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May 12, 2005

Via Electronic Submission

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Ex Parte* Presentation,
Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

Today, Mark Shlanta and Vernon Brown of South Dakota Network, LLC, Richard Vohs and Dennis Creveling of Iowa Network Services, Inc., Paul Hoff and Joy Gullikson of Onvoy and I met with Michelle Carey, Legal Advisor to Chairman Martin, to discuss centralized equal access and the issues related to the above-referenced docket. A copy of the presentation materials distributed and discussed at the meeting is attached hereto.

Pursuant to Section1.1206 of the Commission's rules, this letter is being electronically filed with your office. Please associate this letter with the file in the above-referenced proceeding.

Sincerely,

-s-
Mary J. Sisak

Attachment
cc: Michelle Carey

Centralized Equal Access Providers

Iowa Network Services, Inc.

Onvoy (Minnesota Independent Equal Access Corp.)

South Dakota Network, LLC

Centralized Equal Access Providers

CEAs Serve A Unique and Vital Function

Centralized Equal Access (CEA) Providers were authorized by the FCC via 214 and state commissions in the late 1980's to bring the benefits of long distance equal access to rural communities by providing interconnection to all IXCs.

Equal access functions could not be deployed by ILECs in a cost effective manner.

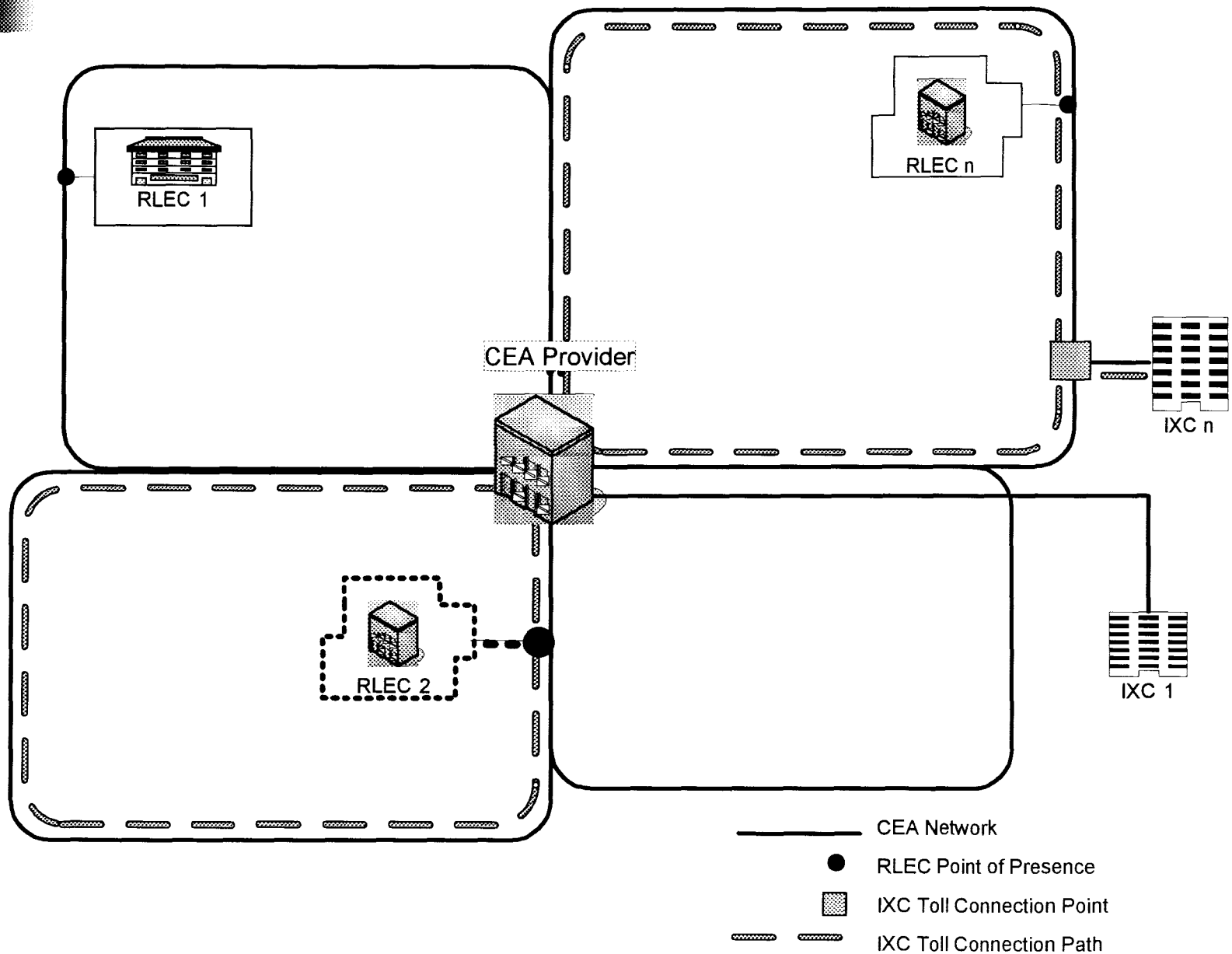
- LEC switching facilities varied significantly
- Electro-mechanical equipment required total office replacement
- Restraints on capital
- Likelihood of little demand unless a system served many LECs to aggregate the number of lines an IXC could reach

