



REDACTED – FOR PUBLIC INSPECTION

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July 15, 2011

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

**Re: WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109
Dakota Central Telecommunications Notice of *Ex Parte* Presentation**

Dear Ms. Dortch:

This request for confidentiality is made on behalf of Dakota Central Telecommunications (“Dakota Central”) pursuant to the September 16, 2010 Protective Order in CC Docket No. 01-92, WC Docket Nos. 05-337, 07-135 and 10-90 and GN Docket No. 09-51.¹ Dakota Central seeks confidential treatment of the data attached to the above-referenced Notice of Ex Parte Presentation.

Pursuant to paragraph 4 of the Protective Order, non-redacted and redacted versions are filed herewith. Each page of the non-redacted submission is marked “CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION”. Each page of the redacted submission is marked “REDACTED - FOR PUBLIC INSPECTION”. The redacted version is also being filed this date via the FCC’s Electronic Comment Filing System.

Please contact the undersigned with any questions.

Respectfully submitted,

/s/ John Kuykendall

John Kuykendall
Vice President
on behalf of
Dakota Central Telecommunications

Attachment

cc: Lynne Hewitt Engledow, Wireline Competition Bureau (two copies non-redacted)

¹ See *Developing a Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92, Protective Order, 25 FCC Rcd 13160 (WCB 2010)

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WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45,
WC Docket No. 03-109
Notice of *Ex Parte* Presentation**

Dear Ms. Dortch:

On July 13, 2011, Keith Larson of Dakota Central Telecommunications (“Dakota Central” or “Company”), Michael Romano of the National Telecommunications Cooperative Association, and John Kuykendall of John Staurulakis, Inc. met with Carol Mattey, Patrick Halley, Amy Bender, Gary Seigel, Daniel Ball, Kevin King and Amy Beier of the Wireline Competition Bureau. The subject of discussion was the impact of proposed National Broadband Plan universal service reforms on Dakota Central operations. Attached is a copy of the presentation which was provided.

Mr. Larson gave an overview of Dakota Central voice, data, and video services provided in the Company’s sparsely populated rural North Dakota service area. Highlighted were Dakota Central’s effective deployment of broadband over DSL and fiber technologies and the importance of quality internet service to local communities. Mr. Larson detailed concerns about the significant negative impact of the FCC’s USF proposals¹ on Dakota Central revenues and the expected need to lay off employees or increase consumer rates.

¹ *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, and Lifeline and Link-Up*, WC Dockets No. 10-90 et al., FCC 11-13 (rel. Feb. 9, 2011); 76 Fed. Reg. 11632-11663 (2011).

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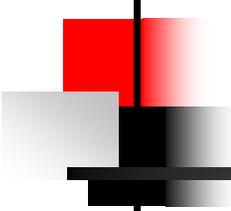
Respectfully submitted,

/s/ John Kuykendall

John Kuykendall
Vice President
on behalf of
Dakota Central Telecommunications

cc: Carol Matthey
Patrick Halley
Amy Bender
Gary Seigel
Daniel Ball
Kevin King
Amy Beier

