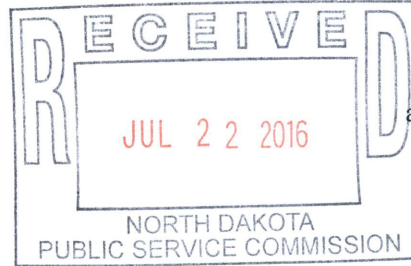


July 22, 2016



Andrew M. Carlson  
612.977.8242  
acarlson@briggs.com

**VIA FEDERAL EXPRESS**

Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard – Dept. 408  
Bismarck, ND 58505-0480

**Re: 2016 ETC Annual Report of Badlands Cellular of North Dakota Limited Partnership**  
**Case No. \_\_\_\_\_**

Dear Sir or Madam:

Enclosed please find the 2016 ETC Annual Report of Badlands Cellular of North Dakota Limited Partnership as required by N.D. Admin. Code § 69-09-05-12.1. Certain exhibits to the Annual Report contain information and data considered to be trade secret/confidential under N.D. Cent. Code 44-04-18.4 and N.D. Admin. Code § 69-02-09-01 *et seq.* Accordingly, the following are enclosed for filing:

- one original and one copy of the trade secret/confidential version of the Annual Report, in a separate sealed envelope marked TRADE SECRET – PRIVATE, consistent with N.D. Admin. Code § 69-02-09-02;
- one original and one copy of the public version of the Annual Report (with the trade secret/confidential material redacted);
- one original and one copy of Badlands Cellular of North Dakota Limited Partnership's Application to Protect Trade Secret and Confidential Information submitted with the 2016 ETC Annual Report.

Patrick Fahn and John Hamre from the Commission informed us in past years that additional copies of the ETC Annual Report and of the Trade Secret Application need not be filed with the Commission. Also, consistent with the practice in previous years, I will email a PDF copy of the public version of the ETC Annual Report to Mr. Hamre for convenience.

In addition, for confirmation of filing, also enclosed are one copy each of the public version of the Annual Report and of the Trade Secret Application, along with a self-addressed stamped envelope. Please file-stamp these copies of the public version of the Annual Report and of the Trade Secret Application, and return them to me in the self-addressed stamped envelope.

BRIGGS AND MORGAN  
Executive Secretary  
July 22, 2016  
Page 2

Please contact me immediately if there are any questions about this filing.

Sincerely,



Andrew M. Carlson

AMC/sjc  
Enclosures

**PUBLIC VERSION**  
**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**  
**STATE OF NORTH DAKOTA**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

---

BADLANDS CELLULAR OF NORTH  
DAKOTA LIMITED PARTNERSHIP  
2016 ETC ANNUAL REPORT

CASE NO. \_\_\_\_\_

as Required by N.D. Admin. Code  
§ 69-09-05-12.1

---

In accordance with the regulations adopted by the North Dakota Public Service Commission (“Commission”), Badlands Cellular of North Dakota Limited Partnership (the “Company”) submits this 2016 ETC Annual Report.

**I. BACKGROUND**

Badlands Cellular of North Dakota Limited Partnership is a limited partnership, organized under the laws of Colorado, which provides wireless telecommunications services in North Dakota. The Company is licensed by the Federal Communications Commission (“FCC”) to provide commercial mobile radio service (“CMRS”) in North Dakota Rural Service Area (“RSA”) No. 4 and serves customers in the following North Dakota counties: McKenzie, Dunn, Billings, Golden Valley, Stark, Slope, Bowman, Hettinger, Adams, Grant, Sioux, Mercer, and Oliver.

