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June 29, 2012

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**JUL 02 2012**

VIA US MAIL

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

**Re: In the Matter of Connect America Fund  
WC Docket 10-90**

Dear Ms. Van Gerpen:

Pursuant to 47 C.F.R. § 54.313(i), please find enclosed courtesy copies of the 2012 Annual Eligible Telecommunications Carrier reports for the designated common carriers and study areas listed below:

Study Area	SAC
WWC License LLC	399018
RCC Minnesota, Inc.	399003

Copies of confidential information redacted from the enclosed copies have been filed under separate cover in TC 12-072 and TC 12-073, respectively.

Sincerely,

*/s/ Matthew A. Slaven*

MAS/pk  
Enclosures

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**PUBLIC VERSION  
CONFIDENTIAL VERSION FILED UNDER SEPARATE COVER**

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of  
Connect America Fund

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)  
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WC Docket No. 10-90

**RECEIVED**  
**JUL 02 2012**  
**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**RCC MINNESOTA, INC. d/b/a VERIZON WIRELESS**

**2012 ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFICATION  
AND ANNUAL REPORT FOR THE STATE OF SOUTH DAKOTA**

**STUDY AREA CODE (SAC) 399003**

**July 1, 2012**

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## I. INTRODUCTION

Pursuant to 47 C.F.R. § 54.313 (2012),<sup>1</sup> RCC Minnesota, Inc. d/b/a Verizon Wireless (“RCC” or the “Company”) submits this 2012 Eligible Telecommunications Carrier (“ETC”) Certification and Annual Report.

## II. CONFIDENTIALITY

The data in this report and the attached exhibits represent commercial and financial trade secrets regarding the Company’s network performance, customer specific information and other matters that are highly sensitive due to the competitive nature of the wireless industry. Accordingly, RCC respectfully requests that the Federal Communications Commission (“Commission” or “FCC”) treat this data as confidential and withhold it from public inspection pursuant to 47 C.F.R. §§ 0.457(d)(1) and 0.459.

## III. BACKGROUND

The South Dakota Public Utilities Commission (“SDPUC”) designated RCC as an ETC in certain non-rural telephone company exchanges and rural telephone company study areas by order dated June 6, 2005.<sup>2</sup>

On August 7, 2008, Cellco Partnership d/b/a Verizon Wireless (“Cellco”) acquired Rural Cellular Corporation and each of its subsidiaries and affiliates, including RCC.<sup>3</sup>

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<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*); *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 3, 2012) (*Clarification Order*); *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) (Third Order on Reconsideration).

<sup>2</sup> *In the Matter of the Filing by RCC Minnesota, Inc. and Wireless Alliance, LLC, d/b/a Unicel for Designation as an Eligible Telecommunications Carrier*, TC03-193, Order Granting ETC Designation (June 6, 2005).

<sup>3</sup> *In the Matter of Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation for Consent to Transfer Control of Licenses, Authorizations and Spectrum Manager Leases and Petitions for Declaratory Ruling that the Transaction Is Consistent with Section 310(b)(4) of the Communications Act*, WT Docket No. 07-208, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd. 12463 (2008) (Merger Order).

A complete listing of the non-rural telephone company wire centers and rural telephone company study areas and wire centers in which RCC was designated as an ETC by the SDPUC is attached as **Exhibit A** ("Designated Area").

**IV. ANNUAL ETC REPORT IN ACCORDANCE WITH SECTION 54.313(a)**

47 C.F.R. § 54.313(a) requires a recipient of federal high-cost universal service support to annually report certain information no later than July 1 of each calendar year.<sup>4</sup> RCC respectfully submits the following information for the period January 1, 2011 through December 31, 2011 in satisfaction of the Commission's annual reporting requirement.

**A. Service Improvement Plan Progress Report**

47 C.F.R. § 54.313(a)(1) requires a high-cost support recipient to file a progress report on its previously filed service quality improvement plan. An ETC designated by a state commission is not required to provide the FCC with a copy of its 2012 state service quality improvement plan, if any.<sup>5</sup> However, on July 1, 2013, all state-designated ETCs are required to file with the FCC five-year service quality improvement plans that account for the new broadband obligations adopted in the *USF/ICC Transformation Order*.<sup>6</sup> RCC is a state-designated ETC in South Dakota and, therefore, is not required to file a copy of its 2012 state service quality improvement plan with the Commission in 2012.

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<sup>4</sup> Pursuant to the *USF/ICC Transformation Order* and *Clarification Order*, in 2012 competitive ETC recipients of federal high-cost universal service support are only required to address the reporting requirements set forth in 47 C.F.R. § 54.313(a)(1) through (a)(8). Other reporting requirements set forth in 47 C.F.R. § 54.313(a) are not required to be addressed until 2013 or have otherwise been deferred to a later reporting period.

<sup>5</sup> *Clarification Order*, DA 12-147 at para. 7.

