

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

**IN THE MATTER OF THE APPLICATION OF LTD BROADBAND, LLC  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS  
CARRIER FOR PURPOSES OF RECEIVING FEDERAL UNIVERSAL  
SERVICE SUPPORT**

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**TC21-001**

**PREFILED TESTIMONY OF LARRY THOMPSON  
ON BEHALF THE SOUTH DAKOTA TELECOMMUNICATIONS  
ASSOCIATION  
OCTOBER 22, 2021**

**INTRODUCTION**

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**Q. Please state your name, employer, business address and telephone number.**

A. My name is Larry Thompson. I am the Chief Executive Officer (“CEO”) of Vantage Point Solutions, Inc. (“Vantage Point”). My business address is 2211 North Minnesota Street, Mitchell, South Dakota, 57301.

**Q. Generally, what types of services does Vantage Point provide and for whom?**

A. Vantage Point is a telecommunications engineering and consulting company that provides services to both wireless and wireline companies. These services include, but are not limited to, long-range communication planning, feasibility studies, emerging technology analysis, migration studies, professional engineering and implementation management for telecommunications electronic equipment including wireless and wireline switching and transport, outside plant engineering, Radio Frequency (“RF”) engineering, field services engineering, cost separation studies, and regulatory consulting. We provide these services to more than 500 telecommunications and broadband companies throughout the United States. We have more than 400 full-time employees on staff.

**Q. What are your duties and responsibilities at Vantage Point?**

A. I provide consulting and professional engineering services to Vantage Point’s clients in a wide array of technical and regulatory areas associated with telecommunications. I am also responsible for the normal duties you would expect from the CEO for a company of our size.

**Q. Please describe your educational background and experience.**

A. I have a Bachelor of Arts in Physics from William Jewell College in Liberty, Missouri, and both Bachelor’s and Master’s degrees in Electrical and Computer Engineering from the

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1 University of Kansas in Lawrence, Kansas. Additional details are provided in my Curriculum  
2 Vitae (CV), which is attached as Exhibit LT-D1.

3 In 1985, I was hired by TRW, Inc. in Redondo Beach, California to work as a member of  
4 its technical staff as a systems engineer. My responsibilities included system design of the  
5 communications payloads for classified and unclassified satellite systems and ground stations. In  
6 1991, I began working for CyberLink Corporation in Boulder, Colorado as a Senior Engineer. At  
7 CyberLink, I provided engineering and technical consulting services regarding voice and data  
8 networks for a broad range of government and private sector businesses. In 1996, I accepted a  
9 position as a Senior Professional Engineer with Martin and Associates, Inc. in Mitchell, South  
10 Dakota. While at Martin and Associates, I designed and engineered fiber optic transport  
11 networks, broadband access networks, packet video networks and wireless networks. During my  
12 tenure at Martin and Associates (and later renamed Martin Group, Inc.), I was promoted to the  
13 General Manager of the Telecommunications, Consulting, and Engineering Group (TCE) and had  
14 overall responsibility for the consulting and engineering services provided by Martin Group. In  
15 2002, I was a founder of Vantage Point and have served as its CEO since its inception, as  
16 described previously. While at Vantage Point, I have provided wireline and wireless engineering  
17 services to a variety of national and international clients. I have also provided strategic and  
18 business planning to many telecommunications companies as well as authored numerous papers  
19 on a variety of technical subjects.

20 In 2017, I was one of 29 people selected by the Chairman of the Federal Communications  
21 Commission (FCC), Ajit Pai, to serve on the FCC's Broadband Deployment Advisory Committee  
22 (BDAC). I was reappointed to serve on the BDAC for a second term in 2019. I have been a  
23 member of NECA's Rate Development Task Group for the last 18 years. I am a current member

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1 of NTCA's Industry and Regulatory Policy Committee and have served on numerous other  
2 telecommunications industry committees over the years.

