RICHARD A. CUTLER KENT R. CUTLER BRIAN J. DONAHOE \*# STEVEN J. SARBACKER \*\* JAYNA M. VOSS MICHAEL D. BORNITZ # TRENT A. SWANSON \* RYAN J. TAYLOR ° KIMBERLY R. WASSINK MEREDITH A. MOORE DAVID L. EDWARDS NATHAN 5 SCHOEN \* ONNA B. DOMINIACK # AMY L. ELLIS <sup>^</sup> NICHOLE MOHNING ROTHS \* WILLIAM D. SIMS #

#### CUTLER & DONAHOE, LLP ATTORNEYS AT LAW

Telephone (605) 335-4950 Fax (605) 335-4961

www.cutlerlawfirm.com

August 29, 2008

JEAN BROCKMUELLER, CPA (Inactive) BUSINESS MANAGER

\*Also licensed to practice in Minnesota

#Also licensed to practice

‡Also licensed to practice

+Also licensed to practice

^Also licensed to practice in Colorado Also licensed to practice

†Admitted to practice in United States Tax Court

°Also licensed as a Certified Public Accountant

#### VIA EMAIL TO PATTY. VANGERPEN@STATE.SD.US

Ms. Patricia Van Gerpen South Dakota Public Utilities Commission Capitol Building, 1st Floor 500 East Capitol Avenue Pierre, SD 57501-5070

RE:

TC08-005 - In the Matter of the Complaint of Orbitcom, Inc. Against Global Crossing

Telecommunications, Inc.

Dear Ms. Van Gerpen:

Enclosed for filing in the above matter, please find Orbitcom, Inc.'s Reply to Counterclaims of Global Crossing Telecommunications, Inc. Should you have any questions or concerns, please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,

CUTLER & DONAHOE, LLP

Meredith A. Moore

For the Firm

MAM/cmc Enclosure

cc:

Mr. David Jacobson (via email)

Ms. Kara Semmler (via email)

Mr. William Van Camp (via email)

Mr. Matthew Meert (via email)

### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT OF ORBITCOM, INC. AGAINST GLOBAL CROSSING TELECOMMUNICATIONS, INC.

TC08-005

### ORBITCOM'S REPLY TO GLOBAL CROSSING TELECOMMUNICATIONS, INC.'S COUNTERCLAIMS

COMES NOW Orbitcom, Inc. ("Orbitcom"), by and through its counsel, and hereby submits the following Reply to Counterclaims filed against it by Global Crossing Telecommunications, Inc. ("Global Crossing").

- 1. Except as expressly admitted, qualified or otherwise answered, Orbitcom denies each and every allegation in Global Crossing's Counterclaims.
- 2. As to Paragraph 23 of Global Crossing's Counterclaims against Orbitcom, Orbitcom admits those factual allegations set forth therein.
- 3. As to Paragraph 24 of Global Crossing's Counterclaims against Orbitcom, Orbitcom admits those factual allegations set forth therein.
- 4. As to Paragraph 25 of Global Crossing's Counterclaims against Orbitcom, the allegations contained therein are statements of law and therefore Orbitcom neither admits nor denies the same.
- 5. As to Paragraphs 26 through 30 of Global Crossing's Counterclaims against Orbitcom, the statements set forth therein are factual allegations which are not relevant to this dispute. Furthermore, Orbitcom affirmatively states that these statements are intended to confuse and/or mislead this Commission and improperly shift attention from the underlying issues in this proceeding. Without waiving these objections, Orbitcom further states that the statements set forth in Paragraphs 26 through 30 are either factual allegations for which Orbitcom has insufficient

knowledge so as to admit or deny or legal conclusions which are contested. To the extent such allegations are intended to suggest that certain factual issues are undisputed or that there are certain legal conclusions which this Commission may actually draw at this juncture, Orbitcom denies the same and remits Global Crossing to strict proof thereof.

6. As to Paragraphs 31 through 39 of Global Crossing's Counterclaims against Orbitcom, the statements set forth therein are legal conclusions which are contested or factual allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any determination of the application and legitimacy of Orbitcom's interstate access services, its percent interstate usage ("PIU") factor and its tariffs, are issues for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof.

## COUNT I DECLARATORY RELIEF – INVALIDITY OF PIU FACTOR

- 7. As to Paragraph 40 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 39 above.
- 8. As to Paragraphs 41 through 47 of Global Crossing's Counterclaims against Orbitcom, the statements set forth therein are legal conclusions which are contested or factual allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any determination of the application and legitimacy of Orbitcom's interstate access services, its PIU factor and its tariffs, are issues for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof.

  Orbitcom further affirmatively states that these statements are intended to confuse and/or mislead this Commission and improperly shift attention from the underlying issues in this proceeding.

# COUNT II DECLARATORY RELIEF – UNJUST AND UNREASONABLE PRACTICE – APPLICATION OF PIU FACTOR

- 9. As to Paragraph 48 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 47 above.
- Orbitcom, the statements set forth therein are legal conclusions which are contested or factual allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any determination of the application and legitimacy of Orbitcom's interstate access services, its PIU factor and its tariffs, are issues for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof.

  Orbitcom further affirmatively states that these statements are intended to confuse and/or mislead this Commission and improperly shift attention from the underlying issues in this proceeding.

### COUNT III DAMAGES – APPLICATION OF 32% PIU FACTOR

- 11. As to Paragraph 52 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 51 above.
- 12. As to Paragraphs 53 through 56 of Global Crossing's Counterclaims against
  Orbitcom, the statements set forth therein are legal conclusions which are contested or factual
  allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any
  determination of the application and legitimacy of Orbitcom's interstate access services, its PIU
  factor and its tariffs, as well as any damages due and owing, are issues for determination as a matter
  of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global
  Crossing to strict proof thereof. Orbitcom further affirmatively states that these statements are

intended to confuse and/or mislead this Commission and improperly shift attention from the underlying issues in this proceeding.

