

TC97-154

KC/HB

DOCKET NO.

TC97-154

In the Matter of

IN THE MATTER OF THE FILING BY
WEST RIVER TELECOMMUNICATIONS
COOPERATIVE FOR DESIGNATION AS
AN ELIGIBLE TELECOMMUNICATIONS
CARRIER

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

9/10/97 Filed and Accepted;
9/11/97 T.C. Fee Filing;
11/7/97 Order for and Notice of Hearing;
12/2/97 Transcript of Hearing held on 11/19/97
12/17/97 Finding of Fact, Conclusions of Law, Order and Notice of Entry of Order;
12/17/97 Docket Closed
12/22/97 Reference and Link Up Plan for West River



September 8, 1997

Mr. William Bullard, Jr., Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Good Morning, Mr. Bullard,

The attached is submitted by West River Telecommunications Cooperative, McLaughlin, South Dakota (Hazen, North Dakota) seeking designation for Eligible Telecommunications Carrier. Included is one original and ten copies.

Sincerely,

Robert A. Barfield
General Manager

RAB/co
Enc.

TC97-154
RECEIVED

SEP 10 1997

WEST RIVER
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TELECOMMUNICATIONS COOPERATIVE

P.O. BOX 467 HAZEN, NORTH DAKOTA 58545
TELEPHONE: (701) 748-2211
FAX: (701) 748-6800

NORTH DAKOTA



SERVING THE AREA OF NORTH DAKOTA AND SOUTH DAKOTA ...

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (800) 332-1782
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

09/05/97 through 09/11/97

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Detaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC97-153	Application by ACSI Local Switched Services, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) *ACSI seeks authority to provide a full range of interexchange services, including MTS, dedicated MTS, toll free, dedicated 800 access, calling card, debit card, audioconferencing and operator-assisted services."	09/10/97	09/26/97
REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS			
TC97-154	West River Telecommunications Cooperative, Hazen, North Dakota, pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. West River Telecommunications Cooperative is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange in South Dakota: McLaughlin (823). West River Telecommunications Cooperative, to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	09/10/97	09/26/97
TC97-155	Mobridge Telecommunications Co., Hazen, North Dakota, pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Mobridge Telecommunications Co. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange in South Dakota: Mobridge (845). Mobridge Telecommunications Co., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/CH)	09/10/97	09/26/97
REQUEST FOR PROPOSED RULES			
NA	Any interested person or entity may file proposed rules concerning advertising requirements for eligible telecommunications carriers. Pursuant to 47 U.S.C. section 214(e)(1), an eligible telecommunications carrier must advertise the availability of services supported by the federal universal service support mechanisms and the charges for those services using media of general distribution. The proposed rules must be filed with the Commission on or before September 29, 1997. After considering the rules proposed by any interested person or entity, the Commission intends to open a rulemaking setting forth its proposed rules concerning advertising requirements for eligible telecommunications carriers.		proposed rules by 09/29/97

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at: terryn@pub.state.sd.us Faxing the address to the Commission at: 605-773-3809



South Dakota Public Utilities Commission

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



October 1, 1997

Mr. Richard D. Coit
Executive Director
SDITC
P. O. Box 57
Pierre, SD 57501

RE: Eligible Telecommunications Carrier application, TC97-154
West River Telecommunications Cooperative

Dear Mr. Coit:

The above-referenced application has been reviewed by the staff of the Public Utilities Commission. The following additional information is needed in order for the Commission to consider this application:

1. Pursuant to 47 C.F.R. 54.101(a)(4), single-party service or its functional equivalent must be made available by an Eligible Telecommunications Carrier (ETC) to receive universal service support mechanisms. Does the above-referenced company have this service?
2. Pursuant to 47 C.F.R. 54.405 and 54.411, Lifeline and Link Up services must be made available by an ETC to qualifying low-income consumers. Does the applicant company, as referenced above, make these services available to qualifying consumers?
3. Please provide a verification by an authorized officer, under oath, to the Commission in which the applicant represents to the Commission that the facts stated in the Request for ETC Designation and the response to data request nos. 1 and 2, above, are truthful.

Please respond by October 14, 1997. Upon receipt of this information, it will be evaluated by staff and the matter will be scheduled for consideration by the Commission. Thank you for your attention to this matter.

PLEASE NOTE THAT STAFF'S POSITION IS THAT THE COMMISSION CAN ONLY MAKE AN ETC DESIGNATION FOR THOSE EXCHANGES WHICH ARE LOCATED IN SOUTH DAKOTA.

Sincerely,

Karen Cremer
Staff Attorney

cc: Harlan Best

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

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

Consumer Hotline
1-800-332-1782

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

Internet
billb@puc.state.sd.us

Jim Burg
Chairman
Fam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
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Cameron Hoesek
Dave Jacobson
Bob Knadle
Deanne Kolbo
Terri J. Leunister
Jeffrey P. Lorenson
Terry Norem
Gregory A. Riskov
Tammi Stangohr
Steven M. Wegman
Rosalynne Alts West

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILINGS BY THE FOLLOWING TELECOMMUNICATIONS COMPANIES FOR DESIGNATION AS ELIGIBLE TELECOMMUNICATIONS CARRIERS:	)	ORDER FOR AND NOTICE OF HEARING
VIVIAN TELEPHONE COMPANY	))	TC97-068
GOLDEN WEST TELECOMMUNICATIONS COOPERATIVE, INC.	))	TC97-069
VALLEY CABLE & SATELLITE COMMUNICATIONS, INC.	))	TC97-070
VALLEY TELECOMMUNICATIONS COOPERATIVE ASSOCIATION, INC.	))	TC97-071
SIOUX VALLEY TELEPHONE COMPANY	))	TC97-073
MOUNT RUSHMORE TELEPHONE COMPANY	))	TC97-074
FORT RANDALL TELEPHONE COMPANY	))	TC97-075
INTRASTATE TELEPHONE COMPANY COOPERATIVE, INC.	))	TC97-077
INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.	))	TC97-078
WEST RIVER COOPERATIVE TELEPHONE COMPANY	))	TC97-080
STATELINE TELECOMMUNICATIONS, INC.	))	TC97-081

ACCENT COMMUNICATIONS, INC.	))	TC97-083
JAMES VALLEY COOPERATIVE TELEPHONE COMPANY	))	TC97-084
HEARTLAND COMMUNICATIONS, INC.	))	TC97-085
MIDSTATE TELEPHONE COMPANY, INC.	))	TC97-086
BALTIC TELECOM COOPERATIVE	))	TC97-087
EAST PLAINS TELECOM, INC.	))	TC97-088
WESTERN TELEPHONE COMPANY	))	TC97-089
STOCKHOLM-STRANDBURG TELEPHONE COMPANY	))	TC97-090
KENNEBEC TELEPHONE CO., INC.	))	TC97-092
JEFFERSON TELEPHONE CO., INC.	))	TC97-093
SULLY BUTTES TELEPHONE COOPERATIVE, INC.	))	TC97-094
VENTURE COMMUNICATIONS, INC.	))	TC97-095
SANCOM, INC.	))	TC97-096

SANBORN TELEPHONE COOPERATIVE)	TC97-097
)	
BERESFORD MUNICIPAL TELEPHONE CO.)	TC97-098
)	
ROBERTS COUNTY TELEPHONE)	TC97-099
COOPERATIVE ASSOCIATION)	
RC COMMUNICATIONS, INC.)	TC97-100
)	
SPLITROCK PROPERTIES, INC.)	TC97-101
)	
SPLITROCK TELECOM COOPERATIVE, INC.)	TC97-102
)	
TRI-COUNTY TELECOM, INC.)	TC97-105
)	
FAITH MUNICIPAL TELEPHONE COMPANY)	TC97-108
)	
ARMOUR INDEPENDENT TELEPHONE)	TC97-113
COMPANY)	
BRIDGEWATER-CANISTOTA INDEPENDENT)	TC97-114
TELEPHONE COMPANY)	
UNION TELEPHONE COMPANY)	TC97-115
)	
MCCOOK COOPERATIVE TELEPHONE)	TC97-117
COMPANY)	
KADOKA TELEPHONE COMPANY)	TC97-121
)	

BROOKINGS MUNICIPAL TELEPHONE)	TC97-125
)	
HANSON COMMUNICATIONS INC. D/B/A)	TC97-130
HANSON COUNTY TELEPHONE COMPANY)	
HANSON COMMUNICATIONS INC. D/B/A)	TC97-131
MCCOOK TELECOM)	
WEST RIVER TELECOMMUNICATIONS)	TC97-154
COOPERATIVE)	
MOBRIDGE TELECOMMUNICATIONS CO.)	TC97-155
)	
U S WEST COMMUNICATIONS, INC.)	TC97-163
)	
THREE RIVER TELCO)	TC97-167
)	

The South Dakota Public Utilities Commission (Commission) received requests from the above captioned telecommunications companies requesting designation as eligible telecommunications carriers.

The Commission electronically transmitted notice of the filings and the intervention deadlines to interested individuals and entities. On June 27, 1997, the Commission received a Petition to Intervene from Dakota Telecommunications Systems, Inc. (DTS) and Dakota Telecom, Inc. (DTI) with reference to Fort Randall Telephone Company (Docket TC97-075). On July 15, 1997, at its regularly scheduled meeting, the Commission granted intervention to DTS and DTI in Docket TC97-075. No other Petitions to Intervene were filed.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-31, including 1-26-18, 1-26-19, 49-31-3, 49-31-7, 49-31-7.1, 49-31-11, and 47 U.S.C. § 214(e)(1) through (5).

The issues at the hearing shall be as follows: (1) whether the above captioned telecommunications companies should be granted designation as eligible telecommunications carriers, and (2) what service areas shall be established by the Commission.

6. 03. 4418

A hearing shall be held at 1:30 P.M., on Wednesday, November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota. It shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission may either grant or deny the request from any of the above captioned telecommunications companies requesting designation as an eligible telecommunications carrier, and the Commission shall establish service areas for eligible telecommunications carriers. The Commission's decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED that a hearing shall be held at the time and place specified above on the issues of whether the above captioned telecommunications companies should be granted designation as eligible telecommunications carriers, and the Commission shall establish service areas for eligible telecommunications carriers.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 7th day of November, 1997.

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: William Bullard, Jr.

Date: 11/7/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:
Commissioners Burg, Nelson and
Schoenfelder

William Bullard, Jr.
Executive Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

DEC 02 1997

IN THE MATTER OF THE FILINGS BY THE
FOLLOWING TELECOMMUNICATIONS
COMPANIES FOR DESIGNATION AS
ELIGIBLE TELECOMMUNICATIONS CARRIERS:

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

VIVIAN TELEPHONE COMPANY	TC97-068
GOLDEN WEST TELECOMMUNICATIONS COOPERATIVE, INC.	TC97-069
VALLEY CABLE & SATELLITE COMMUNICATIONS, INC.	TC97-070
VALLEY TELECOMMUNICATIONS COOPERATIVE ASSOCIATES, INC.	TC97-071
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STATELINE TELECOMMUNICATIONS, INC.	TC97-081
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FAITH MUNICIPAL TELEPHONE COMPANY	TC97-108
ARMOUR INDEPENDENT TELEPHONE COMPANY	TC97-113
BRIDGEWATER-CANISTOTA INDEPENDENT TELEPHONE COMPANY	TC97-114
UNION TELEPHONE COMPANY	TC97-115
MCCOOK COOPERATIVE TELEPHONE COMPANY	TC97-117
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 4 WEST RIVER TELECOMMUNICATIONS) TC97-154
 5 COOPERATIVE)
 6 MOBRIDGE TELECOMMUNICATIONS CO.) TC97-155
 7 U S WEST COMMUNICATIONS, INC.) TC97-163
 8 THREE RIVER TELCO) TC97-167
 9 -----)

10 HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

11
 12 PROCEEDINGS: November 19, 1997
 13 1:30 P.M.
 14 Room 412, Capitol Building
 15 Pierre, South Dakota

16 PUC COMMISSION: Jim Burg, Chairman
 17 Laska Schoenfelder, Commissioner
 18 Pam Nelson, Commissioner

19 COMMISSION STAFF
 20 PRESENT: Rolayne Ailts Wiest
 21 Camron Hoseck
 22 Karen Cremer
 23 Harlan Best
 24 Bob Knadle
 25 Gregory A. Rislov
 David Jacobson

Reported by: Lori J. Grode, RMR

1 A P P E A R A N C E S

2 For US West: William P. Heaston
 3 1801 California Street
 4 Suite 5100
 5 Denver, CO 80202
 6 and
 7 Tamara A. Wilka
 8 P.O. Box 5015
 9 Sioux Falls, SD 57117-5015

10 For SDITC: Richard D. Coit
 11 P.O. Box 57
 12 Pierre, SD 57501 E. Solomon

13 For Ft. Randall: Darla Pollman Rogers
 14 P.O. Box 89
 15 Onida, SD 57564

16 I N D E X

17 <u>Witness</u>	18 <u>Page</u>
19 Don Lee	12
20 Bill Haugen, Jr.	46
21 Bob Barfield	52
22 Harlan Best	54
23 Jon Lehner	67
24 Harlan Best	86

9. 83. 4470

PROCEEDINGS

CHAIRMAN BURG: Okay. We'll go ahead and get started. I'll begin the hearing for the dockets relating to the eligible telecommunications carriers designation. The time is approximately 1:50. The date is November 19, 1997; and the location of the hearing is Room 412, State Capitol, Pierre, South Dakota.

I am Jim Burg, Commission Chairman. Commissioners Laska Schoenfelder and Pam Nelson are also present. I'm presiding over this hearing. The hearing was noticed pursuant to the Commission's Order For and Notice of Hearing issued November 7, 1997.

The issues at this hearing shall be as follows: One, whether the requesting telecommunications company should be granted designation as eligible telecommunications carriers; and, two, what service areas shall be established by the Commission.

All parties have the right to be present and to be represented by an attorney. All persons so testifying will be sworn in and subject to cross-examination by the parties. The Commission's final decision may be appealed by the parties to the State Circuit Court and the State Supreme Court.

Rolayne Wiest will act as Commission

counsel. She may provide recommended rulings on procedural and evidentiary matters. The Commission may overrule its counsel's preliminary rulings throughout the hearing. If not overruled, the preliminary rulings will become final.

At this time I'll turn it over to Rolayne for the hearing.

MS. WIEST: I'll take appearances of the parties. Rich, who do you represent?

MR. COIT: I'm here today representing all of the SDITC member companies, and also Kadoka which has recently applied for membership with the coalition. And Darla Rogers is here representing some companies, and I guess she could indicate for the record which ones she's representing.

MS. ROGERS: I'm here representing Valley; Stockholm-Strandburg; Golden West, including Vivian; and Sully Buttes and Venture.

MS. WIEST: Could you repeat those again? Valley, Stockholm-Strandburg, Vivian, Golden West.

MS. ROGERS: Golden West, Sully Buttes and Venture.

MS. WIEST: U S West.

MR. HEASTON: Bill Heaston and Tammy Wilka for U S West Communications.

MS. CREMER: Karen Cremer, Commission staff.

MR. HOSECK: Camron Hoseck, Commission staff.

MS. WIEST: We have had a request to take one of these dockets first and that's TC97-075. Do any of the parties want to make an opening statement before we begin?

Why don't you proceed with 075 then.

MR. COIT: Sure, that's fine. I really don't have an opening statement. There are a couple of exhibits that we would like to admit. And I understand there's also been some letters sent to the Commission that we would like to admit into the record as evidence on the ETC questions. And that would be Exhibit Number 1, which is the application of Fort Randall for ETC designation, and Exhibit No. 2, which is the response of Fort Randall to a data request from staff, dated, I believe, October 1st. And there are two letters. I don't know if we've marked those yet.

(EXHIBITS NO. 3 and 4 WERE MARKED FOR IDENTIFICATION.)

MR. COIT: There are two other exhibits that have been marked Exhibit No. 3. Kathy Marmet, is that the letter of Dakota or is Exhibit 3 the letter.

MS. MARMET: Exhibit 3 is the letter of

Dakota.

MR. COIT: So the Exhibit 3 is the letter from Robert Marmet to the Commission, and Exhibit 4 is a letter from Mike Bradley to the Commission.

MS. WIEST: What's the date of that letter, the letter from Bradley?

MR. COIT: November 18th.

