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June 12, 2018

VIA ECFS

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, N.W.
Washington, DC 20554

Re: Iowa Network Services, Inc. d/b/a Aureon Network Services
Notice of Ex Parte Meeting
*In re Updating the Intercarrier Compensation Regime to Eliminate Access
Arbitration*, WC Docket No. 18-155
In re Iowa Network Access Division Tariff F.C.C. No. 1, WC Docket No. 18-60;
Transmittal No. 36

Dear Ms. Dortch:

On June 12, 2018, Justyn Miller and Frank Hilton of Iowa Network Services, Inc. d/b/a Aureon Network Services (“Aureon”), and James Troup and Tony Lee of Fletcher, Heald & Hildreth, met with Jay Schwartz, Wireline Advisor to Chairman Pai, and Travis Litman, Chief of Staff and Wireline Advisor to Commissioner Rosenworcel, to discuss the Notice of Proposed Rulemaking (“NPRM”) issued in the above-referenced proceeding.

During the meetings, Aureon discussed the history of centralized equal access (“CEA”) service, and how the CEA network concentrates the traffic of over 200 rural local exchange carriers at a single point of interconnection located in Des Moines, Iowa. This concentration of traffic has enabled smaller long distance carriers to provide competitive service in rural areas, and offer an alternative to the former monopoly services provided by CenturyLink (the successor to Northwestern Bell) and AT&T. Aureon also emphasized the importance of Aureon’s fiber network to rural subscribers, and how Aureon has not only brought the benefits of equal access and long distance competition to rural Iowans, but Aureon has also enabled rural Iowa communities to receive advanced, modern telecommunications services, such as broadband Internet access, through the concentration of IP traffic by the network, and to receive digital cable TV service by way of a single headend. The CEA network provides critical services to rural Iowa, and many communities would not be able to make calls outside of their local service areas if the CEA network was forced to shut down due to the inability to receive sufficient revenues to maintain and upgrade the network through a cost-supported rate.

Marlene H. Dortch, Secretary

June 12, 2018

Page 2

Aureon urged the Commission to ensure that any rules adopted by the FCC as a result of the NPRM, protect the viability of CEA service so that rural Iowa communities will continue to have a choice of long distance providers, and receive advanced telecommunications services, broadband IP, and digital cable TV offerings comparable to that enjoyed by their urban counterparts. The NPRM proposes new rules that would remove a substantial volume of traffic from the CEA network. Aureon explained that Aureon may need to charge a per minute CEA tariff rate above the CLEC rate benchmark being investigated in WC Docket No. 18-60 to offset such a large decrease in traffic volume. As traffic volume decreases, the per minute CEA rate must increase in order to recover the same fixed network costs. CEA service does not have end users from which Aureon can recover the costs of providing CEA service, and Aureon does not receive USF or CAF support for CEA service.

Should you have any questions with respect to this matter, please feel free to contact us at (703) 812-0400.

Sincerely,

A handwritten signature in black ink, appearing to read "James U. Troup".

James U. Troup
Tony S. Lee

Counsel for Iowa Network Services, Inc.
d/b/a Aureon Network Services