### COUNT IV RESTITUTION

- 13. As to Paragraph 57 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 56 above.
- 14. As to Paragraphs 58 through 62 of Global Crossing's Counterclaims against
  Orbitcom, the statements set forth therein are legal conclusions which are contested or factual
  allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any
  determination of the application and legitimacy of Orbitcom's interstate access services, its PIU
  factor and its tariffs, as well as a determination of the legitimacy of any amounts previously paid by
  Global Crossing to Orbitcom, are issues for determination as a matter of law by the appropriate trier
  of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof.
  Orbitcom further affirmatively states that these statements are intended to confuse and/or mislead
  this Commission and improperly shift attention from the underlying issues in this proceeding.

# COUNT V DAMAGES – VIOLATION OF TARIFF – RETROACTIVE BILLING

- 15. As to Paragraph 63 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 62 above.
- 16. As to Paragraphs 64 through 68 of Global Crossing's Counterclaims against Orbitcom, the statements set forth therein are legal conclusions which are contested or factual allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any determination of the application and legitimacy of Orbitcom's interstate access services, its PIU factor and its tariffs, as well as a determination of the legitimacy of Orbitcom's billing practices, are

issues for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof. Orbitcom further affirmatively states that these statements are intended to confuse and/or mislead this Commission and improperly shift attention from the underlying issues in this proceeding.

### COUNT VI DAMAGES – UNJUST AND UNREASONABLE PRACTICE – RETROACTIVE BILLING

- 17. As to Paragraph 69 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 68 above.
- 18. As to Paragraphs 70 through 76 of Global Crossing's Counterclaims against
  Orbitcom, the statements set forth therein are legal conclusions which are contested or factual
  allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any
  determination of the application and legitimacy of Orbitcom's interstate access services, its PIU
  factor and its tariffs, as well as a determination of the legitimacy of Orbitcom's billing practices, are
  issues for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore
  denies the same and remits Global Crossing to strict proof thereof. Orbitcom further affirmatively
  states that these statements are intended to confuse and/or mislead this Commission and improperly
  shift attention from the underlying issues in this proceeding.

### COUNT VII ATTORNEY'S FEES

- 19. As to Paragraph 77 of Global Crossing's Counterclaims against Orbitcom, Orbitcom restates its responses to Paragraphs 23 through 76 above.
- 20. As to Paragraphs 77 through 80 of Global Crossing's Counterclaims against Orbitcom, the statements set forth therein are legal conclusions which are contested or factual allegations for which Orbitcom has insufficient knowledge so as to admit or deny. In addition, any determination of which party in this proceeding shall be the prevailing party is premature as it is an issue for determination as a matter of law by the appropriate trier of fact, and Orbitcom therefore denies the same and remits Global Crossing to strict proof thereof.

#### AFFIRMATIVE DEFENSES

- 1. Global Crossing's Counterclaims fail to state a claim against Orbitcom upon which relief may be granted.
- 2. In addition or alternatively, this Commission lacks subject matter jurisdiction, in whole or in part, over the Counterclaims advanced by Global Crossing.
- 3. In addition or alternatively, Global Crossing's Counterclaims are barred, in whole or in part, by the applicable statutes of limitation.
- 4. In addition or alternatively, Global Crossing's Counterclaims are barred, in whole or part, by the doctrines of laches, waiver, estoppel and unclean hands.
- 5. In addition or alternatively, Global Crossing's own acts or omissions have caused or contributed to the circumstances and alleged damages set forth in its Counterclaim to an extent to bar all recovery against Global Crossing.

- 6. In addition or alternative, if Global Crossing has suffered any damages as alleged in its Counterclaims, Global Crossing has failed to mitigate its damages.
- 7. In addition or alternatively, Global Crossing's Counterclaims are preempted or subsumed by federal law.

WHEREFORE, Orbitcom prays that the Counterclaims of Global Crossing be dismissed and that Orbitcom have judgment as set forth in his Complaint.

Dated this 29th day of August, 2008, in Sioux Falls, South Dakota.

CUTLER & DONAHOE, LLP

Attorneys at Law

Meredith A. Moore

100 North Phillips Avenue, 9th Floor

Sioux Falls, SD 57104-6725 Telephone: (605) 335-4950 meredithm@cutlerfirm.com

#### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was served electronically on the 29th day of August, 2008, upon the following:

Ms. Patricia Van Gerpen

**Executive Director** 

South Dakota Public Utilities Commission

500 East Capitol Pierre, SD 57501

patty.vangerpen@state.sd.us

Telephone: 605-773-3201

Ms. Kara Semmler

Staff Attorney

South Dakota Public Utilities Commission

500 East Capitol

Pierre, SD 57501

kara.semmler@state.sd.us

Telephone: 605-773-3201

Mr. David Jacobson

Staff Analyst

South Dakota Public Utilities Commission

500 East Capitol

Pierre, SD 57501

david.jacobson@state.sd.us

Telephone: 605-773-3201

Mr. William Van Camp

Olinger, Lovald, McCahren & Reimers

PO Box 66

Pierre, SD 57501

wmvcjr@hotmail.com

Telephone: 605-224-8851

Mr. Matthew Meert
Director, Voip and Network Services
Orbitcom, Inc.
1701 North Louise Avenue
Sioux Falls, SD 57107
mmeert@svtv.com

Telephone: 605-977-6900

Meredith A. Moore