MS. WIEST: Because I have one dated November 18th and one the 19th.

MR. COIT: I think so. Is that right, Exhibit 3, is that the 19th? Okay. I had a letter that was dated yesterday, but the ones we have marked for admission today, I believe both the letters are dated the 19th, November 19th.

MS. WIEST: So the letter from Mr. Bradley is dated the 19th?

MR. COIT: Yes. Sorry about that.

MS. WIEST: And that's Exhibit 4.

MR. COIT: I don't know why they're dated differently. The 19th is the one we're seeking admission on, I believe. Yes, they are identical so we're seeking admission of the 19th letter.

MS. WIEST: I think they're not exactly identical but we'll go with the 19th. Could I see the letter from Dakota? I don't believe we got copies of

1 that one. (Pause.) So at this time are you offering
2 Exhibits 1, 2, 3 and 4?

3 MR. COIT: Yes, that's correct.

4 MS. WIEST: Is there any objection to those
5 exhibits being admitted? If not, 1, 2, 3 and 4 have
6 been admitted in TC97-075. Then at this time I would
7 ask if any of the parties have any questions pertaining
8 to TC97-075, including the Commissioners?

9 The only question I would have, Rich, is on
10 the response to the data request, Exhibit 2. And the
11 first question it talks about single party service. I
12 guess it's not absolutely clear that it's available to
13 all the customers the way that the statement is written
14 and answered.

15 MR. COIT: Oh, because they said does the
16 above-referenced company have this service.

17 MS. WIEST: Right.

18 MR. COIT: Yeah, I guess that is correct.
19 And I am not here today to serve as a witness.

20 MS. WIEST: No.

21 MR. COIT: If that's a concern that you feel
22 you need addressed, and I hate to say this, but I was
23 led to believe that if there were some questions on
24 applications and there was not a witness here to answer
25 that, those questions could be dealt with between now

1 and December 2nd. There are witnesses here today for
2 some of the other applications, but there is not a
3 witness here today with respect to Fort Randall's
4 application.

5 MS. WIEST: The only other thing I would
6 suggest is that perhaps the Commission could just have
7 it clarified by another affidavit from the person.

8 CHAIRMAN BURG: We could approve it on the
9 basis of that clarification.

10 MS. WIEST: A late-filed exhibit just
11 clarifying that since we are taking affidavits from the
12 witnesses on other issues.

13 MR. COIT: I appreciate that option.

14 MS. WIEST: Otherwise, are there any other
15 questions relating to 075?

16 CHAIRMAN BURG: Can we make bench decisions?

17 MS. WIEST: Staff will have something too.
18 They'll have testimony on all of the cases. Does staff
19 want to go now, or do you want to go at the very end?

20 MR. HOSECK: Originally we had planned to go
21 after the applicants had.

22 MS. WIEST: All the applicants?

23 MR. HOSECK: Yes. And if these are treated
24 en mass or something fairly close to that, then we
25 would be prepared to put on our case in a similar

1 manner.

2 CHAIRMAN BURG: That's fine.

3 MS. WIEST: Let's just go through them and
4 then we'll have Harlan as the witness. Let's go back
5 to TC97-068. Does anyone have any questions on
6 TC97-068?

7 CHAIRMAN BURG: Just a clarification. What
8 data request response is this?

9 MS. WIEST: Yes. That would be in that
10 packet.

11 MR. COIT: Is there a chance that we could
12 consider or deal with these en mass as Mr. Hoseck has
13 indicated or suggested?

14 MS. WIEST: I'd rather not just because on a
15 few of them I have a couple questions on some of them.

16 MR. COIT: Okay. Should I go ahead and
17 introduce the exhibits?

18 MS. WIEST: Yes.

19 MR. COIT: With respect to Docket TC97-068
20 there are two exhibits. Exhibit No. 1 is the actual
21 ETC request filed by Vivian Telephone Company. And
22 Exhibit No. 2 is the response of Vivian Telephone
23 Company to a data request from Commission staff. We
24 would move the admission of those exhibits. I do not
25 have the dates. I don't have them here with me.

1 Okay. Yeah, the date on the Exhibit No. 1 is 6-1997,
2 and the date on the response to the data request is
3 10-14-97.

4 CHAIRMAN BURG: 6-9; right, not 6-19?

5 MR. COIT: 6-19 -- 6-9, excuse me.

6 MS. WIEST: Okay. Is there any objection to
7 admitting Exhibits 1 and 2 in 068? If not, they've
8 been admitted. Again, Rich, on Exhibit 2, the first
9 question, it says we provide single party service
10 throughout. I guess I'll assume that means all
11 customers?

12 MR. COIT: I would call Don Lee. Don Lee is
13 here representing Vivian as well as some of the other
14 companies. Don Lee, do you want to take a seat?

15 **DON LEE,**

16 called as a witness, being first duly sworn,
17 was examined and testified as follows:

18 DIRECT EXAMINATION

19 BY MR. COIT:

20 Q. Could you respond to Commission counsel's
21 question, please?

22 A. Yes. The answer to your question is, yes, it
23 does indicate that they provide service private line
24 throughout the study area.

25 MS. WIEST: Single party to all customers?

1 It's available to all customers?

2 A. Right.

3 MS. WIEST: Thank you. That's the only
4 question I have. Does anybody else have any questions
5 for this witness for 068? If not, thank you. I did
6 admit Exhibit 1 and 2. 069.

7 MR. COIT: We would move the admission of
8 Exhibits No. 1 and 2 in 069, and that is an ETC request
9 or application dated 6-9-97 and response to a staff
10 data request dated 10-14-97.

11 MS. WIEST: Any objection? If not, they've
12 been admitted.

13 COMMISSIONER SCHOENFELDER: Excuse me, I do
14 not have the data request up here with me for some
15 reason. I'm sorry about this, but I need to go back
16 and ask Mr. Lee about the Lifeline, Link Up. I think
17 was that covered in the data request? I'm sorry to be
18 behind the eight ball, but I did not have that and so I
19 need to know whether this company is doing Lifeline,
20 Link Up now or whether you need to -- whether you
21 intend to have that implemented by 1-1?

22 A. You're referring to the Vivian Telephone
23 Company?

24 COMMISSIONER SCHOENFELDER: Yeah, Vivian is
25 what we're doing now.

1 A. Vivian Telephone Company does provide
2 Lifeline and Link Up throughout its system with the
3 exception of the Vivian Exchange, and they anticipate
4 providing it in the Vivian Exchange by January 1,
5 1998.

6 COMMISSIONER SCHOENFELDER: But anticipated
7 and doing it are two different things. And I think I'm
8 going to have to be assured that you're either going to
9 do it or that you're going to ask for something from
10 us.

11 A. Do you want a commitment that we will do it
12 by that date?

13 COMMISSIONER SCHOENFELDER: I think that's
14 one of the requirements, if I'm reading the Act right.

15 A. Yeah.

16 COMMISSIONER SCHOENFELDER: And I think
17 that's important that we have that on the record.

18 A. Certainly, Commissioner. The answer is, yes,
19 they are committed to providing it by 1-1-1998.

20 COMMISSIONER SCHOENFELDER: Thank you.

21 CHAIRMAN BURG: Just a question, a general
22 one on that. On the toll, what do we call it toll
23 control? Do we need a statement on those, too, or a
24 request for a waiver?

25 MS. WIEST: They did actually request waivers

1 in their original applications.

2 MR. COIT: I was at the conclusion of going
3 through, I guess, the questions and so forth, I was
4 basically -- before the Commission acts on any of
5 these, going to restate the request. But if the
6 Commission has questions of Mr. Lee with respect to
7 certain aspects of providing it, I would -- yeah, I
8 would suggest you go ahead and ask it.

9 CHAIRMAN BURG: No, I don't have a problem as
10 long as we know all of them that's going to apply to.
11 In other words, if it applies to every one of them,
12 then the statement at the end saying it applies on all
13 of them is adequate for me. Or if you have some that
14 already could do the toll control, we need to know
15 that. I doubt if there are any at this time.

16 MR. COIT: No, we don't. And the waiver
17 request is included in all the applications. But just
18 to make sure it was ruled on, I was intending on
19 bringing it up again at the end.

20 CHAIRMAN BURG: Okay. That's fine with me.

21 MS. WIEST: Any other questions of this
22 witness regarding 068 and 069? If not, we will go to
23 TC97-070.

24 MR. COIT: Again, I would move for the
25 admission of two exhibits in TC97-070, and that is the

1 ETC application or request dated 6-10-97 and response
2 to staff's data request dated 10-97.

3 MS. WIEST: Any objection? If not, Exhibits
4 1 and 2 have been admitted. Are there any questions
5 with regard to this docket? If not, let's go to
6 TC97-071.

7 MR. COIT: We would move for the admission of
8 Exhibits No. 1 and 2, request for ETC status dated
9 6-10-97 and response to data request of staff dated
10 10-9-97.

11 MS. WIEST: Any objection to Exhibits 1 and
12 2? If not, they've been admitted. Are there any
13 questions regarding TC97-071? If not, we will go to
14 TC97-073.

15 MR. COIT: We would move for the admission of
16 Exhibit No. 1, ETC request dated 6-11-97 and Exhibit
17 No. 2, response to staff data request dated 10-14-97.

18 MS. WIEST: Any objections to Exhibits 1 and
19 2 being admitted? If not, they have been admitted.
20 Any questions regarding 073?

21 MR. COIT: I would note that Dennis Law, who
22 is the current manager of Sioux Valley Telephone
23 Company, is available if the Commissioners have any
24 questions.

25 MS. WIEST: Any questions? If not, we'll go

1 to TC97-074.

2 MR. COIT: We would move for the admission of
3 Exhibit No. 1, which is the ETC request dated 6-12-97
4 and Exhibit No. 2, response to staff data request dated
5 10-31-97.

6 MS. WIEST: Are there any objections? If
7 not, 1 and 2 have been admitted. Are there any
8 questions concerning 074? I have the same question on
9 this one, Rich, with respect to the data request number
10 one.

11 MR. COIT: Would an affidavit be adequate?

12 MS. WIEST: Yeah, as far as all customers.

13 MR. COIT: Okay. I will make sure that gets
14 filed.

15 MS. WIEST: Any questions on 074? If not,
16 let's go to TC97-077.

17 MR. COIT: We would move for the admission of
18 Exhibit No. 1, which is the ETC request and that's
19 dated 6-13-97. Also move for admission of Exhibit No.
20 2, which is a response to data request dated 10-9-97.
21 And there is also an Exhibit No. 3 in this docket, a
22 supplemental response to staff data request. It's
23 dated 10-28-97. We move the admission of all three
24 exhibits.

25 MS. WIEST: Any objection? If not, those

1 three exhibits have been admitted. Are there any
2 questions regarding this docket?

3 MR. COIT: I believe Mr. Lee is representing
4 ITC today as well?

5 MR. LEE: That's right.

6 MS. WIEST: Okay. Let's go to TC97-078.

7 MR. COIT: We move for the admission of
8 Exhibit No. 1, which is the ETC request dated 6-13-97
9 and move for the admission of Exhibit No. 2, which is
10 response to staff data request dated 10-9-97.

11 MS. WIEST: Any objection to those exhibits?
12 If not, they've been admitted. Any questions
13 concerning this docket? Let's go to TC97-080.

14 MR. COIT: We move for the admission of
15 Exhibit No. 1, which is the ETC request dated 6-16-97,
16 and also move for admission of response to staff data
17 request Exhibit No. 2, which is dated 10-14-97.

18 MS. WIEST: Any objection to Exhibits 1 and
19 2? If not, they've been admitted. Any questions
20 regarding this docket? If not, let's move to
21 TC97-081.

22 MR. COIT: We move for the admission of ETC
23 request dated 6-16-97, which is Exhibit No. 1, and also
24 Exhibit No. 2, response to staff data request, dated
25 10-15-97.

1 MS. WIEST: Are there any objections to 1 and
2 2? If not, they've been admitted. Any questions
3 regarding this docket? So, Rich, with respect to this
4 one, you will be asking at the end about the waiver for
5 the single party and all the other waivers; is that
6 right?

7 MR. COIT: Is there a waiver request in the
8 Stateline on the single party issue?

9 MS. WIEST: Yes.

10 MR. COIT: I wasn't aware of that. I
11 understood there were some companies that had purchased
12 U S West exchanges that were still in the process of
13 converting some party lines. But, yes, if they need a
14 waiver, I guess so. I'll renew that request. I don't
15 have any factual information I can provide. I don't
16 believe, Mr. Lee, are you here representing Stateline?

17 MR. LEE: I am. And in conversations with
18 Stateline management yesterday, they indicated that
19 they would likely need a waiver request until March,
20 April time frame when they can finish the construction
21 to provide all one party service.

22 MS. WIEST: And in their application they're
23 actually asking for a one-year waiver; correct?

24 MR. LEE: But they're willing to shorten it
25 up.

1 MS. WIEST: So you probably just need a
2 waiver until June?

3 MR. LEE: That would be adequate.

4 MS. WIEST: June 1st?

5 CHAIRMAN BURG: Do we need to act on the
6 waivers now?

7 COMMISSIONER SCHOENFELDER: Do you want a
8 motion on the waiver now?

9 MS. WIEST: Let's talk about that. The thing
10 is that all of these, I believe, are going to also need
11 a motion on the waivers for the one year on the toll
12 control, and we haven't been doing any of those motions
13 at this time.

14 CHAIRMAN BURG: We have to take each of those
15 separate motions, do you think, at the end for the toll
16 control?

17 MS. WIEST: Yes. If we want to go --

18 MR. COIT: We could pick it up here now and
19 start doing waivers. That might be the easiest way.

20 CHAIRMAN BURG: If we got to go through each
21 one.

22 MR. COIT: Rule on them as you go through.

23 CHAIRMAN BURG: Easier than going back.

24 MS. WIEST: Okay. For 081 with respect to
25 the waiver until June 1st, 1998, concerning single

1 party service to all customers, and the second waiver
2 on toll control for one year -- one year from what
3 date, Rich?

4 MR. COIT: I think I would guess that that
5 would be from the date of the order.

6 MS. WIEST: Okay.

7 MR. COIT: On the toll control? You're
8 speaking to the toll control; correct?

9 MS. WIEST: Yes, toll control.

10 COMMISSIONER SCHOENFELDER: I have a question
11 as long as we're talking about the waivers both on toll
12 control and on the single party service. As long as
13 you're asking for waivers, let's make sure it's done
14 properly and that we're not back here in two months
15 asking for more waivers. I would hate to go through
16 this process, or would not like to go through this
17 process again. I think we need to be accurate when
18 we're doing it. I also have a question about what
19 meets the requirements of the Act? How much of a
20 waiver can we give? I don't know as I know the answer
21 to that.

22 MS. WIEST: Right. The time actually in the
23 FCC Order is not specified. But it does say in
24 paragraph 89, I believe, that the Commission must, upon
25 a finding of exceptional circumstances, you can make a

1 waiver for single party services for a specified period
2 of time. And also on the toll limitation the company
3 must also show exceptional circumstances exist and need
4 for additional time to upgrade. They should have to
5 show individual hardship, individualized hardship or
6 inequity warrants additional time to comply and that
7 would better serve the public interest that is in
8 strict adherence to the time period and it should
9 extend only as long as the exceptional circumstances
10 exist.

11 MR. COIT: I would note that in the
12 applications, while we've requested a year, we've also
13 indicated that within that period of time we would file
14 some information with the Commission indicating, you
15 know, when the capability is available. If the
16 Commission -- what we have -- and Mr. Lee, I think, can
17 answer some questions in the area of toll control that
18 I can't answer. But we're faced with a situation today
19 where the capabilities are just not available. If a
20 year is too long, you know, from our perspective we
21 really didn't know when it would be available and
22 that's why we requested a year. But if there's better
23 information on that, maybe the time period can be
24 different. But right now we really don't know when the
25 capability is going to be available.

COMMISSIONER SCHOENFELDER: I hate to belabor the point, and I know everyone wants to get through this, but to me it's very important that we do it right. And so if it means that we need to answer the question when we grant these waivers and we send these, or you send them on to the FCC, we need to be sure that you have spelled out why these companies -- at least this is what I'm understanding -- why these companies can't do toll control and why it's going to take that long of a period of time to do single party service. And so I think that should be in the application somewhere, or at least in our motion as we approve it, or we should have something on the record to support where we're going.

MS. WIEST: They do explain the reasons in their application, their original application, with respect to toll control.

COMMISSIONER SCHOENFELDER: Okay.

MS. WIEST: But if there are any further questions that the Commission would like to ask at this time, if you need more information on that, we could do that now.

COMMISSIONER SCHOENFELDER: I would like to know -- and this probably isn't true of all companies. But of the ones you're testifying for at least,

Mr. Lee, where they're at in deploying the technology that we need to do these two things and what kind of delays you might expect. Because I don't want this to not go forward the way that it's been perceived that it should go forward.

MR. LEE: Sure. Okay. I might respond to that in general; and then if there are specific questions, I'd be happy to do that. But the issue of toll limitation, which I believe under the FCC's description identifies a toll restriction and a toll control, and the issue at hand is in the toll control, which my understanding is to indicate that the end user subscriber is to be able to control the amount of its monthly bill, at which time a restriction automatically kicks in and disallows access to the long distance network. To my knowledge, there is no switch vendor in the United States today who provides that capability within its switch. I know that the vendors are working on it. I could not sit here with a clear conscience and indicate that on X date that I would expect it will be available. Given my honest opinion, I would doubt that it's available to the general population within a year's time period. And therein is the reason I believe that SDITC members ask for the one-year period because we don't anticipate it being available.

1 The second or alternative to that is a
2 software provisioning of toll control. And, again, to
3 my knowledge, there is no interface between a software
4 system and a switch that has that capability.
5 Primarily because it would take real time rating of a
6 customer's usage; and because the customer control
7 switch interexchange carrier it's choosing, there are a
8 myriad of optional call plans and rate structures that
9 would be applied. And, to my knowledge, there just is
10 no technology, nor software, available to carry out
11 that program.

12 COMMISSIONER SCHOENFELDER: And if I recall
13 right, it doesn't -- it's not permissive, one or the
14 other. You really to need to do all of the above.

15 MR. LEE: It includes both, that's correct.

16 COMMISSIONER SCHOENFELDER: I believe some
17 companies have asked the FCC for clarification, that
18 sort of thing. And as far as I know, you might have
19 better information than I do that that decision has not
20 been handed down by the FCC.

21 MR. LEE: A, I doubt I have better
22 information; and, B, I agree it has not been handed
23 down, to my knowledge. There is that clarification
24 procedure request in front of the FCC.

25 COMMISSIONER SCHOENFELDER: Okay.

1 CHAIRMAN BURG: To my knowledge, everybody
2 can offer toll limitation; right, from what we've had
3 to get a general statement?

4 MR. LEE: I'm going to define as toll
5 restriction, if I can, instead of toll limitation, yes.

6 CHAIRMAN BURG: Toll blocking is what I
7 mean. Everybody can offer that?

8 MR. LEE: To my knowledge, that's a true
9 statement.

10 CHAIRMAN BURG: And I guess my position is to
11 me, the other -- I really don't see, you know, since
12 you said it's not available, I can't see them implying
13 it or even putting it into here. I think it satisfies
14 all of our needs. I have no problem giving the full
15 year or more as long as it gets through FCC, which at
16 this time it appears it should. So I don't see this
17 point to me in making it a shorter limit because I
18 don't think it will interfere with the ETC
19 establishment.

20 MR. LEE: I would agree with that and then
21 would point out in the applications the companies have
22 indicated that they will investigate and will work with
23 their switch vendors so that when it does become
24 available, they're willing to implement it. I think
25 that the telephone companies feel that once it becomes

1 available, it is in the public interest and would be
2 very supportive of that concept.

3 CHAIRMAN BURG: With that I'll move that we
4 grant the one-year waiver on toll -- what is it
5 called? Toll limitation? Toll control?

6 COMMISSIONER NELSON: I'd second.

7 COMMISSIONER SCHOENFELDER: I'm going to
8 concur with that as long as the motion is understood
9 that there will be some formal way to limit toll for
10 these customers just so that everybody understands the
11 motion.

12 CHAIRMAN BURG: I think in every application
13 you agreed that you can do toll restriction --

14 MR. LEE: Right.

15 CHAIRMAN BURG: -- if I remember reading the
16 applications, and that to me is satisfactory.

17 MR. LEE: Thank you.

18 CHAIRMAN BURG: Do you want them as a
19 separate motion? Okay. I'll also move -- which one do
20 we need on this one?

21 MS. WIEST: The single party service until
22 June 1st.

23 CHAIRMAN BURG: I'll move that we grant a
24 waiver in TC97-081 in the single party requirement
25 until June 1, 1998.

1 COMMISSIONER NELSON: I'd second.

2 COMMISSIONER SCHOENFELDER: Concur.

3 MS. WIEST: Any other questions in 081? Do
4 you want to go back now?

5 CHAIRMAN BURG: It might be easier to go back
6 and get these others.

7 MR. COIT: Whatever.

8 MS. WIEST: We'll go back to 068, and the
9 motion in 068 will be for the one-year waiver on toll
10 control.

11 CHAIRMAN BURG: I'll move that we grant the
12 waiver of toll control in TC97-075.

13 COMMISSIONER NELSON: I'd second.

14 COMMISSIONER SCHOENFELDER: Concur.

15 MS. WIEST: 068.

16 CHAIRMAN BURG: I'll move we grant the toll
17 -- I mean I'll move we grant the waiver for toll
18 limitation.

19 MS. WIEST: Toll control. I'm sorry, we have
20 to be accurate because what the FCC did is they call it
21 combined toll control and toll blocking as toll
22 limitation.

23 CHAIRMAN BURG: I'll move we grant the waiver
24 for toll control in TC97-068.

25 COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: For one year?

CHAIRMAN BURG: Yes.

MS. WIEST: 069.

CHAIRMAN BURG: I'll keep making them. I'll move we grant the toll control waiver in TC97-069 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 070.

CHAIRMAN BURG: I'll move that we grant toll control in TC97-070 for one year, the waiver for one year.

COMMISSIONER NELSON: Second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 171.

CHAIRMAN BURG: I'll move that we grant toll control, the waiver for toll control, in TC97-071 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 073.

CHAIRMAN BURG: I'll move we grant the waiver for toll control in TC97-073 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 074.

CHAIRMAN BURG: I'll move we grant the waiver for toll control in TC97-074 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 077.

CHAIRMAN BURG: I'll move we grant the waiver for toll control in TC97-077 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 078.

CHAIRMAN BURG: I'll move we grant the waiver for toll control in TC97-078 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: 080.

CHAIRMAN BURG: And I'll move we grant the waiver for toll control in TC97-080 for one year.

COMMISSIONER NELSON: Seconded.

COMMISSIONER SCHOENFELDER: Concur.

CHAIRMAN BURG: We did 81; right, and we are done with 81.

MS. WIEST: Any further questions on 081? 083, TC97-083.

1 MR. COIT: We would move for the admission of
2 the ETC request filed by Accent, dated 6-17-97, and
3 Exhibit No. 2, the response to staff data request which
4 is dated 10-8-97.

5 MS. WIEST: Any objection? If not, 1 and 2
6 have been admitted. Any questions regarding 083?

7 CHAIRMAN BURG: I'll move we grant the toll,
8 the waiver for toll control in TC97-083 for one year.

9 COMMISSIONER NELSON: Seconded.

10 COMMISSIONER SCHOENFELDER: Concur.

11 MS. WIEST: TC97-084.

12 MR. COIT: We move for the admission of the
13 ETC request dated 6-17-97, which is marked Exhibit No.
14 1, and we move for the admission of Exhibit No. 2, the
15 response to staff data request dated 10-8-97.

16 MS. WIEST: Are there any objections? If
17 not, they've been admitted.

18 CHAIRMAN BURG: I'll move we grant the waiver
19 for toll control in TC97-084 for one year.

20 COMMISSIONER NELSON: Seconded.

21 COMMISSIONER SCHOENFELDER: I'll concur.

22 Does this have a single party question on this one?

23 MS. WIEST: No. They said in their original
24 application that they are offering single party service
25 to all consumers.

1 COMMISSIONER SCHOENFELDER: I got a sticky on
2 it. Sorry. James Valley; right?

3 MS. WIEST: I believe in their -- okay.
4 Yeah, that was Bob's question. And the reason he had
5 the question is it was actually in the original
6 application. So if you look at the original
7 application on page two, under question number three,
8 they do state that they provide single party service to
9 all consumers in their service area. Number four down
10 on that list.

11 COMMISSIONER SCHOENFELDER: Okay.

12 MS. WIEST: Thank you. Okay. Let's go to
13 TC97-085.

14 MR. COIT: We move for admitting of Exhibit
15 No. 1, the ETC request, dated 6-17-97, and Exhibit No.
16 2, the response to staff data request dated 10-10-97.

17 MS. WIEST: Any objections? If not, they've
18 been admitted. I have the same question here with
19 respect to question number one.

20 MR. COIT: Mr. Benton is available to respond
21 to questions, I believe. Is this Heartland? Right?
22 Or, Don, can you respond to any questions?

23 MR. LEE: Mark has asked me to respond on his
24 behalf, which will be Heartland Communications, and
25 they are offering all single.

1 MS. WIEST: Single party was offered to all
2 customers? Any other questions concerning this
3 docket? Is there a motion?

4 CHAIRMAN BURG: I'll move that we grant the
5 waiver for toll control to TC97-089 for one year.

6 COMMISSIONER NELSON: I'd second it.

7 COMMISSIONER SCHOENFELDER: Concur.

8 MS. WIEST: 085, I believe.

9 CHAIRMAN BURG: Excuse me, 85.

10 MS. WIEST: TC97-086.

11 MR. COIT: We move for the admission of ETC
12 request, Exhibit No. 1, dated 6-17-97, and response to
13 staff data requests, Exhibit No. 2, which is dated
14 10-10-97.

15 MS. WIEST: Any objections? If not, they
16 have been admitted. Same question, can you answer
17 that, Mr. Lee?

18 MR. LEE: I'm sorry, I don't have the
19 associated companies with the exhibit numbers. Which
20 company are we referring to?

21 MR. COIT: Midstate.

22 MR. LEE: They are currently all private line
23 services.

24 MR. COIT: Single party; correct?

25 MS. WIEST: Single party to all customers?

1 MR. LEE: Correct.

2 MS. WIEST: Any other questions in this
3 docket?

4 CHAIRMAN BURG: I'll move we grant the toll
5 control waiver in TC97-086 for one year.

6 COMMISSIONER NELSON: I'd second it.

7 COMMISSIONER SCHOENFELDER: Concur.

8 MS. WIEST: TC97-087.

9 MR. COIT: We move for the admission of
10 Exhibit No. 1, ETC request, dated 6-17-97, and Exhibit
11 No. 2, response to staff data request, dated 10-16-97.

12 MS. WIEST: Any objections? If not, Exhibits
13 1 and 2 have been admitted.

14 CHAIRMAN BURG: I'll move we grant toll
15 control waiver in TC97-087 for one year.

16 COMMISSIONER NELSON: I'd second it.

17 COMMISSIONER SCHOENFELDER: Concur.

18 MS. WIEST: Again, I'd have a question on
19 this one, Rich.

20 MR. COIT: Mr. Lee is representing Baltic as
21 well.

22 MR. LEE: Baltic is currently all private
23 line. I'm sorry, single party. I should use the right
24 term, single party service.

25 MS. WIEST: To all customers?

1 MR. LEE: Correct.

2 MS. WIEST: Thank you. TC97-088.

3 MR. COIT: We move for the admission of
4 Exhibit No. 1, ETC request dated 6-17-97, and response
5 to staff data request, which is Exhibit No. 2, which is
6 dated 10-17-97.

7 MS. WIEST: Any objections? If not, Exhibits
8 1 and 2 have been admitted.

9 CHAIRMAN BURG: I'll move we grant a waiver
10 on toll control in TC97-088 for one year.

11 COMMISSIONER NELSON: I'd second it.

12 COMMISSIONER SCHOENFELDER: Concur.

13 MS. WIEST: Can you answer my question on
14 this one, Mr. Lee?

15 MR. LEE: Company name, please?

16 MS. WIEST: East Plains.

17 MR. LEE: Currently is all single party
18 service.

19 MS. WIEST: Thank you.

20 MS. WIEST: TC97-089.

21 MR. COIT: We move for the admission of
22 Exhibit No. 1, which is the ETC request dated 6-17-97,
23 and the admission of Exhibit No. 2, which is a response
24 to staff data request, dated 10-21-97.

25 MS. WIEST: Any objections? If not, they've

1 been admitted. Same question.

2 MR. COIT: I don't believe that Mr. Lee is
3 here representing Western today. What did they say in
4 the response?

5 MS. WIEST: They said Western Telephone
6 offers single party service. My question is do they
7 offer to every customer again?

8 MR. COIT: Well --

9 MS. WIEST: Can you do a late-filed on that?

10 MR. COIT: We can do an affidavit on that
11 one, I guess.

12 CHAIRMAN BURG: I'll move we grant a waiver
13 on toll control for TC97-089 for one year.

14 COMMISSIONER NELSON: I'd second it.

15 COMMISSIONER SCHOENFELDER: Concur.

16 MS. WIEST: Okay. Let's go on to TC97-090.

17 MR. COIT: We move for the admission of
18 Exhibit No. 1, which is the ETC request dated 6-17-97,
19 and Exhibit No. 2, which is the response to staff data
20 request dated 10-24-97.

21 MS. WIEST: Any objection? If not, they've
22 been admitted. Any questions concerning this docket?

23 CHAIRMAN BURG: I'll move that we grant a
24 waiver on toll control in TC97-090 for one year.

25 COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-092.

MR. COIT: We move for the admission of Exhibit No. 1, which is the ETC request of Kennebec Telephone Company dated 6-18-97, and move for the admission of Exhibit No. 2, which is the response to staff data request dated 10-10-97. And I would note that Mr. Rod Bauer is here to respond to any questions that the Commissioners or staff may have concerning their request.

MS. WIEST: Any questions concerning this docket? If not, do you have a motion?

CHAIRMAN BURG: Did we admit both those?

MS. WIEST: I'm sorry, I did not. I will admit Exhibit Numbers 1 and 2.

CHAIRMAN BURG: I'll move that we grant a waiver on toll control in TC97-092 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-093.

MR. COIT: We would move for the admission of Exhibit No. 1, which is the ETC request of Jefferson Telephone Company, dated 6-18-97, and move also for the admission of Exhibit No. 2, response to staff data request, which is dated 10-10-97. And I would note

that Mr. Dick Connors is available to answer any questions concerning the Jefferson request.

MS. WIEST: Any objection to the exhibits? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-093 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-094.

MR. COIT: We'd move for the admission of Exhibit No. 1, which is the ETC request dated 6-19-97, and move for the admission of Exhibit No. 2, which is the response to data request dated 10-15-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, those exhibits have been admitted. Do you have any witnesses for this one?

MR. COIT: Mr. Lee is available for both Sully Buttes and Venture.

MS. WIEST: I just had a question, I guess, concerning single party service because in this one it does say should facilities not allow immediate single party service, Sully Buttes may offer multi-party service until the facilities are restored or installed to allow for single party service. Has that occurred

1 in the past?

2 A. Currently Sully Buttes Telephone has no
3 multi-line. The fact is all single party service. I
4 think they added that language such that if there were
5 a disaster that they had to respond to, they wanted to
6 reserve the right to offer party line under the
7 emergency basis only. But they have for a number of
8 years been all single party service.

9 MS. WIEST: Any other questions?

10 CHAIRMAN BURG: I'll move we grant a waiver
11 on toll control for TC97-094 for one year.

12 COMMISSIONER NELSON: I'd second it.

13 COMMISSIONER SCHOENFELDER: Well, I'll
14 concur.

15 MS. WIEST: TC97-095.

16 MR. COIT: We would move for the admission of
17 ETC, Exhibit No. 1, dated 6-19-97, and admission of
18 Exhibit No. 2, response to data request dated
19 10-15-97. I would point out that I believe that there
20 might be an issue with respect to single party service
21 waiver in this case as well.

22 MS. WIEST: Right. At this time are there
23 any objections to Exhibit 1 and 2? If not, they've
24 been admitted. Yes. And it would appear they would
25 need a waiver. And my question for apparently they

1 have three multi-party customers and they plan to
2 install single party service during the 1988
3 construction season. So I guess my question is
4 apparently they haven't asked for a waiver. Are you
5 doing so at this time?

