

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT OF VENTURE COMMUNICATIONS  
COOPERATIVE AGAINST AT&T MOBILITY

SD PUC DOCKET CT20-001

PRE-FILED DIRECT TESTIMONY OF DAN LE  
ON BEHALF OF AT&T MOBILITY

October 22, 2020

1 **Q. Please state your name, title, employer and business address for the record.**

2 A. Dan Le, Lead Carrier Relations Manager, Global Access Management. I am employed by  
3 AT&T Services, Inc. and my business address is One AT&T Way, Bedminster, N.J., 07921-  
4 2693.

5 **Q. Please describe your education and work experience.**

6 I joined AT&T in 1999 and have held a variety of positions within the Global Access  
7 Management team during that time. I have been in my current position since the  
8 beginning of 2020. Prior to joining AT&T, I received a BA-Psychology from Albright  
9 College (1993) and a JD from Widener University-Wilmington (1996)

10 **Q. Please described your role as Lead Carrier Relations Manager.**

11 A. In my role as a Lead Carrier Relations Manager, I am responsible for the relationship  
12 between AT&T entities (i.e., AT&T Mobility and AT&T's Competitive Local Exchange  
13 Carrier entities) with other unaffiliated carriers. Additionally, I am responsible for the  
14 negotiation and management of Interconnection Agreements ("ICA") and other traffic  
15 exchange agreements on behalf of these AT&T entities with unaffiliated carriers.

16 **Q. What is the purpose of your testimony.**

17 A. My testimony is intended to provide background on the exchange of local traffic  
18 between telecommunications carriers and address the terms and application of the ICA  
19 between AT&T Mobility and Venture.

20 Q. **Can you describe the purpose of an Interconnection Agreement and the nature of the**  
21 **Parties' ICA?**

22 A. Yes. As I'm sure you know, Congress passed the Telecommunications Act of 1996 to fully  
23 open competition in the local exchange market. Section 251(a) of the Act requires all  
24 telecommunication carriers to "interconnect directly or indirectly with the facilities and  
25 equipment of other telecommunications carriers . . ." Section 251(b) sets forth a  
26 number of obligations assigned to all carriers to ensure the ability of consumers to  
27 choose their local exchange carrier, including number portability, dialing parity and  
28 reciprocal compensation.

29 In order to ensure that the Act would truly lead to consumer choice, Section 251(c)  
30 imposed additional requirements on Incumbent Local Exchange Carriers (ILECs),  
31 including the duty to negotiate the terms and conditions of agreements to fulfill the  
32 obligations under Section 251(b), and provide interconnection between the ILEC and a  
33 requesting carrier for the "transmission and routing of telephone exchange service  
34 [local calls] and exchange access [long distance calls]. . . "

35 Consistent with those obligations, in 2004 AT&T Mobility's predecessor and Venture  
36 executed an ICA, approved by this Commission, which established the terms, conditions  
37 and reciprocal compensation for the exchange of local traffic between the two carriers.<sup>1</sup>

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<sup>1</sup> A copy of the Parties ICA was attached to Exhibit 2 to Mr. Jandreau's pre-filed testimony.

38 In June 2016, AT&T Mobility and Venture amended the ICA to conform to the FCC's  
39 *Transformation Order*<sup>2</sup> and *Order on Reconsideration*<sup>3</sup> in which the FCC adopted  
40 default 'bill-and-keep' compensation for the exchange of non-access (i.e. local) traffic  
41 between LECs and CRMS providers. Under the terms of the ICA Amendment, Venture  
42 and AT&T Mobility agreed that as of July 1, 2012, all Non-Access telecommunications  
43 traffic "shall be exchanged on a bill-and-keep basis." I have attached the 2016  
44 Amendment, as Exhibit A to my testimony.

45 **Q. Please describe terms of the Parties' ICA and how they operate in the exchange of**  
46 **local traffic between AT&T Mobility and Venture?**

47 A. The Parties' ICA sets forth a variety of configuration options for the exchange of traffic.  
48 For the majority of local traffic that AT&T Mobility exchanges with Venture under the  
49 ICA, AT&T relies on an arrangement under §4.3 "Mobility to Land- Indirectly Connected  
50 via Third Party Provider," whereby AT&T Mobility sends its end users' originating calls to  
51 South Dakota Network ("SDN") and SDN delivers the traffic to Venture for termination  
52 to its end users. Under this arrangement, AT&T Mobility compensates SDN to act as its  
53 agent for the delivery of traffic to Venture.

