

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Polar Communications Mutual Aid Corporation
Local Exchange
Public Convenience and Necessity**

Case No. PU-08-85

**Polar Communications Mutual Aid Corporation
Designated Eligible Carrier
Application**

Case No. PU-08-213

ORDER

September 24, 2008

On February 20, 2008, in Case No. PU-08-85, Polar Communications Mutual Aid Corporation (Polar) of Park River, ND filed an application for certificates of public convenience and necessity to provide facilities-based incumbent local exchange telecommunication services in the Gilby, Lakota, Fordville, Edmore, Adams, and Pembina exchanges in North Dakota. Polar reports merging with subsidiary Polar Telecommunications, Inc. to operate as a single company effective January 1, 2005.

On April 9, 2008 the Commission issued a Notice of Opportunity for Hearing that provided until May 21, 2008 for receiving written comments and requests for hearing. No comments or requests for hearing have been received. The Notice identified the following issues to be considered:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. Technical, financial and managerial ability of the applicant to provide service.

On September 23, 2008, the Commission's Director of Accounting filed a memorandum indicating that Polar has the financial ability to provide service.

Polar is a rural telephone cooperative and a North Dakota business corporation that has been engaged in the business of providing incumbent local exchange telecommunications service, exchange access and other telecommunications activities in the Aneta, Arthur, Brocket, Cavalier, Crystal, Dahlen, Drayton, Edinburg, Fairdale, Galesburg, Hoople, Hunter, Inkster, Lankin, Michigan, Neche, Nekoma, Niagra, Park River, Petersburg and St. Thomas exchanges of North Dakota (Polar Service Area).

Following a vote of the cooperative membership, subsidiary Polar Telecommunications, Inc., (Polar Telecomm) was merged with and into Polar. As of the January 1, 2005 effective closing date of the transaction, the subsidiary ceased and Polar commenced doing business as a provider of local exchange and exchange

access services in the Gilby, Adams, Edmore, Fordville, Lakota and Pembina, exchanges (Polar Telecomm Service Area).

All subscribers served by the subsidiary in the Polar Telecomm Service Area prior to the closing date were eligible to be served by Polar beginning on the closing date at the same rates for basic local service as previously charged by Polar Telecomm.

The Commission finds Polar fit and able to provide incumbent local exchange services within the Polar Telecomm Service Area.

The Commission finds Polar has the technical, financial and managerial ability to provide service within the Polar Telecomm Service Area.

The Commission finds Polar's proposed service within the Polar Telecomm Service Area is adequate.

ETC Designation:

On May 15, 2008, in Case No. PU-08-213, Polar filed an Application for Expansion of Eligible Telecommunications Carrier (ETC) Designated Geographical Service Area to include the Gilby, Lakota, Fordville, Edmore, Adams and Pembina exchanges.

On July 30, 2008 the Commission issued a Notice of Opportunity for Hearing that provided until September 8, 2008 for receiving written comments and requests for hearing. No comments or requests for hearing have been received. The Notice identified the following issues to be considered:

1. Qualification of the applicant under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding.
2. What ETC universal service support area should be designated.
3. Whether, upon designation of Polar as an ETC for the Gilby, Lakota, Fordville, Edmore, Adams, and Pembina exchanges, subsidiary Polar Telecommunications, Inc.'s designation as an ETC for these exchanges should be relinquished.
4. The public interest.

The federal Telecommunications Act of 1996 (Act) provides for financial support to a common carrier that (1) offers the services established by the FCC to be 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; (2) advertises the universal services, advertises the availability of such services, and advertises the charges for such services, using media of general distribution; and (3) is designated as an ETC. An ETC must use that financial support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

To be designated as an ETC, the carrier must (1) under Code of Federal Regulations (CFR) Part 47 Subpart B, offer to telecommunications customers each of the services and functionalities designated for Universal service support; (2) under CFR Part 47 § 54 .405, make available Lifeline service to qualifying low-income consumers; (3) under CFR Part 47 § 54 .411, make available Link Up service to qualifying low-income consumers; 4) under CFR Part 47 Subpart F, provide services supported by universal service support mechanisms to eligible schools and libraries; and (5) under CFR Part 47 Subpart G, provide services supported by universal service support mechanisms to eligible health care providers.