Centralized Equal Access Providers

CEAs Serve A Unique and Vital Function

- By creating statewide fiber optic networks that connect all of the rural exchanges, CEA providers create a bridge between an IXC's network and an RLEC's network.
- IXCs interconnect at CEA Tandem or established Toll Connection Points (TCPs). Toll calls are routed between RLECs and IXCs at the CEA tandem. This avoids the need for the IXCs to interconnect with each RLEC.
- CEA networks allow IXCs to connect to all of the RLECs through one or a few convenient connections to the CEA network and aggregate the traffic for many rural telephone lines. Thus , IXCs can reach thousands of customers in hundreds of rural communities.

Centralized Equal Access Providers



Centralized Equal Access Providers

CEA Networks Are State Of The Art

Iowa Network Services (INS)

INS has five (5) repetitive fiber rings serving the state and dual switching functions, supported with SS7 signaling.

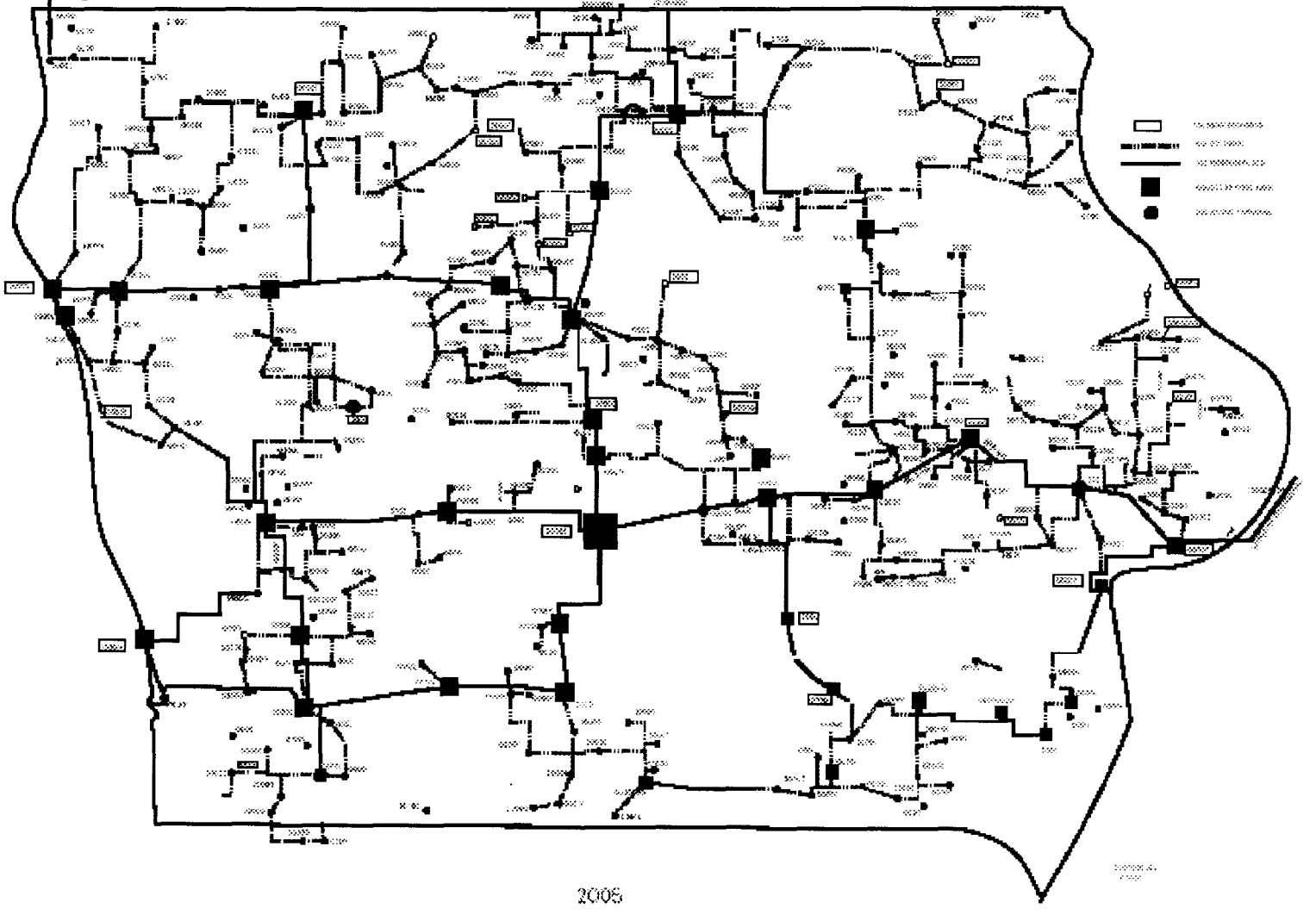
- Total capital investment - $118 million
- 2005 capital budget - $14 million
- Total route miles- 2,275
- Average distance between the CEA tandem and Toll Connection Points (TCPs) – 101 miles
- Average distance between TCP and LEC end offices – 62.2 miles
- Switched minutes of use – 2.1 billion