The Company has been designated as a competitive eligible telecommunications carrier (“ETC”) in areas of North Dakota pursuant to the Commission’s February 25, 2004 *Designation Order*.<sup>1</sup> The Commission designated the Company as an ETC in certain full and partial study

---

<sup>1</sup> *Northwest Dakota Cellular of North Dakota Limited Partnership Designated Eligible Carrier*

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

areas identified in the *Designation Order* (the “Designated Area”). *Designation Order*, pp. 4-9, 13-14. Designation in some areas was contingent on redefinition of the study area requirement by the FCC. The FCC granted redefinition effective September 17, 2004.<sup>2</sup>

**II. THE COMPANY’S ANNUAL REPORT IN ACCORDANCE WITH N.D. ADMIN. CODE § 69-09-05-12.1**

N.D. Admin. Code § 69-09-05-12.1 requires an ETC to file with the Commission an annual report on or before August 1 of each year. The Company respectfully submits the following information in satisfaction of the Commission’s annual reporting requirement. By submitting this information, the Company commits to complying with applicable Commission regulations and North Dakota statutes to the extent required by law. Nothing in this submission constitutes a waiver of the Company’s rights under federal law.

**A. Report Regarding Federal High-Cost Universal Service Support Received in 2015 and Expected to be Received in 2017**

N.D. Admin. Code § 69-09-05-12.1(1) requires an ETC to submit a report describing the amount of federal high-cost universal service support the carrier received in the prior calendar year and how that support was used for the provision, maintenance, or upgrading of the carrier’s facilities and services pursuant to 47 U.S.C. § 254(e). The report must also include an estimate of the amount of federal high-cost universal service support the carrier anticipates receiving in

---

*Application*, Case No. PU-1226-03-597; *North Central RSA 2 of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-386-03-598; *North Dakota RSA No. 3 Limited Partnership Designated Eligible Carrier Application*, Case No. PU-897-03-599; *Badlands Cellular of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-1225-03-600; *North Dakota 5 – Kidder Limited Partnership Designated Eligible Carrier Application*, Case No. PU-338-03-601; *Bismarck MSA Limited Partnership Designated Eligible Carrier Application*, Case No. PU-494-03-602, Order, (Feb. 25, 2004) (“*Designation Order*”).

<sup>2</sup> *Wireline Competition Bureau Seeks Comment on Petition to Redefine Certain Rural Telephone Company Study Areas in the State of North Dakota*, CC Docket No. 96-45, *Public Notice*, DA 04-1739 (rel. June 17, 2004) (“*Public Notice*”); 47 C.F.R. § 54.207(c)(3)(ii) (because the FCC did not initiate a proceeding, the Petition is deemed effective 90 days after issuance of the Public Notice).

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

the following calendar year and describe how that support is projected to be used for the provision, maintenance, or upgrading of the carrier's facilities and services pursuant to 47 U.S.C. § 254(e).

The Company has developed a "2016 Report of Federal High-Cost Universal Service Support" ("2016 USF Report") which contains the required information concerning the Company's use of federal high-cost universal service support. The Company's 2016 USF Report is attached as Exhibit A.<sup>3</sup> In calendar year 2015, the Company received \$2,435,340 in federal universal service high-cost support. For calendar year 2017, the Company projects it will receive approximately \$2,435,340 in federal high-cost support.<sup>4</sup>

The Company's 2016 USF Report includes all information required by N.D. Admin. Code § 69-09-05-12.1(1). It describes how support received in calendar year 2015 was used for the provision, maintenance or upgrading of the Company's facilities and services, including network maintenance and operating expenses, pursuant to 47 U.S.C. § 254(e) and explains any

---

<sup>3</sup> Confidential Exhibits A-1, A-2, and A-3 to the USF Report contain trade secret and confidential information and are accordingly being filed separately in an envelope labeled Trade Secret pursuant to N.D. Cent. Code. 44-04-18.4 and N.D. Admin. Code ch. 69-02-09, consistent with the Commission's March 12, 2008 Order Granting Trade Secret Protection to analogous information provided by the Company in a previous year. *Badlands Cellular of North Dakota Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-587, *North Dakota RSA No. 3 Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-588, *North Central RSA 2 of ND Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-590, *North Dakota 5 – Kidder Limited Partnership*, Case No. PU-07-591, *Northwest Dakota Cellular of North Dakota Limited Partnership*, Case No. PU-07-592, *Bismarck MSA Limited Partnership*, Case No. PU-07-593, Order Granting Trade Secret Protection (March 12, 2008) ("Trade Secret Order").