54 However, as Ms. Brown described in her testimony, in order to allow Venture's end  
55 users to make local calls to AT&T Mobility's wireless end users using seven-digit dialing,

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<sup>2</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (USF/ICC Transformation Order or USF/ICC Transformation Further Notice), *aff'd*, In re FCC 11-161, 753 F.3d 1015 (10th Cir. 2014) (In re FCC 11-161), cert. denied, 135 S. Ct. 2050, and 135 S. Ct. 2072 (2015).

<sup>3</sup> *Connect America Fund et al.*, Order on Reconsideration, adopted December 23, 2011.

56 in 2018 AT&T established three new interconnection facilities between AT&T Mobility's  
57 MTSO and Venture's three end offices. AT&T Mobility purchases DS1 dedicated  
58 transport facilities between its own network and the Venture end offices from SDN and  
59 compensates SDN for those facilities. This type of arrangement is reflected in the terms  
60 of §3.3 of the ICA that describes "Additional Interconnection Methods Available to the  
61 CRMS Provider" which specifically allows AT&T Mobility to "purchase an entrance  
62 facility and transport from a Third Party Provider. . . for the delivery of such traffic." See  
63 §3.3.1

64 **Q. Does the ICA set forth the terms of reciprocal compensation between AT&T Mobility  
65 and Venture?**

66 A. Yes. While Section 3 and 4 of the ICA cover the interconnection facilities arrangement,  
67 the compensation for the actual exchange of local traffic, including the trunk port where  
68 the DS1 provided by SDN connects to the Venture end office switch and end office  
69 switching functionalities, are covered by Section 5.0 "Transport and Termination  
70 Compensation." Section 5.1 states:

71 *Rates - The CRMS Provider and the Telephone Company shall reciprocally and*  
72 *symmetrically compensate one another for Local Traffic terminated on either*  
73 *Party's network. **The rates at which the Parties shall compensate each other for***  
74 ***the Transport and Termination of Traffic are set forth in Appendix A hereto.***  
75 *(emphasis added)*

76 Despite the terms of the ICA, Venture has historically sought to bill AT&T Mobility under  
77 the provisions of Section 3.1 of the ICA, when the services which Venture provides are  
78 covered by Section 5 of the ICA.

79 **Q. Can you explain why this is an important distinction?**

80 A. Yes. In fact, when AT&T Mobility's claim was originally initiated by TEOCO, AT&T was  
81 relying on Venture's billing practice of billing for 24 DS0 trunks as the framework for the  
82 dispute. Using the billing as a starting point, AT&T Mobility challenged Venture's  
83 characterization of the facilities AT&T Mobility ordered through Access Service Requests  
84 ("ASRs") as orders for individual DS0 trunks vs. billing at a DS1 level. However, since the  
85 initiation of the claim and the beginning of this proceeding, AT&T Mobility has revisited  
86 the specific terms of the ICA, and determined that the actual facilities covered by the  
87 ASRs referenced in Mr. Jandreau's testimony are the trunks between AT&T Mobility's  
88 MTSO and Venture's switch, which are provided by SDN and for which AT&T  
89 compensates SDN.<sup>4</sup>

90 Instead, the service that Venture is providing is covered by Section 5, Transport and  
91 Termination.

92 *5.1 Rates – The CRMS Provider [AT&T Mobility] and the Telephone Company*  
93 *[Venture] shall reciprocally and symmetrically compensate one another*  
94 *for Local Traffic terminated on either Party's network. The rates at which*  
95 *the Parties shall compensate each other for the Transport and*  
96 *Termination of Traffic are set forth in Appendix A.*

97 *5.1.2 The rates applicable to Local Traffic are set forth in Appendix A.*

98 Appendix A of the 2004 ICA set forth specific rates for both mobile-to-land traffic and  
99 land-to-mobile traffic (the type of traffic at issue in this dispute). Subsequently, the 2016

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<sup>4</sup> See Venture Reply to Counterclaim, reply to ¶14 "Upon information and belief, Venture admits that AT&T Mobility placed orders from SDN for transport and from Venture to establish interconnection between the networks of AT&T Mobility and Venture for the exchange of local traffic."

100 ICA Amendment made clear that neither party was entitled to compensation for  
101 transport and termination of “Non-access telecommunications Traffic.”

102 Therefore, the nature of transport and termination of local traffic Venture provides to  
103 AT&T Mobility is the local switching and transport of calls between the Venture’s end  
104 users’ landlines and the hand off to the AT&T Mobility’s interconnection facility  
105 provided by SDN. In that respect, although Venture does provide the switch port for the  
106 interconnection facility, the switch port, whether at the DS1 level (as AT&T has  
107 suggested) or at the DSO level (as advocated by Venture), is irrelevant because the  
108 ‘port’ is part of the end office switching and transport services that the FCC requires  
109 (and which the Parties’ ICA confirms) be treated as ‘bill and keep.’