3 **Q. Specifically, what is your experience in South Dakota?**

4 A. As the CEO of Vantage Point, I have been providing engineering services to  
5 telecommunications and broadband companies in South Dakota since 2002 and have been  
6 engineering wireless and wireline networks in South Dakota and elsewhere even longer. Vantage  
7 Point has engineered and managed the construction of more fiber optic cable networks and miles  
8 of fiber in the state of South Dakota than any other company. At Vantage Point, I oversee a staff  
9 of more than 400 and provide engineering services for many of the rural local exchange carriers  
10 that serve rural areas similar to the areas that were part of the Rural Digital Opportunity Fund  
11 (RDOF) Phase I Auction. Because of this, I am very familiar with the cost to deploy fiber  
12 networks in all these rural, South Dakota areas. In addition, we provide financial analysis for our  
13 clients and understand all the costs associated with operating a fiber network in the rural areas of  
14 South Dakota.

15 **Q. Do you hold any professional engineering licenses?**

16 A. Yes. I am a licensed professional engineer in twenty-one states, including in South Dakota  
17 (License 6233). I am also a member of the National Council of Examiners for Engineering and  
18 Surveying.

19 **Q. In which types of regulatory and technical proceedings have you previously provided**  
20 **testimony?**

21 A. I have provided regulatory and technical testimony in several proceedings in South Dakota  
22 on a variety of telecommunication subjects such as wireless IntraMTA factors and traffic,  
23 interconnection agreements, phantom traffic, state high-cost fund issues, tandem re-homing, and

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1 forward-looking economic cost studies. I have also testified in federal litigation cases and spoken  
2 at Federal Communications Commission (“FCC”), state utilities commissions, and United States  
3 Senate workshops. A complete list of testimony experience is provided in my Curriculum Vitae  
4 (CV), which is attached as Exhibit LT-D1.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of South Dakota Telecommunications Association (SDTA).

7 **Q. What is the purpose of your direct testimony?**

8 A. I have been asked by the SDTA to provide an Expert Report (“Report”) in the South  
9 Dakota Public Utilities Commission (SDPUC) Docket TC21-001. The Report is attached to and  
10 incorporated into this testimony as Exhibit LT-D2. The subject of this docket is LTD Broadband  
11 LLC’s (“LTD Broadband” or simply “LTD”) request to receive designation as an eligible  
12 telecommunications carrier (ETC) in the state of South Dakota. LTD Broadband is required to  
13 secure ETC status in each state where it was the provisional winner in the Federal Communication  
14 Commission’s (FCC’s) Rural Digital Opportunity Fund (RDOF) Phase I Auction.

15 To be designated as an ETC in the state of South Dakota, the applicant must file a petition  
16 with the South Dakota Public Utilities (SDPUC) as defined in South Dakota Codified Law  
17 (SDCL) and Administrative Rules (ARSD). The ETC applicant must provide all items in ARSD  
18 20:10:32:43, which includes:

- 19 • Provide service on a timely basis
- 20 • Ability to remain functional in emergency situations
- 21 • Satisfy consumer protection and service quality standards
- 22 • Show service is in the public interest

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1           The goal of this proceeding is to ensure that telecommunication providers in the State of  
2 South Dakota among other things, have the technical, managerial, and financial ability to provide  
3 reliable telecommunications service and continue to do so without failing. Failure of an ETC to  
4 continue to provide telecommunications service would not be in the public interest and could  
5 come at a time when access to emergency services is needed. Based on our assessment of LTD  
6 Broadband’s technical and financial ability to offer – and continue to offer – telecommunications  
7 services within the State of South Dakota we will help determine if it would be in the public’s  
8 best interest to designate LTD Broadband as an ETC in the state of South Dakota.