<sup>4</sup> In November 2011, the FCC determined that universal service support for competitive ETCs per study area would be frozen, based on a 2011 baseline, and phased down annually from there. *See Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) at ¶¶ 512-519, *aff'd sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014). The phase-down contemplated in the Connect America Fund Order is currently on hold at the level of 60% of the 2011 baseline, but is subject to change depending on other FCC activity. *Id.* at ¶ 519 (describing how phase-down would be halted if Mobility Fund Phase II was not implemented by June 30, 2014).

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

changes from reports that have been previously provided to the Commission. The 2016 USF Report further includes a projection of how federal universal service high-cost support projected to be received in calendar year 2017 will be used for the provision, maintenance, or upgrading of the Company's facilities and services, including network maintenance and operating expenses. It identifies specific construction or upgrade projects expected to be undertaken in 2017, including a description of each project, a description of how service is expected to be improved by the project, the anticipated start and completion dates for each improvement, the estimated amount of investment for each project, the geographic location of each project, and the estimated population to be served by each improvement.

**B. Outage Information**

N.D. Admin. Code § 69-09-05-12.1(2) requires an ETC to include in its annual report detailed information on certain service outages within its Designated Area. Section 69-09-05-12.1(2) does not establish the time period for which an outage report is required. The Company has adopted the prior calendar year as an appropriate time period for providing the outage report. Attached as Confidential Exhibit B<sup>5</sup> is the Company's Outage Report in satisfaction of this requirement.

**C. Unfulfilled Requests for Service**

N.D. Admin. Code § 69-09-05-12.1(3) requires an ETC to include in its annual report the number of requests for service from potential customers within the ETC's designated service area that were unfulfilled during the past year, and to detail how the ETC attempted to provide

---

<sup>5</sup> Confidential Exhibit B to the Outage Report contains trade secret and confidential information and is accordingly being filed separately in an envelope labeled Trade Secret, pursuant to N.D. Cent. Code 44-04-18.4 and N.D. Admin. Code ch. 69-02-09, consistent with the *Trade Secret Order*, which granted trade secret protection to analogous information provided by the Company in a previous year.

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

services to those potential customers. Section 69-09-05-12.1(3) does not establish the applicable time period for which unfulfilled requests for service must be reported. The Company has adopted the prior calendar year as an appropriate time period for reporting unfulfilled requests for service. As shown on Exhibit C, the Company had no unfulfilled requests for service within its Designated Area to report for 2015.

**D. Complaints per One Thousand Handsets**

N.D. Admin. Code § 69-09-05-12.1(4) requires an ETC to include in its annual report the number of complaints per 1,000 handsets or lines. Section 69-09-05-12.1(4) does not establish the applicable time period for which complaints should be reported. The Company has adopted the prior calendar year as an appropriate time period for providing complaint information. Exhibit D identifies the number of complaints per 1,000 handsets for its Designated Area that the Company received during 2015.

**E. Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules**

N.D. Admin. Code § 69-09-05-12.1(5) requires an ETC to certify in its annual report that it is complying with applicable service quality standards and consumer protection rules. Pursuant to N.D. Admin. Code § 69-09-05-12(3)(d), a wireless carrier's commitment to comply with the CTIA Consumer Code for Wireless Service ("CTIA Code") within its Designated Area satisfies this requirement. The Company certifies it is complying with the CTIA Code.

**F. Certification of Functionality in Emergency Situations**

N.D. Admin. Code § 69-09-05-12.1(6) requires an ETC to certify in its annual report that it is able to function in emergency situations. The Company certifies it is able to remain functional in emergency situations within its Designated Area, including that it has a reasonable amount of back-up power to ensure functionality without an external power source, it is able to

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

reroute traffic around damaged facilities, and it is capable of managing traffic spikes arising from emergency situations.

