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June 15, 2010

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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: *TC10-014 - In the Matter of the Investigation of Pricing Regulation for Switched
Access Services Provided by Competitive Local Exchange Carriers*

Dear Ms. Van Gerpen:

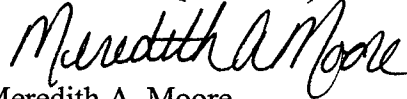
Attached for filing in the above matter, please find the Comments of
SSTELECOM, Inc.

As indicated above, this document has been sent to you via electronic mail in PDF
form. If you have any questions or concerns regarding this document, please do not
hesitate to contact me.

Best regards.

Sincerely,

CUTLER & DONAHOE, LLP



Meredith A. Moore

For the Firm

MAM/cml
Attachment
cc: Service List

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

IN THE MATTER OF THE
INVESTIGATION OF PRICING
REGULATION FOR SWITCHED
ACCESS SERVICES PROVIDED BY
COMPETITIVE LOCAL EXCHANGE
CARRIERS.

TC10-014

**COMMENTS OF
SSTELECOM, INC.**

On June 1, 2010, in Docket RM05-002, the South Dakota Public Utilities Commission ("Commission") issued draft rules regarding switched access rates for competitive local exchange carriers. SSTELECOM, Inc. ("SSTELECOM") hereby submits the following comments to the Commission's proposed rules (the "Proposed Rules").

Prior to the issuance of its Proposed Rules on May 4, 2010, the Commission issued an Order in Docket TC10-014 holding that price regulation for competitive local exchange carriers ("CLECs") "will have a positive impact on universal service and is more reasonable and fair than rate of return regulation." See Docket TC10-014, *Order Finding Pricing Regulation Appropriate for CLECs' Switched Access Services; Order Denying in Part and Granting in Part Qwest's Motion; Order Taking Judicial Notice; and Order Closing Docket*, May 4, 2010. The Commission also noted that it will take judicial notice of the pre-filed testimony from Docket TC10-014 in the above-captioned rulemaking docket.

Comments articulated by the various parties in the pre-filed testimony produced in Docket TC10-014 focused on two issues of critical importance: (1) whether all CLECs should be treated equally for purposes of determining their access rates, and (2) whether interexchange carriers ("IXCs") or CLECs possess greater market power to determine and set access rates.

The Commission's Proposed Rules strike a balance between both of these considerations and, accordingly, SSTELECOM supports them. SSTELECOM recognizes that the primary purpose of the Telecommunications Act of 1934, as amended, was and is to promote competition. While a CLEC chooses to compete in the area of an existing ILEC, thereby tacitly acknowledging that it may or may not recover all of the costs of providing service, not all CLECs are the same. The Commission's Proposed Rules recognize that a distinction may and should be drawn between those rural CLECs which make an investment in rural, high-cost areas and those urban CLECs which serve the largest markets in South Dakota and only seek to serve the more populated urban portions of current ILEC markets. The establishment of the proposed tiered rating system provides those CLECs which choose to compete and offer service in the whole of a ILEC's exchange or in a rural ILEC exchange a better opportunity to recover their costs so that they are better able to make the necessary investment to bring new technology to the area. Such a compensation scheme also preserves the significance of the rural exemption and therefore maintains the necessary distinction between ILECs which have carrier of last resort obligations and CLECs which do not.

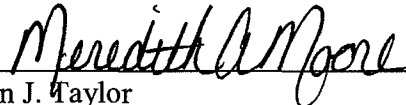
In the current environment, both from the standpoint of the marketplace and the existing rules, CLECs operating in rural exchanges do not have the resources necessary for conducting a cost study which comports with the existing rules nor do they have the time and resources for engaging in lengthy negotiations for purposes of setting a rate. As such, the Proposed Rules provide a simple and consistent rate setting process.

In the event that the initial comments provided by the various parties to this docket precipitate changes to the Proposed Rules, SSTELECOM respectfully requests an opportunity to provide further comment.

Dated this 15th day of June, 2010.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served electronically on the 15th day of June, 2010, upon the following:

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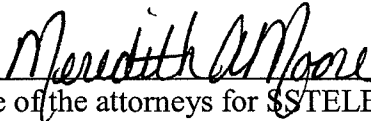
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