

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION )  
OF NEUTRAL TANDEM-SOUTH DAKOTA, )  
LLC FOR A CERTIFICATE OF AUTHORITY )  
TO PROVIDE FACILITIES-BASED AND )  
RESOLD LOCAL EXCHANGE AND )  
INTEREXCHANGE TELECOMMUNICATIONS )  
SERVICES IN SOUTH DAKOTA )

DOCKET No. TC10-017

**PREFILED TESTIMONY OF BRETT SCORZA ON  
BEHALF OF NEUTRAL TANDEM-SOUTH DAKOTA, LLC**

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**Q. Please state your full name, business address, and position.**

A. My name is Brett Scorza. My business address is One South Wacker Drive, Suite 200, Chicago, Illinois 60606. I am the VP of Information Technology of Neutral Tandem, Inc., the sole member and sole manager of Neutral Tandem-South Dakota, LLC (“Neutral Tandem”).

**Q. Please describe your professional experience.**

A. I have approximately 17 years of experience in the telecommunications industry. I have been with Neutral Tandem, Inc. for approximately 6 years. Prior to joining Neutral Tandem, Inc., I worked for a competitive local exchange carrier, Focal Communications (which was subsequently purchased by Broadwing and then by Level 3), for approximately 7 years. Prior to Focal, I worked for a competitive access provider, MFS Telecom (which was subsequently purchased by MCI Worldcom) for approximately 4 years. Before entering the field of telecommunications, I worked for approximately 4 years at Andersen Consulting (now Accenture). I have a bachelors degree in Electrical Engineering from the University of Illinois/Urbana.

**Q. What is the purpose of your testimony in this proceeding?**

A. The purpose of my testimony is to describe the telecommunications services that Neutral Tandem proposes to offer in South Dakota and to review issues related to Neutral Tandem's request for a certificate of authority to provide such services. My testimony specifically relates to Neutral Tandem's managerial, financial, and technical competence to provide the telecommunications services for which authority is requested, and its compliance with the rules and policies of this Commission.

**Q. Please describe the authority that Neutral Tandem seeks from the Commission.**

A. Neutral Tandem seeks authority to offer all forms of resold and facilities-based interexchange and local exchange telecommunications services throughout the entire State of South Dakota.

**Q. Please describe the corporate structure of Neutral Tandem.**

A. Neutral Tandem is a Delaware limited liability company formed on October 8, 2008. Its parent company is Neutral Tandem, Inc. Neutral Tandem was formed for the purpose of seeking authority to provide telecommunications services in South Dakota.

**Q. Is Neutral Tandem certificated to provide telecommunications service in South Dakota or in other jurisdictions?**

A. No, it is not certificated in South Dakota or other jurisdictions. Further, the company has never been granted or denied certification in any state. Affiliates of Neutral Tandem (also wholly owned subsidiaries of Neutral Tandem's parent company) are certificated or otherwise allowed to provide telecommunications services in 47 states, plus the District of Columbia and Puerto Rico. Those affiliates, which were identified in Exhibit C to the Application, are currently providing local transit and/or switched access service in each such jurisdiction.

**Q. Please describe the types of services that Neutral Tandem will offer in South Dakota.**

A. Neutral Tandem currently has no plans to offer end user dial tone services in South Dakota. Neutral Tandem intends to initially provide only local transit and switched access services to carrier customers and large business customers (i.e., entities that have a significant operation and typically have an internal group responsible for providing telecommunications services to the business) in South Dakota. In providing these services, Neutral Tandem expects to carry both intraMTA and intraLATA traffic for its local transit services, and both interMTA and intraMTA traffic for its switched access services. Neutral Tandem will carry both TDM and VoIP traffic.

For the company's access services, when a call is made by an end user, for an originating switched access call, it will be routed by the originating carrier to a Neutral Tandem switch over a direct connect facility. Neutral Tandem will then switch the call and deliver it to the terminating carrier, or the interexchange carrier. If the call is terminating switched access, Neutral Tandem will receive it from the interexchange carrier and deliver it to the terminating carrier. The terminating carrier will then deliver the call to the called end user. Neutral Tandem will not terminate calls directly to retail end users. Neutral Tandem will typically only provide tandem switched access service elements that are the same as those elements provided by Qwest. However, if a non-carrier, such as Vonage, delivers a call to Neutral Tandem that is destined to an interexchange carrier, in that instance Neutral Tandem would be acting as the end office and not the access tandem. The same would apply if Neutral Tandem terminates the call to a non-carrier.