**G. Comparable Local Usage Certification**

N.D. Admin. Code § 69-09-05-12.1(7) requires an ETC to certify in its annual report that it offers a local usage plan comparable to that offered by the incumbent LECs in its designated service area. The Company certifies it is offering a local usage plan comparable to that offered by the incumbent local exchange carriers serving its Designated Area.

**H. Equal Access Certification**

N.D. Admin. Code § 69-09-05-12.1(8) requires a wireless ETC to certify in its annual report that the FCC may require it to provide equal access to long distance carriers in the event no other ETC is providing equal access within its designated service area. The Company certifies and acknowledges that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers in the event no other ETC in its Designated Area is providing equal access.

**III. CONCLUSION**

Based on these certifications, demonstrations and acknowledgements, the Company respectfully states that it has complied with the requirements of N.D. Admin. Code § 69-09-05-12.1.

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

Badlands Cellular of North Dakota Limited  
Partnership

Dated: July 15, 2016

By

  
Robert Mützenback

Assistant Secretary, Verizon Wireless LLC d/b/a  
Verizon Wireless, Managing Agent of Badlands  
Cellular of North Dakota Limited Partnership

One Verizon Way  
Mail Drop: VC 53N121  
Basking Ridge, NJ 07920  
908-559-3924

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**SUMMARY OF EXHIBITS**

Confidential Exhibit A - 2016 USF Report

- Confidential Exhibit A-1 - 2015 Progress Report
- Confidential Exhibit A-2 - 2016 Updated Projected Network Improvement Plan
- Confidential Exhibit A-3 - 2017 Projected Network Improvement Plan

Confidential Exhibit B - 2015 ETC Outage Report

Confidential Exhibit C - 2015 Unfulfilled Requests for Service

Confidential Exhibit D - 2015 Complaints Per 1,000 Handsets

**PUBLIC VERSION**  
**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT A**  
**THE COMPANY'S 2016 USF REPORT**

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**BADLANDS CELLULAR OF NORTH DAKOTA LIMITED PARTNERSHIP  
2016 REPORT OF FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT  
for 2015 and 2017**

**I. INTRODUCTION**

In accordance with the regulations established by the North Dakota Public Service Commission (“Commission”), Badlands Cellular of North Dakota Limited Partnership (the “Company”) submits this 2016 Report of Federal High-Cost Universal Service Support (“USF Report”).

N.D. Admin. Code § 69-09-05-12.1(1) requires an ETC to submit a report concerning the use of federal high-cost universal service support the ETC has received in the prior calendar year and expects to receive in the following calendar year. The Company respectfully submits this USF Report in compliance with the requirements of N.D. Admin. Code §§ 69-09-05-12.1(1).

**II. USE OF SUPPORT RECEIVED IN 2015**

Pursuant to 47 U.S.C. § 254(e), federal high-cost universal service support may be used by an ETC only for the provision, maintenance and upgrading of facilities and services for which the support is intended. For calendar year 2015, all federal high-cost universal service support the Company received for its Designated Area in North Dakota was used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Company’s Designated Area.

Attached as Confidential Exhibit A-1 is a spreadsheet identifying specific construction or upgrade projects that the Company undertook in its Designated Area in North Dakota in 2015 in order to expand or improve service. For each improvement, the spreadsheet includes a

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

description of the project, the purpose for the project, the completion date of the project, the amount of investment made in the project, the location of the project, and the estimated population served by the project.<sup>1</sup> [REDACTED]

[REDACTED]

The Company also used some of the federal high-cost universal service support it received in 2015 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's total operating and maintenance expenses for providing service in its Designated Area in North Dakota for 2015 is set forth on Confidential Exhibit A-1.