110 **Q. In the testimony of Mr. Jandreau, Venture claims it is entitled to bill AT&T Mobility for**  
111 **services provided pursuant to its Price Catalog. Why does AT&T Mobility disagree**  
112 **with this contention?**

113 **A.** As I mentioned before, AT&T Mobility’s original claim focused on Venture’s billing for  
114 services. At that time, AT&T Mobility argued that Venture had improperly billed for  
115 interconnection ‘trunks’ since Section 5.0 of Appendix A states:

116 *5.0 FACILITY RATE*

117 *To the extent CRMS Provider requires facilities referenced in 3.1, such*  
118 *facilities will be made available and the price will be based upon the*  
119 *lowest Telephone Company interstate or intrastate rate published in the*  
120 *Telephone Company’s tariff or pricing catalog. (emphasis added)*

121 However, as noted by Ms. Brown in her testimony, prior to the filing of this complaint,  
122 Venture had rejected that the services provided were pursuant to the ICA, instead

123 insisting that it was providing service pursuant to its General Exchange Tariff that  
124 appeared to have been filed with this Commission in 2004, but is no longer on file.  
125 Venture now claims that its 'General Exchange Tariff' is the "Price Catalog" (see  
126 Jandreau testimony, Footnote 9) and asserts that the rates set forth in Part V, Original  
127 Sheet 8, referenced as "H. TRUNK," which sets the monthly rate for "Mobile Cellular  
128 Digital Trunks" at \$98.50 per DSO, and requiring Digital Trunks have DS-1 transport rate  
129 elements added.

130 In fact, Venture's reliance on its General Exchange Tariff or Price Catalog makes it clear  
131 that the services described in that document are not the services or functions Venture  
132 provides for the exchange for local traffic pursuant to the Parties' ICA. Venture's Price  
133 Catalog defines a trunk line as "[a] circuit over which customers' messages are sent  
134 between two central offices or between the central office and a private branch  
135 exchange system." (See Exhibit B – Definitions of General Exchange Tariff) As noted  
136 before, Venture does not claim that it provides the facility between AT&T's MTSO and  
137 its own end office switches. Instead, the services it provides are for the transport of a  
138 call between its own end user and its end office switch, and the hand off to the  
139 interconnection facility at the end office trunk port.<sup>5</sup>

140 **Q. Are there other factors that point to the fact that Venture's charges are improper?**

141 **A.** Yes. First, AT&T Mobility has identified at least three South Dakota ILECs with similar  
142 circuit configurations. In each case, AT&T Mobility has arranged for meet point DS1

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<sup>5</sup> It is also notable that Venture has no rate for an end off switch port in either its interstate (NECA) or intrastate (LECA) tariffs or its Price Catalog.



143 facilities between its own network to the ILEC's end offices from SDN and pays SDN for  
144 those facilities. None of these ILECs bill for the DS1 terminations, since the service they  
145 each provide, like the service Venture provides under the terms of our ICA, are  
146 compensated pursuant to the parties' reciprocal compensation arrangements.

147 Second, as a practical matter, the DS1 facilities that AT&T Mobility maintains to the  
148 Venture end offices serve very little traffic. A recent review of the volume of traffic  
149 between Venture end users and AT&T Mobility suggest that on average these facilities  
150 handle less than twenty (20) minutes per month. While under other conditions,  
151 accepted principles of network engineering would suggest that other arrangements be  
152 made to accommodate such small traffic volumes, AT&T Mobility maintains these  
153 facilities in order to accommodate seven (7) digit local dialing by Venture's end users,  
154 rather than use an alternative configuration which would require Venture's end users to  
155 use ten (10) digit dialing. Therefore, even without Venture's unjustified billing, AT&T  
156 Mobility costs for the Venture end user calls is approximately \$128.99 per minute of  
157 use. With Venture's additional billing of \$2,754.00 per DS1 trunk is added, the per  
158 minute of use increases to \$542.09 per minute of use! While AT&T Mobility  
159 understands the requirement for these interconnection facilities, and intends to  
160 maintain those facilities, Venture's billing not only violates the FCC's requirement that  
161 compensation for transport and termination to be 'bill-and-keep', it clearly imposes an  
162 unjust and unreasonable cost on AT&T Mobility.

163 **Q. Does that conclude your testimony?**

164 A. Yes.