9 **Q.     What information did you review in preparing your Report and this testimony?**

10 A.     As part of my preparation for this Report, I have reviewed numerous documents  
11 associated with this case, including:

- 12       1. LTD Broadband’s ETC filing with the South Dakota Public Utilities Commission
- 13       2. LTD Broadband’s Long Form filing with the FCC for the RDOF Phase I Auction attached  
14       as Exhibit LT-D3.
- 15       3. Responses of LTD Broadband LLC to First Data Request of Commission Staff (and the  
16       supplemental response to Data Request 1-11)
- 17       4. Responses of LTD Broadband LLC to Second Data Request of Commission Staff
- 18       5. Responses of LTD Broadband LLC to Third Data Request of Commission Staff
- 19       6. Responses of LTD Broadband LLC to First Data Request of the SDTA
- 20       7. Responses of LTD Broadband LLC to Second Data Request of the SDTA
- 21       8. Responses of LTD Broadband LLC to Third Data Request of the SDTA
- 22       9. Responses of LTD Broadband LLC to Fourth Data Request of the SDTA
- 23       10. Responses of LTD Broadband LLC to Fifth Data Request of the SDTA

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1 All Data Requests I reviewed are attached as Exhibit LT-D4

2 **Q. Are you aware of the status of LTD's ETC application in ND? If so, what is it?**

3 A. I am aware that the North Dakota PSC Staff filed a recommendation that LTD's request  
4 to be designated as an ETC for the purpose of receiving RDOF I Auction funding be denied.

5 **Q. What was the basis of their recommendation?**

6 A. That it is not in the public interest to designate LTD as an ETC. They found that LTD is  
7 not technically or financially feasible to buildout the necessary infrastructure and that as a result  
8 ND will be ineligible for other funding opportunities to build out unserved areas.

9 **Q. Are you aware of the status of the FCC review of LTD's RDOF filings?**

10 A. Most recently, on October 20, 2021, the FCC released an Order indicating it considers  
11 LTD Broadband in default, in the RDOF I process, in Iowa, Nebraska and North Dakota. The  
12 FCC bases its decision on LTD's delinquent ETC filing in the listed states. Previously, the FCC  
13 found LTD in default in California, Oklahoma, and Kansas. In addition, LTD voluntarily  
14 relinquished groups of census blocks in California, Colorado, Iowa, Illinois, Indiana, Kansas,  
15 Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Texas, Wisconsin, and even South Dakota.

16 **Q. Did you review any LTD Broadband's South Dakota specific network diagrams?**

17 A. [REDACTED]  
18 [REDACTED].

19 Although LTD Broadband was asked for more specific information by the Commission Staff  
20 and SDTA in discovery, none was provided. There were no South Dakota specific network  
21 diagrams available for review.

22 **Q. Did this lack of South Dakota specific network information restrict your ability to**  
23 **analyze LTD Broadband's plans?**

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1 A. No. Enough information was provided by LTD regarding the technology that was  
2 planned and the type of network to be deployed that I was able to generate a construction cost  
3 estimate given Vantage Point's extensive experience in engineering and project managing  
4 hundreds of FTTH networks across the country and every region of the state of South Dakota.  
5 This experience makes us uniquely qualified to assess the feasibility of LTD Broadband's  
6 network.

7 **Q. Given the lack of South Dakota specific engineering diagrams, what did you**  
8 **review?**

9 Since LTD did not produce detailed network diagrams, I engineered a Fiber-to-the-  
10 Home (FTTH) network as described in LTD's discovery responses to determine if it would be  
11 possible to build and deploy this network in LTD's RDOF areas for the capital expense shown  
12 in LTD's business plan.<sup>1</sup> If its investment is grossly different than what I estimate based on  
13 FTTH construction projects in these same areas, it is likely that LTD Broadband did not  
14 accurately determine capital expenses to construct its network in South Dakota.

15 **Q. Does your analysis of LTD Broadband focus on wireline fiber or wireless**  
16 **technologies?**

17 A. I focused on wireline fiber technologies. I did so as a result of LTD affirming their  
18 intention is to serve all customers in South Dakota using fiber to the end user customer. In an  
19 email dated August 11, 2021 from Brett Heather Freedson to SDTA, Amanda Reiss and Brittany  
20 Mehlhaff, Mr. Freedson stated:

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<sup>1</sup> LTD Broadband's FCC RDOF Long Form filing, Feb. 10, 2021, page 5.



