

February 6, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East
St. Paul, Minnesota 55101-2147

RE: **Halstad Telephone Company Petition for ETC Designation in Minnesota**
Docket No. P530/M-17-838

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce in the above referenced matter.

The petition was filed on December 1, 2017 by:

Thomas G. Burns
Olsen Thielen
2675 Long Lake Road
Saint Paul, MN 55113-1117

On behalf of:
Halstad Telephone Company
345-2nd Avenue W
PO Box 55
Halstad, MN 56548-00550

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/JOY GULLIKSON
Rates Analyst

JG/lt
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. P530/M-17-838

I. BACKGROUND

A. PROCEDURAL BACKGROUND

On December 1, 2017, Halstad Telephone Company (Halstad) requested that the Minnesota Public Utilities Commission (PUC or Commission) designate Halstad as an Eligible Telecommunications Carrier (ETC) “. . . for the limited purposes of providing local services under the Lifeline program.” Halstad Application, p.1.

The application is for the exchanges of:

- Crookston
- East Grand Forks

The incumbent telephone company in these exchanges is Qwest Corporation dba CenturyLink QC.

B. HISTORICAL BACKGROUND

Halstad is an incumbent telephone company (ILEC) serving exchanges in Northwestern Minnesota. On August 4, 2016, Halstad received authority to expand and provide competitive local exchange service in the exchanges of Crookston and East Grand Forks. The authority was dependent upon the filing of:

- 911 plan—pending through Docket No. P530/EP-18-106
- Filing of updated tariffs--completed

Halstad provides its competitive local exchange service as a part of Halstad and not as a separate entity.

II. STATEMENT OF ISSUES

1. Whether Halstad has demonstrated the intent and capability of providing and advertising the services required in 47 CFR § 54.101 (a) throughout its proposed expanded ETC area
2. Whether the request for ETC status for Lifeline only in the Crookston and East Grand Forks areas is in the public interest.

III. APPLICABLE LAW

A. STATE LAW

Under Minn. Rules pt. 7811.1400, a person wishing to comment on a designation petition shall file initial comments within 20 days of the filing¹. Initial comments must include a recommendation on whether the filing requires a contested case proceeding, expedited proceeding, or some other procedure, together with reasons for the recommendation. Minn. Rules pt. 7811.1400 also requires the Commission to act within 180 days of the filing of the petition.

Further, subpart 3 of Minn. Rules 7811.1400 states “A decision on a petition for designation to receive universal service support under this part must include a determination of the applicable universal service area. The universal service area shall be the study area of the relevant LEC unless the commission and the FCC adopt a different service area pursuant to Code of Federal Regulations, title 47, section 54.203, paragraphs (c) and (d)².”

B. FEDERAL LAW

47 U.S.C § 214(e)(1) provides that:

A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received—

- A. offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and

¹ The Department of Commerce sought and received an extension until March 1, 2018.

² The current applicable Code of Federal Regulations is title 47, section 54.207, paragraphs (c) and (d).

- B. advertise the availability of such services and the charges therefor using media of general distribution.

§54.405 states: “All eligible telecommunications carriers must:

- (a) Make available Lifeline service, as defined in §54.401, to qualifying low income consumers.
- (b) Publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.
- (c) Indicate on all materials describing the service, using easily understood language that it is a Lifeline service, that Lifeline is a government assistance program, the service is non-transferable, only eligible consumers may enroll in the program, and the program is limited to one discount per household.

For the purposes of this section, the term “materials describing the service” includes all print, audio, video, and web materials used to describe or enroll in the Lifeline service offering, including application and certification forms. (d) Disclose the name of the eligible telecommunications carrier on all materials describing the service.”

47 C.F.R. § 54.207 defines a service area as “. . . a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms.” Paragraph (b) of the same section states: “. . . in the case of a service 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 . . . establish a different definition of service area for such company.”

IV. ANALYSIS

1. Halstad has demonstrated the intent and capability of providing and advertising the services required in 47 CFR § 54.101 (a) throughout its proposed expanded ETC area.

Halstad has been operating as an ETC in its study area since 1998, when all LECs were designated an ETC by Minnesota Rule 7811.1400. Halstad’s expansion into Crookston and East Grand Forks means that service will be offered in those areas in much the same manner as the ILEC service. Halstad states that it offers last mile service via its own fiber.

Advertising for the Halstad Lifeline services in the expanded areas will follow the same format as its current Lifeline service. Halstad’s web page has a link to the Telephone Assistance Plan and a connection to the Minnesota Department of Commerce for a downloadable application

form for customers. Halstad also plans to advertise at least annually, as well as sending brochures and a letter to the local Social Service offices.

Halstad has its 911 plan pending before the PUC.

2. The request for ETC status for Lifeline only in the Crookston and East Grand Forks areas appears to be in the public interest.

Halstad was required to apply for ETC status in the expanded areas of Crookston and East Grand Forks because its ETC status as an ILEC is for the Halstad "study area" which does not include these two exchanges, and thus requires an affirmative finding by the state commission to certify the expanded ETC area for Lifeline purposes.

There is no evidence to suggest that Halstad would behave in any way contrary to the public interest. Indeed it proposes to bring advanced facilities to the area to provide choice to customers, and the Lifeline component would help to ensure that low income providers are not left behind. To ensure that Halstad will make services available to all in its ETC area, the Department recommends that Halstad be required to report to the Commission and the Department within 45 days of an inquiry for service for which excess construction charges are or would be assessed. The report should contain the date that the service inquiry was made, the amount of excess construction charges quoted and the decision of the potential subscriber to formally request or decline service.

V. COMMISSION ALTERNATIVES

1. Grant ETC status for Lifeline purposes only in the expanded exchanges of Crookston and East Grand Forks for so long as Halstad complies with 47 U.S.C § 214(e)(1). Halstad shall file a written report with the Commission and the Department within 45 days of an inquiry for service for which excess construction charges are or would be assessed. The report shall contain the date that the service inquiry was made, the amount of excess construction charges quoted, and the decision of the potential subscriber to formally request or decline service.
2. Deny ETC status in the expanded exchanges of Crookston and East Grand Forks.

VI. DEPARTMENT RECOMMENDATION

The Department recommends that the Commission adopt Alternative 1 and grant ETC status for Lifeline purposes only in the expanded exchanges of Crookston and East Grand Forks for so long as Halstad complies with 47 U.S.C § 214(e)(1). Halstad shall file a written report with the Commission and the Department within 45 days of an inquiry for service for which excess construction charges are or would be assessed. The report shall contain the date that the service inquiry was made, the amount of excess construction charges quoted, and the decision of the potential subscriber to formally request or decline service.

/lt

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. P530/M-17-838

Dated this 7th day of February 2018

/s/Sharon Ferguson

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