

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Iowa Network Services, Inc.)	July 1, 2014 Annual Access Charge
Tariff F.C.C. No. 1)	Tariff Filing
)	
)	WC Docket No. 14-48

**PETITION OF CENTURYLINK COMMUNICATIONS, LLC
TO REJECT AND TO SUSPEND AND INVESTIGATE**

Timothy M. Boucher
Associate General Counsel
CenturyLink, Inc.
1801 California Street, 10th Floor
Denver, CO 80202
Tel: (303) 992-5751
Fax: (303) 896-1107
E-mail: Timothy.Boucher@CenturyLink.com

Yaron Dori
Michael Beder
COVINGTON & BURLING LLP
1201 Pennsylvania Ave. NW
Washington, DC 20004
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: ydori@cov.com
mbeder@cov.com

*Counsel to CenturyLink Communications,
LLC*

June 23, 2014

Table of Contents

EXECUTIVE SUMMARY iii

I. BACKGROUND 2

II. IT IS UNLAWFUL FOR INS TO IMPOSE A SWITCHED TRANSPORT RATE
IN EXCESS OF THE *TRANSFORMATION ORDER*'S CAP..... 5

 A. The *Transformation Order* Capped All Access Charges Not Explicitly
 Exempted. 5

 B. INS Must Comply with the *Transformation Order*'s Cap on Access
 Charges. 6

 C. INS's Argument Would Permit the Kind of Rate Manipulation the
 Transformation Order Sought to Prevent. 10

III. THE COMMISSION SHOULD PRESERVE INTERCONNECTING
CARRIERS' RIGHTS BY SUSPENDING INS'S ACCESS CHARGE TARIFF
FILING FOR INVESTIGATION..... 11

CONCLUSION..... 12

EXECUTIVE SUMMARY

Pursuant to Section 1.773 of the Commission's rules and the procedures set forth in the Pricing Policy Division's Order of March 25, 2014, in this docket, CenturyLink Communications, LLC ("CenturyLink") hereby respectfully requests that the Commission suspend and investigate the above-captioned annual access charge tariff filing of Iowa Network Services, Inc. ("INS"), and that the Commission reject the tariff upon confirming its unlawfulness. INS is a consortium of more than a hundred rural Iowa LECs. INS provides Centralized Equal Access ("CEA") service to participating rural Iowa LECs, which consist primarily of rate-of-return carriers. The rural LECs in the INS consortium — and other participating LECs — thus satisfy their equal access obligations through INS's CEA service rather than by providing equal access service at each end office. All IXC's pay INS's tariffed rates for its access services.

In its comprehensive reform of its intercarrier compensation framework, the Commission's *Transformation Order* unambiguously capped all interstate switched access charges at the rates in place on the effective date of the *Transformation Order*. Yet in its instant filing, INS proposes to maintain a switched transport rate above that cap. INS claims that the *Transformation Order*'s access charge reforms do not apply to CEA providers. The Commission must reject this argument. INS's owners — the rural Iowa LECs — could not raise their access charges for switched transport above the cap if these LECs provided their own equal access services. These same requirements apply to Iowa LECs that outsource their equal access functions to INS. Accepting INS's argument to the contrary would invite carriers in CEA arrangements to engage in the very form of rate manipulation that the *Transformation Order*'s cap was intended to prevent.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Iowa Network Services, Inc.)	July 1, 2014 Annual Access Charge
Tariff F.C.C. No. 1)	Tariff Filing
)	
)	WC Docket No. 14-48

**PETITION OF CENTURYLINK COMMUNICATIONS, LLC
TO REJECT AND TO SUSPEND AND INVESTIGATE**

Pursuant to Section 1.773 of the Commission’s rules¹ and the procedures set forth in the Pricing Policy Division’s Order of March 25, 2014, in this docket,² CenturyLink Communications, LLC (“CenturyLink”)³ hereby respectfully requests that the Commission suspend and investigate the above-captioned annual access charge tariff filing of Iowa Network Services, Inc. (“INS”), and that the Commission reject the tariff upon confirming its unlawfulness. In its tariff filing, INS proposes to maintain a switched transport rate that exceeds the INS switched transport rate in effect on the date the Commission’s *USF/ICC Transformation Order* took effect, despite the *Transformation Order*’s unambiguous cap on access rates.⁴ It is beyond question that switched transport charges are access charges subject to the *Transformation Order*’s cap.⁵

¹ 47 C.F.R. § 1.773.