INS serves 148 RLECs, 37 CLECs and 28 IXCs and connects IXCs to 300,514 access lines.

Centralized Equal Access Providers

THE INDEPENDENT TELEPHONE COMPANIES OF
IOWA NETWORK SERVICES

INTEREXCHANGE FIBER OPTIC CABLE FACILITIES



2005

Centralized Equal Access Providers

CEA Networks Are State Of The Art

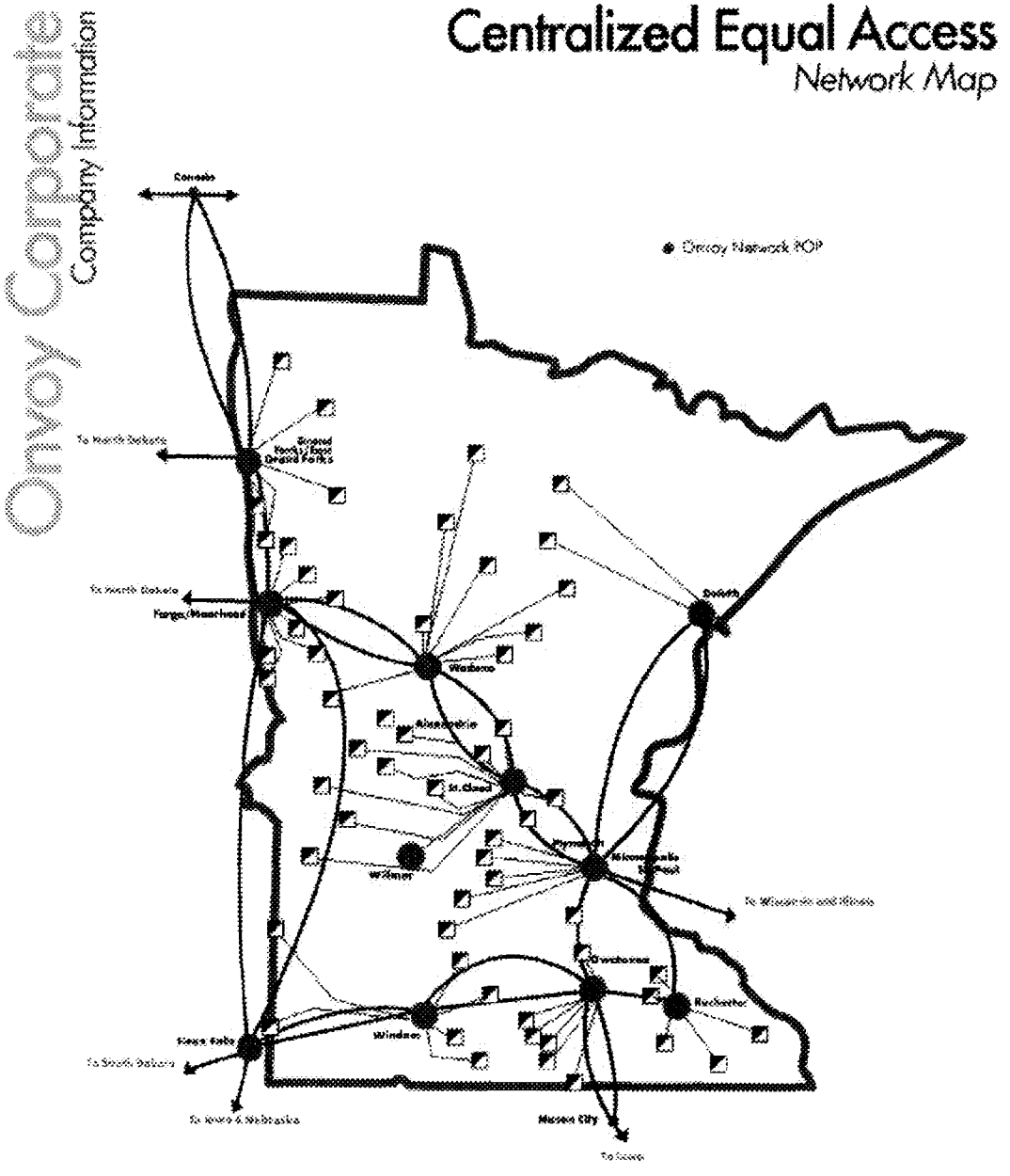
Onvoy

Onvoy has six (6) repetitive fiber rings serving the state, supported with SS7 signaling.

- Total capital investment - $40 million.