<sup>6</sup> *Id.*

**B. Network Outages**

47 C.F.R. § 54.313(a)(2) requires a high-cost support recipient to annually report network outages within its ETC designated area. 47 C.F.R. § 54.313(a)(2) specifically requires:

Detailed information on any outage in the prior calendar year, as that term is defined in 47 C.F.R. 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (i) at least ten percent of the end users served in a designated service area; or (ii) a 911 special facility, as defined in 47 C.F.R. 4.5(e). (iii) Specifically, the eligible telecommunications carrier's annual report must include information detailing: (A) The date and time of onset of the outage; (B) A brief description of the outage and its resolution; (C) The particular services affected; (D) The geographic areas affected by the outage; (E) Steps taken to prevent a similar situation in the future; and (F) The number of customers affected.

The required information for the time period January 1, 2011 through December 31, 2011 is contained within **Confidential Exhibit B**. RCC has compiled and reported information for all outages that meet the above criteria within the Designated Area in South Dakota for the aforementioned time period. Such information includes any outage of at least 30 minutes in duration that potentially affected at least ten percent (10%) of its customers served in a service area or a 911 facility. The services affected by an outage were dependent upon the capabilities of the particular facility affected by the outage. Generally, a cell site or switch outage will affect all services provided by the cell site or switch, including voice, data and/or 911 services. The information relating to the number of customers affected by an outage is estimated based on the number of customers with a billing address in each affected wire center.

The steps taken to prevent a similar outage in the future will vary based on a determination of the cause of the outage. Each network outage is examined on a case-by-case basis. For example, when the outage is due to equipment failure, the equipment is replaced or repaired and tested for proper performance, including preventive maintenance. Additionally, the manufacturer or vendor is notified if the failure appears to be in the design or manufacture of the

equipment. If the vendor or manufacturer fails or refuses to remedy the deficiency, then a replacement source is determined. Similarly, when the outage is due to weather or other natural occurrence, the probability of a repeat occurrence is considered and evaluated in planning the repair, replacement or rebuild of the equipment or location. Outages due to human error or a faulty process or practice will result in an appropriate reevaluation of the source of error and the need to correct, discipline or replace the person or practice, as applicable. An outage on a leased facility or circuit is escalated and corrected by the third-party facility provider. The outages reported on **Confidential Exhibit B** were not determined to require extraordinary measures other than application of the above procedures.

**C. Unfulfilled Requests For Service**

47 C.F.R. § 54.313(a)(3) requires a high-cost support recipient to annually report the number of requests for service from potential customers within the ETC's designated area that were unfulfilled during the past calendar year. The filing must also detail how the ETC attempted to provide service to those potential customers. The required information concerning unfulfilled requests for service within the Designated Area in South Dakota from January 1, 2011 through December 31, 2011 is contained in **Exhibit C**.

**D. Complaints Per 1,000 Handsets or Lines**

47 C.F.R. § 54.313(a)(4) requires a high-cost support recipient to report annually the number of complaints per 1,000 connections (fixed or mobile) in the prior calendar year. The Company received 0.19 complaints per 1,000 handsets associated with SAC 399003 between January 1, 2011 and December 31, 2011.<sup>7</sup>

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<sup>7</sup> Complaints consist of written complaints from customers submitted to the Commission, the South Dakota Public Utility Commission, the South Dakota Attorney General, the Better Business Bureau or similar third party agencies and oral, written, and e-mail complaints submitted to the Company's Executive Complaint Department.

**E. Certification Regarding Applicable Service Quality Standards And Consumer Protection Rules**

47 C.F.R. § 54.313(a)(5) requires a high-cost support recipient to certify that it is complying with applicable service quality standards and consumer protection rules. The Company's compliance with the CTIA Consumer Code for Wireless Service ("CTIA Consumer Code") satisfies this requirement. The Company certifies that it has complied and will continue to comply with the principles set forth in the CTIA Consumer Code.

**F. Certification Regarding Ability to Function in Emergency Situations**

47 C.F.R. § 54.313(a)(6) requires a high-cost support recipient to certify that it is able to function in emergency situations as set forth in Section 54.202(a)(2). The following information demonstrates an ability to remain functional in emergency situations in satisfaction of this requirement.

Each cell site is equipped with battery standby power engineered to maintain a standard of eight hours backup with a two-hour minimum standard when restricted by site location. Each cell site, unless restricted by site location, also has a permanent standby generator on site, or has the necessary equipment to allow a portable generator to be quickly and safely connected to the site in the event of a commercial power failure. Portable generators are available for transport to an area affected by a commercial power outage. Backup generators are tested on a regular basis to assure functionality. Thus back-up power systems and procedures have been implemented to ensure functionality without an external power source.