² *July 1, 2014 Annual Access Charge Tariff Filings*, WC Docket No. 14-48, Order, DA 14-404, 29 FCC Rcd 3133 (Pricing Pol. Div. rel. Mar. 25, 2014) (*Procedures Order*).

³ CenturyLink Communications, LLC, is a wholly owned subsidiary of CenturyLink, Inc.

⁴ *Connect America Fund et al.*, R&O and FNPRM, 26 FCC Rcd 17663, 17933 (2011) (“*Transformation Order*”).

⁵ *See id.* (capping “all interstate switched access rates in effect as of the effective date of the rules, including originating access and all transport rates”); *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers* (continued...)

INS apparently is attempting to evade the *Transformation Order*'s cap by asserting that it is not subject to the *Transformation Order*'s cap on access charges. This assertion is incorrect, and INS's evasion is unlawful. The *Transformation Order*'s cap applies to all interstate switched access charges, without regard to the type of entity collecting such charges. In any case, INS is owned by a consortium of rural LECs and collects access charges for exchange access services that otherwise would be provided by the rural LECs directly. The *Transformation Order*'s requirements apply to these access services even if outsourced to a separate legal entity.

Because the *Transformation Order* unambiguously caps all interstate switched access charges at the rates in place on the effective date of the *Transformation Order*, INS's proposed rate is unjust and unreasonable under Section 201(b) of the Communications Act.⁶ Accordingly, the Commission should suspend and investigate INS's tariff in order to ensure that CenturyLink and other carriers will be able to recoup charges assessed under INS's unjust switched transport rate once the Commission confirms its unlawfulness.

I. BACKGROUND

INS was formed by a consortium of approximately 135 rural Iowa Local Exchange Carriers⁷ and remains owned by rural LECs.⁸ Through its Iowa Network Access

and Interexchange Carriers et al., Second R&O and FMPRM, 16 FCC Red 19613, 19647 (2001) ("*Rate-of-Return Access Charge Reform Order*") (including transport services, such as tandem-switched transport, in reform of interstate access charges).

⁶ 47 U.S.C. § 201(b).

⁷ *AT&T Corp., Complainant*, Mem. Op. & Order, 27 FCC Rcd 11511, 11513 (2012) ("*AT&T Complaint Order*"), *recon. denied*, 27 FCC Rcd 16606 (2012).

⁸ See "Quick Facts," Iowa Network Services, https://www.iowanetworkservices.com/iowa_network_services_quick_facts (last visited June 18, 2014). A CenturyLink affiliate, CenturyTel of Postville, holds a small amount of INS stock but has no control over INS. See Comments of Iowa Network Services, Inc. and South Dakota Network, LLC, WC Docket No. (continued...)

Division business unit (“INAD”), INS provides Centralized Equal Access (“CEA”) service to participating rural Iowa LECs, which consist primarily of rate-of-return carriers. INS sought and received authority under Section 214 of the Communications Act to provide CEA service as “a dominant carrier providing exchange access services.”⁹ The purpose of INS’s CEA arrangement was to “encourage IXC competition by concentrating its members’ traffic at a single centralized equal access tandem switch.”¹⁰ The rural LECs in the INS consortium — and other participating LECs — thus satisfy their equal access obligations through INS’s CEA service rather than by providing equal access service at each end office.¹¹ All IXCs pay INAD’s tariffed rates for its access services.¹²

On November 18, 2011, the Commission issued its *Transformation Order*, which comprehensively reformed the Commission’s intercarrier compensation framework and, among other things, capped all carriers’ interstate switched access rates at the rates in effect on the effective date of the *Transformation Order*.¹³ The *Transformation Order* took effect on December 29, 2011.¹⁴ INS’s switched transport rate in effect at that time was \$0.00819 per

10-90 *et al.*, at 8 & n.6 (filed Feb. 24, 2012) (noting that “[e]ach of INS’ shareholders owns less than 5% of its voting shares” and “no single LEC controls the operation of INS”).

⁹ *Iowa Network Access Division*, Mem. Op., Order & Certificate, 3 FCC Rcd 1468, 1469 (1988) (“*INAD 214 Grant*”).