For telecommunications customers, the services designated by the FCC for support by Universal service support mechanisms include 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 blocking or toll limitation for qualifying low-income consumers.

For schools and libraries, the services designated by the FCC for support by universal support mechanisms include all items listed on the Eligible Services List of the Schools and Libraries Support Mechanism of the Universal Service Administrative Company dated October 18, 2002. For health care providers, the services supported by universal service support mechanisms include any telecommunications service that is used primarily for the provision of health care.

Polar affirms that it has and will continue to meet all the criteria of an Eligible Telecommunications Carrier as established by the federal Telecommunications Act of 1996 and Sections 214 and 254 thereof and the requirements of the Federal Communications Commission for Eligible Telecommunications Carriers.

The Commission finds Polar is qualified under Section 214(e) of the federal Communications Act of 1934 as amended by the Telecommunications Act of 1996, for designation as an eligible telecommunications carrier for receiving federal universal service funding for the proposed designated service area.

For purposes of federal universal service funding, the Polar Telecomm service area is a rural study area as listed by the Universal Service Administrative Company and no redefinition of that study area is necessary.

Based on the evidence in this proceeding, Polar is qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding and it is in the public interest Polar be designated as an ETC in the requested designated service area.

Order

The Commission Orders:


1. Polar's application for certificates of public convenience and necessity to provide incumbent local exchange telecommunications services in the former Polar Telecomm ND Service Area is approved and Polar is issued Certificates of Public Convenience and Necessity Nos. 5375, 5376, 5377, 5378, 5379 and 5380 for the Gilby, Adams, Edmore, Fordville, Lakota and Pembina exchange areas of North Dakota, respectively.

2. Polar's Application for Expansion of Eligible Telecommunications Carrier (ETC) Designated Geographical Service Area is granted and Polar is designated as an eligible telecommunications carrier in the Gilby, Adams, Edmore, Fordville, Lakota and Pembina exchange areas.

3. Polar Telecommunications, Inc.'s certificates of public convenience and necessity for the Gilby, Adams, Edmore, Fordville, Lakota and Pembina exchange areas are relinquished and cancelled.

4. Polar Telecommunications, Inc. will no longer be designated as an ETC for the Gilby, Adams, Edmore, Fordville, Lakota and Pembina exchange areas.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Susan E. Weifald
President



Kevin Cramer
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5375


This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Gilby, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5376

This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Adams, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

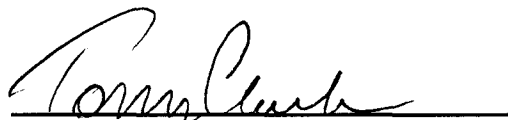
Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5377

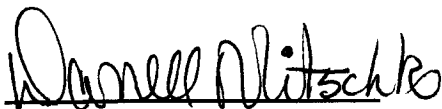
This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Edmore, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

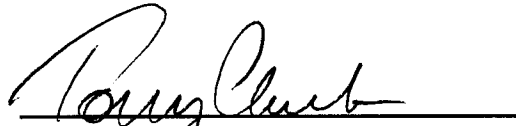
Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5378

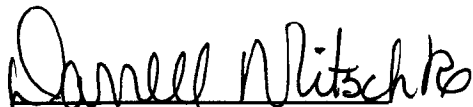
This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Fordville, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

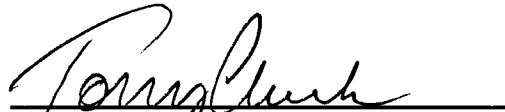
Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5379

This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Lakota, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5380

This is to certify that public convenience and necessity require, and permission is granted for Polar Communications Mutual Aid Corporation, a telecommunications public utility, to provide local exchange telecommunications services inside the Pembina, North Dakota local exchange area.

This certificate is issued in Case No. PU-08-85 and is conditioned upon Polar Communications Mutual Aid Corporation securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

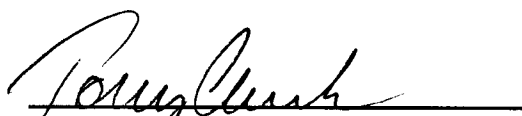
Bismarck, North Dakota, September 24, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner