



Crow Creek Sioux Tribe Utility Authority

P.O. BOX 497

Fort Thompson, SD 57339-0497

605-245-2544 Telephone

605-245-2752 Facsimile

Order

Before the Crow Creek Sioux Tribe Utility Authority (“Utility Authority”) is a Complaint filed by Native American Telecom, LLC (“Native American Telecom – Crow Creek”) seeking enforcement of its Access Service Tariff, filed with the Utility Authority and in effect as of September 1, 2009. Native American Telecom – Crow Creek contends that Sprint is not paying for services rendered on the Crow Creek reservation. In particular, Native American Telecom - Crow Creek states that Sprint has provided the following response to its recent access services invoice:¹

“Sprint objects to the nature of certain traffic for which Cabs Agents/Native American Telecom is billing access charges and Sprint disputes the terminating charges in full. It is Sprint's position that traffic volumes associated with, but not limited to; artificially stimulated usage, chat lines, free conferencing, and revenue sharing are not subject to access charges. If you have any questions please call Julie Walker at 913-762-6442 or email at julie.a.walker@sprint.com.

On March 26, 2010, Native American Telecom – Crow Creek provided this Utility Authority with a copy of the billing dispute by Sprint. While normally this Utility Authority would not intervene in a billing dispute that involves factual issues to be addressed by the parties, this situation involves a legal issue that requires the intervention of the Utility Authority. By taking the position the termination of traffic by Native American Telecom – Crow Creek on the reservation is “not subject to access charges,” even though Native American Telecom – Crow

¹ Email from Candice Clark, billing agent of Native American Telecom – Crow Creek, to Gene DeJordy, CEO of Native American Telecom – Crow Creek.

Creek has a lawful tariff in effect at the Utility Authority, Sprint appears to be challenging the jurisdiction and laws of the Crow Creek Sioux Nation and this Utility Authority.

Sprint's self-help in refusing to pay Native American Telecom – Crow Creek's tariffed rates violates the "filed rate doctrine," which require all customers, such as Sprint, who avail themselves of tariffed services, to pay the rates contained in effective tariffs. The filed rate doctrine, also known as the filed tariff doctrine, is a common law construct that originated in judicial and regulatory interpretations of the Interstate Commerce Act, and was later applied to the Communications Act of 1934, as amended. It has been applied consistently to a variety of regulated industries for almost a century. The filed rate doctrine stands for the principle that a validly filed tariff has the force of law, and may not be challenged in the courts for unreasonableness, except upon direct review of an agency's endorsement of the rate.² This Utility Authority looks to common law practices to guide its decisions and be precedent for future actions.

The FCC has reaffirmed the filed rate doctrine in its *CLEC Access Charge Order* and expressly applied it to access charges, like those imposed by Native American Telecom – Crow Creek through its tariff in effect with the Utility Authority. The FCC stated "[t]ariffs require IXCs to pay the published rate for tariffed CLEC access services, absent an agreement to the contrary or a finding by the Commission that the rate is unreasonable."³

² E.g., *Maislin Industries, U.S. v. Primary Steel, Inc.*, 497 U.S. 116, 117 (1990); *Telecom International America, Ltd. v. AT&T Corp.*, 67 F. Supp. 2d 189, 216-17 (S.D.N.Y.1999); *MCI Telecommunications Corp. v. Dominican Communications Corp.*, 984 F.Supp.185, 189 (S.D.N.Y.1997).

³ *CLEC Access Charge Order*, 16 FCC Rcd 9923 ¶28. It should be noted that Native American Telecom – Crow Creek's intrastate tariffed rates mirror its interstate tariffed rates, which are based upon the interstate access rates of MidState Communications, who is the incumbent local exchange carrier.

The filed rate doctrine is motivated by two principles: (1) it prevents carriers from engaging in price discrimination between ratepayers; and (2) it preserves the exclusive role of authorities in approving “reasonable” rates for telecommunications services by keeping courts out of the rate-making process.⁴ Thus, if a carrier acquires services under a filed tariff, only the rate contained in the tariff for that service would apply. The filed rate doctrine is applied strictly, and it requires a party that receives tariffed services to pay the filed rates, even if that party is dissatisfied with the rates or alleges fraud. Rather, a party seeking to challenge a tariffed rate must pay the rate in the tariff and then file a complaint with this Utility Authority challenging the rate. Sprint’s has not filed a complaint with this Utility Authority and its self-help actions could jeopardize the ability of a carrier, like Native American Telecom – Crow Creek, to serve the essential telecommunications needs of the residents of the Crow Creek reservation. In fact, this Utility Authority takes notice that Native American Telecom – Crow Creek commenced providing essential telecommunications services, including local exchange telephone service and high-speed broadband service, to residents of the Crow Creek reservation pursuant to an *Order Granting Approval To Provide Telecommunications Service* by this Utility Authority on October 28, 2008. It is also a matter of public record that Native American Telecom – Crow Creek has commenced offering new and critically needed services on the reservation.⁵

In approving Native American Telecom – Crow Creek’s provision of service on the reservation, the Utility Authority relied on Native American Telecom – Crow Creek’s commitments to:

⁴ *Marcus v. AT&T Corp.*, 138 F.3d 46, 58 (2nd Cir. 1998).

⁵ See Crow Creek Sioux Tribe Notice dated February 8, 2010, *Crow Creek Sioux Tribe Launches New Tribally Owned Telephone and Advanced Broadband Telecommunications System*.

- (i) “provide basic telephone and advanced broadband services . . . essential to the health and welfare of the tribe;”
- (ii) “provide these services in “all areas of the Crow Creek Sioux Reservation;”
- (iii) “provide basic telephone service, consistent with the federal universal service requirements of 47 C.F.R. § 214(e) and the rules of the Federal Communications Commission (“FCC”);” and
- (iv) “make basic telephone and advanced broadband services readily available and affordable to residents of the reservation.”

Order Granting Approval To Provide Telecommunications Service at page 1. The Crow Creek reservation is a rural, high-cost service area. Access service revenue has historically been a critically important source of revenue for rural carriers, like Native American Telecom – Crow Creek, to support operations. Native American Telecom – Crow Creek’s commitments, which are now obligations, are significant and justify its access service tariff for the termination of traffic, including conference calling traffic, on the Crow Creek reservation. If carriers, like Sprint, are able to take self-help actions and not pay for services rendered subject to a lawful tariff, it would not only put at risk the continued operation of carriers like Native American Telecom – Crow Creek, but would also put at risk the services relied upon by, and in some cases essential to the health and safety of, consumers.

For the foregoing reasons, this Utility Authority finds Sprint’s non-payment of Native American Telecom – Crow Creek’s access tariff charges to be a violation of the laws of the Crow Creek Sioux Tribe. This finding applies to both the intrastate access services subject to the tariff in effect at this Utility Authority and the interstate access services subject to the tariff in effect at the FCC. To the extent Sprint believes that Native American Telecom – Crow Creek’s

access rates are unreasonable or not applicable, it should file a Complaint with this Utility Authority and not take matters into its own hands by not paying for services provided by Native American Telecom – Crow Creek.

Dated: March 29, 2010

/s/ Brandon Sazue
Brandon Sazue, Chairman
Crow Creek Sioux Tribe Utility Authority