¹⁰ *INAD 214 Grant*, 3 FCC Rcd at 1468.

¹¹ *See id.*, 3 FCC Rcd at 1471.

¹² *Id.*

¹³ *Transformation Order*, 26 FCC Rcd at 17933.

¹⁴ *See* 76 FR 73830 (Nov. 29, 2011) (announcing effective date of December 29, 2011, for portions of the *Transformation Order* not requiring OMB approval).

access minute.¹⁵ INS's switched transport rate remained at or below this cap until July 2, 2013, when INS increased its switched transport rate to \$0.00896 per access minute,¹⁶ the rate INS now proposes to maintain in this tariff filing.¹⁷ Because this rate exceeds the switched transport rate in effect for INS on December 29, 2011, the rate violates the *Transformation Order* and therefore is unlawful.

CenturyLink disputed these excess charges in accordance with the billing dispute procedures set forth in INS's CEA tariff.¹⁸ INS denied the dispute, arguing that INS was not subject to the *Transformation Order*'s cap on access charges because INS "is not a Local Exchange Carrier."¹⁹ In a subsequent letter, INS took the position that the *Transformation Order*'s cap does not apply to it because "INS is not a LEC that provides service directly to end users, but instead is an independent intermediate carrier that does not originate or terminate calls."²⁰ On June 16, 2014, INS filed the instant annual access tariff filing, in which INS proposes to maintain its current switched transport rate of \$0.00896 per access minute.

¹⁵ Iowa Network Access Division Tariff F.C.C. No. 1, Complete Base Tariff as of March 2, 2012, at 10th Rev. Page 145 (issued June 24, 2008) (showing switched transport rate of \$0.00819 per access minute effective since July 1, 2008).

¹⁶ Iowa Network Access Division Tariff F.C.C. No. 1, Transmittal No. 30, at 12th Rev. Page 145 (issued June 17, 2013).

¹⁷ Iowa Network Access Division, Interstate Access Tariff Filing, at Overview (filed June 16, 2014) ("INS 2014 Access Filing").

¹⁸ Letter of Afton Denkler, TEOCO Corporation, on behalf of CenturyLink, to Iowa Network Services (Oct. 23, 2013). A copy of this letter is attached as Exhibit A. The dispute was submitted on behalf of Qwest Communications Company, LLC ("QCC"), a wholly owned CenturyLink subsidiary. CenturyLink Communications, LLC, is the successor to QCC.

¹⁹ Letter of Dennis M. Creveling, Iowa Network Services, Inc., to Afton Denkler, at 1 (Oct. 24, 2013) ("INS October 2013 Response Letter"). A copy of this letter is attached as Exhibit B.

²⁰ Letter of Dennis M. Creveling, Iowa Network Services, Inc., to Afton Denkler, at 1 (Nov. 15, 2013) ("INS November 2013 Response Letter"). A copy of this letter is attached as Exhibit C. CenturyLink notes that, despite its position as to the unlawfulness of INS's rates, it is current as to all CEA charges assessed by INS to-date – though it has paid under protest.

II. IT IS UNLAWFUL FOR INS TO IMPOSE A SWITCHED TRANSPORT RATE IN EXCESS OF THE TRANSFORMATION ORDER'S CAP.

The Commission must reject INS's attempt to evade the *Transformation Order's* unambiguous cap on access charges. The *Transformation Order* makes clear that *all* interstate access charges are subject to the cap, regardless of what type of carrier imposes these charges. INS's owners — the rural Iowa LECs — could not raise their access charges for switched transport above the cap if these LECs provided their own equal access services. These same requirements apply to Iowa LECs that outsource their equal access functions to INS. Accepting INS's argument to the contrary would invite carriers in CEA arrangements to engage in the very form of rate manipulation that the *Transformation Order's* cap was intended to prevent.

A. The Transformation Order Capped All Access Charges Not Explicitly Exempted.

In the *Transformation Order*, the Commission concluded that all access charges eventually should be eliminated in favor of bill-and-keep arrangements.²¹ The *Transformation Order* set out an explicit bill-and-keep transition for some rate elements.²² The Commission sought comment on how to effect an eventual bill-and-keep transition for other rate elements. The Commission repeatedly made clear, however, that it was “capping *all* interstate switched access rates in effect as of the effective date of the rules, including originating access and *all transport rates*,”²³ as well as capping all intrastate rates for price cap carriers and terminating

²¹ *Transformation Order*, 26 FCC Rcd at 17676.

