

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: DIGITAL TELECOMMUNICATIONS, INC.	DOCKET NO. TF-08-129
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**ORDER SETTING PROCEDURAL SCHEDULE
AND SETTING HEARING DATE**

(Issued November 4, 2008)

On August 22, 2008, Digital Telecommunications, Inc. (DTI), filed with the Utilities Board (Board) proposed changes to its intrastate access tariff. The changes proposed by DTI include increases to DTI's intrastate switched access rates.

On September 5, 2008, AT&T Communications of the Midwest, Inc. (AT&T) filed a resistance to DTI's proposed tariff changes. In support of its resistance, AT&T stated that according to DTI's proposed tariff, DTI intends to increase its end office local switching rate element by 73 percent and does not offer a reason for the increase. AT&T also asserted that DTI continues to charge a carrier common line (CCL) charge, which the Board and the Federal Communications Commission (FCC) have determined is unjustifiable for a competitive local exchange carrier competing with an incumbent that is required to charge lower intrastate access rates. AT&T asks the Board to suspend DTI's proposed tariff pending a determination regarding whether DTI's proposed local switching rate increase and CCL charge are just and reasonable.

Also on September 5, 2008, MCImetro Access Transmission Services LLC, d/b/a Verizon Access Transmission Services, and MCI Communications Services, Inc., d/b/a Verizon Business Services (collectively Verizon), filed a resistance to DTI's proposed tariff changes. Verizon stated that DTI's proposal to increase its end office local switching rate element by 73 percent, without providing a reason for the increase, is unjust and unreasonable. Verizon also asks that the Board suspend DTI's proposed tariff changes pending a determination of whether the rate increase is just and reasonable.

On September 18, 2008, the Board issued an order docketing DTI's proposed tariff and seeking a response from DTI to AT&T's and Verizon's complaints.

On October 2, 2008, DTI filed a response to AT&T's and Verizon's complaints. DTI stated that its original notice letter to the affected interexchange carriers incorrectly included a prior Minnesota local switching rate of \$0.016377; rather, the notice should have included the existing Iowa local switching rate of \$0.025545. DTI stated that it is the Iowa local switching rate that they propose to increase to \$0.0283, for an increase of 10.78 percent. In addition, DTI stated that its rate increase is supported by recent increases in its access costs and that a recent analysis of the local switching rates for several Minnesota competitors indicates that the proposed rate change is lower than those competitors' rates.

The Board has reviewed DTI's response to AT&T's and Verizon's complaint and finds that the objections present material issues of adjudicative fact regarding the reasonableness of DTI's proposed rates. Therefore, the Board will suspend the

proposed tariff and establish a procedural schedule in this proceeding, pursuant to 199 IAC 22.14 and Iowa Code chapter 476, including § 476.11. The issues in this docket will be as alleged in AT&T's objection and Verizon's resistance and such additional issues as may develop during the course of these proceedings.

Finally, the Board notes that its electronic filing system is scheduled to be activated while this matter is pending. The Board intends that dockets that start in the existing paper system will continue to be processed on paper and typically will not be entered into the electronic filing system.

If this docket extends longer than anticipated, it may be desirable to shift this docket to the electronic filing system at some point. In order to preserve that option, the Board will direct the parties to file electronic copies of all filings, on CD or DVD, in a format complying with the rules the Board is adopting to implement the electronic filing system, at the same time as they make their paper filings. In this way, if the Board orders that this should be docket is shifted to the new system, the entire record will be available on the new system.

IT IS THEREFORE ORDERED:

1. The following procedural schedule is established in this proceeding:
 - a. Digital Telecommunications, Inc. (DTI), and any other parties aligned with it shall file prepared direct testimony, with supporting exhibits and workpapers, on or before December 8, 2008.
 - b. AT&T Communications of the Midwest, Inc. (AT&T) and MCImetro Access Transmission Services LLC, d/b/a Verizon Access

Transmission Services, MCI Communications Services, Inc., d/b/a Verizon Business Services (collectively referred to as "Verizon"), and any other parties aligned with them shall file prepared testimony, with supporting exhibits and workpapers, on or before January 26, 2009.

c. DTI and any other parties aligned with it shall file prepared reply testimony on or before March 2, 2009.

d. AT&T, Verizon, and any other parties aligned with them shall file prepared rebuttal testimony on or before March 16, 2009.

e. A hearing for the purpose of receiving all pre-filed testimony and cross-examination of all testimony will commence at 9 a.m. on Tuesday, April 14, 2009, in the Board's hearing room at 350 Maple Street, Des Moines, Iowa. Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at (515) 281-5256 to request appropriate arrangements.

f. Any party desiring to file a brief may do so on or before May 4, 2009.

2. In the absence of objection, all workpapers shall become a part of the evidentiary record at the time the related testimony and exhibits are entered in the record.

3. In the absence of objection, all data requests and responses referred to in oral testimony or cross-examination, which have not previously been filed with the Board, shall become a part of the evidentiary record. The party making reference to the data request or response shall file an original and six copies at the earliest possible time.

4. In the absence of objection, if the Board calls for further evidence on any issue and that evidence is filed after the close of hearing, the evidentiary record shall be reopened and the evidence will become a part of the evidentiary record three days after filing. All evidence filed pursuant to this paragraph shall be filed no later than five days after the close of hearing.

5. The parties are directed to submit all filings both on paper and in electronic format, as described in the body of this order.

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 4th day of November, 2008.