

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**BEK Communications Cooperative  
Designated Eligible Carrier  
Application**

**Case No. PU-18-342**

**ORDER ON ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

**December 6, 2018**

**Preliminary Statement**

On September 13, 2018, BEK Communications Cooperative (BEK) filed an application for designation as an Eligible Telecommunications Carrier (ETC) as a non-incumbent local exchange carrier (non-ILEC) for the purpose of receiving Federal Communications Commission's Connect America Fund (CAF) Phase II funding in Federal Communications Commission (FCC) specified geographic blocks in rural areas of North Dakota outside of its incumbent local exchange areas. These CAF Phase II areas do not have access to broadband at speeds of at least 10 megabits per second (Mbps) downstream and 1 Mbps upstream.

On October 10, 2018, the Commission issued a Notice of Opportunity for Hearing (Notice) providing until November 21, 2018, for comments and requests for hearing. No comments or requests for hearing were received. The Notice identified the following issues 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 additional applicant as an ETC in the public interest?

**Discussion**

A telecommunications carrier is eligible to receive federal universal service support if the company meets the requirements established under 47 USC § 214(e)(1) and defined in 47 CFR. Part 54. These requirements are: (1) company must provide each of the supported telecommunication services listed by the Federal Communications Commission (FCC); (2) company must offer and advertise the availability of, and charges for, such services throughout the supported areas; (3) company must certify that it will comply with the service requirements applicable to the support it receives; (4) submit a

five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network throughout the supported areas, and (5) demonstrate that it will satisfy consumer protection and service quality standards. In addition, to receive CAF Phase II funding, BEK must deploy 1 gigabit per second broadband in the funded areas within a six-year period. BEK's application states that, to the extent applicable, it will meet each of these criteria.

Both federal law and state law give the Commission the authority to designate a common carrier as an ETC.

BEK is a North Dakota mutual aid corporation with a principal office in Steele, North Dakota. BEK is authorized to do business in the State of North Dakota.

BEK is a common carrier and will offer the services and functionalities detailed in 47 CFR Part 54 in the CAF Phase II areas. The services offered to these subscribers will be the same as BEK provides other customers in its ILEC and non-ILEC operations service areas. These services consist of IP-Voice Services, IP-Television Services, 1 Gbps Broadband service and a variety of Cloud services.

Based on the evidence in this proceeding, BEK is qualified for designation as an ETC eligible to receive federal universal service support under 47 CFR Part 54.

The FCC has specified the geographic areas, CAF Phase II areas, that will receive funding and BEK was awarded CAF Phase II support for the areas listed in Exhibit B of its September 13, 2018 application.

It is in the public interest that BEK be designated as an ETC in the CAF Phase II areas as requested. Under North Dakota Administrative Code Section 69-09-05-12, the Commission shall determine that the designation of BEK as an ETC is in the public interest. In doing so, the Commission shall consider the benefit of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering. It is significant that subscribers in these CAF Phase II areas will have access to high speed broadband. The provision of adequate essential and nonessential telecommunications service in these exchanges will be facilitated and supported by the full current technical and financial capabilities of BEK.

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

### **Order**

The Commission orders:

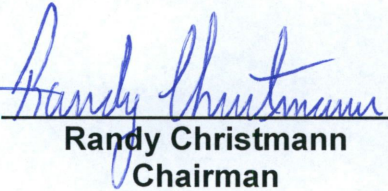
1. BEK Communications Cooperative request to be designated as an eligible telecommunications carrier for the purpose of receiving Connect America Fund Phase II

funding in the areas listed in Exhibit B of BEK's September 13, 2018 application, attached to and made part of this Order, is APPROVED.

**PUBLIC SERVICE COMMISSION**



**Brian Kroshus  
Commissioner**



**Randy Christmann  
Chairman**



**Julie Fedorchak  
Commissioner**

## Exhibit B

### CAF Phase II Auction BEK Awarded Funded Areas

Item	State	County	Census Block Group ID	Locations
ND-015-0102004	ND	Burleigh	380150102004	1
ND-015-0106003	ND	Burleigh	380150106003	4
ND-015-0108001	ND	Burleigh	380150108001	1
ND-015-0109001	ND	Burleigh	380150109001	5
ND-015-0109002	ND	Burleigh	380150109002	2
ND-015-0110011	ND	Burleigh	380150110011	1
ND-015-0110013	ND	Burleigh	380150110013	2
ND-015-0110021	ND	Burleigh	380150110021	4
ND-015-0110022	ND	Burleigh	380150110022	1
ND-015-0111031	ND	Burleigh	380150111031	1
ND-015-0111051	ND	Burleigh	380150111051	2
ND-015-0111052	ND	Burleigh	380150111052	4
ND-015-0112004	ND	Burleigh	380150112004	2
ND-015-0113003	ND	Burleigh	380150113003	8
ND-059-0202001	ND	Morton	380590202001	5
ND-059-0202002	ND	Morton	380590202002	35
ND-059-0203001	ND	Morton	380590203001	2
ND-059-0203002	ND	Morton	380590203002	3
ND-059-0203003	ND	Morton	380590203003	2
ND-059-0203004	ND	Morton	380590203004	13
ND-059-0204001	ND	Morton	380590204001	330
ND-059-0204002	ND	Morton	380590204002	15
ND-059-0204003	ND	Morton	380590204003	24
ND-065-9612002	ND	Oliver	380659612002	67
<b>Total CBGs</b>		<b>24</b>	<b>Total Locations</b>	<b>534</b>