²² *Id.* at 17932.

²³ *Id.* at 17933 (emphasis added); *see also id.* at ¶ 798 (“We also begin the process of reforming other rate elements by capping all interstate rate elements as of the effective date of the rules adopted pursuant to this Order.”); *id.* at ¶ 801 (“[A]t the outset of the transition, all interstate switched access and reciprocal compensation rates will be capped at rates in effect as of the effective date of the rules.”).

intrastate rates for rate-of-return carriers.²⁴ Where the *Transformation Order* created exemptions to the cap, it did so explicitly — for example, by specifically noting that the cap would not apply to originating intrastate access charges imposed by rate-of-return carriers.²⁵

The *Transformation Order* creates no exemption allowing interstate tandem switching and transport rates of the type imposed by INS to exceed the rate in effect when the *Transformation Order*'s rules became effective. The Commission eliminated any remaining doubt about the scope of the access charge rate cap by noting “that the transition set forth above caps rates ... *for all rate elements or other charges,*” even those charges for which the *Transformation Order* did not establish a path for the eventual transition to bill-and-keep.²⁶ The cap thus applies to interstate switching and transport charges like the charge at issue in INS's current annual access filing.

B. INS Must Comply with the *Transformation Order*'s Cap on Access Charges.

INS proposes to maintain a switched transport rate that is higher than the rate it imposed when the *Transformation Order* took effect on December 29, 2011. This proposal on its face violates the *Transformation Order* and thus is unlawful. The rural LECs that own INS aggregate their access traffic through INS rather than provide equal access services through their own end offices, but this outsourcing arrangement does not give INS a license to defy the *Transformation Order*'s cap on access charges. In short, carriers providing CEA service stand in the shoes of their participating LECs.

²⁴ *Id.* at 17934.

²⁵ *Id.* at 17936-37.

²⁶ *Id.* (emphasis added).

Additionally, INS must, itself, be a LEC under the Commission’s rules in its provision of CEA service. Part 61 of the Commission’s rules defines a “local exchange carrier” as “[a]ny person that is engaged in the provision of telephone exchange service or exchange access” as defined in the Communications Act.²⁷ The Act, in turn, defines “exchange access” as “the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services.”²⁸ INS provides its CEA service pursuant to the authority INS received from the Commission under Section 214 of the Act to serve as “a dominant carrier providing exchange access services.”²⁹ When it acts in its capacity as a provider of exchange access services, INS is a LEC for the purposes of Part 61. The Commission’s previous reforms to access charges have reflected that understanding.³⁰

With the exception of INS’s specious assertion that it is not subject to the *Transformation Order*’s cap, every action INS has taken in connection with its access tariff filing — along with its other conduct — confirms that INS is an ILEC subject to the cap. For example, INS submitted its instant tariff filing “in accordance with the Federal Communications Commission’s (FCC) Order, In the Matter of July 1, 2014 Annual Access Charge Tariff Filings, DA 14-404, WC Docket No. 14-48 (released March 25, 2014),” as a dominant carrier “subject to Section 61.38 of the Commission’s rules.”³¹ Indeed, INS could only have submitted its instant tariff filing as an ILEC, given that the order governing the filing is limited to “establish[ing]

²⁷ 47 C.F.R. § 61.3(w).

²⁸ 47 U.S.C. § 153(20).

²⁹ *INAD 214 Grant*, 3 FCC Rcd at 1469.

³⁰ See *Transport Rate Structure & Pricing*, R&O and FNPRM, 7 FCC Rcd 7006, 7050 (1992) (“All LECs, including centralized equal access providers, however, are required to charge for entrance facilities on a flat-rate basis.”) (emphasis added).

