

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Notice of Inquiry Concerning a Review of the) CC Docket No. 02-39
Equal Access and Nondiscrimination Obligations)
Applicable to Local Exchange Carriers)

**REPLY COMMENTS OF THE
CENTRALIZED EQUAL ACCESS PROVIDERS**

Iowa Network Services, Inc. (“INS”), Onvoy, Inc. (“Onvoy”), and South Dakota Network, LLC (“SDN”), collectively the Centralized Equal Access Providers (“CEA Providers”), hereby submit their reply comments in response to the Commission’s Public Notice (*Parties Asked to Refresh Record Regarding Review of Equal Access and Nondiscrimination Obligations Applicable to Local Exchange Carriers*), CC Docket No. 02-39, DA 07-1071, released March 7, 2007).

The CEA Providers have reviewed the initial comments of the various parties in this record refreshment phase of the Commission’s inquiry regarding the elimination, modification or retention of the equal access obligations of local exchange carriers. The CEA Providers wish to remind the Commission of the substantial public interest benefits of the centralized equal access systems that it has authorized to serve rural communities in Iowa, Minnesota and South Dakota.

Background

INS was formed in 1986 by 128 independent Iowa telephone companies to provide centralized equal access to their rural exchanges from a switch in Des Moines. Today, INS operates a 1,900-mile fiber optic network that connects more than 300 rural Iowa telephone exchanges with its centralized switch located in Des Moines and a back-up switch located in

Kamrar, Iowa. Over forty large and small IXCs are able to offer competitive toll services to the rural subscribers in these exchanges via points of presence (“POPs”) located in Des Moines.

Onvoy (formerly known as Minnesota Equal Access Network Services, Inc.) and its subsidiary Minnesota Independent Equal Access Corporation (“MIEAC”) were formed in 1988 by 65 independent Minnesota telephone companies to provide centralized equal access to their rural exchanges from a switch in Plymouth, Minnesota (a Minneapolis suburb). Currently, 52 independent Minnesota telephone companies continue to hold ownership interests in Onvoy. The Onvoy/MIEAC network consists of more than 3,500 miles of fiber optic cable connecting more than 350 rural Minnesota communities with a centralized switch located in Plymouth. Over 80 large and small IXCs are able to offer competitive toll services to the (approximately/more than) 350,000 rural subscribers in these exchanges via POPs located in the Minneapolis area.

SDN was formed in 1989 by twelve independent South Dakota telephone companies to provide centralized equal access to their rural exchanges from a switch in Sioux Falls. Today, SDN is owned by nineteen independent South Dakota telephone companies. It operates a fiber optic network that connects more than 220 rural South Dakota telephone exchanges with its centralized switch located in Sioux Falls. Approximately 95 large and small IXCs are able to offer competitive toll services to the rural subscribers in these exchanges via POPs located in Sioux Falls.

Public interest benefits of Centralized Equal Access

Centralized equal access provides very substantial public interest benefits to rural residents and their communities, to toll carriers and other service providers, and to rural

telephone companies themselves. These benefits include toll competition, cost savings, advanced services and economic development.

The Centralized Equal Access Providers operate the only three centralized equal access networks in the United States. They planned and constructed these networks because Iowa, Minnesota and South Dakota have large land areas that are sparsely populated, and because the rural areas of the three states are served by large numbers of small independent telephone companies. At the time that equal access was being implemented and toll competition was becoming more prevalent during the mid-1980s, most rural communities in the three states were served by only a single interLATA toll carrier (AT&T) and a single intraLATA toll carrier (US West). Because of their small populations and relatively low traffic volumes, these rural communities had virtually no possibility of convincing competitive IXCs to build or lease interconnection and transport facilities to serve them directly. In fact, even today (over twenty years later), most of these rural Iowa, Minnesota and South Dakota communities still lack sufficient populations, access lines and traffic volumes to attract IXCs and other service providers to construct the facilities necessary to serve them directly.

The efficiencies of centralized equal access have enabled the Centralized Equal Access Providers, their rural telephone company owners, and other carriers to bring advanced services to rural Iowa, Minnesota and South Dakota that otherwise might not have been available for years, if ever. These advanced services include Signaling System 7, caller name and number, high-speed Internet access, Voice over Internet Protocol ("VoIP") service, ATM/frame relay services, alarm monitoring, video conferencing, video program transport, and operator and directory assistance services. These and future advanced services can be installed and maintained more

rapidly and efficiently on a statewide basis through the centralized access networks rather than on an individual carrier or exchange basis.

Over the years, the Centralized Equal Access Providers have expanded and upgraded their state-of-the-art networks to create the redundancy necessary to ensure durable and reliable service to their rural customers and communities. The networks of the Centralized Equal Access Providers have promoted and encouraged the economic development necessary to sustain their rural service areas. The statewide backbones of the three centralized equal access networks support state, county and city/town governments; 911 and other public safety systems; schools, colleges and research facilities; rural hospitals and clinics; banking and financial data transfer systems; farms, ranches and other agricultural facilities; and a variety of high-tech and low-tech businesses. The reliable and advanced services they provide have enabled people and jobs to remain in rural Iowa, Minnesota and South Dakota communities, as well as encouraging new companies and agencies to relocate in them.

Equal Access

As it considers the future of equal access, the Commission should keep in mind the unique and substantial benefits of the Iowa, Minnesota and South Dakota centralized equal access networks that operate pursuant to Section 214 authorization. These networks have brought vigorous toll service competition to rural areas where it never existed previously, and where it is likely to significantly decrease or disappear in their absence. They have also brought, and continue to bring, advanced services and economic development to their rural service areas. Whereas reasonable arguments can be made for and against equal access in general, centralized equal access has proven to be a win-win proposition for virtually everyone, including rural residents and businesses, rural communities, IXCs, rural telephone companies, other

telecommunications and information service providers, and state and local government agencies. Moreover, the competitive packages of service that may be available in other areas are not ubiquitously available in the rural communities served by the CEA Providers. In addition, many consumers in these states continue to choose an interstate and/or intrastate toll service provider other than their local exchange carrier for a large percentage of their access lines.

Conclusion

Based on the foregoing, the CEA Providers urge the Commission to ensure that no action ultimately taken by the Commission in this proceeding preclude or impair the continued operation of the Iowa, Minnesota and South Dakota centralized equal access networks.

Respectfully submitted,

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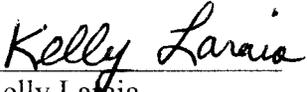
Dated: June 26, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have on this 26th day of June, 2007, had copies of the foregoing Reply Comments of the Centralized Equal Access Providers, delivered to the following via electronic mail:

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