

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Daktel Communications LLC
Designated Eligible Carrier
Application

Case No. PU-15-119

ORDER ON ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

May 13, 2015

Preliminary Statement

On March 18, 2015, Daktel Communications LLC (Daktel) filed an application for designation as an eligible telecommunications carrier (ETC) in limited service areas within North Dakota. Daktel is a Competitive Local Exchange Company seeking ETC designation for the purpose of receiving federal funding through the Federal Communications Commission's Rural Broadband Experiment (RBE) program. Daktel proposes to provide wireline telecommunication, broadband Internet access, and Internet Protocol television services to rural areas near Jamestown, Stutsman County, North Dakota. Daktel is a North Dakota business corporation with offices located in Carrington, North Dakota.

On March 25, 2015, the Commission issued a Notice of Opportunity for Hearing providing until May 6, 2015, for comments and requests for hearing. No comments or requests for hearing were received. The Notice identified the issues to be considered in this matter:

1. Is the applicant qualified 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. Is designation of the applicant as an ETC in the public interest?

The Notice stated that the Commission can determine the matter without a formal hearing.

ETC Designation

The Telecommunications Act of 1996 provides financial support for universal services to common carriers that have been designated as ETCs and that (1) offer the universal services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services and (2) advertise the universal services,

advertise the availability of such services, and advertise the charges for such services, using media of general distribution.

On July 11, 2014, the Federal Communications Commission (FCC) adopted its Report and Order and Further Notice of Proposed Rulemaking in WC Docket No. 10-90 and WC Docket No. 14-58 (Report and Order), making available Connect America funding to ETCs for rural broadband experiments in high-cost price cap areas. In Public Notice DA 15-288 (Public Notice), released March 4, 2015, in WC Docket No. 10-90 and WC Docket No. 14-259, the FCC announced its provisional selection of ETCs to build networks capable of delivering 100Mbps downstream and 25 Mbps upstream to all locations within certain project census blocks. Daktel was identified in the Public Notice as provisionally selected to participate in the RBE.

The Wireline Competition Bureau is required to determine whether Daktel has demonstrated that it has the technical and financial qualifications to successfully complete the proposed project within the required timeframes and is in compliance with the statutory and regulatory requirements for the universal support that the applicant seeks.

The FCC required that Daktel obtain ETC designation within ninety days of receipt of notice that Daktel's RBE proposal was accepted.

Both federal law and state law give the Commission the authority to designate a common carrier as an ETC. In areas served by a rural telephone company, the Commission must find that ETC designation is in the public interest. The areas/census blocks which Daktel proposes to serve are in an area served by a non-rural telephone company and, therefore, no finding of public interest is required.

Daktel is a North Dakota limited liability company. Daktel is authorized to do business in the State of North Dakota, as evidenced by corporate papers filed with the Commission.

Daktel is a common carrier and reseller of telecommunications service, and will offer all of the services and functionalities detailed in 47 CFR sections 54.101 and 54.405, and pursuant to the RBE provisional award, using its own facilities.

Daktel operates exclusively in North Dakota and has generated revenues through voice, video, and data services within its operating area since 2000. Therefore, Daktel will not be solely dependent on funding through the RBE. Daktel does not require prepayment for services.

Connect America Fund Support Area

The Commission must establish a geographic area (service area) for the purpose of determining universal service obligations and support mechanisms for the designated ETC. 47 U.S.C. section 214(e)(5).

The Act defines service area:

SERVICE AREA DEFINED-- The term "service area" means a geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

In this proceeding, Daktel is requesting ETC designation in certain census blocks of Stutsman County, North Dakota; a listing of and a map depicting the census blocks are attached to this order.

Daktel registered with the Commission to provide telecommunications services on October 12, 2005.