In the event of damaged facilities, telecommunications traffic may be rerouted on the network to minimize service disruptions. The network design philosophy also includes redundancy on critical paths and components so that a potential failure of one component does not significantly affect service. The wireless voice and data switching networks are designed to

provide continuous service to the customer. The communications between internal switches and external networks, such as the public switched telephone network ("PSTN") and the Internet, are also designed to reduce the possibility of interrupted communications.

The network is comprised of numerous components that are connected using a combination of traditional landline telecommunication networks and microwave radio links. Many of the network's critical locations are supported with diverse circuits, network technologies, and alternative local telecommunications carriers. The impact of a severed fiber optic cable or a faulty T-1 circuit is minimized by this diversity in telecommunications connectivity.

Business procedures have also been adopted to assure minimal service disruptions. These procedures include frequent and thorough preventive maintenance, real-time monitoring of all key system components, the availability of trained maintenance personnel 24 hours a day, 7 days a week to repair or resolve critical failures should they arise, and wide deployment of these personnel and spare parts to permit rapid response and restoration of service.

The network is also designed to manage traffic spikes and minimize call blocking in emergency situations. In order for a traffic spike to result in call blocking, the number of simultaneous calls must exceed the total number of voice paths available at one or more serving cell sites at a given location. Statistical analyses are used to track call blockage in each sector during the busiest hours each month. These statistics are trended and used to predict the required capacity at each cell site. Based on these predictions, capacity is added to each cell site before it reaches overcapacity. In the event unpredictable spikes occur, steps can be taken to increase the call capacity at cell sites as needed, or to deploy temporary "Cells On Wheels" ("COWs") as needed to accommodate the increased demand on the network. These capabilities and systems

reasonably minimize call blocking from potential traffic spikes during emergency situations. The Company therefore certifies the ability to function in emergency situations as set forth in Section 54.202(a)(2).

**G. Price Plan Offerings**

47 C.F.R. § 54.313(a)(7) requires a high-cost support recipient to provide the company's price plan offerings in a format as specified by the Wireline Competition Bureau.<sup>8</sup> Information concerning the Company's current generally available price plans (including plans offered to eligible Lifeline consumers) is available at [www.verizonwireless.com](http://www.verizonwireless.com) and [www.verizonwireless.com/lifeline](http://www.verizonwireless.com/lifeline).

**H. Company Information**

47 C.F.R. § 54.313 (a)(8) requires a high-cost support recipient to provide the recipient's holding company, operating companies, affiliates, and any branding, as well as universal service identifiers for each such entity by Study Area Codes, as that term is used by USAC. The required ownership information concerning the Company's wireless affiliated recipients of federal high-cost universal service support and the associated Study Area Codes for those wireless affiliates are contained in **Exhibit D**.

June 25, 2012

  
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Mark R. Smith  
Assistant Secretary  
One Verizon Place  
Alpharetta, GA 30004-8511  
(678) 339-5121

<sup>8</sup> As of the date of filing, the Wireline Competition Bureau has not specified the format for submission of price plan information.

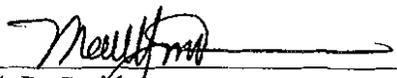
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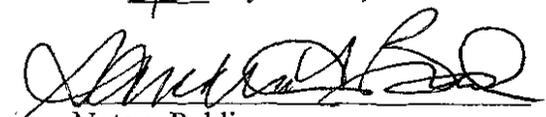
**CERTIFICATION**

The undersigned, Mark R. Smith, does hereby certify as follows:

1. I serve as Assistant Secretary for RCC Minnesota, Inc. d/b/a Verizon Wireless ("RCC" or the "Company").
2. This certification is submitted in support of the Company's 2012 Eligible Telecommunications Carrier Certification and Annual Report.
3. The Company has been designated a competitive ETC in areas identified in **Exhibit A** of its 2012 Eligible Telecommunications Carrier Certification and Annual Report.
4. I have reviewed the Company's 2012 Eligible Telecommunications Carrier Certification and Annual Report for the State of South Dakota and certify that the facts stated therein, of which I have personal knowledge, are true and correct to the best of my present knowledge, information and belief.
5. Consistent with 47 U.S.C. § 254(e) and 47 C.F.R. §§ 54.7 and 54.314, the Company certifies that all federal high-cost universal service support received was used and will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

  
\_\_\_\_\_  
Mark R. Smith  
Assistant Secretary

Subscribed and sworn to before me  
this 28 day of June, 2012.

  
\_\_\_\_\_  
Notary Public

**SANDRA F. BROCK  
NOTARY PUBLIC  
FULTON COUNTY, GEORGIA  
MY COMMISSION EXPIRES  
SEPTEMBER 8, 2012**

SUMMARY OF EXHIBITS

Exhibit A – Designated Service Area for Study Area Code 399003.

**Confidential Exhibit B** – Outage Report.

Exhibit C – Unfulfilled Requests for Service.

Exhibit D – Company Information.