³¹ INS 2014 Access Filing, at Introduction.

procedures for the 2014 filing of annual access charge tariffs and Tariff Review Plans (TRPs) for incumbent local exchange carriers (ILECs) subject to price cap regulation, as well as rate of return ILECs subject to sections 61.38 and 61.39 of the Commission’s rules.”³² INS tariffs its CEA service as an ILEC, and as such its tandem-switching and transport rates are capped under the Commission’s rules.³³

Moreover, INS’s filing asserts that it developed its proposed CEA rate “in accordance with CC Docket No. 87-113 released August 18, 1987 (Part 69 Conformance Notice)” as modified by the *Rate-of-Return Access Charge Reform Order*.³⁴ The *Rate-of-Return Access Charge Reform Order* implemented rule changes “to reform the interstate access charge and universal service support system for incumbent local exchange carriers (ILECs) subject to rate-of-return regulation.”³⁵ The order further noted that “[i]nterstate access charges are tariffed charges imposed by incumbent LECs to recover the costs of providing access to their networks

³² *July 1, 2014 Annual Access Charge Tariff Filings*, WC Docket No. 14-48, Order, DA 14-404, 29 FCC Rcd 3133, 3133 (Pricing Pol. Div. rel. Mar. 25, 2014) (*Procedures Order*).

³³ See 47 C.F.R. § 51.903(i) (defining Tandem-Switched Transport Access Service as “[t]andem switching and common transport between the tandem switch and end office” or “[a]ny functional equivalent of the incumbent local exchange carrier access service provided by a non-incumbent local exchange carrier via other facilities”); § 51.907(a) (requiring price cap carriers to “cap the rates for all interstate and intrastate rate elements for ... Tandem Switched Transport Access Services” as of December 29, 2011); § 51.909(a)(1) (requiring rate-of-return carriers to “[c]ap the rates for all rate elements for ... Tandem Switched Transport Access Service ... as well as all other interstate switched access rate elements, in its interstate switched access tariffs at the rate that was in effect on the December 29, 2011”). Even if INS were to (implausibly) claim to be governed by the rules applicable to CLECs, its instant tariff filing would be deficient because it attempts to justify its switched transport rate based on costs rather than on compliance with the appropriate benchmarks. See *Transformation Order*, 26 FCC Rcd at 17937 (permitting CLECs “to tariff interstate access charges at a level no higher than the tariffed rate for such services offered by the incumbent LEC serving the same geographic area” in accordance with 47 C.F.R. § 61.26, and “emphasiz[ing] that the rates that are filed by the competitive LEC must comply with the applicable benchmarking rate”).

³⁴ INS 2014 Access Filing, at Overview (citing *Rate-of-Return Access Charge Reform Order*, *supra* n.5).

³⁵ *Rate-of-Return Access Charge Reform Order*, 16 FCC Rcd at 19615.

for interstate or long distance service,” and that transport services — including switched transport — “carry interstate switched access traffic between the interexchange carrier’s point of presence (POP) and the LEC end office that serves the end user.”³⁶ It therefore is clear that in developing its proposed CEA rate, INS treated itself as subject to the standards the Commission imposed on rate-of-return ILECs developing interstate access charges for switched transport services. INS is similarly subject to the *Transformation Order*’s further limits on these charges.

INS apparently intends to contend that the *Transformation Order*’s access charge cap applies only “to LECs that provide service directly to end users,” and that INS need not comply with the cap because it “does not receive Connect America Fund support and there are no end users from which INS could collect an Access Cost Recovery charge to offset the loss that INS would suffer” if INS complied with the cap.³⁷ The *Transformation Order* imposed no such limits on the scope of its cap. Nothing in the *Transformation Order* suggests that a consortium of LECs, or any other intermediate carrier, may assess access charges on behalf of LECs that the individual LECs would be prohibited from imposing directly.

Nor does the *Transformation Order* make its rate cap contingent on a carrier’s ability to recover its costs through the Access Recovery Charge or the Connect America Fund. The *Transformation Order*’s cap on access charges is unconditional. ILECs may recover a portion of the reductions in access rates resulting from intercarrier compensation reform “through limited end-user charges and, where eligible *and a carrier elects to receive it*, CAF support.”³⁸ But regardless of whether the carrier chooses to impose an ARC or accept CAF

³⁶ *Rate-of-Return Access Charge Reform Order*, 16 FCC Rcd at 19622, 19647.

³⁷ See INS November 2013 Response Letter, Exhibit C, at 1.

³⁸ *Transformation Order*, 26 FCC Rcd at 17957 (emphasis added).

support (with accompanying conditions) to offset *reductions* in rate elements required by the *Transformation Order*, the cap on access charges applies.