Having allowed all interested persons an opportunity to be heard and having heard, reviewed and considered all testimony and evidence presented, the Commission makes the following:

Order

The Commission orders:

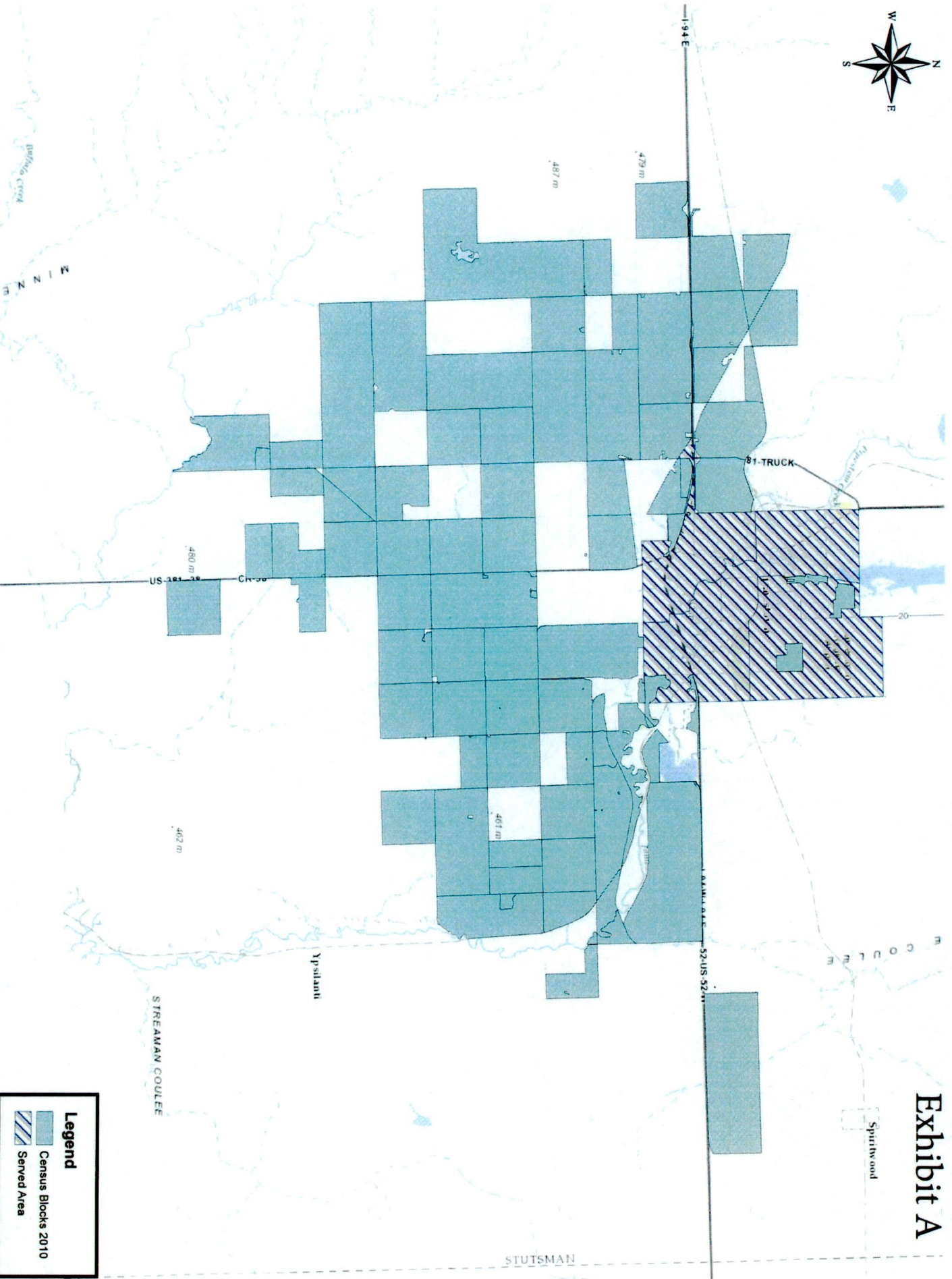
1. Daktel Communications LLC is designated as an ETC for the purpose of receiving federal funding provisionally available under the FCC's RBE program. The designated service area in this proceeding consists of all the service area described in the census block listing and depicted by the map incorporated by reference and attached to this Order.
2. Daktel shall comply with the applicable annual reporting requirements set forth in North Dakota Administrative Code section 69-09-05-12.1.

PUBLIC SERVICE COMMISSION

		
Randy Christmann Commissioner	Julie Fedorchak Chairman	Brian P. Kalk Commissioner

CBFIPS

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Legend

-  Census Blocks 2010
-  Served Area

Exhibit A