

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Technology Transitions Policy Task Force Seeks Comment on Potential Trials	)	GN Docket No. 13-5
	)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition	)	GN Docket No. 12-353
	)	

**To: The Commission**

**REPLY COMMENTS OF  
SOUTH DAKOTA NETWORK**

South Dakota Network, LLC (“SDN”) submits these Reply Comments in response to the Commission’s February 21, 2014 Public Notice in the above-captioned proceeding (“Public Notice”). SDN urges the Commission to authorize the proposal of Iowa Network Services (“INS”) to conduct its experiment concerning the Time Division Multiplexing (“TDM”) to Internet Protocol (“IP”) transition in the context of Centralized Equal Access (“CEA”) services.

Specifically, SDN contends that the aggregation of rural traffic along with the deployment of equal access and other services provides a powerful centralized platform from which to leverage IP technology downstream. The comments of NTCA – The Rural Broadband Association (“NTCA”) - discuss these benefits in some detail while supporting the INS proposal. SDN joins in those comments.

The INS proposal to conduct its experiment should be granted. The CEA companies have a clear record of providing services and facilities which are beneficial to the public, and the public policy criticisms leveled by CenturyLink, Sprint, and AT&T are factually incorrect and outside the scope of this proceeding.

**PUBLIC POLICY DEMANDS THE EFFICIENT DELIVERY  
OF IP SERVICES TO RURAL CONSUMERS**

At their essence, CEA networks like SDN and INS<sup>1</sup> were created in order to aggregate rural telecommunications traffic, so that equal access and other advanced service could be provided upon an efficient, centralized basis. By installing equal access functionality and other features at a centralized switch, the subtending rural South Dakota and Iowa incumbent carriers have been able to avoid costly and unnecessarily duplicative network investments, thus realizing the efficiency gains of a centralized aggregated network.

Thus, these CEA platforms have been able to 1) present sufficient traffic at a centralized location so that interexchange carriers (“IXCs”) would be willing, for the first time, to serve these rural markets; 2) provide rural customers with the opportunity to enjoy the benefits of IXC competition; and 3) reduce the access charge rates for interexchange access which surely would have been higher absent these CEA networks. Both the Commission and South Dakota and Iowa regulators found the authorization of these networks to be in the public interest.<sup>2</sup> Since the inception of these networks in the late 1980’s, they have evolved and delivered on the promise of centralized equal access and bringing other modern services and features to their respective rural communities. For instance, both networks feature state-of-the-art fiber rings that support SS7

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<sup>1</sup> Minnesota Independent Equal Access Corporation was a third CEA network authorized by the FCC and state regulators (along with SDN and INS) to provide centralized equal access services. These three statewide CEA networks were the only such networks actually constructed pursuant to federal and state authorization.

<sup>2</sup> Memorandum Opinion, Order and Certificate (Iowa Network Access Division), 3 FCC Rcd. 1468 (Common Carrier Bureau (1988)) at ¶¶ 21, 23, aff’d on recon., 4 FCC Rcd 2201 (Common Carrier Bureau (1989)). Final Decision and Order (Iowa Network Access Division, Division of Iowa Network Services), issued October 18, 1988, Docket No. RPU-88-2. Memorandum Opinion, Order and Certificate (SDCEA, Inc.), 5 FCC Rcd. 6978 (Common Carrier Bureau (1990)) ¶24 (finding benefits of centralized equal access services in rural areas of South Dakota justified public interest finding).

signaling. SDN deploys fourteen such bi-directional rings totaling more than 9,000 miles of protected transport facility to almost every rural community. Likewise, INS has deployed several thousand miles of redundant fiber through ring architecture. SDN serves as a regional internet backbone provider, connecting regional ISPs ultimately to the World Wide Web.

Aggregation of networks and service offerings have increased efficiency while promoting economic development. Indeed, SDN recently was awarded (in November, 2012) a \$20.6 million stimulus grant as part of the Broadband Technology Opportunities Program (“BTOP”). SDN’s construction program, completed on time and on budget, has delivered high speed broadband service across seventy South Dakota communities and their institutions, including hospitals, schools, libraries, and public safety and government offices. Tele-medicine, on-line classes, and government services are just a few of the services made possible by this new infrastructure. NTCA’s comments correctly observe that the existing regulatory framework for these CEA companies had helped realize statutory objectives of universal service, competition, public safety and consumer protection.<sup>3</sup>

In short, CEA networks like SDN and INS provide a robust technology platform from which to leverage an IP transition, much as they have accomplished in the past with other technologies and services. These networks are grounded upon explicit public interest findings of both this Commission and its state counterparts. Suggestions that these networks are “inefficient” or irrelevant, and thus should go away, as made by AT&T and Sprint, are simply wrong and outside the scope of this proceeding. CenturyLink’s argument that the INS proposal is just a stalking horse for imposing “underlying legacy regulatory requirements” is similarly wrong and outside the scope of this proceeding. This is particularly so, given the *IP Transition*

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<sup>3</sup> Comments of NTCA – The Rural Broadband Association, GN Docket Nos. 13-5, 12-353, filed March 21, 2014.

*Order's* adoption of the public interest standard as the ultimate yardstick of these trials.<sup>4</sup> As previously noted, such a public interest finding already undergirds the regulatory approvals which these networks have received.

### **CONCLUSION**

For the foregoing reasons, the Commission should authorize the INS proposal. The Commission has appropriately decided to take into account the public interest in conducting TDM-to-IP trials, and has long recognized the public interest in CEA operations. The criticisms of CenturyLink, Sprint, and AT&T do nothing to change these facts.

Respectfully submitted,

**SOUTH DAKOTA NETWORK, LLC**

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<sup>4</sup> *In the Matter of Technology Transitions*, Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiatives, GN Docket Nos. 13-5, 12-353, WC Docket Nos. 10-90, 12-353, 13-97, CG Docket Nos. 10-51, 03-123, released January 31, 2014 at para 26 n. 39.