- 2005 capital budget - $3.4 million
- Average distance between the Onvoy CEA tandem and Toll Connection Points- 120 miles
- Average distance between Toll Connection Points and LEC end offices - 50 miles
- Switched minutes of use - 1.4 billion

Onvoy serves 64 RLECs, 14 CLECs and 41 IXCs and connects IXCs to 326,155 access lines.

Centralized Equal Access Providers



Centralized Equal Access Providers

CEA Networks Are State Of The Art

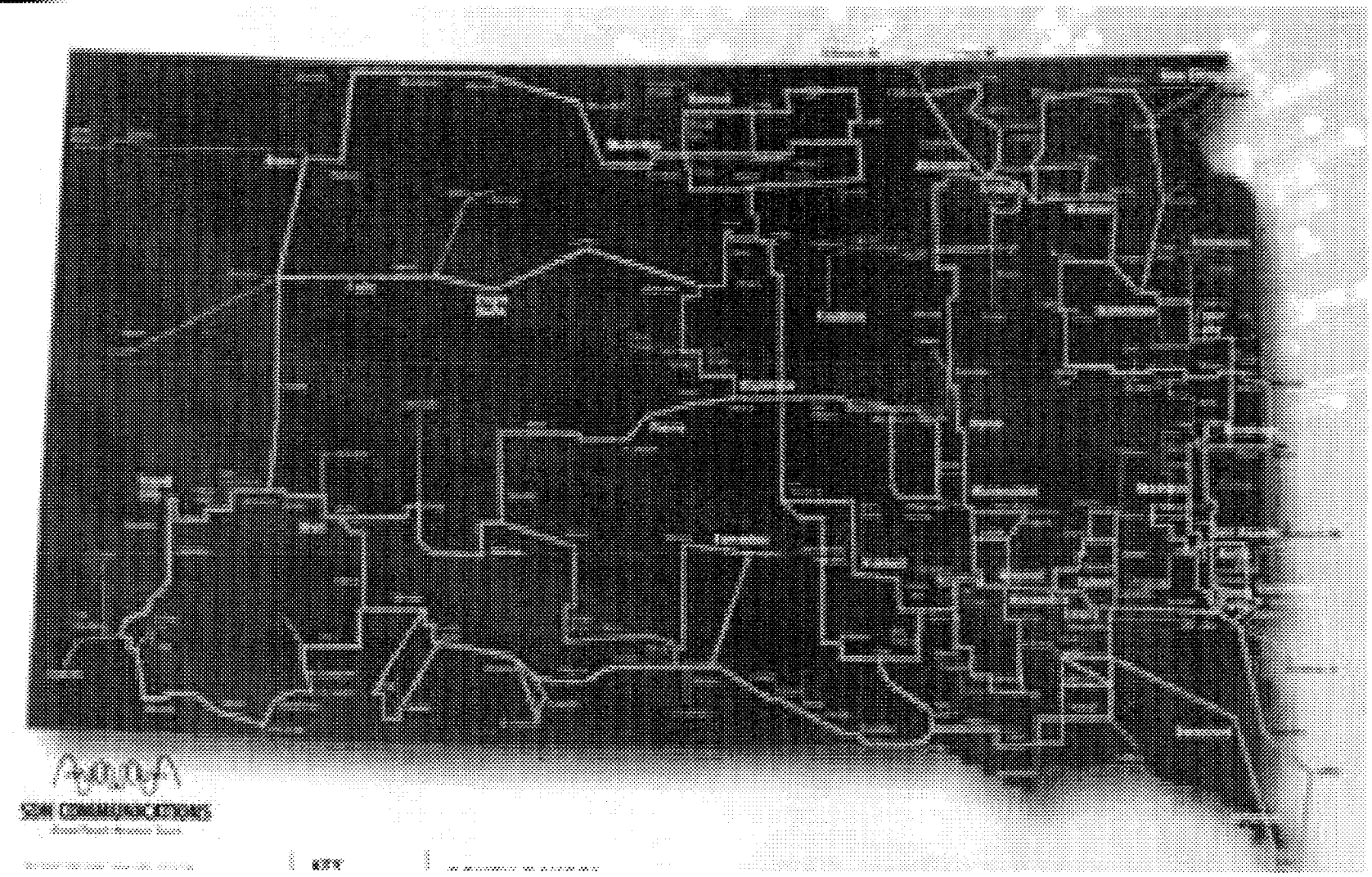
South Dakota Network, LLC (SDN)

