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VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation
WC Docket No. 18-60: Iowa Network Access Division Tariff FCC No. 1
WC Docket No. 18-155: Updating the Inter-carrier Compensation Regime to Eliminate
Access Arbitrage

Dear Ms. Dortch:

On July 12, South Dakota Network, LLC (“SDN”) met separately with Jay Schwarz of Chairman Pai’s Office and Amy Bender of Commissioner O’Rielly’s Office. The meetings were attended on behalf of SDN by Mark Shlanta, CEO; Nancy Johnson, VP; Mary Sisak, counsel; Sal Taillefer, counsel; and the undersigned. At the meeting, SDN discussed matters related to the above-referenced proceedings.

Specifically, SDN discussed the inappropriateness of using CenturyLink’s tandem switching rate as a benchmark for Aureon. As a threshold matter, centralized equal access (CEA) switching, which includes equal access functionality, is a fundamentally different service than the tandem switching service provided by CenturyLink and, therefore, CenturyLink’s rate is an inappropriate benchmark. SDN noted that equal access functionality is still necessary as approximately three quarters of its originating traffic is sent to interexchange carriers. SDN also explained that the public data filed in the tariff proceeding appears to demonstrate that using CenturyLink’s switching rate as a benchmark would permit Aureon to charge a rate that is approximately five times greater than its cost-based switching rate.¹ Thus, it appears that the use

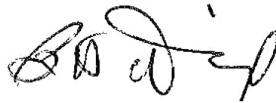
¹ Iowa Network Services (Centralized Equal Access in Iowa), “INS Cost Support,” 177089.XLSX, filed February

of a benchmark to determine the CEA switching rate would reward a CEA provider that promotes access stimulation. On the other hand, SDN stated that because its access minutes continue to be relatively low, it would experience an approximately 50% reduction in revenue if it were required to benchmark its CEA switching rate to CenturyLink's tandem switching rate.

SDN reiterated its position that the appropriate course would be to find that there is no appropriate benchmark for CEA switching, and instead continue to require cost-based CEA switching rates. SDN also urged the Commission to make clear that any findings made in the Aureon tariff proceeding are based upon the facts of that case and expressly limited thereto.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dickens, Jr.", with a stylized flourish at the end.

Benjamin H. Dickens, Jr.
Counsel to South Dakota Network, LLC

CC: Jay Schwarz
Amy Bender
Travis Litman
Jamie Susskind