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February 16, 2009

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NORTH DAKOTA PUBLIC SERVICE COMMISSION

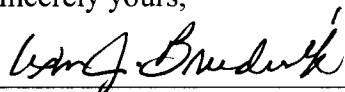
North Dakota Public Service Commission
Attn: Darrell Neitschke, Executive Director
600 East Boulevard Avenue Dept. 408
Bismarck, North Dakota 58505-0480

**RE: APPLICATION OF HALSTAD TELEPHONE COMPANY ETC
CASE NO. PU-08-872**

Dear Mr. Neitschke:

Enclosed herewith for filing please find the original and seven copies of the Affidavit of Ronald Laqua, CEO of Halstad Telephone Company, in connection with the above matter. I thank you, and call me if you have any questions.

Sincerely yours,



William J. Brudvik

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13 **PU-08-872** Filed: 2/18/2009 Pages: 6
Affidavit of Ronald Laqua

Halstad Telephone Company

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

HALSTAD TELEPHONE COMPANY
DESIGNATED ELIGIBLE CARRIER
APPLICATION

CASE NO. PU-08-872

AFFIDAVIT OF RONALD LAQUA

STATE OF MINNESOTA)
) SS
COUNTY OF NORMAN)

Ronald Laqua, being first duly sworn, deposes and states as follows:

1. Halstad Telephone Company, (hereunder "Halstad"), a Minnesota telephone cooperative, under Certificates of Public Convenience and Necessity issued by the North Dakota Public Service Commission (hereinafter the "Commission"), is engaged in the business of providing incumbent local exchange telecommunications service (**ILEC**) activities to the North Dakota customers of its Halstad, Neilsville, Shelly and Climax exchanges, which shall hereinafter be collectively referred to as "West Halstad", "West Nielsville", "West Shelly" and "West Climax", all in North Dakota.

2. HTC Services, Inc., a Minnesota corporation, was a wholly owned Subsidiary of Halstad Telephone Company, (hereinafter "Subsidiary"). It was engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications services as a competitive local exchange carrier (**CLEC**) in the following exchange: Hillsboro, ND. HTC Services, Inc. was granted eligible telecommunications carrier status (Case NO. PU-2213-99-669) and granted a Certificate of Public Convenience and Necessity (Case No. PU-2213-99-670) by order of the North Dakota Public Service Commission on February 23, 2000. The Subsidiary had approximately 736 access lines in the Hillsboro exchange.

3. The Boards of Directors of Halstad Telephone Company and HTC, Services, Inc. resolved to transfer the assets of HTC Services, Inc. into Halstad Telephone Company. This became effective 11:59 P.M., December 31, 2008. (Closing Date). The Subsidiary assets included the current assets and facilities relating to the provision of competitive local exchange telecommunication service, exchange access, and other telecommunications services in the Hillsboro exchange which Halstad Telephone Company assumed effective January 1, 2009. This enabled Halstad Telephone Company to make the customers of the Hillsboro exchange members of the cooperative.

4. Halstad has been designated by the Commission as an eligible telecommunications carrier to receive universal service support under §§ 214 and 254 of the Federal Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (hereinafter the "1996 Act") (Case No. PU-422-97-550, December 17, 1997). Halstad's eligible telecommunications carrier (ETC) designated geographical service area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act is currently the Halstad **ILEC** service area which includes West Halstad, West Nielsville, West Shelly and West Climax in North Dakota.

5. On November 3, 2008, Halstad and the Subsidiary also filed a joint Application with the Commission wherein the Subsidiary sought to relinquish its Certificate of Public Convenience and Necessity (PC & No. 4339) for the Hillsboro exchange and to have the Certificate issued to Halstad. (Case No. PU-08-873). North Dakota Century Code Section 49-03.1-09, Registration of Telecommunication companies that are not incumbent telecommunication companies, permits on-line registration for non-incumbent telecommunications companies. This is in lieu of the need for a Certificate of Public Convenience and Necessity where the only presence of the telecommunications company in North Dakota is as a non-incumbent or competitive local exchange carrier. Halstad Telephone Company and the Subsidiary applied to withdraw their application for a Certificate of Public Convenience and Necessity for the Hillsboro exchange and the motion was approved by the Public Service Commission on January 14, 2009. Halstad filed a new registration on-line as a non-incumbent telecommunications company for the Hillsboro exchange on or about January 1, 2009.

6. On November 3, 2008, Halstad Telephone Company filed an Application for **Expansion** of Eligible Telecommunications Carrier Designated Geographic Service Area to combine its existing West Halstad, West Shelly, West Climax and West Neilsville exchanges where it operates as an **ILEC** and the Hillsboro exchange where it would operate as a **CLEC**. (Case No. PU-08-872)

7. Halstad, by this amended application seeks a separate Eligible Telecommunications Carrier (ETC) Designated Geographical Service Area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act as a CLEC for the Hillsboro exchange.

8. All subscribers served by the Subsidiary in the Hillsboro exchange prior to the closing date are now being served by Halstad. Halstad is charging the same rates as the subsidiary was formerly charging its subscribers in said exchange. The tariffs which have been filed with the Public Service Commission by the Subsidiary remain in effect.