6 MR. COIT: Yes, we would on their behalf.
7 And I think Mr. Lee would be able to respond to
8 questions on that. I assume so anyway.

9 MR. LEE: Sure. But that would be correct,
10 we do need a waiver. The same June 1 date would be
11 acceptable to us.

12 MS. WIEST: June 1, okay.

13 CHAIRMAN BURG: I'll move we grant a waiver
14 in single party service to June 1, 1998, in TC97-095.

15 COMMISSIONER NELSON: I would second that.

16 COMMISSIONER SCHOENFELDER: Sure, I'll
17 concur.

18 CHAIRMAN BURG: And I'll also move that we
19 grant a waiver for toll control on TC97-095 for one
20 year.

21 COMMISSIONER NELSON: I'd second it.

22 COMMISSIONER SCHOENFELDER: Concur.

23 MS. WIEST: TC97-096.

24 MR. COIT: I move for the admission of ETC
25 request, Exhibit No. 1, dated 6-19-97, and move for the

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1 admission of Exhibit No. 2, response to data request
2 dated 10-10-97.
3 MS. WIEST: Any objections? If not, they've
4 been admitted. Any questions concerning this docket?
5 CHAIRMAN BURG: I'll move we grant a waiver
6 on toll control in TC97-096 for one year.
7 COMMISSIONER NELSON: I'd second it.
8 COMMISSIONER SCHOENFELDER: Concur.
9 MS. WIEST: TC97-097.
10 MR. COIT: We move for the admission of
11 Exhibit No. 1, ETC request, dated 6-19-97, and Exhibit
12 No. 2, response to data request dated 10-10-97.
13 MS. WIEST: Any objections? If not, they've
14 been admitted. Does anybody have any questions
15 concerning this docket?
16 CHAIRMAN BURG: I'll move we grant a waiver
17 for toll control in TC97-097 for one year.
18 COMMISSIONER NELSON: I'd second it.
19 COMMISSIONER SCHOENFELDER: Concur.
20 MS. WIEST: TC97-098.
21 MR. COIT: We move for the admission of ETC
22 request dated 6-19-97, which is marked Exhibit No. 1,
23 and admission of Exhibit No. 2, which is the response
24 to data request dated 10-14-97.
25 MS. WIEST: Any objection to Exhibits 1 and

1 2? If not, they've been admitted. Are there any
2 questions concerning this docket?
3 CHAIRMAN BURG: I'll move that we grant a
4 waiver for toll control in TC97-098 for one year.
5 COMMISSIONER NELSON: I'd second it.
6 COMMISSIONER SCHOENFELDER: Concur.
7 MS. WIEST: TC97-099.
8 MR. COIT: We move for the admission of
9 Exhibit No. 1, which is the ETC dated 6-19-97, and
10 admission of Exhibit No. 2, which is the response to
11 data request dated 10-9-97.
12 MS. WIEST: Any objection? If not, they've
13 been admitted. I have the same question on this one.
14 The question is do we have single party service, and
15 the answer is yes?
16 MR. COIT: Mr. Lee, are you here for Roberts
17 County or not?
18 MR. LEE: No.
19 MR. COIT: Then we probably need to handle
20 that, I suppose, by the affidavit.
21 MS. WIEST: Okay.
22 MR. LEE: Rich, are we talking about Roberts
23 County or --
24 MR. COIT: Roberts County.
25 MR. LEE: I know from another source other

1 than this that as manager of the South Dakota
2 Association of Telephone Co-ops and the daily requests
3 we've had there that they do, in fact, provide all
4 single party service throughout Roberts County Co-op,
5 if that will suffice for your information here.

6 MS. WIEST: Is that sufficient?

7 MS. CREMER: That's sufficient.

8 MS. WIEST: Okay.

9 CHAIRMAN BURG: I'll move we grant a waiver
10 for toll control in TC97-099 for one year.

11 COMMISSIONER NELSON: I'd second it.

12 COMMISSIONER SCHOENFELDER: Concur.

13 MS. WIEST: TC97-100.

14 MR. COIT: We move for the admission of
15 Exhibit No. 1, which is the ETC request dated 6-19-97,
16 and admission of Exhibit No. 2, response to data
17 request dated 10-9-97.

18 MS. WIEST: Any objection? If not, they've
19 been admitted. Same question on this one.

20 MR. LEE: I don't know the answer.

21 MR. COIT: There is -- Mr. Lee is not here
22 representing RC Communications today, so I suspect
23 we'll have to deal with that with a late-filed exhibit
24 if that's okay.

25 MS. WIEST: Okay.

1 CHAIRMAN BURG: I'll move we grant a waiver
2 for toll control in TC97-100 for one year.

3 COMMISSIONER NELSON: I'd second it.

4 COMMISSIONER SCHOENFELDER: Concur.

5 MS. WIEST: TC97-101.

6 MR. COIT: We move for the admission of
7 Exhibit No. 1, which is the ETC request dated 6-19-97,
8 and Exhibit No. 2, response to staff data request dated
9 10-14-97.

10 MS. WIEST: Any objection? If not, they've
11 been admitted. Any questions concerning this docket?

12 CHAIRMAN BURG: I'll move we grant waiver for
13 toll control in TC97-101 for one year.

14 COMMISSIONER NELSON: I'd second it.

15 COMMISSIONER SCHOENFELDER: Concur.

16 MS. WIEST: TC97-102.

17 MR. COIT: We move for the admission of
18 Exhibit No. 1, which is the ETC dated 6-19-97, and
19 Exhibit No. 2, which is a response to data request
20 dated 10-14-97.

21 MS. WIEST: Any objections? If not, 1 and 2
22 have been admitted. Any questions concerning this
23 docket?

24 CHAIRMAN BURG: I'll move we grant a waiver
25 for toll control in TC97-102 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-105.

MR. COIT: We move for the admission of ETC request, Exhibit No. 1, dated 6-19-97, and admission of Exhibit No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-105 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-108.

MR. COIT: We move for the admission of ETC request, Exhibit No. 1, dated 6-23-97, and the admission of Exhibit No. 2, response to staff data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Same question. Can you, Mr. Lee, answer that one? Is that single party service available for --

MR. COIT: For Faith.

MR. LEE: I do not represent them, I'm sorry.

MR. COIT: We would request permission to

provide that via affidavit.

MS. WIEST: Okay.

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-108 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-113.

MR. COIT: We move for the admission of Exhibit No. 1, ETC request dated 6-25-97, and Exhibit No. 2, response to data requests dated 10-9-97.

MS. WIEST: Any objection? If not, they've been admitted. I have the same question on this one.

MR. COIT: This is Armour. Bill Haugen can respond to your question.

MR. HAUGEN: Yes, I can answer that.

BILL HAUGEN, JR.,

called as a witness, being first duly sworn, was examined and testified as follows:

EXAMINATION

MR. HAUGEN: Good afternoon.

MS. WIEST: And I would just like to ask you if you currently provide single party service to all of your customers in your area.

MR. HAUGEN: Single party service is available to all of our customers in Armour Independent

1 Telephone Company service area. It has been since the
2 late seventies.

3 MS. WIEST: Are there any others questions of
4 this witness? Thank you.

5 CHAIRMAN BURG: I'll move we grant a waiver
6 for toll control in TC97-113 for one year.

7 COMMISSIONER NELSON: I'd second.

8 COMMISSIONER SCHOENFELDER: Concur.

9 MS. WIEST: TC97-114.

10 MR. COIT: We move for the admission of ETC
11 request of the Bridgewater-Canistota Telephone Company,
12 which is dated 6-25-97, that's Exhibit No. 1. And also
13 move for the admission of Exhibit No. 2, which is
14 response to data requests of staff dated 10-9-97. And
15 Mr. Haugen is here as well to respond to any questions
16 in this docket.

17 MS. WIEST: First of all, any objection to
18 Exhibits 1 and 2? If not, they've been admitted. And
19 I would ask the same question.

20 MR. HAUGEN: Single party service is
21 available to all the customers in the
22 Bridgewater-Canistota Exchanges.

23 MS. WIEST: Thank you. Any other questions
24 of this witness?

25 CHAIRMAN BURG: I'll move we grant a waiver

1 for toll control in TC97-114 for one year.

2 COMMISSIONER NELSON: I'd second it.

3 COMMISSIONER SCHOENFELDER: Concur.

4 MS. WIEST: TC97-115.

5 MR. COIT: We would move the admission of
6 Exhibit No. 1, the ETC request of Union Telephone
7 Company, dated 6-25-97, and Exhibit No. 2, response to
8 data request which is dated 10-9-97.

9 MS. WIEST: Any objection? If not, Exhibits
10 1 and 2 have been admitted. And I would ask the same
11 question in this docket.

12 MR. HAUGEN: Single party service is
13 available to all the customers in the Union Telephone
14 Company service area, Hartford and Wall Lake Exchanges,
15 again, has been since late seventies.

16 MS. WIEST: Thank you. Any other questions
17 of this witness?

18 CHAIRMAN BURG: I'll move we grant a waiver
19 for toll restriction in TC97-115 for one year.

20 COMMISSIONER NELSON: I'd second it.

21 COMMISSIONER SCHOENFELDER: Concur.

22 MS. WIEST: Thank you. TC97-117.

23 MR. COIT: We move for the admission of
24 Exhibit No. 1, ETC request dated 6-30-97, and Exhibit
25 No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-117 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-121.

MR. COIT: We move for the admission of Exhibit No. 1, the ETC request of Kadoka, dated 7-3-97, and the admission of Exhibit No. 2, response to data requests dated 10-28-97.

MS. WIEST: Any objections to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-121 for one year.

COMMISSIONER NELSON: I'll second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-125.

MR. COIT: We'd move for the admission of ETC request, Exhibit No. 1, dated 7-7-97, and Exhibit No. 2, response to data request of staff, which is dated 10-29-97.

MS. WIEST: Any objection to Exhibits 1 and

2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-125 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-130.

MR. COIT: We would move for the admission of Exhibit No. 1, the ETC request dated 7-10-97, and Exhibit No. 2, the response to data request dated 10-14-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-130 for one year.

COMMISSIONER NELSON: I would second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-131.

MR. COIT: We would move the admission of ETC request Exhibit No. 1, which is dated 7-10-97, and Exhibit No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-131 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-154.

MR. COIT: We would move into the record Exhibit No. 1, the ETC request, dated 9-10-97, and also Exhibit No. 2, the response to data request dated 10-16-97.

MS. WIEST: Any objection to Exhibit 1 and 2? If not, they have been admitted. Let's see, on this one this was one of a couple that no time period was requested for the waiver. I assume you still want the one year?

MR. COIT: Mr. Barfield is here. He could respond. He's Mr. Bob Barfield, manager for West River.

MS. WIEST: They request a waiver but this is one of the few ones that didn't ask for one year, as far as I can see, or any time period. So I was wondering if there was any different time period that was being requested.

BOB BARFIELD,

called as a witness, being first duly sworn, was examined and testified as follows:

EXAMINATION

MR. BARFIELD: In response to your question, since the vendor does not have a date, as far as we know, at this time to provide this, that's the reason we didn't ask for a certain time period on the waiver.

MS. WIEST: But we will need a time period.

MR. COIT: Would you be willing to accept the one-year time period that is being granted to other companies?

MR. BARFIELD: We sure would.

CHAIRMAN BURG: And I think the thought behind it is if there still isn't any solution, then it would be renewed or we'd request. With that, I'll move that we grant a waiver for toll control in TC97-154 for one year.

COMMISSIONER NELSON: I would second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: Let's go to TC97-155.

MR. COIT: We would request admission of Exhibit No. 1, which is the ETC request of Mobridge Telecommunications, which is dated 9-10-97, and also Exhibit No. 2, which is the response to data request dated 10-16-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. And I would have the same

1 question with respect to the length of the waiver.

2 MR. BARFIELD: And the response would be the
3 same. We would ask for a year on the waiver.

4 MS. WIEST: Thank you. Any other questions?

5 CHAIRMAN BURG: With that I'll move that we
6 grant a waiver on toll control in TC97-155 for one
7 year.

8 COMMISSIONER NELSON: I'd second it.

9 COMMISSIONER SCHOENFELDER: I concur.

10 MS. WIEST: Thank you. Let's skip to
11 TC97-167.

12 MR. COIT: I would just note that Three River
13 Telco is not an SDITC member company, so I'm not really
14 here today to represent Three River Telco.

15 MS. WIEST: Nobody is here?

16 CHAIRMAN BURG: Do we have any questions on
17 it, or do we have to have representation?

18 MS. WIEST: Somebody needs to move it in.

19 MR. COIT: Well, if you're looking for a
20 body, I guess I can serve as the body.

21 MS. CREMER: Otherwise, I can move to admit
22 the two exhibits, Number 1, 10-10-97, the request for
23 ETC, and 11-7-97, the amended -- oh, I'm sorry, that's
24 U S West. Let me try that again. 10-16 of '97 is the
25 request and 11-13-97 is the amended request, and I

1 would ask that they be admitted in.

2 MS. WIEST: Any objection? If not, they've
3 been admitted. Are there any questions concerning this
4 docket? I would note that their application does
5 request a waiver for one period for toll control.

6 CHAIRMAN BURG: There isn't a question on the
7 single party line, though, is there?

8 MS. WIEST: No.

9 CHAIRMAN BURG: I'll move we grant a waiver
10 for toll control in TC97-167 for one year.

11 COMMISSIONER NELSON: I'd second.

12 COMMISSIONER SCHOENFELDER: Concur.

13 MS. WIEST: At this time did you want to go
14 to U S West, or is Harlan going to speak to these
15 dockets?

16 MS. CREMER: We'll finish up these first.

17 MS. WIEST: Okay.

18 (STAFF'S EXHIBIT NO. 1 WAS MARKED FOR
19 IDENTIFICATION.)

20 HARLAN BEST,
21 called as a witness, being first duly sworn,
22 was examined and testified as follows:

23 DIRECT EXAMINATION

24 BY MR. HOSECK:

25 Q. Would you state your name for the record,

1 please.

2 A. Harlan Best.

3 Q. And what is your job?

4 A. I am deputy director of fixed utilities for
5 the Public Utilities Commission, South Dakota.

6 Q. And have you been present in the hearing room
7 this afternoon for the hearing on these applications?

8 A. Yes.

9 Q. And have you had the opportunity to review
10 the caption in the notice of this hearing which lists
11 the cases which are before the Commission on this date?

12 A. Yes.

13 Q. And are you familiar with the applications in
14 each of these cases?

15 A. Yes.

16 Q. As a part of your job, have you reviewed
17 those applications?

18 A. Yes, I have.

19 Q. You have before you an exhibit numbered
20 Staff's No. 1; is that correct?

21 A. Yes.

22 Q. And is that an exhibit that you prepared in
23 the course of your duties?

24 A. Yes, it is.

25 Q. Just briefly explain to the Commission,

1 please, what that exhibit entails.

2 A. What I have done on this exhibit is across
3 the top is listed each of the companies requesting
4 eligible telecommunications carrier status, the
5 associated docket number, and the staff counsel that is
6 assigned to the respective dockets. Down the side, the
7 left-hand side, is the requirements that are set forth
8 for ETC status. Populated within the columns is the
9 responses that the respective companies gave within
10 their exhibits 1 and Exhibit 2 that have been admitted
11 into the record.

12 Q. And are there any changes or corrections to
13 this exhibit that you would like to make at this time?

14 A. One that I am aware of is under Vivian
15 Telephone, Docket TC97-068, under the Lifeline and Link
16 Up it shows that it will be available 1-1-97. It
17 should be 1-1-98. I'm not aware of any other
18 corrections.

19 MR. HOSECK: Okay. At this point in time I
20 would move Staff's Exhibit No. 1 into evidence. This
21 is intended as testimony for all of the dockets en mass
22 with the exception of U S West.

23 COMMISSIONER SCHOENFELDER: U S West is on
24 here though.

25 MR. HOSECK: That would be handled later.

MS. WIEST: Is there any objection?

MR. COIT: My comment would be that I just received this so I haven't had an opportunity to go through to make sure this is all accurate. I guess I can take Mr. Best's word that it is accurate and I'll have to do that, I guess. Other than that, I don't have any comment.

MS. WIEST: Do you want an opportunity to look it over?

MR. COIT: Well, it might take me a while, so I don't have any objection.