Attachment



Dakota Central Telecommunications

Carrington, North Dakota

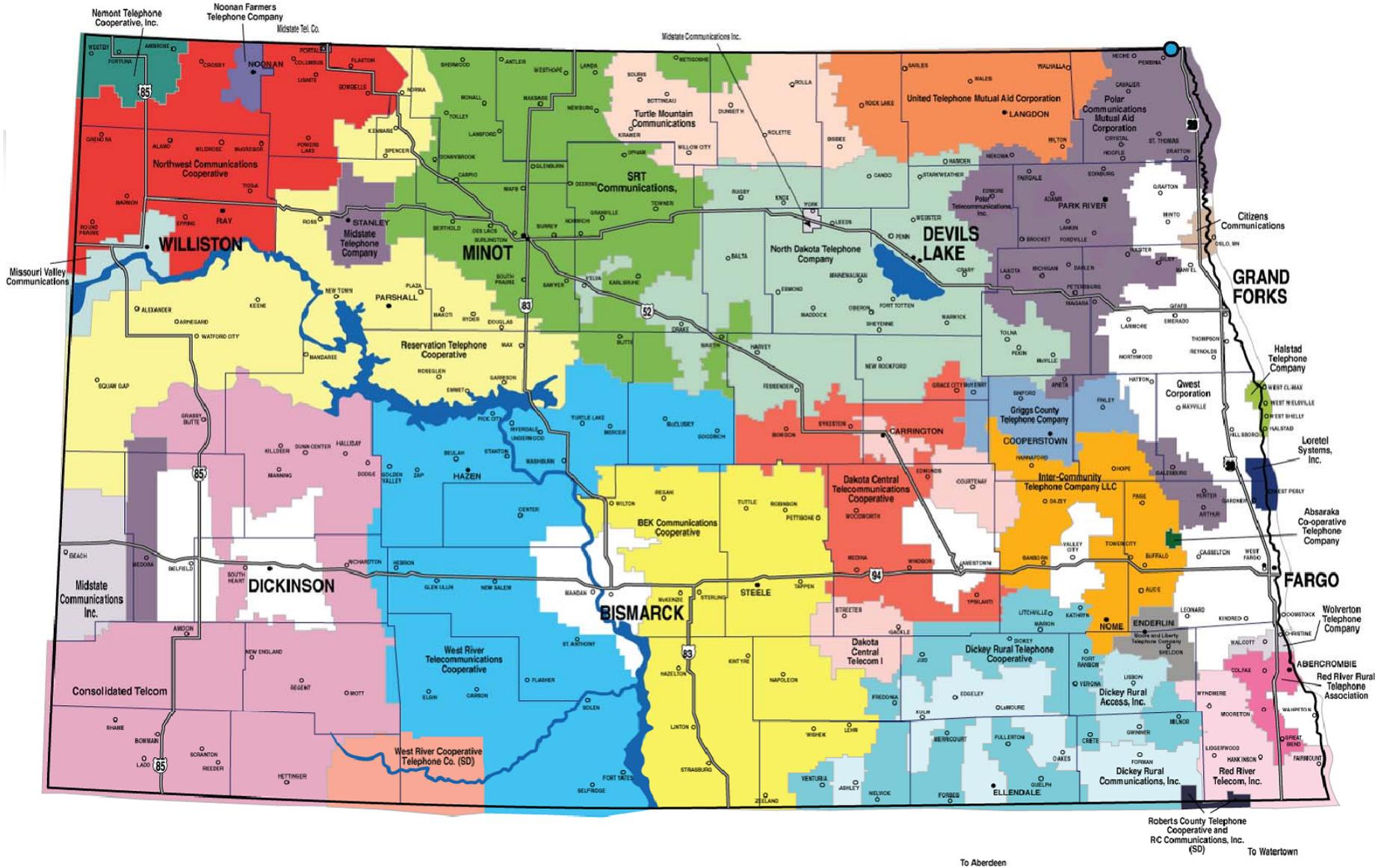
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DCT Services

- Voice (telephone)
- Video (television)
- Data (Internet)