C. INS's Argument Would Permit the Kind of Rate Manipulation the *Transformation Order* Sought to Prevent.

The Commission deliberately chose to cap “all interstate switched access rates in effect as of the effective date of the [*Transformation Order*] rules” in part because “[a]bsent such action, rate-of-return carriers could shift costs between or among other rate elements and rates to interconnecting carriers could continue to increase as they have been in the past years, which is counter to the reform we adopt today.”³⁹ Accepting INS’s argument that the CEA service it provides on behalf of rural LECs is exempt from the rate cap would invite exactly this sort of cost-shifting between access charges imposed by individual LECs and access charges imposed by coalitions of such LECs.⁴⁰

Notably, the Commission previously has found that ILECs participating in INS’s CEA arrangement have manipulated that arrangement to impose unjust and unreasonable charges. Less than a year after issuing the *Transformation Order*, the Commission found that five Iowa ILECs engaged in an unlawful “mileage-pumping” scheme using INS’s CEA service.⁴¹ Under the scheme, the ILECs purported to change their Points of Interconnection with INS from “toll centers in close physical proximity to [the ILECs’] operating territories” to INS’s Des Moines access tandem.⁴² The ILECs “did not build or deploy their own transport facilities

³⁹ *Transformation Order*, 26 FCC Rcd at 17933.

⁴⁰ Indeed, it appears that any access charges imposed by an “independent intermediate carrier that does not originate or terminate calls” would be exempt from the cap in INS’s view. See INS Response Letter at 1.

⁴¹ See *AT&T Complaint Order*, 27 FCC Rcd at 11511.

⁴² *Id.* at 11514.

to Des Moines” but instead purported to lease INS’s facilities (in two cases under alleged oral leases).⁴³ The ILECs conceded that they “entered into the lease agreements and purported to change their POIs with INS because, in part, they determined that they would increase their net revenues and profits.”⁴⁴ The ILECs further admitted that these arrangements in fact increased IXCs’ local transport costs “by as much as seven times” without providing any benefits to IXCs or end user customers.⁴⁵ The Commission thus had no difficulty concluding that these practices were “unjust and unreasonable in violation of Section 201(b).”⁴⁶ The same conclusion should apply to INS’s attempt here to impose access charges above the *Transformation Order*’s cap.

III. THE COMMISSION SHOULD PRESERVE INTERCONNECTING CARRIERS’ RIGHTS BY SUSPENDING INS’S ACCESS CHARGE TARIFF FILING FOR INVESTIGATION.

In light of the high probability that the Commission will find INS’s switched transport rate unlawful upon investigation, the Commission should suspend INS’s annual access tariff filing. If the filing is not suspended, INS’s tariff filing will be “deemed lawful,” and the ability of interconnecting carriers such as CenturyLink to recover excess switched transport charges assessed prior to the Commission’s determination that the charges are unlawful will be compromised.⁴⁷ At a minimum, suspension of INS’s filing is justified because INS’s non-compliance with the *Transformation Order*’s access charge cap raises “substantial questions of law and fact” and presents a “substantial risk that ratepayers or competitors would be harmed if

⁴³ *Id.* at 11516.

⁴⁴ *Id.* at 11529.

⁴⁵ *Id.* at 11529.

⁴⁶ *Id.* at 11529.

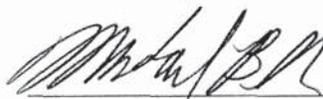
⁴⁷ *See* 47 U.S.C. § 204(a)(3); *see also AT&T Complaint Order*, 27 FCC Rcd at 11528 (“[A]lthough tariffs that are ‘deemed’ lawful are not subject to refunds, if a later reexamination shows them to be unreasonable, the Commission may afford prospective relief.”) (internal quotations omitted).

the proposed tariff revisions were allowed to take effect.”⁴⁸ The Commission should suspend INS’s tariff filing and, after investigation, confirm that its switched transport rate is unlawful.