MS. WIEST: Okay. Then Staff Exhibit No. 1 will be admitted into all of the dockets that we have gone through so far.

MR. HOSECK: Okay. Thank you.

Q. Based on the review of these dockets that you have done and relying to whatever extent you may on Staff's Exhibit No. 1, did the applicant companies meet the requirements of becoming an eligible telecommunications carrier?

A. Yes, they have, with the noted late-filed affidavits that will be done in a number of the dockets.

Q. And with regard to advertising services exchange-wide, do you have a recommendation to the

Commission for a provision to be included in an order which would come out of these proceedings?

A. Yes. Staff's recommendation for advertising would be that the ETC carrier be required to advertise at least once each year; and if they have any rate change, that that rate change be advertised when it does change.

Q. And in conclusion, do you have an opinion as to whether or not the applicants contained on Exhibit 1, with the exception of U S West which has not had its case heard yet at this time, whether or not those applicants meet the qualifications as an eligible telecommunications carrier?

A. With staff's review that has been undertaken, yes, they do meet the requirements for ETC status.

MR. HOSECK: I have no further questions of this witness.

MS. WIEST: Are there any questions of this witness? Mr. Coit?

CROSS-EXAMINATION

BY MR. COIT:

Q. I assume when you talked about advertising rate changes that you're referencing the rates just for the essential services that are supported by universal service?

1 A. Yes.

2 MR. COIT: No further questions.

3 MS. WIEST: Ms. Rogers?

4 MS. ROGERS: No, no questions.

5 MS. WIEST: Mr. Heaston?

6 MR. HEASTON: No.

7 CHAIRMAN BURG: The only question I'd have is
8 there any -- is advertising identified in any way? Is
9 there any criteria for what advertising means in the
10 context of this? Is the methods in the FCC Order as
11 well?

12 MS. WIEST: I'm sorry, what was the
13 question?

14 CHAIRMAN BURG: The question I had for Harlan
15 or anybody else is, is there a meaning, is there a
16 description, definition for advertising, what that
17 constitutes?

18 MS. WIEST: Under the statute itself
19 214(e)(1)(B) they must advertise the availability of
20 such services and if you're referring to the services
21 that are supported by federal universal service and the
22 charges therefore using media of general distribution.

23 CHAIRMAN BURG: Okay. I think that satisfies
24 me.

25 COMMISSIONER NELSON: Does that mean for

1 Lifeline and Link Up, they have to advertise this
2 once?

3 MS. WIEST: That would be under staff's
4 recommendation, I believe.

5 A. Yes, once each year.

6 COMMISSIONER NELSON: Well, frankly, I don't
7 think it's adequate.

8 COMMISSIONER SCHOENFELDER: Are you doing
9 that? Are you -- to follow up -- excuse me, to follow
10 up on Commissioner Nelson's question, are you
11 recommending that they advertise once each year after?
12 I believe our order said that you have to send an
13 application to everyone once initially and then to
14 every new customer. You're requesting this
15 advertisement of Lifeline, Link Up in addition to,
16 would that be accurate or not?

17 A. Right. The Lifeline, Link Up under TC97-150,
18 which was issued yesterday, states that it shall be --
19 a form shall be, or a letter shall be sent to present
20 customers, and then this would be an advertisement of
21 it. They'd have to do advertisement of this for at
22 least once each year.

23 COMMISSIONER SCHOENFELDER: Okay. Thank you.

24 COMMISSIONER NELSON: So is the answer to
25 Laska's questions it's in addition to?

1 A. Yes. They would do it originally, and once a
2 year after.

3 MS. WIEST: How would they advertise?
4 Where?

5 A. Where would they advertise?

6 MS. WIEST: Yes.

7 A. Whatever general distribution it meets
8 according, I assume, it means newspapers and those
9 types of publications.

10 MS. WIEST: So it could be any type of
11 general distribution media once a year?

12 A. Whatever is available within their given
13 exchanges that they serve.

14 MS. WIEST: And it would only be for those
15 services supported right now by federal universal
16 service?

17 A. Yes.

18 MS. WIEST: And every time they changed a
19 rate for one of those services, then that would have to
20 be re-advertised at that time?

21 A. Yes.

22 MS. WIEST: Are there any other questions of
23 this witness? If not, thank you. Actually, I do.
24 Could you retake the stand, Harlan? I guess we have a
25 question for you. Could you look at your exhibit for

1 Venture Communications, TC97-095?

2 A. Yes.

3 MS. WIEST: Does the answer to number four,
4 single party service, we did grant them a waiver
5 because currently they do not have single party service
6 apparently to three customers?

7 A. Yes.

8 MS. WIEST: So would that be incorrect there,
9 your question there?

10 A. It would be a clarification there to it, yes.

11 MS. WIEST: Okay. Thank you. Do you have
12 anything further, Mr. Hoseck?

13 MR. HOSECK: Staff has nothing further.
14 Thank you.

15 MS. WIEST: Do you want to take a short break
16 until we go to U S West?

17 MR. COIT: When does the Commission -- are
18 you going to wait until the end to rule on all of these
19 with respect to the actual ETC designation?

20 MS. WIEST: That's why we're taking a short
21 break.

22 (AT THIS TIME A SHORT RECESS WAS TAKEN.)

23 MS. WIEST: Let's get started again. And we
24 will go to TC97-163.

25 MR. HEASTON: And I would move admission of

1 Exhibit 1, which is the request, and Exhibit 2, which
2 is the amended request, and Exhibit 3, which is the
3 service territory map. That's Exhibit 1, 2 and 3
4 respectively in the docket.

5 MS. WIEST: Any objection to Exhibits 1, 2
6 and 3? Do you have a copy of the service territory
7 map? Are there any objections to Exhibits 1, 2 and 3?
8 If not, they've been admitted. You may proceed,
9 Mr. Heaston.

10 MR. HEASTON: We would also join in the
11 motion on the toll control. The reason we did not seek
12 a waiver in the initial application is because as I
13 read Paragraph 388 of the Order in the DA 97-157
14 indicated that toll blocking would be sufficient in the
15 meantime and it was dependent upon when you upgraded
16 switches. And so we do not feel we need a waiver of
17 toll control, but the common wisdom seems to be there
18 needs to be a waiver, so we will follow the herd here
19 and request the toll control waiver also.

20 And we are also one of the parties to the
21 request of the FCC to reconsider the toll limitation,
22 that this includes both toll blocking and toll
23 control. And I guess we would also point out that with
24 the implementation of number portability that is going
25 to impact toll control somewhat significantly. And so

1 while we agree with Bob Barfield in his observation
2 that since we don't know when it's going to happen,
3 that's why we wouldn't want a time limit on it, but we
4 are willing to accept the one year with the
5 understanding that if there is not the ability to
6 implement it or if the ability is too expensive to
7 implement, that we would be able to come back to this
8 Commission and seek further waiver of that, of
9 implementing toll control with part of the essential
10 telecommunications carrier obligation.

11 MS. WIEST: Okay. Would the Commissioners --

12 CHAIRMAN BURG: Did we admit the exhibits?

13 MS. WIEST: Yes.

14 CHAIRMAN BURG: I'll move that we waive toll
15 control for TC97-163 for one year.

16 COMMISSIONER NELSON: Well, I'm going to
17 second it, but I heard an expansion of what we've been
18 waiving in the past from giving them one year with the
19 idea we're going to renew it. And the reason I was
20 willing to grant it is because technology is not out
21 there. Now, the Act requires that it be there and it
22 didn't say anything about how much it cost. So I
23 didn't hear anything about one of the reasons we were
24 waiving it in the past was because that it might be
25 cost prohibitive as much as because technology wasn't

1 there. I can understand why technology wasn't there,
2 but I didn't -- I wasn't in Congress when they voted
3 that was part of the Act.

4 MR. HEASTON: It's not part of the Act. I
5 guess that's the first thing. It's an FCC --

6 COMMISSIONER NELSON: It's a rule.

7 MR. HEASTON: It's an FCC dictate.

8 COMMISSIONER NELSON: But it has the same
9 weight as the rules and statute unless it's changed in
10 court; right?

11 MR. HEASTON: That's true. But unless the
12 FCC changes, as we've urged them to do.

13 COMMISSIONER NELSON: Right. So I'm
14 seconding your motion with the understanding it's
15 exactly as we had stated it originally; is that
16 correct?

17 CHAIRMAN BURG: I mean the motion was for one
18 year.

19 COMMISSIONER SCHOENFELDER: I believe the
20 motion was for one year, a waiver for one year, and I
21 didn't know that the motion had anything more than
22 that, than just a waiver from toll control for one
23 year.

24 CHAIRMAN BURG: It doesn't.

25 COMMISSIONER SCHOENFELDER: Then I'll concur.

1 COMMISSIONER NELSON: All I'm saying, though,
2 is I voted for it and there will be a record that I
3 voted for it; and the reason I voted for it was the
4 technology wasn't available. And that's a lot
5 different in my mind than it's cost prohibitive.

6 COMMISSIONER SCHOENFELDER: I think --

7 COMMISSIONER NELSON: Not that that wouldn't
8 be an issue in my mind that you could debate. I don't
9 want a record that I'm supporting something for a
10 different reason than I did.

11 CHAIRMAN BURG: Just a comment that I'd make
12 on it, I guess. If there isn't a technology, I really
13 hate to see all 50 or 75 filings just for an
14 extension. If there is some way we could certify there
15 is no technology and extend it as we come up towards
16 that year, I'd welcome that solution rather than go
17 through this with this many of them. I, personally, in
18 my own mind, cannot see a solution when we're going to
19 have multiple companies in number portability. It
20 boggles my mind to see how that's even going to happen
21 that you could end up with any kind of toll
22 limitation. So I'm guessing when we come up to the
23 year, we're still not going to have a solution, and I'm
24 not looking toward to requiring all of you -- I mean
25 that's the name of a bureaucrat to file that many

1 pieces of paper. So if we can find a way to
2 consolidate it at that time, I would welcome any
3 suggestions. That's all I have.

4 MR. HEASTON: I have Mr. Lehner available
5 here, and we do have a couple questions to ask him.

6 JON LEHNER,

7 called as a witness, being first duly sworn,
8 was examined and testified as follows:

9 DIRECT EXAMINATION

10 BY MR. HEASTON:

11 Q. Mr. Lehner, in our application we described
12 the issue of eliminating multi-party services and going
13 to single party service throughout U S West service
14 areas. Can you update the Commission on the status of
15 that consistent with what we've already put in the
16 application?

17 A. Yes. As of October 31 of this year the
18 number of multi-party or two- and four-party customers
19 in U S West's territory is 612. 612.

20 CHAIRMAN BURG: What was the date on that,
21 Jon?

22 A. As of 10-31-97.

23 Q. And what can you tell the Commission about
24 our continuing effort to eliminate the multi-party
25 service?

1 A. The plan right now is to eliminate all of
2 those 612 except for 52 of them. And the time frame
3 for that will be by the end of the second quarter,
4 which I suppose we could put for a date of 6-30 of
5 '98. So all but 52 of those will be completed by 6-30
6 of '98.

7 Q. And what about the remaining 52?

8 A. The remaining 52 are extremely high cost
9 upgrades. And until other technology or other means
10 become available, there are no plans right now. We
11 have no plans to move ahead with those 52.

12 Q. With that we still believe that it is
13 appropriate for us to -- we still believe the waiver is
14 appropriate in this case; is that correct?

15 A. That is correct.

16 MR. HEASTON: That's all the questions I
17 have.

18 MS. WIEST: Ms. Cremer?

19 CROSS-EXAMINATION

20 BY MS. CREMER:

21 Q. Mr. Lehner, where are those 52 located? Are
22 they spread throughout, or are they in a specific area,
23 do you know?

24 A. I could read them off for you. There's about
25 a dozen exchanges. Or I could give you a late-filed

1 exhibit. Let me just read them off. Arlington is
2 four; Belle Fourche, six; De Smet, four; Huron, three;
3 Lake Preston, one.

4 COMMISSIONER NELSON: Do you want to start
5 over?

6 A. Arlington, four; Belle Fourche, six; De Smet,
7 four; Huron, three; Lake Preston, one; Madison, two;
8 Milbank, four; Pierre, two; Redfield, two; Sisseton,
9 six; Spearfish, two; Volga, five; Watertown, ten;
10 Yankton, one.

11 Q. Is there a particular reason? Is it like
12 Anaconda line or something?

13 A. It's a combination of many factors, but you
14 mean as far as the 52 are concerned?

15 Q. Yes.

16 A. It's a combination of many factors. We're
17 talking about feeder distribution, we're talking about
18 in some cases a PAIR GAIN systems like Anaconda that
19 would need to be replaced.

20 MS. CREMER: Okay. That's all the questions
21 I have.

22 CHAIRMAN BURG: Have you investigated any
23 other technical solutions other than to a single party
24 other than line extension?

25 A. You mean in order to provide a single party

1 service to these customers?

2 CHAIRMAN BURG: Yes.

3 A. Yes. I think the answer is we are constantly
4 looking for a cheaper way to do this because in some
5 cases, Commissioner, we're talking about over \$100,000
6 to upgrade a single customer, and it just doesn't make
7 sense to do that. And the answer would seem to lie
8 probably in some form of wireless, but so far the
9 wireless technologies, whether then satellite or fixed
10 wireless, are still pretty expensive. I see that as
11 the ultimate solution, though, to some of these.

12 CHAIRMAN BURG: I'm going to move to grant
13 the waiver.

14 MS. WIEST: Just a second. Do the
15 Commissioners have any other questions? As opposed to
16 the other ones, I'm going to have to ask you some
17 questions to verify things that were in the application
18 because that was signed by Mr. Heaston. It wasn't
19 signed by a witness with an affidavit, as all the
20 others were. So bear with me for a second.

21 A. I've never trusted his signature either.

22 MS. WIEST: First one, does U S West provide
23 voice grade access to the public switched network to
24 all in its service area?

25 A. Yes.

1 MS. WIEST: And does it provide local usage?

2 A. Yes.

3 MS. WIEST: Do you provide dual tone
4 multi-frequency signalling or its functional
5 equivalent?

6 A. Yes.

7 MS. WIEST: Do you provide access to your
8 emergency services?

9 A. Yes.

10 MS. WIEST: Do you provide access to operator
11 services?

12 A. Yes.

13 MS. WIEST: Do you provide access to
14 interexchange service?

15 A. Yes.

16 MS. WIEST: And do you provide access to
17 directory assistance?

18 A. Yes.

19 MS. WIEST: And you've already talked about
20 toll control and the waiver. Do you provide or are you
21 able to provide toll blocking?

22 A. Yes.

23 MS. WIEST: Then getting back to your request
24 for the waiver on single party service, I know in your
25 application you talked about the ones that you have no

1 plans, you know, of providing service due to the cost
2 and everything. My problem, I guess, is that I don't
3 see that there is any de minimus exception within the
4 FCC rules with respect to single party service. Have
5 you been granted any of this type of de minimus
6 exception to that requirement, do you know, in any of
7 the other states?

8 A. I am not aware.

9 MS. WIEST: And what I'm getting at is that
10 it appears, according to the FCC rules -- and I'm
11 looking at 47 54.101(c), that in order to grant any
12 additional time to complete network upgrades for single
13 party or enhanced 911 or toll limitation, that the
14 Commission does in fact have to set a time period for
15 you to complete those network upgrades. Is your
16 contention that we do not?

17 A. I would not make that contention. I'm going
18 to let my attorney argue with you about that.

19 MS. WIEST: Well, then, I do have a couple
20 other questions. My other question is on service
21 area. And it is also a requirement of the state
22 Commission to designate service areas as opposed to
23 study areas for nonrural telecommunications companies.
24 First of all, you would agree that you are a nonrural
25 telecommunications company?

1 A. Yes.

2 MS. WIEST: And in the FCC's public notice
3 96-45 issued 9-29-97, it does state that we must send
4 to USAC the names of the ETC's and the designated
5 service areas for nonrural carriers no later than
6 December 31st, 1997. And I know you made some
7 reference to these things in your application, but I
8 don't think you really told us what you want your
9 service area to be. Because the FCC has told us that
10 we better not adopt your study area as your service
11 area for large ILEC's. Do you have service areas for
12 your company that you want the Commission to adopt at
13 this time?

14 A. Well, I suppose that -- and, Bill, jump in
15 here, I guess, to help me with this. But I suppose
16 that our service area ought to be our exchanges in the
17 state of South Dakota. Now, the study area is a
18 different issue and that has not been determined yet.
19 But I would think that our service area would be our
20 exchanges that we serve in the state of South Dakota.

