

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

**BEK Communications Cooperative  
Valley City Exchange  
Public Convenience & Necessity**

**Case No. PU-25-285**

**BEK Communications Cooperative  
Designated Eligible Carrier  
Application**

**Case No. PU-25-286**

**ORDER**

**March 5, 2026**

**Preliminary Statement**

On November 4, 2025, BEK Communications Cooperative (BEK) filed an application requesting authorization to provide local exchange telecommunications services as the incumbent local exchange carrier (ILEC) in the area currently known as the Valley City exchange in North Dakota. The Valley City exchange is currently served by CenturyLink Communications, LLC (CenturyLink) as the ILEC, Case No. PU-25-285.

Also on November 4, 2025, BEK filed an application requesting that BEK be designated as an essential telecommunications carrier (ETC) in the Valley City exchange area, Case No. PU-25-286.

On November 19, 2025, the Commission issued a Notice of Opportunity for Consolidated Hearing (Notice) that provided until January 2, 2026, for comments and requests for hearing. CenturyLink filed comments on the proceeding and suggested a hearing was necessary to determine if the Commission had the authority to grant Incumbent status to BEK. The Notice stated that, if deemed appropriate, the Commission can determine the matters without a hearing.

The Notice identified the issues to be considered in Case No. PU-25-285 are:

1. Fitness and ability of BEK to provide local exchange telecommunications services.
2. Adequacy of BEK's proposed telecommunications services.
3. Technical, financial and managerial ability of BEK to provide telecommunications services.

4. Whether, upon granting a certificate of public convenience and necessity to BEK to provide local exchange telecommunication services in the area currently known as the Valley City exchange, CenturyLink's certificate of public convenience and necessity should be relinquished or transferred to competitive local exchange service?

The Notice identified the issues to be considered in Case No. PU-25-286 are:

1. Qualification of the applicant under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding.
2. The ETC universal service support area to be designated.
3. Whether it is in the public interest to designate BEK as an ETC in the Valley City local exchange area for the purposes of receiving universal service support?
4. Whether, upon designation of BEK as an ETC for the Valley City exchange, CenturyLink's designation as an ETC for the Valley City exchange should be relinquished or transferred to competitive local exchange service?

On December 31, 2025, CenturyLink filed comments on BEK's applications.

On February 17, 2026, BEK filed reply comments.

On February 18, 2026, the Commission discussed the applications with BEK during an Informal Hearing.

### **Discussion**

BEK is a North Dakota Mutual Aid Cooperative authorized to do business in North Dakota. It has principal offices at 200 East Broadway, Steele, North Dakota 58482.

In support of the applications, BEK provided an affidavit of Derrick Bulawa, CEO of BEK.

CenturyLink is a foreign Corporation authorized to do business in North Dakota. It has principal offices at 100 CenturyLink Drive, Monroe, Louisiana 71203.

### **Public Convenience and Necessity**

BEK holds certificates of public convenience and necessity to provide local exchange telecommunications services inside eighteen telephone exchanges in North Dakota.

BEK testified during the Informal Hearing that it has completed 100% of its fiber to the home network in the Valley City exchange with its own fiber optic network similar to the other referenced exchanges that it currently operates as the ILEC within.

BEK's applications state that they currently provide service to approximately 858 voice lines to 538 wireline subscribers and 2609 broadband subscribers in the Valley City exchange.

CenturyLink's comments assert that it provided service to 276 voice lines and 85 broadband lines in the Valley City exchange at the end of 2025.

BEK testified that it maintains a customer service center in Valley City, North Dakota, and a 24/7 help desk line.

The Commission finds that BEK is fit and able to provide telecommunications services to the customers served in the Valley City telephone exchange geographic area.

The Commission finds that the telecommunications service offered by BEK in the geographic area currently known as the Valley City exchange is adequate.

The Commission finds that BEK has the technical, financial and managerial ability to provide telecommunications service to the geographic area currently known as the Valley City exchange.

BEK will provide telecommunications service to the geographic area currently known as the Valley City exchange as an ILEC.

BEK occupies a market position comparable to a legacy ILEC. BEK has substantially replaced the legacy ILEC. The reclassification serves the public interest, convenience, and necessity and the purposes of 47 USCA section 251.

During the Informal Hearing, BEK provided testimony and visual aids that highlighted CenturyLink's lack of maintenance of its existing system in the Valley City exchange.

CenturyLink filed comments with the Commission supportive of the application for designation as an ETC but asserted that the Commission does not have the authority to grant a provider the status of ILEC. CenturyLink's comments further assert that the Commission should reject BEK's application for ILEC status or hold a hearing.

