

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

**Daktel Communications LLC**  
**Designated Eligible Carrier Expansion**  
**Application**

**Case No. PU-21-41**

**ORDER ON ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

**April 14, 2021**

**Preliminary Statement**

On January 21, 2021, Daktel Communications LLC (Daktel) filed, as a non-incumbent local exchange carrier, an application for designation as an eligible telecommunications carrier (ETC) for the purpose of receiving Federal Communications Commission's Rural Digital Opportunity Fund (RDOF) Phase I funding in Federal Communications Commission (FCC) specified census blocks in North Dakota. The FCC requires that Daktel be designated as an ETC by June 7, 2021.

In the January 21, 2021 application, Daktel also seeks designation as an ETC for the purpose of receiving federal universal service support for low-income consumers under 47 CFR Part 54 Subpart E. Such designation is also known as Lifeline-only ETC designation.

On February 17, 2021, the Commission issued a Notice of Opportunity for Hearing (Notice) providing until March 29, 2021, for comments and requests for hearing. No comments or requests for hearing were received.

The Notice identified the following issues to be considered in both matters:

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?

**Discussion**

Daktel is a North Dakota limited liability company with a principal office located at 630 5<sup>th</sup> St N, Carrington, ND 58421.

Daktel is in good standing with the North Dakota Secretary of State, is registered as a competitive local exchange carrier with the Commission and has provided a copy of its corporate papers with its application.

Daktel is a common carrier.

## RDOF

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 RDOF Phase I funding, Daktel must offer commercially at least one voice and one broadband service at speeds of at least 1 gigabit per second with a latency at or below 100 milliseconds. Daktel must offer these services to 40% of the assigned locations in North Dakota by the end of the third year of support, and an additional 20% by the end of each of the fourth and fifth years of support. By the end of year six, revised location totals will be announced. If there are fewer locations than originally estimated by the cost model, Daktel must serve the revised number of locations by the end of the sixth year of support. If there are more locations than originally estimated by the cost model, Daktel must serve the original number of locations estimated by the cost-model by the end of the sixth year of support and must serve the remaining locations by the end of the eighth year of support.

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

Daktel will offer the services and functionalities detailed in 47 CFR Part 54 in the RDOF Phase I areas. Daktel proposes to provide the service required for RDOF Funding by constructing a fiber optic network.

Daktel 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, RDOF Phase I areas, that will receive funding and Daktel was awarded RDOF Phase I support for the areas listed in Exhibit A of its January 21, 2021 application.

Under North Dakota Administrative Code Section 69-09-05-12, the Commission shall determine that the designation of Daktel 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 RDOF Phase I 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 Daktel. It is in the public interest that Daktel be designated as an ETC in the RDOF Phase I areas as requested.

#### Lifeline

Daktel will offer the services and functionalities detailed in 47 CFR section 54.101 using its own facilities.

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. Daktel's application states that it will meet each of these criteria.

Daktel is qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service support for low-income consumers under 47 CFR Part 54 Subpart E.

#### Universal Service 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. § 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.

Under North Dakota Administrative Code Section 69-09-05-12, the Commission shall determine that the designation of Daktel 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. 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 Daktel. It is in the public interest that Daktel be designated as an ETC in the service area requested.

Daktel is seeking ETC status for the Jamestown telephone exchange.

