

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA TELECOMMUNICATIONS ASSOCIATION	DOCKET NOS. TF-07-125 TF-07-139
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**ORDER GRANTING REHEARING FOR PURPOSES OF
RECONSIDERATION AND GRANTING STAY**

(Issued June 27, 2008)

On July 16, 2007, Sprint Communications Company L.P. (Sprint) and MCImetro Access Transmission Services, LLC, d/b/a Verizon Access Transmission Services, and MCI Communications Services, Inc., d/b/a Verizon Business Services (collectively referred to as Verizon), filed separate motions resisting proposed tariff changes filed by the Iowa Telecommunications Association (ITA) in their Access Service Tariff No. 1 (hereinafter referred to as ITA No. 1). Sprint and Verizon argued that the Board should not approve the changes to the access rates in ITA No. 1 without a review of Iowa's access charge regime. The Board docketed the matter for formal proceedings.

On May 30, 2008, after notice and hearing, the Board issued a final order finding, in summary, that the transport interconnection charge should be removed from ITA No. 1 and that the local switching rate should be reduced to mirror the interstate local switching rate found in National Exchange Carrier Association

Tariff No. 5. The Board directed that these changes be made to ITA No. 1 within 30 days of the issuance of the Board's final order, i.e., on or before June 30, 2008.

On June 19, 2008, ITA filed an application for rehearing wherein ITA requests the Board reconsider its final order. ITA states that the Board's decision in this proceeding imposed a new requirement that companies not subject to retail rate regulation must support their access charges with intrastate costs and that the Board did not give any indication as to what type of cost support is acceptable. ITA asks that the Board clarify the legal authority the Board has to create this new requirement. ITA also states that the companies concurring in ITA No. 1 would need to provide cost support information, but those companies are not parties to this proceeding. ITA suggests that it is arbitrary and capricious for the Board to impose a flash cut reduction of the intrastate access rates of these companies without allowing them an opportunity to provide cost support information.

ITA asserts that the Board's 30-day implementation of its May 30, 2008, order for the modification of ITA No. 1 does not give the individual companies that concur in ITA No. 1 sufficient time to assess the economic impacts of the decision or the appropriateness of the options available to them. ITA suggests that the economic impact of any Board decision to change its policies to require cost support for intrastate access rates should be phased in over a reasonable period of time.

Finally, ITA asks that the Board stay the implementation of the May 30, 2008, order during the consideration of ITA's petition so as not to require ITA to file a new tariff prior to the Board's final determination of this matter.

Also on June 19, 2008, Sprint filed a motion for reconsideration of the Board's decision to deny refunds to be paid to interexchange carriers (IXCs) of alleged overcharges associated with the access service rates in ITA No. 1. Sprint asserts that 199 IAC 22.14 requires that a prevailing IXC is entitled to a refund and the Board's refusal to order such a refund is in violation of its rules. Sprint also states that a retrospective refund in this case is practical and the Board erred in determining otherwise.

Neither ITA nor Sprint request an additional hearing or briefings regarding their petitions.

Iowa Code § 476.12 provides that when an application for rehearing is filed with the Board, the Board must either grant or refuse the application within 30 days or give the interested parties notice and opportunity to be heard and then consider all facts, including but not limited to facts arising since the final order was issued, in determining whether to abrogate or modify the final order. In this case, ITA and Sprint have not asked for the opportunity to submit additional facts or argument; they ask only that the Board reconsider its final order in light of the arguments presented in their applications. Therefore, the Board will grant rehearing in this matter solely for the purpose of giving further consideration to the existing record and the arguments

presented to date. The Board also finds that a stay of its May 30, 2008, order in this proceeding is appropriate until the Board issues further order on these petitions.

IT IS THEREFORE ORDERED:

1. Pursuant to Iowa Code § 476.12, the Board will grant the applications for rehearing filed on June 19, 2008, by Iowa Telecommunications Association and Sprint Communications Company L.P. solely for purposes of further consideration. No additional filings or submissions by the parties are desired or authorized at this time. The Board will issue another order when it decides whether to modify its final order.

2. The request for stay filed by Iowa Telecommunications Association on June 19, 2008, is granted.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 27th day of June, 2008.