

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20054**

<b>In the Matter of</b>	)	
	)	
<b>Iowa Telecommunications Services, Inc.</b>	)	<b>Transmittal No. 31</b>
<b>Tariff F.C.C. Nos. 1</b>	)	

**PETITION OF SPRINT**

Sprint Communications Company L.P. ("Sprint"), pursuant to Section 1.773 of the Commission's Rules, hereby respectfully requests that the Commission reject, or alternatively suspend for the full five-month period permitted under Section 204(a) of the Act and institute an investigation of, the tariff revisions filed by Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom, on March 25, 2003 under the above-captioned transmittal.

In this transmittal, Iowa Telecom proposes to replace the \$0.0095 average traffic sensitive ("ATS") target rate based on a new forward-looking cost study and to significantly increase some of its traffic sensitive access charges based on this model. As discussed below, a thorough investigation of the new forward-looking cost model must be undertaken before rates based on it are allowed to become effective. Such investigation requires more than the six days allowed for petitions under Section 1.773. In addition, Iowa Telecom should not be permitted to revise only those traffic sensitive rates which are priced below the new forward-looking cost.

In its November 25, 2002 order,<sup>1</sup> the Commission granted Iowa Telecom forbearance from the application of the 0.95 cent per minute ATS target rate and permitted Iowa Telecom to reset its ATS target rate based on forward-looking cost levels. In the instant transmittal, Iowa Telecom has proposed rate increases based on a forward-looking cost model developed by NERA. This model has never been used by any other carrier to justify increases in access charges and must be fully investigated. As with any other cost model, this model incorporates a myriad of assumptions which must be reviewed and analyzed. For example, assumptions concerning the cost of equipment must be reviewed to determine if they fully comply with Commission precedents, and depreciation rates must be evaluated to determine whether they have been approved by the Commission and whether they are appropriate for use in the model. A proper analysis requires substantial resources and more than a few days to complete.

The Commission recognized in its *Forbearance Order* that the model would require close scrutiny, stating that “[u]pon filing of a tariff, supported by a forward-looking cost study, we will undertake a tariff investigation to determine Iowa Telecom’s forward-looking ATS target rate for the remainder of the CALLS plan’s five-year term.” Thus, the Commission acknowledged that interested parties would require more than the six days permitted under Section 1.773 of its rules for filing petitions against tariff filings to review the model. The Commission therefore must suspend the transmittal and investigate the new model and the rates based on it.

Further, Iowa Telecom states that it has used the model selectively to increase certain rates. In its Description and Justification (page 3), it states:

Where a specific forward-looking cost was developed for a tariff element and the current rate exceeds the cost, no adjustment in the rate element was made. For those elements that are currently priced under the developed forward-looking cost, the element was increased to cover the cost and achieve the ATS target rate.

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<sup>1</sup> *In the matter of Petition for Forbearance of Iowa Telecommunications Services, Inc. d/b/a/ Iowa Telecom Pursuant to 47 U.S.C. § 160(c) from the Deadline for Price Cap Carriers to Elect Interstate Access Rates Based on the CALLS Order or a Forward Looking Cost Study*, CC Docket No. 01-331, Order, 17 FCC Rcd 24319 (2002) (“*Forbearance Order*”).

By leaving rates that currently exceed the forward-looking cost at their current level, Iowa Telecom effectively has used a different methodology to set those rates; and by increasing rates that are currently less than its calculation of forward-looking costs to that level, its overall rate level would exceed its forward-looking costs. Clearly, Iowa Telecom should not be permitted to use different methodologies to set its rates depending on which methodology produced the higher rate.

For the foregoing reasons, the Commission should reject, or alternatively, suspend and investigate, Iowa Telecom's proposed revisions in Transmittal No. 31.

Respectfully submitted,

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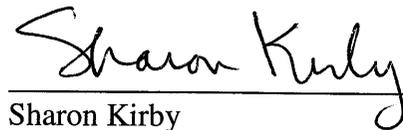
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April 1, 2003

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition of Sprint to Reject or, Alternatively, Suspend and Investigate in the Matter of Iowa Telecommunications Services, Inc., Transmittal No. 31, was sent by Electronic Mail or United States First Class Mail, postage prepaid, and/or facsimile on this 1st day of April, 2003, to the following parties.

  
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