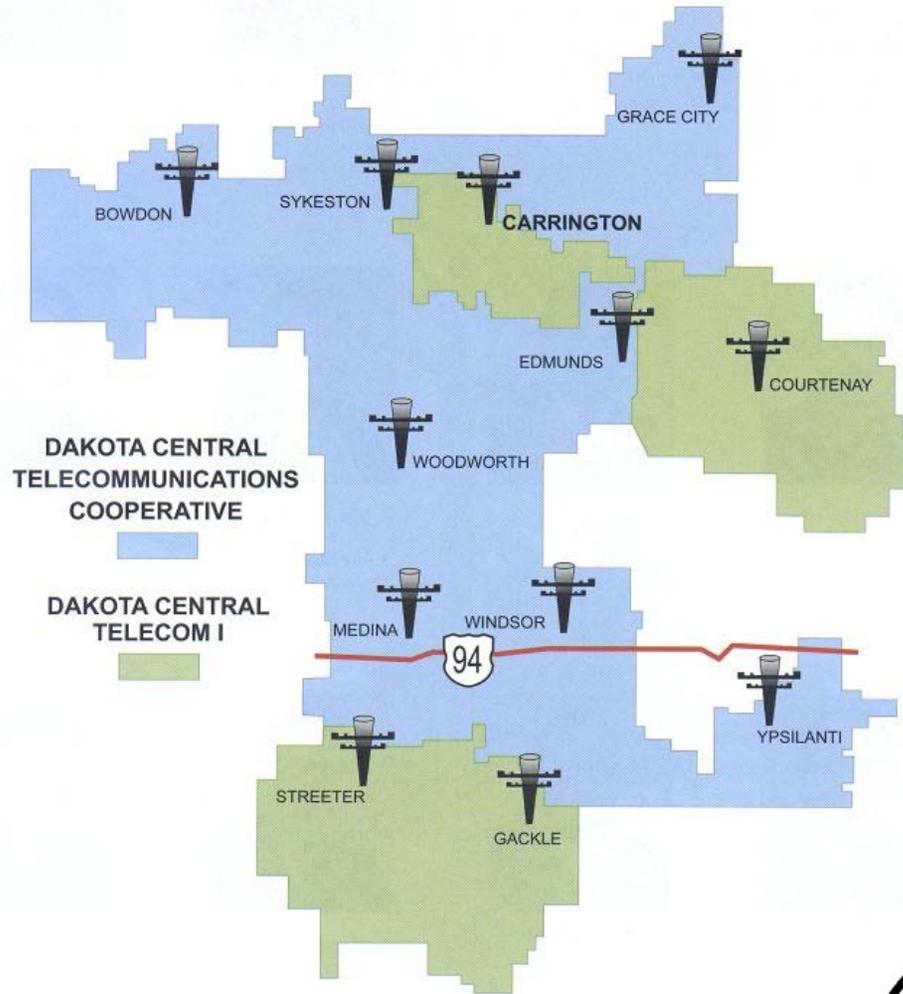
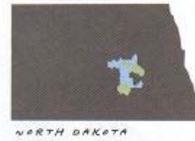
Circuits, Phone Systems, Paging Systems,
Internet Help Desk, etc.



Roberts County Telephone Cooperative and RC Communications, Inc. (SD)
 To Aberdeen To Watertown

