

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Business Data Services in an Internet Protocol Environment	)	WC Docket No. 16-143
	)	
Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans	)	WC Docket No. 15-247
	)	
Special Access for Price Cap Local Exchange Carriers	)	WC Docket No. 05-25
	)	
AT&T Corporation Petition for Rulemaking To Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services	)	RM-10593
	)	

**DECLARATION OF JON CLOPTON**  
**IN SUPPORT OF COMMENTS OF INTELIGUENT, INC.**

1. I am Jon Clopton, Vice President – Carrier Relations and Cost Management of Inteliquent, Inc. Inteliquent is a leading telecommunications carrier and VoIP provider based in Chicago, Illinois.
2. My duties include oversight of Inteliquent’s network procurement and network cost functions.
3. The purpose of my declaration is to provide factual support for Inteliquent’s Comments in response to the Federal Communications Commission’s Business Data Services Further Notice of Proposed Rulemaking in the above-captioned rulemaking proceeding.
4. I have personal knowledge of all facts stated in my declaration.

5. The cost of mux equipment has declined precipitously over the past 20 years, as the result of trends seen in the electronics industry generally throughout that period. A mux that cost \$20,000 in 1996 may be replaced today by an equivalent piece of equipment costing as little as \$500. The equipment is smaller in size and consumes less power than its 1996 forebear.

6. Despite this enormous reduction in cost, however, ILEC rates for multiplexing services are essentially the same today as they were in 1996. AT&T's ILEC subsidiaries in the Midwest, for example, charge anywhere from \$420 to \$865 *per month* for DS3 to DS1 multiplexing, depending on location and term commitment.<sup>[1]</sup> Even at the lowest rate, AT&T could recover its entire investment in a \$500 mux in a little over one month, with all future months' billings representing nearly pure profit. Verizon's charges for DS3 to DS1 multiplexing in New York and Massachusetts range from \$710.26 to \$800.51 per month.<sup>[2]</sup> Thus, Verizon can recover its entire investment in a new multiplexer in about three weeks.

7. Inteliquent would not purchase this service from an ILEC at these prices if it had a choice, but there are situations where there is no practical alternative to using the ILEC's multiplexing. Inteliquent operates its own transport network and, in most cases, provisions its own circuit and its own muxes. Inteliquent has also been able to use third-party facilities for interconnection to ILEC central offices in many locations. In some cases, however, Inteliquent has to purchase DS-3 special access transport from the ILEC, primarily for transit to the ILEC's affiliate.<sup>[3]</sup> Notwithstanding the availability of non-ILEC transport in many cases, Inteliquent (or the third-party provider) cannot provision its own muxes at the ILEC central office where the

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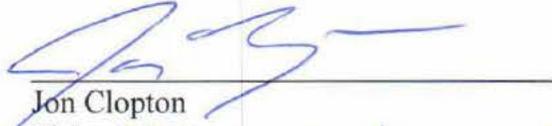
[1] Ameritech Operating Companies, Tariff F.C.C. No. 2, 31st Revised Page 414.

[2] Verizon Telephone Companies, Tariff F.C.C. No. 11, 5th Revised Page 30-129.

[3] The wireless affiliates of the ILECs typically, although not universally, require that Inteliquent deliver transit traffic to their switches via the ILEC network "in-region," even though they accept direct connections from Inteliquent in areas where the ILEC is not their affiliate.

transport circuit terminates unless it also collocates at that office, which can be cost-prohibitive given the volume of ILEC central offices to which Inteliquent connects. Because Inteliquent uses DS-3 transport for interconnection to the local switching network and the ILECs will accept such interconnection only at the DS-1 level, Inteliquent must use ILEC multiplexing service to convert the DS-3 circuits to DS-1s.

I declare under penalty of perjury that the foregoing statements are true and correct to the best of my information and belief.



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Jon Clopton  
Title: VP Carrier Relations + Cost Management

**Dated: June 28, 2016**