SDN has nine (9) repetitive fiber rings serving the state, supported with SS7 signaling.

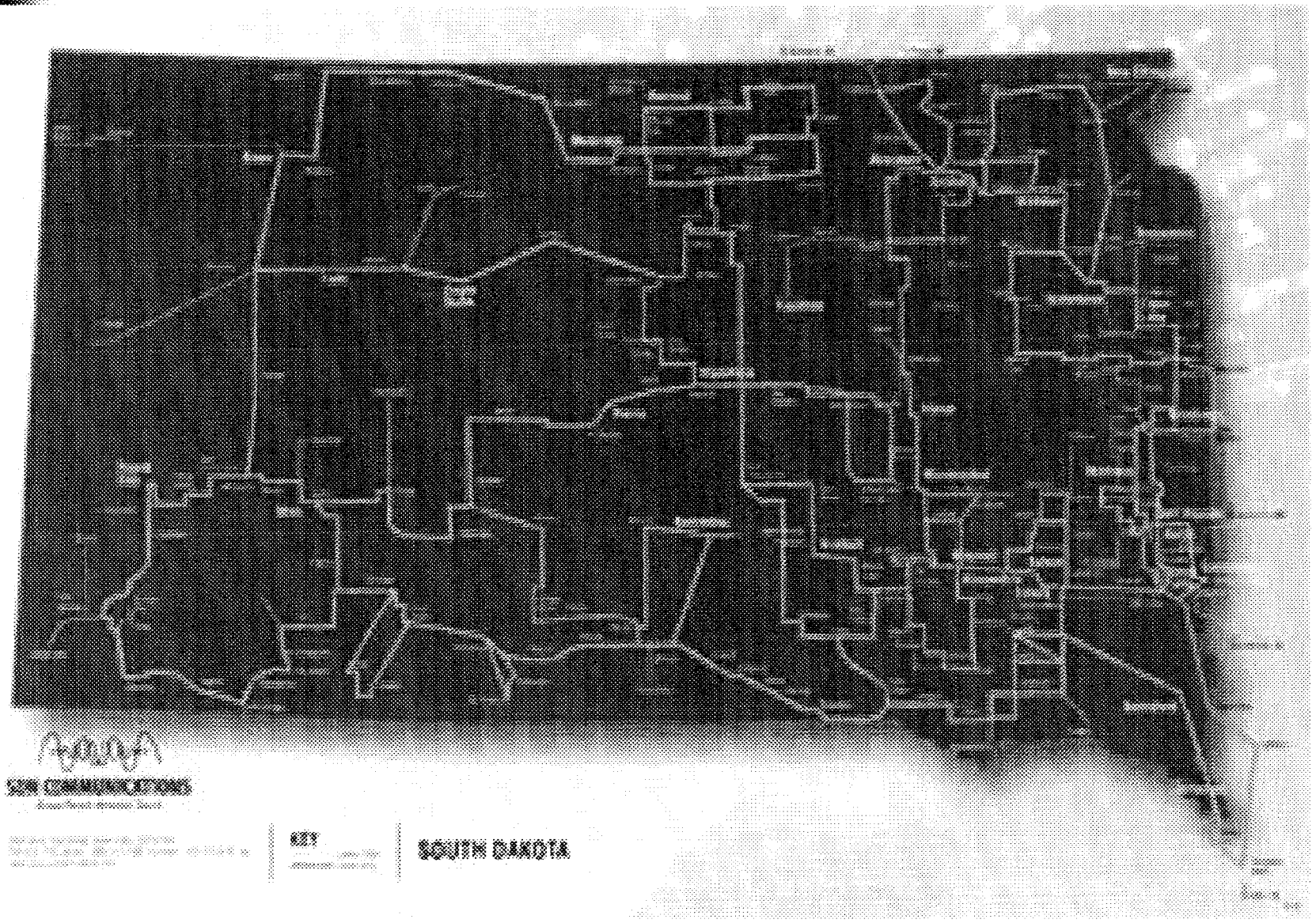
- Total capital investment - $40 million
- 2005 capital budget - $6.7 million
- Average distance between the SDN CEA tandem and Toll Connection Points - 145 airline miles
- Average distance between Toll Connection Points and LEC end offices - 29 airline miles
- Switched minutes of use - 685 million