21 MR. HEASTON: If I may from a legal
22 standpoint, there is no definition yet; and certainly
23 our service area would be those areas within which we
24 are authorized to provide the supported services.

25 MS. WIEST: Right. And that's my question.

1 MR. HEASTON: From a general perspective, I
2 guess, if that's what you're looking for is what you
3 would designate to the FCC would not be anything
4 outside the area where we're authorized or certified to
5 provide service. When it comes to where the areas are
6 going to be that would be where the services would be
7 supported by a universal service fund, whether it's
8 high cost or low income or libraries or whatever it
9 happens to be, you know, that's an area that's
10 currently under debate depending upon which proxy cost
11 model is going to be accepted. And so that's why we
12 are somewhat vague on that term because what this
13 Commission has not done and nor has the FCC come out
14 with any final decision as to what model it is going to
15 accept. So I think if we're required to take a look at
16 a "service area," I would do it from the standpoint of
17 what Jon -- to comply with the law. If that's what
18 we're looking for, to comply with the FCC requirement.
19 I think that's what we would look at is an area,
20 though, no larger than an exchange area, which we would
21 equate to a wire center or an exchange area. And we
22 have however many are on that.

23 MS. WIEST: He how many exchanges do you
24 still have?

25 MR. HEASTON: It's on the list we submitted.

1 A. I can't answer that exactly. It's
2 approximately 35.

3 MS. WIEST: It would be attached?

4 MR. HEASTON: It's on our exhibit to our
5 application.

6 MS. WIEST: So however many with the
7 amendment the three that were missed. That's how many
8 service areas you would like the Commission to
9 designate for U S West at this time?

10 A. I guess I'm not sure whether we would want to
11 designate each exchange.

12 MS. WIEST: My problem is we are supposed to
13 tell the FCC by December 31st what your designated
14 service area is.

15 A. Then I suppose we ought to do it exchange by
16 exchange.

17 MS. WIEST: If you want more time to think
18 about it --

19 MR. HEASTON: Yes, I think I would. I mean
20 this is not something that's come up in the other two
21 states that I've done this in, and I had the same basic
22 application. I will have to -- I will do a late-filed
23 exhibit on that if I could with an affidavit from Jon.

24 MS. WIEST: Okay.

25 MR. HEASTON: What are you relying on again,

1 Rolayne?

2 MS. WIEST: Actually what as far as the FCC's
3 public notice, that was docket 96-45 DA 97-1892 issued
4 9-29-97.

5 MR. HEASTON: 1892.

6 MS. WIEST: And I'm also relying on
7 paragraphs 185, 192, 193 of the FCC's universal service
8 order.

9 MR. HEASTON: 197, 175.

10 MS. WIEST: 157 or --

11 MS. CREMER: 185, 192.

12 MS. WIEST: The docket number for the FCC
13 universal service.

14 MR. HEASTON: Not the docket number but the
15 order number, the order number.

16 MS. WIEST: Okay. I was looking at 185, 192
17 and paragraph --

18 MR. HEASTON: I got those. Was it FCC
19 97-157?

20 MS. WIEST: 157, right. And the other thing
21 you might want to address in paragraph 185, for
22 example, it does say if a state PUC adopts its existing
23 service areas for large ILEC's, their study area, this
24 would erect significant barriers to entry. We are also
25 encouraged to consider designating service areas that

1 require an ILEC to serve areas other than they have not
2 traditionally served.

3 MR. HEASTON: Yes. And, see, this -- what
4 the problem this causes is where you have not
5 considered and have left to the FCC to determine how
6 that's going to be modeled from a proxy standpoint.
7 And, yes, we are advocating smaller geographic elements
8 than the wire center for universal high cost support
9 but I do not have a South Dakota specific look because
10 this Commission decided not to do their own earlier
11 this -- a couple months ago, as opposed to Wyoming and
12 North Dakota where I do have that because those two are
13 looking at doing their own, or suggesting their own
14 cost study. So I do have the small grids, as we call
15 it, and I could identify that for you. I cannot
16 identify anything smaller than right now than a wire
17 center.

18 MS. WIEST: Okay.

19 MR. COIT: Excuse me, may I comment briefly
20 on this? And I understand that I'm not a party but I
21 do believe it was my understanding today that the whole
22 issue of disaggregated service areas for U S West or
23 any other company may come up. But I would like to say
24 we certainly have an interest in the issue. And I
25 think that the FCC rules indicate that -- the orders

1 and the rules indicate that before changing an existing
2 service area, that the Commission at the state level
3 needs to find that it's consistent with universal
4 service requirements. So I think it's a really
5 involved -- involves a lot more than the review of
6 actually looking at ETC service obligations. You're
7 talking about making changes in a U S West service area
8 that could significantly change the level of support it
9 might receive under a federal universal service fund.
10 Decisions on U S West service area disaggregation and
11 so forth could certainly impact rural telephone
12 companies as well. And I guess going into this
13 proceeding it was our understanding that there are
14 certain established incumbent LEC service areas, and we
15 didn't understand, I guess, that we -- that the issue
16 in this U S West docket or any of the other ones would
17 be with regard to disaggregating service areas.

18 MS. WIEST: I'm not talking about
19 disaggregating service areas. And I think you have to
20 recognize the distinction that was made between
21 nonrurals and rural companies with respect to service
22 area. If we want to look at doing anything to rural
23 companies with respect to disaggregation, we have to
24 specifically petition the FCC. That's all I'm talking
25 about, and that's the reason why I only brought up this

1 issue with respect to U S West. And it's just my
2 understanding the Commission does have to do the
3 service area in order for U S West to get your
4 universal service money.

5 MR. HEASTON: If I could have until whatever
6 date was suggested earlier on getting the additional
7 affidavits in, I'll have a recommendation for you from
8 U S West on that.

9 MS. WIEST: Okay. Are there any other
10 questions of this witness? One more question,
11 Mr. Lehner. Do you have any observation to what
12 Mr. Best suggested as advertising requirements for your
13 company?

14 A. I'm not sure that I understood exactly what
15 he was requiring. If the requirement is to advertise
16 it once a year in the newspaper, I don't think we have
17 a problem with that.

18 MS. WIEST: And getting back to single party
19 service is high cost, the only barrier is to provide
20 single party service to those 52 customers?

21 A. Yes.

22 MS. WIEST: Is it also U S West's position
23 that the settlement agreement that you've stated is
24 suspended concerning single party service no longer
25 applies where I believe you stated you would have

1 single party service to all customers by the year 2000?

2 A. Had the 121 investment program continued, I
3 would have been out here talking to the staff and to
4 you about these anyway, because as we honed down to
5 some to the last few on some of these exchanges, it
6 became obvious that this was -- this is foolish to
7 spend that kind of money with the current technology.
8 Just doesn't make any sense.

9 MS. WIEST: That's all I have. Mr. Heaston,
10 you might also want to address the question of whether
11 the Commission has the authority to provide any de
12 minimus exception to the single party without putting
13 the time line on it.

14 MR. HEASTON: I don't know that de minimus is
15 the issue, but I do think that you could put a time
16 line on it and make it renewable that we would have to
17 come in. I think what the rule would allow you to do
18 is require us to come in on a regularly-scheduled
19 basis, maybe annually, maybe semi-annually, to update
20 the Commission of where we are technologywise in taking
21 care of these last 52. That would be my position on
22 this is that that puts a time limit on and it makes it
23 driven by the technology and the affordability of it.

24 MS. WIEST: Okay. Any other questions?

25 COMMISSIONER SCHOENFELDER: I have a question

1 of Mr. Lehner. And the reason I have a question is
 2 because in your amended application you might have
 3 addressed it, however, I don't have a copy of that and
 4 I apologize. But you addressed in here and you have an
 5 exhibit on your original application that regards
 6 Lifeline, Link Up. And basically what it is it's your
 7 tariff, or a page that looks like a tariff page to me.
 8 Now, U S West really intends to comply with the
 9 Commission order in Lifeline, Link Up?

10 A. Absolutely.

11 COMMISSIONER SCHOENFELDER: I need to know
 12 that.

13 A. And that page doesn't apply any more.

14 COMMISSIONER SCHOENFELDER: Thank you.

15 MS. WIEST: Any other questions? Thank you.

16 COMMISSIONER NELSON: I guess I have a
 17 question. You know, you -- when you were talking about
 18 why you shouldn't have to provide this single party
 19 systems for these areas that you listed like Spearfish
 20 and Pierre and all the list that you went through --

21 A. Yes.

22 COMMISSIONER NELSON: Why would it -- it just
 23 seems weird to me that it would be that expensive to
 24 provide those services in some areas. Like Pierre and
 25 Huron, those are pretty -- I mean can you explain that

1 to me a little bit because I find that a little odd.

2 A. The high cost we're talking about in many
 3 cases, not only replacing, we're talking about
 4 customers that were engineered probably back in the
 5 sixties and seventies to multi-party service with no
 6 intention of having single party service. So we're
 7 talking in many cases miles and miles of distribution
 8 cable, some cases six pair, 11 pair, maybe even greater
 9 pair. So we're talking about now having to replace
 10 that cable with probably 50 pair or a hundred pair
 11 cable. And we're also talking about many cases where
 12 at the end of that cable we have to extend what some
 13 people will call a drop, what I call a pair of wires,
 14 sometimes several miles. And in order to provide
 15 single party service -- well, I take that back in that
 16 case. The drop piece of that will be okay. I was
 17 thinking of if they have more than one line. But we're
 18 talking about distribution cable, we're talking about
 19 feeder, and we're talking in some cases about PAIR GAIN
 20 systems that are just plain full. I'm talking about
 21 systems that you've heard like Anaconda that are going
 22 to need to be replaced. It's expensive.

23 COMMISSIONER NELSON: I guess in my mind it
 24 seems to me that cost prohibitive -- I didn't exactly
 25 envision exactly what you were just explaining to me

1 because I was thinking maybe these lines had to be run
 2 out miles and miles and miles and there's nobody out
 3 there or something. But if this is in a fairly
 4 populated area, and it doesn't seem to me that these
 5 people should have to live with just two party
 6 telephone system when most of the world doesn't, as we
 7 know it in South Dakota, doesn't have to do that
 8 because the lines are all filled up. I mean I'm
 9 looking for some reason why that's acceptable,
 10 especially when some of those little companies are
 11 saying that they got maybe three or four people left
 12 that they don't have that service for and they've made
 13 every effort to say, well, we want a waiver but we will
 14 do it by the end of the year or whatever.

15 A. I think that most of the companies you've
 16 been listening to up until now -- and I obviously can't
 17 speak for them, but I think you're talking about
 18 engineering that was done probably 15, 20 years ago in
 19 most of these companies' cases where they at the time
 20 spent the money to do that. We did not do that. We
 21 provided distribution systems that were literally
 22 designed not to provide single party service. There
 23 are different funding mechanisms and different
 24 requirements that we've had. They've had the ability
 25 to spend that kind of money and recover it. Now, I can

1 spend \$100,000 or \$150,000 or 50,000, whatever it is,
 2 to do these, but somewhere that has to be recovered and
 3 it isn't going to be recovered from a customer. That
 4 customer isn't going to pay for that.

5 COMMISSIONER NELSON: It seems to me this
 6 flies in the face of what the governor's bill said last
 7 year. I mean here we're talking making available high
 8 technology to everybody in South Dakota. Basically
 9 that's what the bill says. And we're talking here some
 10 people that aren't even going to have single party
 11 telecommunication in this state.

12 A. Commissioner, all I can tell you is what the
 13 cost is. And I think that's -- I think that's, unless
 14 there's a recovery mechanism, it would make no sense to
 15 spend that kind of money. And I certainly wouldn't
 16 recommend it.

17 CHAIRMAN BURG: The question I have in the
 18 LEC industry when we have these kind of situations once
 19 in a while there's another provider that is closer that
 20 can do it. Would that be the case to any of these?
 21 Would that be a reasonable solution ever?

22 A. Yes, it would. And, Commissioner, if there
 23 is any company in this room that would like to serve
 24 any of these 52, I would be happy to negotiate.

25 CHAIRMAN BURG: I think maybe when we're down

1 to 52, we ought to get a list of those names and see if
 2 we could work it out. I share what Counsel has said.
 3 I'm not sure we can make the exception. I know that
 4 U S West's counsel has given us what I call a short
 5 term one, that in other words, we could give the waiver
 6 for a limited period of time, but I don't know that's
 7 an indefinite solution and we probably ought to work --
 8 look at working together to meet and find the solution
 9 to meet the FCC rules I think if we can. But so many
 10 -- maybe, I guess, what I would like to request is the
 11 actual name and location of those 52 filed at some
 12 time. I don't care whether it's part of this docket or
 13 not.

14 A. I think that can be provided.

15 MS. WIEST: Any other questions? If not,
 16 thank you.

17 CHAIRMAN BURG: I suppose we do need some
 18 type of waiver in order to grant them an ETC status.

19 MS. WIEST: Sorry, for which now?

20 CHAIRMAN BURG: For single party.

21 MS. WIEST: At this time staff has a witness
 22 on this case first.

23 MS. CREMER: Staff would call Harlan Best.

24 **HARLAN BEST,**

25 called as a witness, being previously sworn,

1 was examined and testified as follows:

2 DIRECT EXAMINATION

3 BY MS. CREMER:

4 Q. Harlan, were you the analyst assigned to
 5 TC97-163, U S West's application?

6 A. Yes.

7 Q. And have you reviewed that application by U S
 8 West?

9 A. Yes.

10 Q. And would you agree with Mr. Lehner when he
 11 testified earlier that they met all the requirements of
 12 47 CFR 54-101?

13 A. That they have met those?

14 Q. Yes.

15 A. Yes, with the discussion that we've had on
 16 single party.

17 Q. Right. Okay. And at your recommendation for
 18 advertising, would that be the same for U S West as it
 19 was for the others?

20 A. Yes.

21 Q. And what would your recommendation be for the
 22 Commission in defining a service area for U S West?

23 A. It would be the wire center.

24 MS. CREMER: That's all the questions I would
 25 have.

1 MS. WIEST: Any questions, Ms. Wilka?

2 MS. WILKA: No questions.

3 MS. WIEST: Commissioners?

4 CHAIRMAN BURG: The question I'd have is
5 based on that, should we not -- I mean is this -- what
6 do I call it? Is this a document that is filed in
7 these hearings?

8 MS. CREMER: Yes.

9 CHAIRMAN BURG: I guess I think we ought to
10 correct that exhibit to put no on each of those that
11 we've made a waiver for on the single party because I
12 believe the answer is no and we've made a waiver to
13 satisfy that.

14 MS. CREMER: Okay.

15 CHAIRMAN BURG: Since that's filed.

16 COMMISSIONER SCHOENFELDER: We have not moved
17 for a waiver in that area, have we?

18 CHAIRMAN BURG: Yes, for six months on one
19 other company.

20 MS. WIEST: We have two single party waivers
21 so far, but U S West we haven't moved yet; right?

22 CHAIRMAN BURG: But if we do and for any we
23 do, since he's a witness on the stand and this is his
24 document, I think that this document should be
25 corrected to reflect, no, they do not meet that to

1 coincide with the waivers we've given.

2 MS. CREMER: Okay.

3 CHAIRMAN BURG: I guess I don't know. What
4 do we need to do to make sure that correction is made?

5 MS. WIEST: I believe there are three
6 companies that do not at this time provide single party
7 service, so all they would have to do is change that
8 yes to no for those Stateline, Venture, and U S West;
9 right?

10 CHAIRMAN BURG: And the testimony on the
11 record is adequate to accomplish that?

12 MS. WIEST: Yes.

13 CHAIRMAN BURG: Okay. That's all I
14 wondered.

15 MS. WIEST: So how many wire centers does U S
16 West have?

17 A. 38.

18 MS. WIEST: 38. Thank you. Any other
19 questions of this witness?

20 MS. CREMER: No.

21 MS. WIEST: Would you like to admit this
22 docket for the purposes of this docket? Before I only
23 admitted it for the other dockets.

24 MS. CREMER: Actually I wasn't going to move
25 it into this one because people testified to it, so I

1 didn't really need it in mine. But I can certainly
2 move it.

