

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

In the Matter of the Petition of Venture)
Communications Cooperative for suspension or)
modification of local dialing parity and reciprocal)
compensation obligations.)

PUC 07-01

Docket No. TC06-181

STATE OF _____)

COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared Jennifer Arnold of RCC Minnesota, Inc. (RCC), who on her oath deposed and said:

1. My name is Jennifer Arnold. I am currently employed at Rural Cellular Corporation (hereinafter "RCC"), my title is Contract Program Manager. I have been with the company approximately 18-months.
2. Prior to coming to RCC, I worked for a Competitive Local Exchange Carrier (CLEC). The CLEC provided competitive wireline services in various Incumbent Local Exchange Carrier (ILEC) areas.
3. It is my understanding that Venture Communications is an Incumbent Local Exchange Carrier and is also considered a Rural Local Exchange Carrier (RLEC).
4. In my position as Contract Program Manager, I work with telecommunications companies regarding the relationship and exchange of traffic with RCC. Also, I work with various departments in RCC. As part of my responsibilities, I reviewed and coordinated RCC's responses to the discovery in this above-entitled matter.

5. RCC is a telecommunications company providing wireless phone service. RCC does not offer wireline end user service. As a cellular company, RCC is not obligated to track costs for the purposes setting tariff rates.

6. Conversely, Venture, as a Local Exchange Carrier (LEC), extensively tracks costs as part of its business because of the need to justify its tariff rates and to support tariff filings. Also, Venture extensively tracks its costs to establish its claims for federal subsidies through the Universal Service Funds administrated under federal law.

7. LECs also track and identify origination points and originating carriers' calls being delivered to the LECs for delivery to the LECs end user. LECs do this because LECs look to the originating carrier to pay a substantial amount of their costs by charging that originating carrier for delivering that call. These charges are generally set through tariffs that are approved through the appropriate governmental authority.

8. Wireless carriers have not concerned themselves with tracking originating carriers or point of origin of calls because wireless carriers primarily rely on their own end users to support wireless systems. Because of this, unlike wireline companies, wireless carriers such as RCC, tend not to invest in the software, equipment, personnel or billing systems (such as CABS which is commonly used by wireline carriers) to readily track and bill other telecommunications providers.

9. LECs on the other hand, such as Venture, have an established infrastructure, software, traffic studies, to accurately measure MOU delivered by various companies because the LECs then bill those various companies for those minutes of use.

10. While wireless phones and wireline phones both are created and run by telecommunications companies, the makeup of the billing practice, tracking systems and

business model and how the companies are run, differ substantially. What is readily available to a LEC may not be available at all or tracked at all by a wireless company.

11. In the industry and under FCC determination, LECs set an interconnection charge based on forward-looking costs.

12. Wireless companies seek to interconnect with LECs so when a wireless customer calls one of the LECs' customers, there is a way to deliver that call. The wireless company pays a rate agreed to by the company's interconnection agreement or arrived at through arbitration with a governmental body, such as the South Dakota's Public Utility Commission. The rate is based on the LEC's forward-looking costs.

13. I am unaware of any wireless company being obligated to do a complete study of its entire company or any part of its company to try to establish forward-looking costs.

14. A wireless company may have territory that covers numerous LECs. RCC provides coverage in a small part of South Dakota and a large part of Minnesota, part of North Dakota and part of Wisconsin. RCC also provides coverage in rural parts of Kansas, Oregon, Idaho, Washington, Maine, New Hampshire, Vermont, New York, Mississippi, Alabama and Georgia. Essentially, RCC has five non contiguous areas where it provides coverage. Even in those areas where coverage is provided that may be perceived as contiguous, it is not necessarily contiguous because RCC provides service under different spectrum licenses which means some RCC towers may not have the capacity to communicate with some RCC users traveling in that area.

15. The discovery requests made generally by Venture Communications are overly broad and unduly burdensome in that they ask for materials not readily available to

RCC. RCC does not keep or collect most of the information as a LEC would keep. RCC's accounting is much more general and not to the specificity requested by Venture.

16. By way of example, Interrogatory 12, Venture requests "actual construction costs including, but not limited to, any contractor costs, any subcontractor costs, any internal labor costs incurred by a RCC employee, any material costs incurred by RCC, and any miscellaneous overhead costs incurred by RCC at each owned wireless site within the MTA to the following items:

- a. Dirt work, site preparation
- b. Foundations
- c. Anchor points
- d. Exterior ground system
- e. Access road
- f. Fence
- g. Landscaping
- h. Tower erection"

I am unaware of any wireless company that would keep account records of each tower to provide this type of information.

17. Moreover, Venture has requested for each cell site in the MTA. The MTA is a Metropolitan Trade Area. The Metropolitan Trade Area that Venture falls into is the Minneapolis MTA. Within the Minneapolis MTA, RCC likely has in excess of 200 towers. The location of towers is not kept by MTA and since MTAs do not follow state lines to get an accurate count without extensive research and work, is impossible.

18. Moreover, RCC's territory only overlaps the Venture territory in a small part of the upper northeast corner of South Dakota. Essentially, RCC covers the Sisseton, Langford and Britton areas. Venture has landline LEC responsibilities in these areas. However, under all of Venture's requests, it requests information for all towers in the MTA which would require researching hundreds of towers. A number of these towers were only

recently acquired when RCC purchased a divestiture of a spectrum that resulted from the Alltel/Midwest wireless merger. No great detail is available for any of those towers. It is unlikely that the detail would be available for any of the pre-existing RCC towers.

19. A number of questions also deal with how traffic is transported between every carrier RCC might have a relationship with and every location that calls might originate. Essentially, Venture is asking RCC to provide highly detailed information regarding how every call is delivered over every tower to any carrier there might be traffic delivered. To explain every one of these possibilities would likely take hundreds of engineer hours or require the hiring of special outside consultants to put together the diagrams and explanations.

20. RCC exchanges calls with at least 40 different telecommunications companies within the Minneapolis MTA and with hundreds of different telecommunications companies over RCC's entire territories.

21. A number of the questions also deal with tracking of Minutes of Use (MOU) and origination of information on calls. Venture's requests seek an analysis of all RCC 2006 traffic nationwide. See for example Interrogatory number 39. RCC does not have records of 2006 MOU traffic. Therefore, it is impossible to respond to these interrogatories.

22. Even if RCC had MOU information, RCC does not have the in-house expertise to perform the analysis requested in the interrogatories. Thus, even if RCC had the data, RCC would have to hire outside consultants to response to the discovery. The time could easily encompass hundreds of hours to produce this information. Expert costs could easily exceed \$100,000, given the number of telecommunications companies RCC would

have to examine, the number of towers, the fact that the information was not kept or ever available and most of this analysis would have to be created.

Jennifer Arnold

JENNIFER ARNOLD
Contract Program Manager

Subscribed and sworn to, before me, the undersigned officer, this 14th day of May, 2007.

Nancy A. Gilbertson

NOTARY PUBLIC
MY COMMISSION EXPIRES: 1/31/10

(SEAL)