**III. UPDATED PROJECTED NETWORK IMPROVEMENTS AND OPERATING AND MAINTENANCE EXPENSE FOR 2016**

The Company had previously reported 2016 construction or upgrade projects intended to expand or improve service within its Designated Area in North Dakota. An updated projected network improvement plan for 2016 is attached as Confidential Exhibit A-2. [REDACTED]

[REDACTED]

[REDACTED] Confidential Exhibit A-2 contains an updated estimate

---

<sup>1</sup> The Company has estimated the population covered based on U.S. Census Bureau information. For cell sites, the Company has assumed a radius of signal propagation and has estimated the population residing within the projected coverage.

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

of operating and maintenance expenses for 2016. The expense estimate has been updated based upon 2015 actual expenses.

**IV. PROJECTED NETWORK IMPROVEMENTS FOR 2017**

The Company projects that in calendar year 2017 it will receive approximately \$2,435,340 in federal high-cost universal service support for the provision of service within its Designated Area in the State of North Dakota. The actual amount of federal universal service support to be received by the Company may vary from this estimate as universal service funding levels change over time. If the projected amount of support is not received, the Company reserves the right to modify the projects and other information in this Report accordingly.

All federal high-cost universal service support the Company receives in 2017 for its Designated Area in North Dakota will be used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Designated Area.

The Company has identified certain 2017 construction or upgrade projects that are intended to expand or improve service within its Designated Area in North Dakota. Attached as Confidential Exhibit A-3 is a spreadsheet containing detailed information about these projects, including a description of each project, the purpose for each project, the estimated start and end dates of each project, the amount of investment expected to be made in the project, the expected location of the project, and the estimated population to be served by the project.

The selection of these 2017 facility construction projects is based on the Company's evaluation of many factors, including current consumer demand, competitive forces, and available capital. These and other external factors are not within the Company's control and are subject to change. Such changes may affect the Company's assumptions and calculations of

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

where current network facilities could be improved to provide better coverage and service and where current and projected consumer demand may require increased capacity. As these externally-driven changes occur, the Company will reevaluate and modify its estimates for implementing these projects accordingly. The order in which the Company's proposed 2017 projects will be undertaken has not been finally determined and may be revised over time. As a result, the content and timing of the 2017 projects in Confidential Exhibit A-3 is subject to change.

The Company will also use some of the federal high-cost universal service support it receives in 2017 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of projected operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's estimated total operating and maintenance expenses for providing service in its Designated Area in North Dakota in 2017 are set forth on Confidential Exhibit A-3.

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT A-1  
2015 Progress Report**

**Badlands Cellular of North Dakota Limited Partnership**

See attached Confidential Exhibit A-1. [OMITTED]

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT A-2**

**Updated Projected 2016 Network Improvement Plan**

**Badlands Cellular of North Dakota Limited Partnership**

See attached Confidential Exhibit A-2. [OMITTED]

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT A-3  
Projected 2017 Network Improvement Plan**

**Badlands Cellular of North Dakota Limited Partnership**

See attached Confidential Exhibit A-3. [OMITTED]

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT B**

**THE COMPANY'S 2015 ETC OUTAGE REPORT**

Reporting period: January 1, 2015 through December 31, 2015

**Badlands Cellular of North Dakota Limited Partnership**

N.D. Admin. Code § 69-09-05-12.1(2) requires an ETC to report outages of over 30 minutes in length that potentially affect at least 10% of end users served in the ETC's designated area, or that potentially affect a 911 special facility.

[REDACTED]

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT C**

**THE COMPANY'S UNFULFILLED REQUESTS FOR SERVICE FOR 2015**

Reporting period: January 1, 2015 through December 31, 2015

Number of Unfulfilled Requests for Service  
within Designated Area

- 0 -

Description of Steps Taken To  
Extend Service  
Not Applicable

**PUBLIC VERSION**

**CONFIDENTIAL/TRADE SECRET VERSION FILED UNDER SEPARATE COVER**

**CONFIDENTIAL EXHIBIT D**

**COMPLAINTS PER 1,000 HANDSETS FOR 2015**

Reporting period: January 1, 2015 through December 31, 2015

Complaints per 1,000 handsets: 0.3015