The Commission finds that it does have authority under North Dakota Century Code (NDCC) sections 49-21 and 49-03.1. Additionally, the Commission has established rules under North Dakota Administrative Code (NDAC) section 69-09-05-11, which further specifies the process required to grant ILEC status within a Certificate of Public

Convenience and Necessity (CPCN) proceeding. The Commission rules were first promulgated in 2001 and further refined in 2006.

The Commission further finds that CenturyLink's suggestion for a hearing does not rise to the level of a request for a hearing. CenturyLink's comments assert that the Commission does not have the authority to take actions that it has taken for over twenty years and that without sufficient evidence the Commission should abandon those actions and procedures or hold a hearing. This manner of request would require the Commission to make a decision and at the same time make a conflicting decision. This would not be proper application of North Dakota laws and rules and must be rejected.

The Commission does not find it necessary to relinquish, but does find it appropriate to transfer, to a competitive local exchange carrier (CLEC) CenturyLink's certificate of public convenience and necessity for the Valley City exchange.

### **Designation as an Eligible Telecommunications Carrier**

BEK is designated as an ETC for the purpose of receiving federal universal service support in a study area that encompasses eighteen North Dakota telephone exchanges.

The federal Telecommunications Act of 1996 (Act) provides for financial support to a common carrier that (1) offers the services established by the FCC to be supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services; (2) advertises the availability of such services and the charges for such services using media of general distribution; and (3) is designated as an ETC. An ETC must use that financial support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

To be designated as an ETC, the carrier must (1) under Code of Federal Regulations (CFR) Part 47 Subpart B, offer to telecommunications customers each of the services and functionalities designated for federal universal service support; and (2) under CFR Part 47 § 54.405, make available Lifeline service to qualifying low-income consumers.

For telecommunications customers, the services designated by the FCC for support by universal service support mechanisms include voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems, lifeline support and toll limitation services to qualifying low-income consumers.

The affidavit of Derrick Bulawa, BEK, affirms that it will continue to meet the obligations of an ETC in the Valley City exchange. BEK also affirms that no waiver of ETC criteria is requested.

The Commission finds BEK's application for designation as an eligible telecommunications carrier under NDAC section 69-09-05-12 is complete including the required affirmations and certifications.

The Commission finds BEK is qualified under Section 214(e) of the federal Communications Act of 1934 as amended by the Telecommunications Act of 1996, for designation as an eligible telecommunications carrier for receiving federal universal service funding for the proposed designated service areas.

For purposes of federal universal service funding, the designated expanded service area for BEK is a rural study area.

Based on the evidence in this proceeding, BEK is qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC to receive federal universal service funding and it is in the public interest that BEK be designated as an ETC in the requested designated expanded service area.

Based on the evidence in this proceeding the Commission finds it is in the public interest that the Valley City exchange shall be included within BEK's rural study area for the purposes of federal universal service support and therefore be removed from CenturyLink's study area.

The Commission finds that it is in the public interest that CenturyLink will remain as an ETC in the Valley City exchange.

### **Order**

The Commission Orders:

1. BEK Communication Cooperative's application for a certificate of public convenience and necessity to provide incumbent local exchange telecommunications services in the area currently known as the Valley City exchange in North Dakota is approved.
2. BEK Communication Cooperative is issued Certificate of Public Convenience and Necessity Number 6019 to provide local exchange telecommunications services inside the Valley City, North Dakota exchange.
3. CenturyLink Communications, LLC's Certificate of Public Convenience and Necessity for the area currently known as the Valley City exchange in North Dakota is transferred to competitive local exchange telecommunications service.

4. The Valley City exchange area is hereby relinquished from CenturyLink Communication LLC's study area.

5. The Valley City exchange area is added to BEK Communication Cooperative's rural study area.

6. BEK Communication Cooperative's request for designation as an eligible telecommunications carrier in the Valley City exchange is granted.

**PUBLIC SERVICE COMMISSION**

		
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<b>Sheri Haugen-Hoffart</b> <b>Commissioner</b>	<b>Randy Christmann</b> <b>Chair</b>	<b>Jill Kringstad</b> <b>Commissioner</b>

**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 6019**

*This is to certify that public convenience and necessity require, and permission is granted for BEK Communications Cooperative, to provide local exchange telecommunications services inside the Valley City, North Dakota local exchange area.*

*This certificate was issued in Case No. PU-25-285, and is conditioned upon BEK Communications Cooperative securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, March 5, 2026.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  

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**Executive Secretary**

  

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**Commissioner**