

MEMORANDUM

TO: Commissioners Wefald, Reinbold and Clark  
PUD

FROM: Bill Binek

DATE: February 21,2002

RE: Disaggregation Jurisdiction Case No. PU-439-01-460

The FCC has established a mechanism for disaggregation and targeting of support for rural incumbent local exchange carriers. 47 C.F.R. § 54.315. It allows carriers to depart from the study-area averaging, and instead “disaggregate” and target high cost universal service support. The question that the Commission needs to address is whether it has jurisdiction over this issue as it relates to the rural companies.

The Commission has the power under N.D.C.C. § 49-21-01.7(13) to “[d]esignate geographic service areas for the purpose of determining universal service obligations and support mechanisms under the federal act.” However, Section 49-21-01.7(13) does **not** give authority to the Commission to “disaggregate” within the service area. Disaggregation and targeting of support within the service area is an entirely separate issue from the designation of a geographic service area.