CONCLUSION

The *Transformation Order* prohibits INS from raising its switched transport rate above the rate in effect when the *Transformation Order* took effect on December 29, 2011. INS now proposes to maintain a rate in excess of the *Transformation Order*’s cap. The proposed rate violates the *Transformation Order* and therefore is unlawful and in violation of Section 201(b). The Commission accordingly must reject INS’s access charge filing and require INS to file a new tariff that complies with the *Transformation Order*. In the meantime, the Commission should suspend INS’s tariff filing for investigation to ensure that CenturyLink and other carriers will be able to recoup any unjust and unreasonable charges they pay for INS’s service.

Respectfully submitted,



Yaron Dori
Michael Beder
COVINGTON & BURLING LLP
1201 Pennsylvania Ave. NW
Washington, DC 20004
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: ydori@cov.com
mbeder@cov.com

Timothy M. Boucher
Associate General Counsel
CenturyLink, Inc.
1801 California Street, 10th Floor
Denver, CO 80202
Tel: (303) 992-5751
Fax: (303) 896-1107
E-mail: Timothy.Boucher@CenturyLink.com

*Counsel to CenturyLink Communications,
LLC*

June 23, 2014

⁴⁸ See *Implementation of Section 402(b)(1)(A) of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, 11 FCC Rcd 11233, ¶ 13 (1996).

Exhibit A



Notice of Dispute

October 23, 2013

Billing Billing
Iowa Network Services

billing@netins.com

CenturyLink has identified discrepancies in the billing by Iowa Network Services. TEOCO Corporation has an agreement with CenturyLink to process, audit, and pay access charges on invoices that are billed by certain vendors to CenturyLink. TEOCO is authorized to file this dispute on behalf of CenturyLink.

Company Name: Iowa Network Services
BAN: 000113755
Invoice Date: See Detailed Attachment.

Description of Issues:

The FCC, in Order 11-161, requires that terminating intrastate rates as of July 2012 be reduced by 50% of the difference between the interstate and intrastate rates in effect at the time of the order, and as of July 2013 for terminating intrastate rates to be in parity with interstate rates. In addition the order states that interstate rates cannot exceed the rate in effect at the time of the order.

INS has exceeded these rate caps.

QCC demands a full refund for all past bills inaccurately and/or improperly rendered because of this billing practice.

This dispute is filed pursuant to Section 2.4.1 of Iowa Network Access Division Tariff FCC No. 1. This dispute is submitted in addition to, and without waiver of, any additional disputes that CenturyLink/Qwest may previously have submitted. Please notify me immediately if you require additional information to investigate the merits of this dispute. Until these issues are resolved, payment will be withheld on this invoice.

Until this issue is resolved, CenturyLink will partially short pay this issue.

Please notify me immediately if you require additional information to investigate the merits of this dispute.

Please reply to me regarding this claim via email at Afton.Denkler@teoco.com. Please copy CCQWA@teocosolutions.com on your reply.

Thank you for your prompt attention to this matter.

Afton Denkler

TEOCO

(Client: CenturyLink)

Exhibit B



4201 Corporate Drive
West Des Moines, IA
50266-5906

Phone - 800.469.4000
Fax - 515.830.0123

October 24, 2013

TEOCO/Century Link

Dispute: CCQWA005829 CenturyLink - Iowa Network Services Claim; BAN: 000113755

Afton.Denkler@teoco.com; CCQWA@teocosolutions.com

Dear Century Link/TEOCO;

Iowa Network Services is in receipt of an email letter dated 10/23/13 regarding intrastate rates. Based on the information provided, we have fully reviewed your dispute and have determined that it has no basis.

INS is not a Local Exchange Carrier. We are regulated separately by the IUB and the FCC under our centralized equal access tariffs. Accordingly, the rate changes required for the LECs through the Intercarrier Compensation Reform do not apply to INS.

In the event you are not in agreement, please provide specific references from the FCC documents referenced. In addition, you will want to review the FCC order that allows INS to increase its Centralized Equal Access rate, effective July 2, 2013. Allowing such an increase, which was not protested by CenturyLink, should validate INS' decision to deny your claim.

Please pay the invoice in full.

Please forward any concerns with this matter to my attention.

Very Truly Yours,

Mr. Dennis Creveling, CPA
Chief Financial Officer
Iowa Network Services, Inc.

Exhibit C



4201 Corporate Drive
West Des Moines, IA
50266-5906

Phone - 800.469.4000
Fax - 515.830.0123

November 15, 2013

Mr. Afton Denkler
TEOCO/CenturyLink

Re: Iowa Network Services invoices 8/2012-10/2013
BAN 000113755, Claim No. CCQWA005829

Dear Mr. Denkler:

Iowa Network Services (“INS”) is in receipt of TEOCO’s October 23, 2013 e-mailed letter on behalf of CenturyLink disputing invoices from August, 2012 to October, 2013 for the Centralized Equal Access (“CEA”) service provided by INS to CenturyLink. TEOCO alleges that INS’ tariff rates for CEA should be reduced as a consequence of the FCC’s decision in *Connect America Fund*, 26 FCC Rcd 17663 (2011). Based on the information provided, INS has fully investigated CenturyLink’s dispute and has determined that it provides no valid basis for not compensating INS for CEA service rendered to CenturyLink.

In a letter dated October 24, 2013 and e-mailed to TEOCO on October 29, 2013, INS informed TEOCO that the CenturyLink dispute had been rejected. Despite resolution of the dispute, INS has still not received full compensation from CenturyLink since its August invoice last year. As further explained below, CenturyLink is blatantly violating federal law by refusing to comply with INS’ lawful and effective tariffs.

Clearly, the actions taken by the FCC in *Connect America Fund* do not justify CenturyLink’s unilateral decision to pay less than the lawful tariff rates for CEA service. The rate changes in *Connect America Fund* apply to LECs that provide service directly to end users. *Connect America Fund* permitted those LECs to increase rates billed to end users, such as the Access Recovery Charge, and to collect universal service support from the Connect America Fund in order to offset the loss due to the reduction in rates charged CenturyLink and other carriers. INS is not a LEC that provides service directly to end users, but instead is an independent intermediate carrier that does not originate or terminate calls. CEA service has no end users because it is a service that is only provided to carriers. Furthermore, CEA service transports calls between other carriers, and does not involve either end office switching or transport that directly connects to an end office. Therefore, INS does not receive Connect America Fund support and there are no end users from which INS could collect an Access Cost Recovery charge to offset the loss that INS would suffer if it billed CenturyLink less than the tariff rate for CEA service.

There can be no dispute that the lawful rate payable by CenturyLink is the current tariff rate for CEA service, which INS accurately applied in the calculation of the invoices that CenturyLink is disputing. Since the FCC granted INS a Section 214 certificate to build the CEA network, CEA service has been subject to significant rate regulation by the FCC. As required by Section 61.38 of the FCC's rules for dominant carriers, INS filed cost and traffic studies supporting a small increase in the CEA rate. The FCC issued a Public Notice regarding INS' tariff filing and gave all interested parties until June 24, 2013 to file a petition with the FCC if they believed INS' proposed CEA rate was improper. Neither CenturyLink nor any other carrier petitioned the FCC raising any concerns about the current CEA rate. The FCC allowed the current CEA rate to become effective on July 2, 2013, and, pursuant to Section 204(a)(3) of the Communications Act, it was deemed lawful by operation of law. Clearly, CenturyLink's conduct, in refusing to pay the lawful tariff rate, is illegal.

For the foregoing reasons, INS demands immediate payment of the subject invoices.

Sincerely,

Dennis M. Creveling, CPA
Chief Financial Officer
Iowa Network Services, Inc.

CERTIFICATE OF SERVICE

I, Michael Beder, an associate with the law firm of Covington & Burling LLP, certify that on this 23rd day of June, 2014, I caused copies of the foregoing "Petition of CenturyLink Communications, LLC, to Reject and to Suspend and Investigate" to be served by the means indicated on the following:

James U. Troup*
Fletcher, Heald & Hildreth
1300 North 17th Street, 11th Floor
Arlington, VA 22209
Fax: (703) 812-0486
Counsel to Iowa Network Services, Inc.

Chief†
Pricing Policy Division, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-A225
Washington, DC 20554
Pamela.Arluk@fcc.gov

Richard Kwiatkowski†
Pricing Policy Division, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-A460
Washington, DC 20554
Richard.Kwiatkowski@fcc.gov

Best Copy and Printing, Inc., Portals II‡
445 12th Street, SW, Room CY-B402
Washington, DC 20554
FCC@BCPIWEB.COM



Michael Beder

* By facsimile and by certified U.S. mail, return receipt requested.

† By electronic mail and hand filing.

‡ By electronic mail.