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

### Order

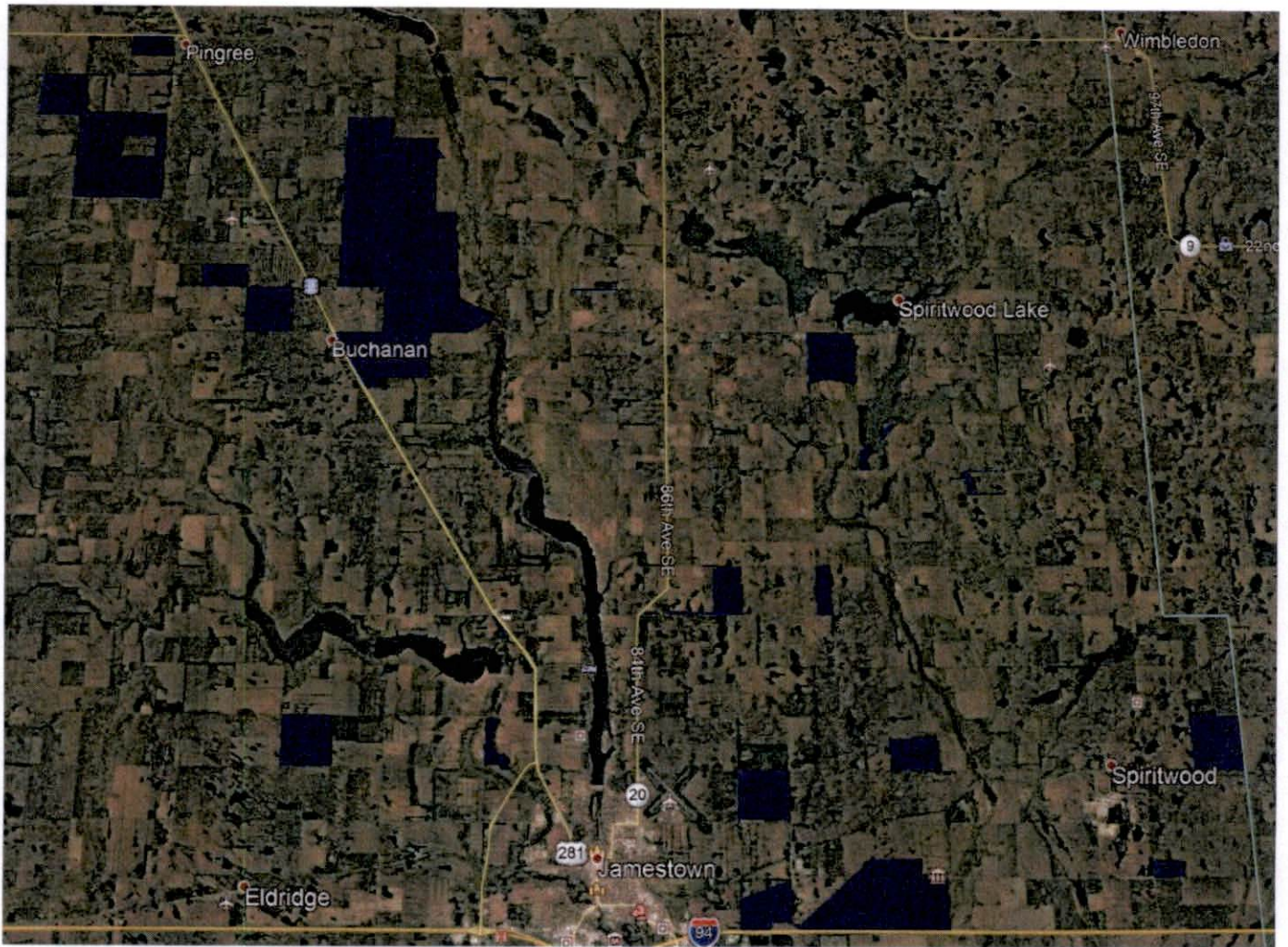
The Commission orders:

1. Daktel Communications LLC's request to be designated as an eligible telecommunications carrier for the purposes of receiving Rural Digital Opportunity Fund Phase I funding in the areas listed in Exhibit A of Daktel's January 21, 2021 application, attached to and made part of this Order, is APPROVED.
2. Daktel Communications LLC's request to be designated as an eligible telecommunications carrier for purposes of receiving federal universal service support for low-income consumers in the areas listed in Exhibit A of Daktel's January 21, 2021 application, attached to and made part of this Order, is APPROVED.
3. Daktel Communication LLC's request to be designated as an eligible telecommunications carrier for the purpose of received federal universal service support for low-income consumers under 47 CFR part 54 subpart E for the Jamestown telephone exchange, is APPROVED.

### PUBLIC SERVICE COMMISSION

		
<b>Randy Christmann</b> Commissioner	<b>Julie Fedorchak</b> Chair	<b>Brian Kroshus</b> Commissioner

# Exhibit A – Census Block Groups and Map Depicting Where Daktel Was Conditionally Awarded RDOF Phase I Funding



Census Block Groups	380939670001814	380939670002749
	380939670001822	380939670002756
380939670001341	380939670001841	380939670002805
380939670001484	380939670002398	380939670002894
380939670001574	380939670002461	380939670002907
380939670001594	380939670002479	380939672004064
380939670001642	380939670002483	380939672004067
380939670001644	380939670002500	380939673001081
380939670001646	380939670002724	380939673001082
380939670001662	380939670002726	380939675003005
380939670001688	380939670002730	380939675003006
380939670001710	380939670002731	
380939670001795	380939670002732	
380939670001808		

**Exhibit B – Map of Service Area Where Daktel Seeks ETC Designation for Lifeline-Only Support**

