federal Universal Service Support. The purpose of this filing was to provide information constituting Company's plan

¹CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

for the use of its federal universal service support and to otherwise verify that Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254. As a part of its plan, Company listed estimates of the support it expected to receive from USAC as well as its estimated costs for the provision, maintenance, and upgrading of facilities and services. An Affidavit was attached to the Request for Certification.

On August 23, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of August 31, 2001, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 7, 2001, the Commission considered this matter.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 254. The Commission found that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission unanimously voted to approve Company's Request for Certification Regarding Its Use of Federal Universal Service Support. It is therefore

ORDERED, that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. It is

FURTHER ORDERED, that the Commission approves Company's Request for Certification Regarding Its Use of Federal Universal Service Support.

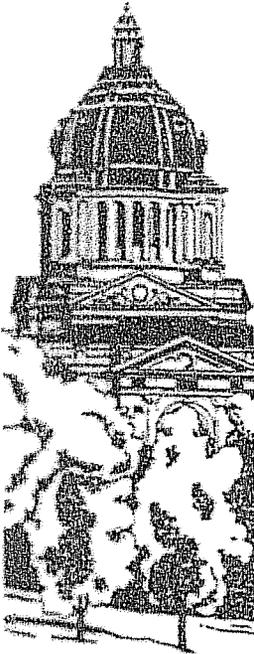
Dated at Pierre, South Dakota, this 20th day of September, 2001.

| 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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. | |
| By | <u>Nelaine Kalles</u> |
| Date | <u>9/25/01</u> |
| (OFFICIAL SEAL) | |

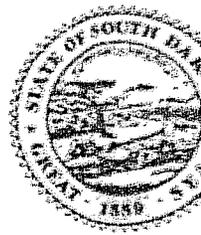
BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

September 25, 2001

Ms. Magalie R. Salas
Federal Communications Commission
Office of the Secretary
445 12th St. S.W.
Washington, DC 20554

Ms. Irene Flannery
Universal Service Administrative Company
2120 L Street N.W., Suite 600
Washington, DC 20037

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-331-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet Website
www.state.sd.us/puc/

Jim Burg
Chairman
Pam Nelson
Vice-Chairman

Debra Elofson
Executive Director

- Harlan Best
- Martin C. Bettmann
- Sue Cichos
- Karen E. Cremer
- Christopher W. Downs
- Terry Emerson
- Michele M. Farris
- Marietta Fischbach
- Heather K. Forney
- Kelly D. Frazier
- Mary Giddings
- Leni Healy
- Mary Healy
- Lisa Hull
- Dave Jacobson
- Arny Kayser
- Jennifer Kirk
- Bob Knadle
- Delaine Kolbo
- Charlene Lund
- Gregory A. Rielov
- Kerli Senger
- Kathryn Ailla Wiest

RE: CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001

Annual State Certification of Support for Rural Carriers

Dear Ms. Salas and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carriers and/or eligible telecommunications carriers within its jurisdiction have been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carriers listed below filed requests for certification with the Commission which support their affirmations that all federal high-cost support provided to them will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission has granted certification to the following companies:

- Armour Independent Telephone Company
- Baltic Telecom Cooperative and East Plains Telecom, Inc.
- Beresford Municipal Telephone Company
- Bridgewater-Canistota Independent Telephone Company
- Cheyenne River Sioux Tribe Telephone Authority
- Citizens Telecommunications Company of Minnesota, Inc.
- City of Brookings Municipal Telephone
- Consolidated Telcom
- Dakota Community Telephone