



Public Service Commission

State of North Dakota

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22 October 2012

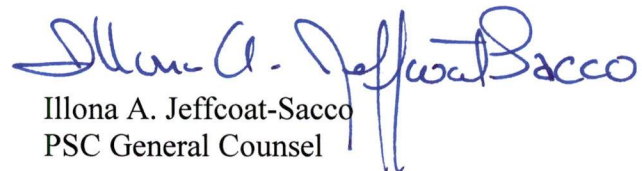
Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Blvd. Ave. Dept. 408
Bismarck, ND 58505-0480

Re: Loretel Systems, Inc. & Red River Rural Telephone Association
2012 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 a Certificate of Service.

Best regards,


Illona A. Jeffcoat-Sacco
PSC General Counsel

c:w/encl: Richard J. Johnson

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

**Red River Rural Telephone Association
2012 High-Cost Universal Service Support
Annual Report**

Case No. PU-12-402

**Loretel Systems, Inc.
2012 High-Cost Universal Service Support
Annual Report**

Case No. PU-12-403

STAFF RESPONSE TO APPLICATIONS FOR TRADE SECRET PROTECTION

On 21 June, 2012 the attorney for Loretel Systems, Inc. filed an application for trade secret protection in Case No. PU-12-403. On 22 June, 2012 Red River Rural Telephone Association filed an application for trade secret protection in Case No. PU-12-402, 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.

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 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 2011 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 2013 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 2011, 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).

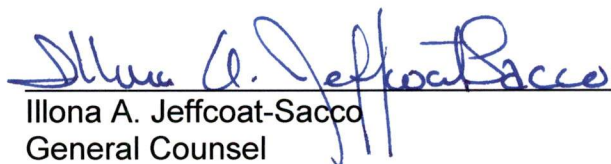
Proprietary and trade secret information can be protected when the information derives independent economic value from not being generally known to or readily ascertainable by other persons, and is the subject of reasonable efforts to maintain its secrecy. N.D.C.C. §§ 44-04-18.4(2)(c) and 44-04-18.4(2)(d).

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 22nd day of October 2012.


Illona A. Jeffcoat-Sacco
General Counsel

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **STAFF RESPONSE TO REQUEST FOR TRADE SECRET PROTECTION** was, on 22 October 2012, served on the following by regular mail:

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

Dated this 22nd day of October 2012.


Illona A. Jeffcoat-Sacco
General Counsel
North Dakota Public Service Commission