



Public Service Commission

State of North Dakota

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14 September, 2012

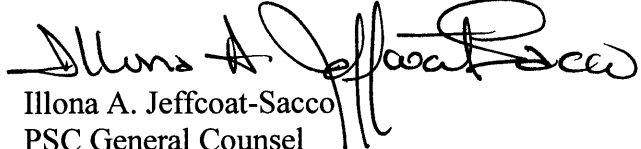
Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Blvd. Ave. Dept. 408
Bismarck, ND 58505-0480

Re: Loretel Systems, Inc. & Red River Rural Telephone Association
2009, 2010, & 2011 High-Cost Universal Support Annual Reports

Dear Mr. Nitschke:

Enclosed is a Staff Response to Applications for Trade Secret Protection in the captioned cases along with an Affidavit of Service.

Best regards,


Illona A. Jeffcoat-Sacco
PSC General Counsel

c/w enclosures: Richard J. Johnson

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Staff response to applications for trade secret protection
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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Loretel Systems, Inc. **Case No. PU-09-591**
2009 High-Cost Universal Service Support
Annual Report

Red River Rural Telephone Association **Case No. PU-09-592**
2009 High-Cost Universal Service Support
Annual Report

Loretel Systems, Inc. **Case No. PU-10-547**
2010 High-Cost Universal Service Support
Annual Report

Red River Rural Telephone Association **Case No. PU-10-548**
2010 High-Cost Universal Service Support
Annual Report

Loretel Systems, Inc. **Case No. PU-11-460**
2011 High-Cost Universal Service Support
Annual Report

Red River Rural Telephone Association **Case No. PU-11-461**
2011 High-Cost Universal Service Support
Annual Report

**STAFF RESPONSE TO APPLICATIONS FOR TRADE SECRET
PROTECTION**

On 31 July 2009, the attorney for the two captioned companies filed an application for trade secret protection in each captioned 2009 case under North Dakota Administrative Code Ch. 69-02-09, asking the Commission to protect against public disclosure certain information filed by each company in compliance with the Commission's requirements regarding each company's annual Eligible Telecommunications Company report filing. The attorney filed similar applications for each company for each company's respective 2010 and 2011 Eligible Telecommunications Company report filings.

North Dakota Administrative Code § 69-02-09-04 requires that the Commission staff examine the information and application and make a recommendation to the Commission. Staff has reviewed the requests of the captioned companies for protection of information.

The 2009 applications ask the Commission to protect the following information for each company from disclosure:

1. The amount of high-cost support received by the company in 2008 and a description, with project specific information, of how that support was used for the provision, maintenance or upgrading of each company's facilities and services, including an estimate of the amount of federal high-cost universal service support each company anticipates receiving in 2010 and a description, with project specific information, of how that support is projected to be used for the provision, maintenance or upgrading of each respective company's facilities and services;
2. Detailed information on each outage of over 30 minutes experienced by each respective company in 2008, including the geographic area, start and end times, description, resolution, service affected, number of customers affected and step taken to prevent similar situations.

The applications state that the information sought to be protected derives independent economic value from not being generally known to other persons, and restricting disclosure is necessary to prevent substantial harm to the company and maintain each company's competitive position. Further, the companies assert that the information is not readily ascertainable by other means and they take precautions to

limit disclosure. Finally, the companies assert that the information they seek to protect is protected by the Federal Communications Commission (FCC) under federal rules.

North Dakota Century Code § 44-04-18.4(2) authorizes protection for commercial, financial, proprietary, and trade secret information if privileged and if the information has not been previously publically disclosed. N.D.C.C. § 44-04-18.4(1). Commercial and financial information can be protected from disclosure if the information has not been previously disclosed and disclosure would impair the Commission's ability to obtain similar information in the future or would cause competitive injury to the person providing the information. N.D.C.C. §§ 44-04-18.4(2)(a) and 44-04-18.4(2)(b). Proprietary and trade secret information can be protected when the information derives independent economic value from not being generally known to or readily ascertainable by other persons, and is the subject of reasonable efforts to maintain its secrecy. N.D.C.C. §§ 44-04-18.4(2)(c) and 44-04-18.4(2)(d).


Further, the financial information provided to the Commission is considered confidential by the FCC under 47 C.F.R. §§ 0.0457 and 0.0459. The FCC also considers information in outage reports to be highly sensitive and protects the information from public dissemination in the Freedom from Information Act. N.D.C.C. §44-04-18(1), as interpreted by the North Dakota Attorney General, allows a state agency to provide confidentiality protection of information if the information is specifically protected under federal regulation.

Staff believes that each application satisfies the requirements of the North Dakota Century Code for protection of the information which is the subject of this

request. The Commission's process provides a means for interested parties to review protected documents upon signing a nondisclosure agreement.

For reasons set forth above, Staff recommends that the Commission grant the applications of the captioned companies to protect certain filed information in these cases.

Dated this 14th day of September 2012.


Ilona A. Jeffcoat-Sacco
General Counsel

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PUBLIC SERVICE COMMISSION**

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AFFIDAVIT OF SERVICE BY REGULAR MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

John Hamre deposes and says that:

he is over the age of 18 years and not a party to this action and, on the **14th day of September, 2012**, he deposited in the United States Mail, Bismarck, North Dakota, **one** envelope, securely sealed and containing a photocopy of:


Staff Response to Applications for Trade Secret Protection

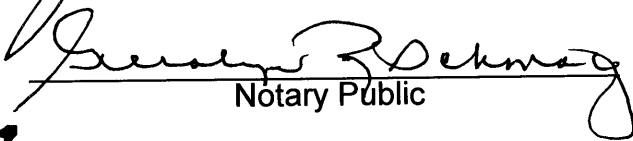
The envelope was addressed as follows:

Richard J. Johnson
Moss & Barnett
4800 Wells Fargo Center
90 South 7th St.
Minneapolis, MN 55402-4129

The address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this 14th day of **September, 2012**.





Notary Public

SEAL