3 MS. WIEST: It's up to you.

4 MS. CREMER: We don't need it in this docket.

5 MS. WIEST: Any other questions of this
6 witness? Thank you. Anything else from any of the
7 parties? At this time I believe the Commission will
8 take these matters under advisement. We are waiting
9 for some late-filed exhibits in some dockets, and it
10 will be possible that perhaps the Commission will make
11 the decisions either at a Commission meeting or at the
12 December 2nd hearing on some other related ETC
13 dockets. Are there any questions from anybody or any
14 comments?

15 MR. COIT: I would just, for the record, like
16 to formally request that the Commission designate each
17 of the -- based upon the record, the affidavits yet to
18 be submitted, that the Commission designate each of the
19 rural telephone companies, SDITC member companies, as
20 ETC's and that their study areas be designated as their
21 service area. That's all I have.

22 MS. WIEST: Thank you. That will close the
23 hearing.

24 (THE HEARING CONCLUDED AT 3:50 P.M.)
25

1 STATE OF SOUTH DAKOTA)
2 COUNTY OF HUGHES)
3

4 I, Lori J. Grode, RMR, Notary Public, in and
5 for the State of South Dakota, do hereby certify that
6 the above hearing, pages 1 through 89, inclusive, was
7 recorded stenographically by me and reduced to
8 typewriting.

9 I FURTHER CERTIFY that the foregoing
10 transcript of the said hearing is a true and correct
11 transcript of the stenographic notes at the time and
12 place specified hereinbefore.

13 I FURTHER CERTIFY that I am not a relative or
14 employee or attorney or counsel of any of the parties,
15 nor a relative or employee of such attorney or counsel,
16 or financially interested directly or indirectly in
17 this action.

18 IN WITNESS WHEREOF, I have hereunto set my
19 hand and seal of office at Pierre, South Dakota, this
20 1st day of December, 1997.
21

22 _____
23 Lori J. Grode, RMR
24
25

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

[illegible]

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

[illegible]

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

[illegible]

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

[illegible]

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

[illegible]

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

	Midwest Cooperative Telephone Company TCR-117 CH	Kansas Telephone Company TCR-121 CH	Southwest Telephone Company TCR-123 KC	Harrison Communications Co. d/b/a Harrison County Telephone Co. TCR-120 CH	Harrison Communications Co. d/b/a Harrison County Telephone Co. TCR-121 CH	West River Telephone Company TCR-148 KC	Midwest Telephone Company TCR-158 CH
47 C.F.R. §4.101(b) 1. voice grade access to public switched network 2. local usage 3. dual tone multi-frequency signaling or its functional equivalent 4. single party service or its functional equivalent	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes
5. access to emergency services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. access to operator services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. access to message services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8. access to directory assistance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. toll limitation for qualifying long-distance customers	not blocking	not blocking	not blocking	not blocking	not blocking	not blocking	not blocking
and control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year	not control not provided; requesting a waiver for one year
47 C.F.R. §4.402 and §4.411 Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.	Midwest does not currently provide its services under the terms of 47 C.F.R. §4.402 - 417.
47 U.S.C. §1405(b) with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine	with do go going forward in accordance with any specific request for service that the Commission may determine
10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87	10/1/87 letter response due by 10/1/87
death by president	death by president	death by P. Morris	death by C. Chang	death by L. Johnson	death by president	death by president	death by president

TC97-154

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

RECEIVED

SEP 10 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF)
WEST RIVER TELECOMMUNICATIONS)
COOPERATIVE, FOR DESIGNATION AS)
AN ELIGIBLE TELECOMMUNICATIONS)
CARRIER)

REQUEST FOR ETC
DESIGNATION

West River Telecommunications Cooperative, McLaughlin, South Dakota (Hazen, North Dakota) pursuant to 47 United States Code Section 214(e) and 47 Code of Federal Regulations Section 54.201 hereby seeks from the Public Utilities Commission ("Commission") designation as an "Eligible Telecommunications Carrier" within the local exchange area that constitutes its service area in South Dakota. In support of this request, West River Telecommunications Cooperative offers the following:

1. Pursuant to 47 U.S.C. Section 214(e) it is the Commission's responsibility to designate local exchange carriers ("LECs") as "eligible telecommunications carriers" ("ETC"), or in other words, to determine which LECs have assumed universal service obligations consistent with the federal law and should be deemed eligible to receive federal universal service support. At least one eligible telecommunications carrier is to be designated by the Commission for each service area in the State. However, in the case of areas served by "rural telephone companies", the Commission may not designate more than one LEC as an ETC without first finding that such additional designation would be in the public interest. Under 47 CFR Section 54.201, beginning January 1, 1998, only telecommunications carriers that have received designation from the Commission to serve as an eligible telecommunications carrier within their service area will be eligible to receive federal universal service support.

2. West River Telecommunications Cooperative is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange in South Dakota:

Name	Total Access Lines	Exchange Prefix/Name
West River Telecommunications Cooperative	689	605/823 McLaughlin

In the ordinary course of business the number of access lines are subject to change. West River Telecommunications Cooperative to its knowledge is the only carrier today providing local exchange



telecommunications service in the above exchange area

3. West River Telecommunications Cooperative in accord with 47 CFR Section 54.101 offers the following local exchange telecommunications services to all members throughout its service area:

- Voice grade access to the public switched network;
- Local exchange service including an amount of local usage free of per minute charges under a flat rated local service package;
- Dual tone multi-frequency signaling;
- Access to emergency service such as 911 or enhanced 911 public services;
- Access to operator services;
- Access to interexchange service;
- Access to directory assistance; and
- Toll blocking service to qualified low-income members and all others.

As noted above, West River Telecommunications Cooperative does provide toll limitation service in the form of toll blocking to qualifying members, and offers "toll control with PIN", however, the additional toll limitation service of "toll control" as defined in the new FCC universal service rules (47 CFR section 54.400(3)) is not provided. West River Telecommunications Cooperative is not aware that any local exchange carrier in South Dakota has a current capability to provide such service. The FCC gave no indication prior to the release of its universal service order (FCC 97-157) that toll control would be imposed as an ETC service requirement and, to our information and belief, as a result, LECs nationwide are not positioned to make the service immediately available. In order for West River Telecommunications Cooperative to provide the service, additional usage tracking and storage capabilities will have to be installed in its local switching equipment. At minimum, the service requires a switching software upgrade and at this time West River Telecommunications Cooperative is investigating and attempting to determine whether the necessary software has been developed and when it might become available.

Accordingly, West River Telecommunications Cooperative is faced with exceptional circumstances concerning the ability to make the toll control service available as set forth in the FCC's universal service rules and must request a waiver from the requirement to provide such service. At this time, a waiver is requested. The Commission may properly grant a waiver from the "toll control" requirement pursuant to 47 CFR 54.101(e).

4. West River Telecommunications Cooperative has previously and will continue to advertise the availability of its local exchange services in media of general distribution throughout the exchange area served. Prior to this filing, West River Telecommunications Cooperative has not generally

advertised the prices charged for all of the above-identified services. It will do so going forward in accord with any specific advertising standards that the Commission may develop.

5. Based on the foregoing, West River Telecommunications Cooperative respectfully request that the Commission:

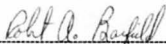
(a) grant a waiver of the requirement to provide "toll control" service;

and

(b) grant an ETC designation to West River Telecommunications Cooperative covering all of the local exchange area that constitutes its present service area in the State.

Dated this 8th day of September, 1997.

West River Telecommunications Cooperative



ROBERT A. BARFIELD
General Manager



October 9, 1997

West River Telecommunications Cooperative

and subsidiary companies
West River Communications, Inc.
Mobridge Telecommunications Co.

RECEIVED

OCT 16 1997

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

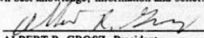
Ms. Karen Cremer, Staff Attorney
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

**RE: Eligible Telecommunications Carrier application, TC97-154
West River Telecommunications Cooperative**

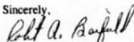
Thank you, Ms. Cremer,

For your letter of October 1, 1997, relative to the above.

1. Pursuant to 47 C.F.R. 54.101(a)(4), **Single-Party Service** is being offered by West River Telecommunications Cooperative to all members in the McLaughlin, South Dakota telephone exchange.
2. West River Telecommunications Cooperative currently offers Lifeline and Link Up local service discounts within its exchange area. Beginning January 1, 1998, the programs will be offered under new terms in accord with the FCC rules, 47 CFR 54.400 - 54.417, and any South Dakota Public Utilities Commission decisions concerning implementation of the expanded programs.
3. ALBERT R. GROSZ, being first duly sworn, states that I am the President of the West River Telecommunications Cooperative, that I have read the initial Eligible Telecommunications Carrier (ETC) application and the foregoing, and the same are true to my own best knowledge, information and belief.


ALBERT R. GROSZ, President
West River Telecommunications Cooperative

Sincerely,


Robert A. Barfield
General Manager

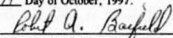
STATE OF NORTH DAKOTA)

COUNTY OF MERCER)

The foregoing instrument was acknowledged before me this 14 Day of October, 1997.

My Commission Expires March 24, 2000

State of North Dakota
Notary Public Seal


Robert A. Barfield, Notary Public
County of Mercer

West River Communications, Inc.
1-800-256-1736

West River Telecommunications
701-748-2211
1-800-748-7220

Mobridge Telecommunications Co.
1-800-748-7220

PO Box 467 - Hazen - North Dakota - 58545

EXHIBIT

2

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

IN THE MATTER OF THE FILING BY WEST)	FINDINGS OF FACT,
RIVER TELECOMMUNICATIONS)	CONCLUSIONS OF LAW,
COOPERATIVE FOR DESIGNATION AS AN)	ORDER AND NOTICE OF
ELIGIBLE TELECOMMUNICATIONS CARRIER)	ENTRY OF ORDER
)	TC97-154

On September 10, 1997, the Public Utilities Commission (Commission) received a request for designation as an eligible telecommunications carrier (ETC) from West River Telecommunications Cooperative (West River Telecommunications). West River Telecommunications requested designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area.

The Commission electronically transmitted notice of the filing and the intervention deadline to interested individuals and entities. No person or entity filed to intervene. By order dated November 7, 1997, the Commission set the hearing for this matter for 1:30 p.m. on November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota.

The hearing was held as scheduled. At the hearing, the Commission granted West River Telecommunications a one year waiver of the requirement to provide toll control service within its service area. At its December 11, 1997, meeting, the Commission granted ETC designation to West River Telecommunications and designated its study area as its service area.

Based on the evidence of record, the Commission enters the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

On September 10, 1997, the Commission received a request for designation as an ETC from West River Telecommunications. West River Telecommunications requested designation as an ETC within the local exchange areas that constitute its service area. West River Telecommunications serves the following exchange: McLaughlin (823). Exhibit 1.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

IV

The Federal Communications Commission (FCC) has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

West River Telecommunications offers voice grade access to the public switched network to all consumers throughout its service area. Exhibit 1.

VII

West River Telecommunications offers local exchange service including an amount of local usage free of per minute charges to all consumers throughout its service area. Id.

VIII

West River Telecommunications offers dual tone multi-frequency signaling to all consumers throughout its service area. Id.

IX

West River Telecommunications offers single party service to all consumers throughout its service area. Exhibit 2.

X

West River Telecommunications offers access to emergency services to all consumers throughout its service area. Exhibit 1.

XI

West River Telecommunications offers access to operator services to all consumers throughout its service area. Id.

XII

West River Telecommunications offers access to interexchange services to all consumers throughout its service area. Id.

XIII

West River Telecommunications offers access to directory assistance to all consumers throughout its service area. Id.

XIV

One of the services required to be provided by an ETC to qualifying low-income consumers is toll limitation. 47 C.F.R. § 54.101(a)(9). Toll limitation consists of both toll blocking and toll control. 47 C.F.R. § 54.400(d). Toll control is a service that allows consumers to specify a certain amount of toll usage that may be incurred per month or per billing cycle. 47 C.F.R. § 54.400(c). Toll blocking is a service that lets consumers elect not to allow the completion of outgoing toll calls. 47 C.F.R. § 54.400(b).

XV

West River Telecommunications offers toll blocking to all consumers throughout its service area. Exhibit 1.

XVI

West River Telecommunications does not currently offer toll control. Id. In order for West River Telecommunications to provide toll control, additional usage tracking and storage capabilities will have to be installed in its local switching equipment. West River Telecommunications is attempting to determine whether the necessary software has been developed and when it might become available. Id.

XVII

West River Telecommunications stated that it is faced with exceptional circumstances concerning its ability to make toll control service available and requested a waiver from the requirement to provide such service. Id.

XVIII

With respect to the obligation to advertise the availability of services supported by the federal universal service support mechanism and the charges for those services using media of general distribution, West River Telecommunications stated that it advertises the availability of its local exchange services in media of general distribution throughout its service area. However, West River Telecommunications has not generally advertised the prices for these services. Id. West River Telecommunications stated its intention to comply with any advertising standards developed by the Commission. Id.

XIX

West River Telecommunications currently offers Lifeline and Link Up service discounts in its exchanges. Exhibit 2. West River Telecommunications will offer the Lifeline and Link Up service discounts in all of its service area beginning January 1, 1998, in accordance with 47 C.F.R. §§ 54.400 to 54.417, inclusive, and any Commission imposed requirements. Exhibit 2.

XX

The Commission finds that West River Telecommunications currently provides and will continue to provide the following services or functionalities throughout its service area: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling; (4) single-party service; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll blocking for qualifying low-income consumers.

XXI

The Commission finds that pursuant to 47 C.F.R. § 54.101(c) it will grant West River Telecommunications a waiver of the requirement to offer toll control services until December 31, 1998. The Commission finds that exceptional circumstances prevent West River Telecommunications from providing toll control at this time due to the difficulty in obtaining the necessary software upgrades to provide the service.

XXII

The Commission finds that West River Telecommunications intends to provide Lifeline and Link Up programs to qualifying customers throughout its service area consistent with state and federal rules and orders.

XXIII

The Commission finds that West River Telecommunications shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor throughout its service area using media of general distribution once each year. The Commission further finds that if the rate for any of the services supported by the federal universal service support mechanism changes, the new rate must be advertised using media of general distribution.

XXIV

Pursuant to 47 U.S.C. § 214(e)(5), the Commission designates West River Telecommunications's current study area as its service area.

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 214.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

IV

The FCC has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched

network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

West River Telecommunications has met the requirements of 47 C.F.R. § 54.101(a) with the exception of the ability to offer toll control. Pursuant to 47 C.F.R. § 54.101(c), the Commission concludes that West River Telecommunications has demonstrated exceptional circumstances that justify granting it a waiver of the requirement to offer toll control until December 31, 1998.

VII

West River Telecommunications shall provide Lifeline and Link Up programs to qualifying customers throughout its service area consistent with state and federal rules and orders.

VIII

West River Telecommunications shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor using media of general distribution once each year. If the rate for any of the services supported by the federal universal service support mechanism changes, the new rate shall be advertised using media of general distribution.

IX

Pursuant to 47 U.S.C. § 214(e)(5), the Commission designates West River Telecommunications's current study area as its service area.

X

The Commission designates West River Telecommunications as an eligible telecommunications carrier for its service area.

It is therefore

ORDERED, that West River Telecommunications's current study area is designated as its service area; and it is

FURTHER ORDERED, that West River Telecommunications shall be granted a waiver of the requirement to offer toll control services until December 31, 1998; and it is

FURTHER ORDERED, that West River Telecommunications shall follow the advertising requirements as listed above; and it is

FURTHER ORDERED, that West River Telecommunications is designated as an eligible telecommunications carrier for its service area.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 17th day of December, 1997. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 17th day of December, 1997.

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 *Debbie Kaeke*

Date 12/18/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner



TC97-154

WEST RIVER

TELECOMMUNICATIONS COOPERATIVE

P.O. BOX 467 HAZEN, NORTH DAKOTA 58545

TELEPHONE: (701) 748-2211

FAX: (701) 748-6800

December 23, 1997

RECEIVED

DEC 26 1997

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Universal Service Administration Company
100 South Jefferson Road
Whippany, NJ 07981

Dear Sir:

Enclosed is our Lifeline and Link Up plans for West River Telecommunications Cooperative and also the PUC Order issued in Docket TC97-150 marked "Exhibit A".

If you have any questions, please call.

Sincerely,

Robert A. Barfield
General Manager

RAB/co
Enc.