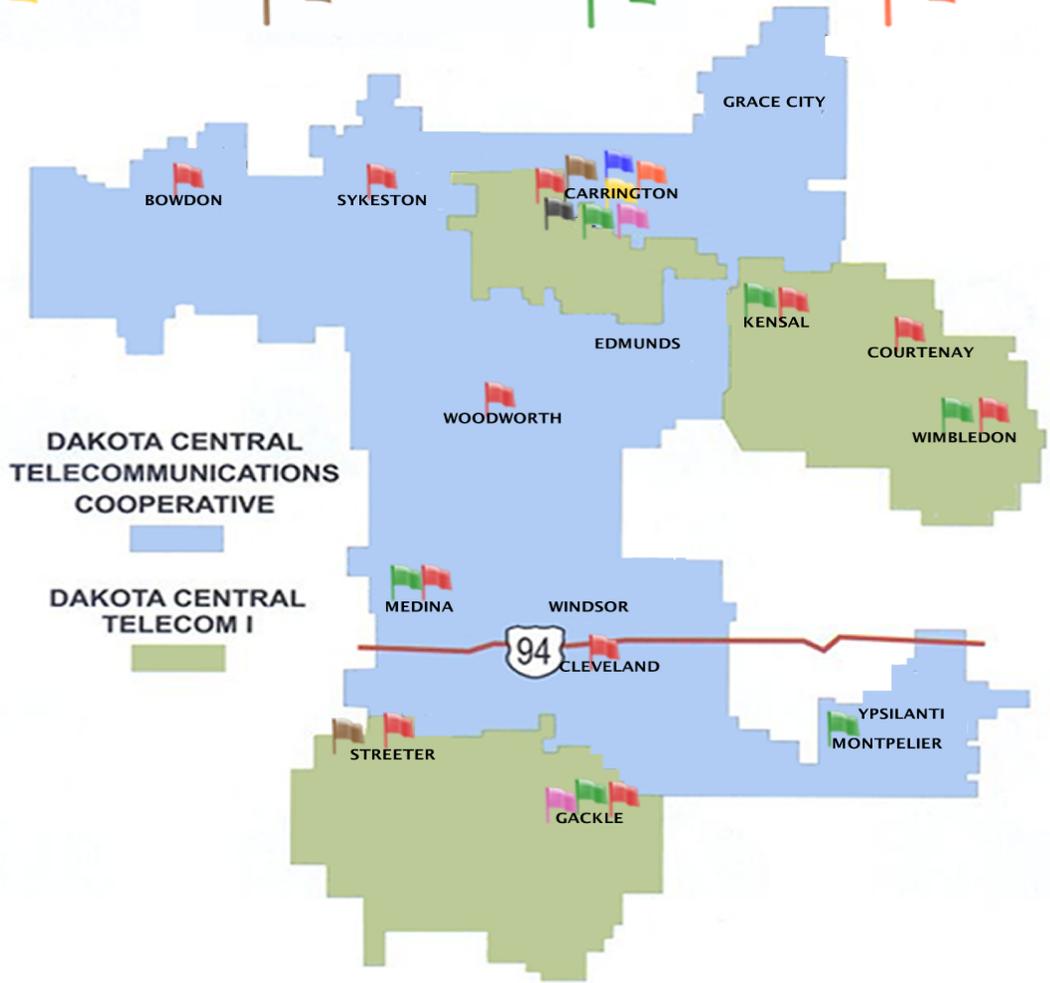
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DAKOTA CENTRAL TELECOMMUNICATIONS SERVICE AREA

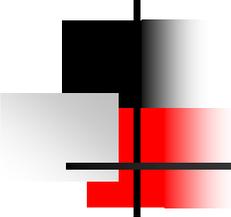


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-  Fire Department
-  Ambulance
-  Clinic/Nursing Home
-  Police Department/ Sheriff
-  Hospital
-  NDSU Research Facility
-  Schools
-  ND National Guard



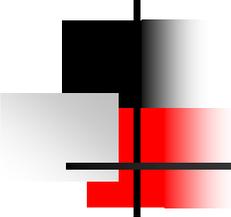
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DCT

- 4114 Access Lines
- 3776 Individual Customer Locations
- 3421 Square Miles Covered
- Customer Density by Square Mile – 1.20
- Customer Density by Route Mile – 1.20
- 12 Exchanges, 26 communities
- 59% in-town customers
- 41% out-of-town customers

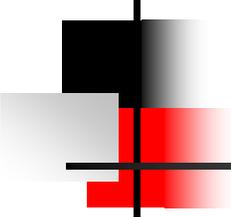




DCT Broadband

- Technologies used: FTTH & DSL
 - DSL Customers:
 - 1-3 Mbps* *Dependent on distance from Central Office*
 - Available to 189 Customers
 - Adoption: 175 Customers
 - FTTH Customers:
 - 1 Mbps, 20 Mbps, 30 Mbps & 50 Mbps
 - Available to 3146 Customers
 - Adoption: 1703 Customers

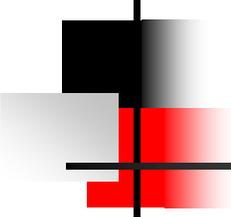




DCT Broadband Penetration

- Overall Broadband Penetration – 56%
 - Total Broadband Availability 3335
 - Total Broadband Adoption 1878
- Breakdown of speed take-rates
 - 1 Mbps –25%
 - 20 Mbps – 69%
 - 30 Mbps – 6%
 - 50 Mbps - < 1%