The company plans to initially provide its local transit service and switched access services in the service territories of Qwest, but will likely provide the services in non-Qwest areas as soon as commercially practicable. Since these services are to be provided only to carriers or service providers that have reached an agreement with Neutral Tandem for the services provided, the services will initially only be provided to customers like wireless carriers who have end users that may be in a non-Qwest area when a call is originated or terminated. Eventually, it is possible that Neutral Tandem may provide its services to other carriers or service providers but only after it enters into agreements with such carriers or service providers that are located in rural areas. Customers that originate traffic to Neutral Tandem also receive terminating traffic from Neutral Tandem in order to allow for the efficient operation of the Public Switched Telephone Network.

**Q. Will Neutral Tandem utilize its own facilities, leased facilities, or both?**

A. Neutral Tandem plans to provide such services through a combination of its own facilities and facilities leased from incumbents. Neutral Tandem will switch its services using Sonus switches and related ancillary equipment (e.g., network routers) that it owns and plans on establishing direct connections with the originating and terminating carriers, which will be circuits leased from third party providers. The leased circuits will be used to directly connect Neutral Tandem's switch to the networks of originating and terminating carriers for the purpose of exchanging local transit and switched access traffic. For overflow and disaster recovery purposes, Neutral Tandem will also install direct connections to Qwest. At this time, the company has no plans to purchase unbundled network elements.

**Q. Will Neutral Tandem have a principal office located in South Dakota?**

A. At this time, Neutral Tandem does not plan to have a principal office in South Dakota. The address of the company's registered agent will be: Corporation Service Company of 503 South Pierre Street, Pierre, SD 57501.

**Q. Who will be responsible for Neutral Tandem's South Dakota operations?**

A. Neutral Tandem maintains a network operations center that is staffed 24-hours a day. Customers can call the company's toll free number to report problems. The number will be printed on the company's invoices. If the problem is determined to involve leased facilities, the company will contact any relevant underlying carrier(s) upon whom it relies for maintenance and repair of network fault(s) affecting service. The person with overall responsibility for customer complaints and regulatory matters is Richard Monto, the company's General Counsel. Mr. Monto's contact information was provided in the company's application.

**Q. Does Neutral Tandem have authority to transact business in South Dakota?**

A. Yes, the authority was granted on October 17, 2008. Please see Exhibit B of the Application.

**Q. Does Neutral Tandem have federal employer identification number and a South Dakota sales tax number?**

A. Yes. Both numbers were provided to the Commission in the company's application.

**Q. Does Neutral Tandem intend to conduct business in South Dakota under another name?**

A. No it does not.

**Q. How will Neutral Tandem provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance and telecommunications relay services?**

- A. Such services will be provided by the originating carrier of the call.
- Q. Please identify all incumbent local exchange carriers with which Neutral Tandem plans to interconnect.**
- A. At this time, Neutral Tandem only plans to interconnect with Qwest. Interconnection negotiations with Qwest are complete. An agreement was executed by Qwest on April 23, 2010 and it is expected that Qwest will soon file the same.
- Q. Please explain how Neutral Tandem intends to market its services, its target market, and whether the company engages in multilevel marketing?**
- A. Neutral Tandem utilizes a direct sales approach to its marketing efforts. The company does not engage in multilevel marketing. Its target market is carrier customers and large business customers (i.e., entities that have a significant operation and typically have an internal group responsible for providing telecommunications services to the business) in South Dakota.
- Q. Have any complaints been filed against Neutral Tandem with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered?**
- A. No such complaints have been filed. The Company will utilize a written LOA to prevent the unauthorized switching of local service customers.
- Q. What is the date by which Neutral Tandem expects to meet rural service obligations imposed pursuant to § 20:10:32:15 and what are the company's plans for meeting those service obligations?**
- A. Neutral Tandem will meet those obligations if and when it ever seeks to provide dial tone services to end users in rural (non-Qwest) areas.
- Q. How does Neutral Tandem plan to bill and collect charges from customers?**
- A. Neutral Tandem plans to conduct its own direct billing and collections operations.
- Q. How will Neutral Tandem make available to any person information concerning the company's current rates, terms, and conditions for all of its telecommunications services?**

A. Neutral Tandem will post on its website copies of all tariffs filed with the Commission containing all current rates, terms, and conditions for all telecommunications services provided in South Dakota. The company will notify affected customers of any materially adverse changes in any such rates, terms, and conditions by bill message at least 30 days in advance of the change.

**Q. Does this conclude your testimony?**

A. Yes, it does.