9. Halstad has previously, as part of its annual filings with this Commission, provided information required by Section 69-09-05-12 of the Commission's Rules and will do so in the future. For purposes of this affidavit in support of its Amended Application, Halstad's compliance with said Section 69-09-05-12 is as follows: ...

2. a. **Proposed designated service area:** Hillsboro
 - b. **How the applicant meets the requirements for designation as an eligible telecommunications carrier.** Since January 1, 2009, Halstad is offering all services that are supported by federal universal service support mechanisms under § 254 (c) of the 1996 Act and 47 C.F.R. §§ 54.101 and 54.401, using its own facilities and is advertising the availability of such services and the charges therefore using media of general distribution, throughout the Hillsboro exchange.
 - c. **Whether the applicant requires a waiver of any eligible telecommunications carrier requirement:** Halstad does not require a waiver of any eligible telecommunications carrier requirements.
 - d. **If a waiver is required, the specific reasons for the waiver and the length of time for which the waiver is required:** N/A
3. **An applicant for designation as an eligible telecommunications carrier shall:**
- a. **Designated service area:** While the entire Town of Hillsboro and certain rural areas are provided with the physical plant to be served with telephone, broadband and video by Halstad, study is underway for deployment of fiber optics to provide all services to the remaining rural areas. Although current FCC contemplation of access charges and other support systems makes final decision tentative, it is the hope of Halstad

that such deployment will indeed occur within the next five years adding an estimated 500 new customers.

- b. **Report:** A copy of the Subsidiary's annual report filed August 11, 2008, is attached. Since HTC Services, Inc. is a wholly owned subsidiary of Halstad Telephone Company subject to a consolidated audit by its auditors, Olson Theilen, the information contained in said report may be deemed to be the report of Halstad. There have been no changes since the filing of the report.
- c. **Emergency:** Halstad certifies that it will be able to function in emergency situations. Halstad further certifies that it has a 75 kw generator and backup battery plant in its central office which will be sufficient to ensure functionality without an external power source. Halstad certifies that it has toll and other connected cable routes backed up by physically diverse redundant routes sufficient to enable it to re-route traffic around damaged facilities.
- d. **Consumer protection and service quality standards:** Halstad certifies that it will satisfy all applicable consumer protection and service quality standards.
- e. **Local usage plan:** Halstad is offering a local usage plan comparable to the one offered by the incumbent LEC in the Hillsboro exchange service area. In addition Halstad provides toll-free Extended Area Service (EAS) to two adjacent Minnesota exchanges and to one adjacent North Dakota exchange, exceeding the incumbent LEC's calling area which has no toll free calling outside the Hillsboro exchange.
- f. **Equal access to long distance carriers:** Halstad provides equal access to all interexchange carriers for both intrastate and interstate long distance.

4. N/A

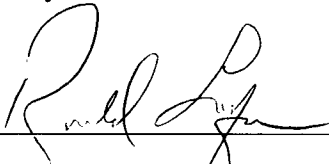
5. There is a clear need for continuing quality telecommunications services in the Hillsboro exchange. Halstad, having served the North Dakota customers of its West Halstad, West Nielsville, West Climax and West Shelly exchanges, as an incumbent local exchange carrier, and having served the Hillsboro CLEC through its wholly owned subsidiary for eight years, has demonstrated that it has the technical, financial, and managerial fitness and ability to provide adequate essential and nonessential competitive local exchange carrier telecommunications service in the Hillsboro exchange. The technical fitness and ability of Halstad to provide services in this exchange will be enhanced by the transfer of the assets to

Halstad that the Subsidiary is currently using to provide such competitive local exchange carrier services in the Hillsboro exchange. The provision of adequate essential and nonessential telecommunications service in the Hillsboro exchange will be facilitated and supported by the full current technical and financial capabilities of Halstad. While Halstad currently has ETC status issued by the Commission as an incumbent local exchange carrier for its West Halstad, West Neilsville, West Shelly and West Climax exchanges, it wishes to further this by receiving an affirmative designation from the Commission in this petition as an eligible telecommunications carrier in the Hillsboro exchange.

6. **ETC Advertising:**

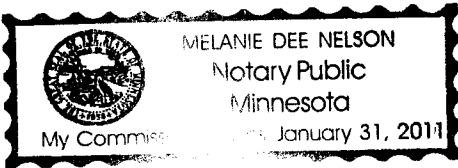
- a. Halstad has its own "Red River Regional" telephone directory which includes the available services and the process to be used by customers to qualify for life-line and link-up service.
- b. The company advertises on a regular basis for the availability of universal service in the local newspaper "Hillsboro Banner", in its member newsletter "Phonotes" its own website (www.halstadtel.com) and from time to time in bill stuffers.

7. Halstad has met all the criteria necessitated by Section 69-09-05-12.

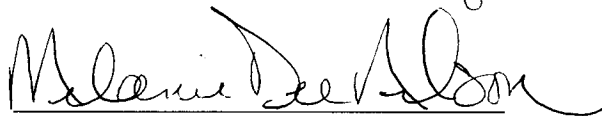


Ronald Laqua

CEO – Halstad Telephone Company



Subscribed and sworn to before me this 12 day of February, 2009.



Melanie Dee Nelson

Notary Public