SERVING THE AREA OF NORTH DAKOTA AND SOUTH DAKOTA ...



**LIFELINE AND LINK UP PLAN OF
WEST RIVER TELECOMMUNICATIONS COOP.
TELEPHONE COMPANY**

The *West River Telecommunications Coop* submits this plan pursuant to 47 CFR § 54.401(d). *West River Telecommunications Coop* has been designated as an eligible telecommunications carrier by the South Dakota Public Utilities Commission ("SDPUC") and, as such, must make Lifeline and Link Up service available to qualifying low-income consumers as set forth in the Commission's *Final Order and Decision; Notice of Entry of Decision* dated November 18, 1997, issued in Docket TC97-150 (In the Matter of the Investigation into the Lifeline and Link Up Programs), which is attached as Exhibit A, and consistent with the criteria established under 47 CFR §§ 54.400 to 54.417, inclusive.

A. General

1. The Lifeline and Link Up programs assist qualified low-income consumers by providing for reduced monthly charges and reduced connection charges for local telephone service. The assistance applies to a single telephone line at a qualified consumer's principal place of residence.
2. A qualified low-income consumer is a telephone subscriber who participates in at least one of the following public assistance programs:
 - a. Medicaid
 - b. Food Stamps
 - c. Supplemental Security Income (SSI)
 - d. Federal Public Housing Assistance
 - e. Low-Income Home Energy Assistance Program (LHEAP)
3. A qualified low-income consumer is eligible to receive either or both Lifeline and Link Up assistance.
4. *West River Telecommunications Coop* will advertise the availability of Lifeline and Link Up services and the charges therefore using media of general distribution and in accord with any rules that may be developed by the SDPUC for application to eligible telecommunications carriers.
5. In addition, *West River Telecommunications Coop*, as required by the *Final Order and Decision; Notice of Entry of Decision* of the SDPUC (Exhibit A), will indicate in it's annual report to the SDPUC the number of subscribers within it's service area receiving Lifeline and/or Link Up assistance. In addition, this information will be provided to the Universal Service Administrative Company ("USAC").
6. Information as to the number of consumers qualifying for Lifeline and/or Link Up assistance cannot currently be provided by *West River Telecommunications Coop* because it has no access to the government information necessary to determine how many of its

telephone subscribers are participating in the above referenced public assistance programs. Without this information, *West River Telecommunications Coop* cannot provide, at this time, even a reasonable estimate of the number of its subscribers who, after January 1, 1998, will be receiving Lifeline and/or Link Up service. Information as to the number of its low-income subscribers qualifying for Lifeline and/or Link Up can be provided after applications for Lifeline and Link Up assistance have been received by *West River Telecommunications Coop*.

7. In accord with the SDPUC's *Final Order and Decision; Notice of Entry of Decision*, *West River Telecommunications Coop* will make application forms available to all of its existing residential customers, to all new customers when they apply for residential local telephone service, and to other persons or entities upon their request.

B. Lifeline

1. Lifeline service means a retail local service offering for which qualified low-income consumers pay reduced charges.

2. Lifeline service includes voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, and toll limitation.

3. Qualified low-income subscribers are required to submit an application form in order to receive Lifeline service. In applying for Lifeline assistance, the subscriber must certify under penalty of perjury that they are currently participating in at least one of the qualifying public assistance programs listed in Section A.2, above. In addition, the subscriber must agree to notify *West River Telecommunications Coop* when they cease participating in the qualifying public assistance program(s).

4. The total monthly Lifeline credit available to qualified consumers is \$5.25. *West River Telecommunications Coop* shall provide the credit to qualified consumers by applying the federal baseline support amount of \$3.50 to waive the consumer's federal End-User Common Line charge and applying the additional authorized federal support amount of \$1.75 as a credit to the consumer's intrastate local service rate. The federal baseline support amount and additional support available, totaling \$5.25, shall reduce *West River Telecommunications Coop's* lowest tariffed (or otherwise generally available) residential rate for the services listed above in Section B.3. Per the attached SDPUC *Final Order and Decision; Notice of Entry of Decision*, the SDPUC has authorized intrastate rate reductions for eligible telecommunications carriers making the additional federal support amount of \$1.75 available. The SDPUC did not establish a state Lifeline program to fund any further rate reductions. (Exhibit A, Findings of Fact VII and VIII; and Conclusions of Law II and III).

5. *West River Telecommunications Coop* will not disconnect subscribers from their Lifeline service for non-payment of toll charges unless the SDPUC, pursuant to 47 CFR § 54.401(b)(1), has granted the company a waiver from the non-disconnect requirement.

6. Except to the extent that *West River Telecommunications Coop* has obtained a waiver from the SDPUC pursuant to 47 CFR § 54.101(c), the company shall offer toll limitation to all qualifying low-income consumers when they subscribe to Lifeline service. If the subscriber elects to receive toll limitation, that service shall become part of that subscriber's Lifeline service.

7. *West River Telecommunications Coop* will not collect a service deposit in order to initiate Lifeline service if the qualifying low-income consumer voluntarily elects toll blocking on their telephone line. However, one month's local service charges may be required as an advance payment.

C. Link Up

1. Link Up means:

(a) A reduction in the customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence. The reductions shall be 50 percent of the customary charge or \$30.00, whichever is less; and

(b) A deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed to the consumer shall be for connection charges of up to \$200.00 that are deferred to a period not to exceed one year.

2. Charges assessed for commencing service include any charges that are customarily assessed for connecting subscribers to the network. These charges do not include any permissible security deposit requirements.

3. The Link Up program shall allow a consumer to receive the benefit of the Link Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously.

West River Telecommunications Cooperative
PO Box 467, Hazen, North Dakota 58545
Telephone # 701-748-2211 or 800-748-7220

By _____
Name

Robert A. Bayfield

Position

General Manager

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

IN THE MATTER OF THE INVESTIGATION)	FINAL ORDER AND
INTO THE LIFELINE AND LINK UP)	DECISION; NOTICE OF
PROGRAMS)	ENTRY OF DECISION
)	TC97-150

At its August 18, 1997, regularly scheduled meeting, the Public Utilities Commission (Commission) voted to open a docket concerning the Federal Communications Commission's (FCC's) Report and Order on Universal Service regarding the Lifeline and Link Up programs. In its Report and Order, the FCC decided that it would provide for additional federal support in the amount of \$1.75, above the current \$3.50 level. However, in order for a state's Lifeline consumers to receive the additional \$1.75 in federal support, the state commission must approve that reduction in the portion of the intrastate rate paid by the end user. 47 C.F.R. § 54.403(a). Additional federal support may also be received in an amount equal to one-half of any support generated from the intrastate jurisdiction, up to a maximum of \$7.00 in federal support. 47 C.F.R. § 54.403(a). A state commission must file or require the carrier to file information with the administrator of the federal universal service fund demonstrating that the carrier's Lifeline plan meets the criteria set forth in 47 C.F.R. § 54.401.

By order dated August 28, 1997, the Commission allowed interested persons and entities to submit written comments concerning how the Commission should implement the FCC's rules on the Lifeline and Link Up programs. In their written comments, interested persons and entities commented on the following questions:

1. Whether the Commission should approve intrastate rate reductions to allow consumers eligible for Lifeline support to receive the additional \$1.75 in federal support?
2. Whether the Commission should set up a state Lifeline Program to fund further reductions in the intrastate rate paid by the end user?
3. Whether the Commission should modify the existing Lifeline or Link Up Programs?
4. Shall the Commission file or require the carrier to file information with the administrator of the federal universal service fund demonstrating that the carrier's Lifeline plan meets the criteria set forth in 47 C.F.R. § 54.401(d)?

By order dated October 16, 1997, the Commission set public hearings to receive public comment on the questions listed above. The hearings were held at the following times and places:

<u>RAPID CITY:</u>	Monday, October 27, 1997, 1:00 p.m., Canyon Lake Senior Citizens Center, 2900 Canyon Lake Drive, Rapid City, SD
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PIERRE:

Tuesday, October 28, 1997, 1:30 p.m., State Capitol Building, Room 412, 500 East Capitol Avenue, Pierre, SD

SIoux FALLS:

Wednesday, October 29, 1997, 9:00 a.m., Center for Active Generations, 2300 West 46th, Sioux Falls, SD

At its November 7, 1997, meeting, the Commission ruled as follows: On the first issue, the Commission authorized intrastate rate reductions to allow eligible consumers to receive the additional \$1.75 in federal support. With respect to the second issue, the Commission decided to not set up a state Lifeline program to fund further reductions at this time. On the third issue, the Commission eliminated the existing TAP program that requires U S WEST and carriers that have purchased U S WEST exchanges to fund a \$3.50 reduction of local rates to low income customers age 60 and over. The Commission further ruled that the South Dakota Link Up program follow the FCC rules. In addition, the Commission ordered that staff, in consultation with the carriers, develop a standard form for self-certification; that these forms be sent to all of their customers prior to January 1, 1998, and thereafter, to all new customers; and that the carriers make the forms available to any person or entity upon request. On the fourth issue, the Commission ruled that the carrier be required to file with the FCC the information demonstrating that the carrier's plan meets the applicable FCC criteria and that the carrier send an informational copy to the Commission. Further, that the carriers include in their annual report to the Commission the number of subscribers who receive Lifeline and Link Up support.

Based on the written comments and evidence and testimony received at the hearings, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

The current state Lifeline program is referred to as the Telephone Assistance Plan (TAP). The current state Link Up program is referred to as the Link Up America program. The Commission implemented these programs in the U S WEST exchanges pursuant to its Decision and Order dated February 17, 1988, issued in Docket F-3703, In the Matter of the Investigation into Implementation of a Telephone Assistance Plan for South Dakota Customers. Exhibit 1 at page 1. Subsequent buyers of U S WEST exchanges were required to also offer the TAP and Link Up America programs. Id. at pages 1-2.

II

The amount of TAP assistance is \$7.00, \$3.50 of which is federally funded, with the remaining \$3.50 funded by the local telecommunications carrier. Id. at page 3. Although U S WEST was originally allowed to charge a surcharge to fund the program, U S WEST subsequently gave up that right in Docket F-3647-8, In the Matter of the Public Utilities Commission Investigation into the Effects of the 1986 Tax Reform Act on South Dakota Utilities. Exhibit 5. In order to receive the TAP assistance, a member of the household

must be 60 years of age or older and participate in either the food stamp or the low-income energy assistance program. Exhibit 1 at page 2.

III

The Link Up America program provides assistance in an amount equal to one-half of the qualifying subscriber's telephone service connection charges up to a maximum of \$30.00. *Id.* at page 3. In order to receive Link Up assistance, a customer must be receiving either food stamps or low-income energy assistance, must not presently have local telephone service and must not have been provided telephone service at his or her residence within the previous three months, and must not be a dependent for federal income tax purposes (dependency criteria does not apply to those 60 years of age or older). *Id.* The Link Up program is funded entirely out of federal funds. *Id.*

IV

The FCC revised the current Lifeline and Link Up programs in CC Docket No. 96-45, *In the Matter of Federal-State Joint Board on Universal Service*, adopted May 7, 1997. Beginning January 1, 1998, the FCC found that the federal baseline Lifeline support will be \$3.50 per qualifying low-income consumer with an additional \$1.75 in federal support if the state commission approves a corresponding reduction in intrastate local rates. 47 C.F.R. § 54.403(a). Additional federal Lifeline support in an amount equal to one-half the amount of any state Lifeline support (not to exceed \$7.00) is also available. *Id.*

V

The FCC further found that the federal support for Link Up will continue to be a reduction in the telecommunications carrier's service connection charges equal to one half of the carrier's customer connection charge or \$30.00, whichever is less. 47 C.F.R. § 54.413(b).

VI

Pursuant to the FCC's rules, if there is no state Lifeline or Link Up program, a consumer is eligible for support if the consumer participates in one of the following programs: Medicaid; food stamps; Supplemental Security Income; federal public housing assistance; or the Low-Income Home Energy Assistance Program. 47 C.F.R. §§ 54.409(b) and 54.415(b). In addition, if there is no state Lifeline or Link Up program, a customer must certify under penalty of perjury that the customer is receiving benefits from one of the programs listed above and agrees to notify the carrier if the customer ceases to participate in such program or programs. *Id.*

VII

The first issue is whether the Commission should approve intrastate rate reductions to allow consumers eligible for Lifeline support to receive the additional \$1.75 in federal

support. The Commission finds that it shall authorize intrastate rate reductions for eligible telecommunications companies providing local exchange service to allow eligible consumers to receive the additional \$1.75 in federal support. Thus, the total amount of federal support is \$5.25 per eligible customer.

VIII

The second issue is whether the Commission should set up a state Lifeline program to fund further reductions in the intrastate rate paid by the end user. The Commission finds it will not set up a state Lifeline program to fund further reductions at this time.

IX

The third issue is whether to modify or eliminate the existing Lifeline program or Link Up program. With respect to the existing Lifeline program, the Commission finds that it shall eliminate the existing TAP program that requires U S WEST and carriers that have purchased U S WEST exchanges to fund a \$3.50 reduction of local rates to low income customers age 60 and over. The Commission further finds that the South Dakota Lifeline and Link Up programs shall follow the FCC rules. See 47 U.S.C. §§ 54.400 to 54.417. The effect of following the FCC rules and not instituting further state funded reductions is that the FCC eligibility requirements and self-certification requirements will apply to the South Dakota Lifeline and Link Up programs. In addition, the Commission orders that the Commission staff, in consultation with the carriers, develop a standard form for self-certification. The carriers shall send these forms to each customer prior to January 1, 1998. The carriers shall also send a form to each of their new customers. Finally, the carriers shall make the forms available to any person or entity upon request.

X

The fourth issue is whether the Commission should file, or in the alternative, require the carrier to file information with the fund administrator. See 47 C.F.R. § 54.401(d). The Commission finds the carriers shall be required to file that information demonstrating that the carrier's plan meets the applicable FCC rules and that the carrier send an informational copy to the Commission. The carriers shall also be required to include in their annual report to the Commission the number of subscribers who receive Lifeline and Link Up support.

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-1.1, 49-31-3, 49-31-7, 49-31-7.1, 49-31-11, 49-31-12.1, 49-31-12.2 and 12.4, and 47 C.F.R. §§ 54.400 to 54.417.

II

Pursuant to 47 C.F.R. § 54.403(a), the Commission authorizes intrastate rate reductions for eligible telecommunications companies providing local exchange service to allow eligible consumers to receive the additional \$1.75 in federal support.

III

The Commission declines to institute a state Lifeline program to fund further reductions at this time. The existing South Dakota Lifeline and Link Up programs shall be modified to follow the FCC rules found at 47 U.S.C. §§ 54.400 to 54.417, inclusive, on January 1, 1998. The Commission staff, in consultation with the carriers, shall develop a standard form for self-certification. The carriers shall send these forms to each customer prior to January 1, 1998. The carriers shall also send a form to each of their new customers. Finally, the carriers shall make the forms available to any person or entity upon request.

IV

Pursuant to 47 C.F.R. § 54.401(d), the Commission finds the carriers shall be required to file that information demonstrating that the carrier's plan meets the applicable FCC rules and that the carrier send an informational copy to the Commission. The carriers shall also be required to include in their annual report to the Commission the number of subscribers who receive Lifeline and Link Up support.

It is therefore

ORDERED, that the Commission authorizes intrastate rate reductions for eligible telecommunications companies providing local exchange service to allow eligible consumers to receive the additional \$1.75 in federal support; and it is

FURTHER ORDERED, that the Commission will not set up a state Lifeline program to fund further reductions at this time; and it is

FURTHER ORDERED, that the Commission shall eliminate the existing TAP program; that the South Dakota Lifeline and Link Up programs follow the FCC rules; that the Commission staff, in consultation with the carriers, develop a standard form for self-certification; that the carriers shall send these forms to all of their customers prior to January 1, 1998; that the carriers shall also send a form to each of their new customers; and that the carriers make the forms available to any person or entity upon request; and it is

FURTHER ORDERED, that the carrier shall file with the FCC the information demonstrating that the carrier's plan meets the applicable FCC rules and that the carrier send an informational copy to the Commission. The carriers shall also include in their annual report to the Commission the number of subscribers who receive Lifeline and Link Up support.

Dated at Pierre, South Dakota, this 18th day of November, 1997.

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: Nelaine Kalbs

Date: 11/18/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner