

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF REVISIONS AND/OR
ADDITIONS TO THE COMMISSION'S
SWITCHED ACCESS RULES CODIFIED IN
ARSD 20:10:27 THROUGH ARSD 20:10:29

Docket No. RM 05-002

SPRINT'S SUPPLEMENTAL COMMENTS

Sprint Communications Company, L.P., Sprint Spectrum, L.P. d/b/a Sprint PCS,, Nextel West Corp. d/b/a Nextel, and NPCR, Inc. d/b/a Nextel Partners (collectively, "Sprint") submit these supplemental comments to the final rules adopted by the South Dakota Public Utilities Commission ("Commission") on March 18, 2011, and posted on March 21, 2011 (the "Final Rules").

Sprint generally agrees with Midcontinent Communications that the rules adopted by the Commission are simple, easy to administer, and very workable, and are consistent with the Commission's statutory obligations.¹ Adopting a uniform benchmark for all CLECs equal to the RBOC rate eliminates arbitrary distinctions between CLECs in the state, and minimizes the ability of CLECs to "game" the system by adopting a particular corporate structure or cherry-picking markets to serve based on population. There is no basis to allow a rural exception for CLECs, and the Commission has provided an ample "safety valve" by allowing those CLECs who wish to charge a higher rate to justify such a rate by filing a cost study. Several carriers, including Sprint, Verizon, AT&T, and Qwest (collectively, the "IXCs"), all filed detailed comments in this proceeding supporting a uniform cap on CLEC rates. The CLECs have had

¹ Midcontinent Communications Co. Supplemental Comments dated April 8, 2011.

more than adequate opportunity to comment on both the original proposed rules prepared by Commission Staff and the other carriers' suggestion to implement a uniform cap on CLEC rates. Everything the IXCs previously said remains true, and Sprint will not reiterate those arguments here.

That said, however, once again Sprint emphasizes that CLEC access rates are only a small part of the problem in South Dakota. To properly address the harm from high access rates in South Dakota, the Commission should also reform ILEC switched access rates. As AT&T discussed extensively in its previous comments, inflated switched access rates are harmful to both consumers and competition in South Dakota. While capping CLEC access rates is a step in the right direction, much more significant reform is needed for ILECs, particularly rural ILECs. In addition to capping CLEC rates, the Commission should move forward promptly to require all ILECs in South Dakota to reduce their intrastate switched access rates to interstate levels.

Both the Final Rules and additional action by the Commission to reduce ILEC access rates would be consistent with the stated policy goals of the FCC to reform intercarrier compensation and promote the deployment of robust broadband networks. In its recent Notice of Proposed Rulemaking (NPRM), the FCC stated that “[t]he intercarrier compensation system is broken and needs to be fixed,”² noting that the current system is hindering progress to all IP networks:

The record suggests that intercarrier compensation reform will encourage carriers to “more rapidly deploy broadband facilities and the IP based services, and that the current system “motivates some carriers to refrain from transitioning networks to IP architecture [which] has the compounding effect of forcing interconnecting carriers to also retain legacy TDM network architecture to accommodate the exchange of traffic.”³

² *In the Matter of Connect America Fund, et al.*, WC Docket 10-90, “Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC-11-13 (rel. Feb. 9, 2011), at ¶508.

³ *Id.* at ¶506 (citations omitted).


Further, the FCC discussed its intention to create incentives or rewards for states that have implemented access charge reform; for example, preferential treatment with respect to CAF distributions:

We seek comment above on ways the Commission could structure the first phase of the CAF to reward states that take action to advance our broadband goals, and here we likewise seek comment on *how the first phase of the CAF preferences might create incentives for states to reduce intrastate access charges.*⁴

The Commission should not be persuaded by the CLECs to take a step backward, in clear contravention to the policy objectives set forth by the FCC. The Final Rules represent an important step in the right direction toward minimizing barriers to competition and mitigating the harm to consumers in South Dakota.

WHEREFORE, Sprint respectfully supports the Final Rules as adopted.

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⁴ *Id.* at ¶544 (emphasis supplied).

CERTIFICATE OF SERVICE

I hereby certify that on April 12, 2011, I sent a true and exact copy of Sprint's Supplemental Comments electronically to:

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