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UTAH PUBLIC  
SERVICE COMMISSION

Cedar Valley

3688 East Campus Drive, Suite 150, Eagle Mountain, UT 84005

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August 8, 2011

Mrs. Julie Orchard  
Commission Secretary  
Utah Public Service Commission  
Heber M Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, Utah 84145

RECEIVED

Re: Docket No. 11-999-09. In the Matter of State Certification of Rural Carriers' Compliance with 47 U.S.C. Section 254(e)

Dear Mrs. Orchard:

Pursuant to the Federal Communications Commission ("FCC") mandate in its docket In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45/CC Docket No. 00-256, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking on CC Docket No. 96-45 and Report and Order in CC Docket No. 00-256 (FCC 01-157) (released May 23, 2001), the FCC has adopted a requirement that will be codified in 47 C.F.R. & 54.314 that state commissions must file an annual certification with the Universal Service Administrative Company (USAC) and the FCC stating "that all federal high-cost support provided to eligible telecommunications carriers will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended."

Accordingly, Direct Communications Cedar Valley (NECA company number 500758), is a rural telephone company that has previously been designated by this Commission as an eligible telecommunications carrier. The Company is complying with the requirements of Section 254(e) and will continue to comply for the period January 1, 2012 through December 31, 2012, (the certification period) to be eligible to receive federal USF. The company certifies to the Commission that it will use all federal high-cost support provided to it only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with the principles of universal service 47 U.S.C. 254. This includes, but is not limited to, trying to meet the goal of the provision of services that are properly supported by the high-cost funds at rates that are reasonably comparable to rates charged for similar services in urban areas.

This is a very critical issue, because if certification is not accomplished by October 1, 2011, then federal support for universal service in the areas served by the rural carriers within Utah will not be provided for at least the first quarter of 2012. See paragraph 191 of FCC Order. Accordingly, replacement revenues would become necessary. Any loss of federal support would be a negative outcome for the Rural Companies, their customers and the Commission.

In view of the limited time available, we request the Commission issue a certification before October 1, 2011 to USAC and the FCC that our company is eligible to receive Federal USF and is in compliance with the FCC order.

Very truly yours,

Leonard May  
President

CC: Paul Anderson, Division of Public Utilities  
Ray Hendershot, GVNW Consulting, Inc.