



April 4, 2007

Public Utility Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, South Dakota 57501

Re: Waiver request of Matrix Telecom, Inc. d/b/a Matrix Business Technologies

Dear Sir or Madam:

Enclosed for filing, please find an original and ten (10) copies of the Petition for waiver from certain administrative rules. Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope.

Should you have any questions or concerns, please contact me directly at (214) 432-1453 or via email at dhoyle@matrixbt.com.

Regards,

A handwritten signature in black ink that reads "Dana Hoyle". The signature is written in a cursive style with a large, sweeping "D" and "H".

Dana Hoyle
Manager of Regulatory Affairs

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION)
OF MATRIX TELECOM, INC. D/B/A)
MATRIX BUSINESS TECHNOLOGIES) TC _____
FOR A WAIVER OF THE REQUIREMENTS)
OF ARSD 20:10:27:7 REQUIRING A)
SWITCHED ACCESS COST STUDY)

PETITION

COMES NOW Matrix Telecom, Inc. d/b/a Matrix Business Technologies (“Petitioner” or “Matrix”) and shows the Public Utilities Commission of South Dakota the following:

I. PARTIES

The Petitioner is Matrix Telecom, Inc. d/b/a Matrix Business Technologies, 7171 Forest Lane, Suite 700, Dallas, Texas 75230. All notices, pleadings and other communications concerning this Petition should be directed to:

Dana Hoyle
Manager of Regulatory Affairs
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1453
Facsimile: (214) 432-1576
Email: dhoyle@matrixbt.com

II. FACTS

Matrix is authorized to provide competitive local exchange telecommunications services and intrastate toll service, pursuant to Commission order. Matrix requests a waiver of the switched access cost study components contained in ARSD 20:10:27:07 for the following reasons:

Matrix is a smaller company that has limited financial and technical resources.

2. Matrix does not have the resources necessary to determine company-specific cost-based intrastate switched access rates. Unlike rate of return regulated Local Exchange Companies, Matrix does not have entire departments that are dedicated to preparation of fully allocated cost studies on a year round basis. Additionally, since Matrix is not a rate of return regulated company, Matrix has never had a reason to evaluate its costs in the same manner as a rate of return regulated entity might evaluate its costs. As such, the results of such cost study would be nearly meaningless for a new market entrant that is not regulated on a rate of return basis.
3. The additional costs associated with developing company specific cost specific cost-based intrastate switched access rates outweigh any benefit to the consumer or customer.
4. Matrix currently provides services through resale and plans to provide service through the use of the lease of the unbundled network elements platform (“UNE-P”) of the incumbent local exchange provider, Qwest Communications.
5. Because Matrix will obtain all of its switched access elements from the ILEC, its costs for switched access service elements will be at least as much as the ILEC’s costs for those elements.
6. Matrix proposes to mirror the intrastate switched access rates of the ILEC contained in the Qwest Access Service Tariff, State of South Dakota Section 3.9 and 6.8.

7. The use of rates identical to the ILECs rates for intrastate switched access will result in less confusion to long distance providers and to consumers that review and evaluate the companies' rates for provision of switched access services.

Matrix requests a waiver of ARSD 20:10:27:12 for the following reasons:

1. ARSD 20:10:27:12 would require Matrix to base its intrastate switched access rates on the costs of all the telecommunications companies with less than 100,000 access lines.
2. Under ARSD 20:10:27:12 Matrix would be required to charge a substantially higher intrastate switched access rate than the ILEC.
3. Matrix proposed rates follow the Federal Communications Commission guidelines that generally prohibit switched access rates to be higher than those charged by the ILEC.

III. Legal Authority

Because the proposed tariff is an intrastate switched access tariff, the Public Utilities Commission has jurisdiction over this matter; authority to temporarily waive or suspend any rule in chapters 20:10:27 to 20:10:29, inclusive and authority to waive company-specific cost-based switched access rates pursuant to SDCL Chapter 49-1-11, 49-31-5 and 49-31-18 and ARSD 20:10:27:01 et seq.

IV. Relief Requested

Matrix respectfully requests 1) waiver of the switched access cost study components of ARSD 20:10:27:07; 2) waiver of the process to determine switches access rates under ARSD 20:10:27:12 that requires the Petitioner to base its switched access rates on the costs of all the telecommunications companies with less than 100,000 access lines.

Dated: April 4, 2007

Respectfully Submitted,

MATRIX TELECOM, INC. D/B/A
MATRIX BUSINESS TECHNOLOGIES

By: 

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