Quality Internet Essential to Community

- Rural Opportunities
 - Medical Transcription
 - Real-time Customer Service/Internet Support
 - Travel Consultants
 - Data Entry/Software Development
 - Telemedicine
 - Interactive TV for area schools
- Businesses Supporting Work From Home Employees in DCT Area:
 - Verity, Sanford Health Care, MedCenter One, Jamestown College, Home Schooling, University Systems, NISC, SunOpta Foods Group



dakota central

SAC ID: 381610

NPRM Proposed Changes

High Cost Loop Fund Changes:

| | | | |
|--|-------------------------------------|----------|----------|
| Current HCL Support* | | | Redacted |
| Reduction due to algorithm change | (stand alone) | Redacted | |
| Reduction due to elimination of Corp. Exp. | (stand alone) | Redacted | |
| Combined effect (run together) | | | Redacted |
| Increase due to resizing of NACPL | (assumed NACPL reduction of 26.86%) | | Redacted |
| Revised HCLF Support | | | Redacted |

FCC proposes to eliminate (or reduce) support for corporate expenses in all funding mechanisms.

FCC proposes to reduce the reimbursement percentages for high-cost loop support from the current percentages of 65% for qualifying study area loop costs between 115 - 150% and 75% for qualifying study area loop costs in excess of 150% to 55% and 65%, respectively.

Local Switching Support Changes:

| | | | |
|--|--|--|----------|
| Current LSS | | | Redacted |
| Reduction due to elimination of Corp. Exp. | | | Redacted |
| Revised LSS Support | | | Redacted |

The FCC seeks to eliminate local switching support, or combine this program with high-cost loop support. Alternatively, the FCC would combine the LSS program into the HCLF program—creating a LHCS hybrid, using an algorithm similar to HCLF.

Interstate Common Line Support Changes:

| | | | |
|--|--|--|----------|
| Current ICLS | | | Redacted |
| Reduction due to elimination of Corp. Exp. | | | Redacted |
| Revised ICLS Support | | | Redacted |

Safety Net Additive

| | | | |
|--|--|--|----------|
| Current Safety Net Support | | | Redacted |
| Reduction due to elimination of Safety Net | | | Redacted |
| Revised Safety Net | | | Redacted |

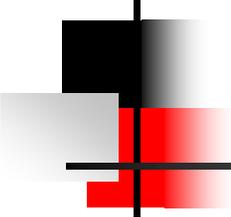
The FCC seeks to eliminate safety net additive support immediately, or implement a phase-down over possibly three years.

| | <u>Original</u> | <u>Revised</u> | <u>Impact</u> | <u>% Change</u> |
|---------------|-----------------|----------------|---------------|-----------------|
| HCLF | Redacted | Redacted | Redacted | Redacted |
| LSS | Redacted | Redacted | Redacted | Redacted |
| ICLS | Redacted | Redacted | Redacted | Redacted |
| Safety Net | Redacted | Redacted | Redacted | Redacted |
| Totals | Redacted | Redacted | Redacted | Redacted |
| Loops | Redacted | Redacted | Redacted | Redacted |
| USF/Loop/Year | Redacted | Redacted | * Redacted | Redacted |

*If USF per line/per year is in excess of \$3,000, USF is capped at \$3,000 per line/per year.

*2010-1 NACPL of \$458.36



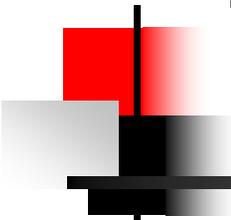


Impact of FCC's USF Proposals

- 41% of Regulated Revenue is USF.
- 79% of Regulated Revenue is USF & ICC.
- Lay-off of 8 employees.
- \$13.92 Rate Increase to consumers/month.



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Thank you

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