SDN serves 29 RLECs and 3 CLECs and connects IXCs to 160,000 access lines.

Centralized Equal Access Providers



Centralized Equal Access Providers



Centralized Equal Access Providers

CEA networks have evolved to offer ILECs and IXCs services that otherwise may not have become available to the rural areas served, including advanced services such as:

- SS7, caller name and number, LNP
- Internet services, including VoIP
- ISDN
- ATM/frame relay services
- Host/remote switching
- Alarm monitoring and network management services
- Broadband
- Video Conferencing
- Operator and DA services
- Video Transport
- Special Access

Centralized Equal Access Providers

CEA networks support economic development that helps to expand and sustain communities. The statewide backbone network maintained by the CEA providers supports:

- Government- state, county and city
- Public Safety- state dispatch and 911
- K-12 education
- Higher Education, including research networks
- Health care, including collaborative support for rural clinics and hospitals
- Banking – secure data transfer, greater access to capital in rural markets
- Agriculture- Ethanol and animal research
- Business- high technology and information service entrepreneurs

Centralized Equal Access Providers

CEA networks recover their costs through interstate and intrastate access charges.

CEA networks do not have access to USF, local service revenues or SLCs.

Centralized Equal Access Providers

Most of the proposed plans in the intercarrier compensation docket would reduce or eliminate access charges, which are the only revenue source for CEA networks.

- Intercarrier Compensation Forum (ICF)- reduces per minute termination rates to zero over a six year period and retains only a minimal rate for rural telephone companies. Revenues eliminated in the transition would be replaced by a combination of SLC increases and a new universal service support mechanism which are not available to CEAs.
- Cost-based Intercarrier Compensation Coalition- establishes a single termination rate for each carrier based on TELRIC cost of tandem switching, transport and end office switching. Revenue losses would be offset by increased SLCs and USF, which are not available to CEAs.
- Western Wireless Plan- unified bill-and-keep system for all forms of traffic. Per-minute charges reduced to zero over a four year period.
- NASUCA- five year transition to an interstate rate of $.0055 per minute
- EPG- lost revenues would be replaced with USF, which is not available to CEAs.

Centralized Equal Access Providers

The ICF's "edge" plan would adversely affect CEA networks and the areas they serve.

- The Plan proposes that carriers within the CEA network be responsible for transport to and from the CEA tandem. Currently, IXCs pay this transport cost.
- There is no proposed payment to the CEA carrier for the CEA function, including switching.
- The Plan would limit choice to the rural areas served by CEA networks by adding an additional layer of expense on RLECs.

Centralized Equal Access Providers

The CEA providers urge the FCC:

- To ensure the continuation of CEA networks.
- To require all entities connecting with RLECs through CEAs to pay their share of the cost of the CEA network.
- To maintain cost-based compensation for RLECs and CEAs.
- To reject mandatory bill and keep as a replacement for access charges.
- To reject ICF's "edge" plan as it applies to CEAs.