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1           *“ . . . I confirmed with Corey Hauer, LTD Broadband’s CEO, that LTD*  
2           *Broadband does not plan to construct towers, or to use wireless facilities to*  
3           *serve its customers within the South Dakota census blocks for which LTD*  
4           *Broadband was presumptively awarded funds. Rather, LTD Broadband plans*  
5           *to serve all customers within its RDOF-awarded service areas with fiber*  
6           *deployed directly to the customer’s premises (i.e., fiber-to-the-home or*  
7           *“FTTH”), and for that purpose, would have no need to construct towers.”*

8           In SDTA’s fifth data request, LTD Broadband stated, “LTD Broadband currently does not plan  
9           to use fixed microwave links in its middle-mile network.” Because LTD’s clear statements that  
10          there will be no wireless networks in either the last mile nor the middle mile, I did not consider  
11          any concerns associated with a wireless deployment and focused my efforts on LTD broadband’s  
12          use of FTTH technology.

13          **Q.     What are the construction estimates you used in your analysis?**

14          A.     My construction estimates, based upon my previously explained experience and  
15          methodology, is shown in the chart below. The estimates are based upon the eight regions where  
16          LTD was the apparent RDOF winning bidder. [REDACTED]

17          [REDACTED]

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Region	Construction Estimate	Locations	Cost Per Location
Rapid City Area (includes Black Hills)	\$46.0M	4,020	\$11,570
Timber Lake Area	\$11.7M	521	\$22,591
Watertown Area	\$5.6M	641	\$8,830
Pierre Area	\$2.2M	86	\$26,163
Miller Area	\$5.3M	339	\$15,693
Sioux Falls Area	\$5.7M	537	\$10,726
Rosebud Area	\$4.4M	169	\$25,799
Yankton Area	\$9.2M	1,168	\$8,039
	<b>\$91.0M</b>	<b>7,481</b>	<b>\$12,167</b>

1

2 **Q. How does your estimate compare to LTD Broadband’s construction cost estimate?**

3 A. I believe LTD Broadband has grossly underestimated the cost to serve RDOF locations in  
4 South Dakota [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8

	LTD Broadband Estimate	Vantage Point Estimate
Total Construction Cost	[REDACTED]	\$91.0M
Cost per Served Location [REDACTED]	[REDACTED]	\$12,167

9

10 **Q. What impact will increased construction costs have on LTD Broadband’s ability to**  
11 **successfully serve South Dakota?**

12 A. [REDACTED]

13 [REDACTED] which increases the likelihood of

14 LTD Broadband failing to meet the FCC’s buildout requirements and the South Dakota PUC

15 requirements.

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1 **Q. How will LTD's failure to meet FCC and South Dakota requirements impact South**  
2 **Dakota consumers?**

3 A. A failure of LTD Broadband will negatively impact South Dakota consumers. It is likely  
4 that a failure will occur after the planned state and federal funding opportunities have past and the  
5 citizens covered by the LTD Broadband may be left in a broadband wasteland for many years to  
6 come. Providing ETC status to a company that is likely to fail is not be in the public interest.

7 **Q. Did LTD Broadband provide a business plan?**

8 A. Yes. LTD Broadband's included a financial business plan as part of their FCC RDOF  
9 Long Form application. L [REDACTED]

10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 **Q. Was LTD Broadband's business plan accurate and complete?**

15 A. [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 **Q. Can LTD Broadband use profits from their RDOF networks in the other 14 states to**  
5 **offset the losses in South Dakota?**

6 A. My analysis, as detailed in the attached Report, shows the same issues in all other states.

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 **Q. Does your attached Report more fully develop and explain your analysis and**  
19 **conclusions?**

20 A. Yes. I fully incorporate and rely upon my attached Report as the basis or this testimony  
21 and the conclusions I come to as a result.

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<sup>2</sup> Nebraska has 5.4% of LTD Broadband's RDOF locations (28,729)

1 **Q. Outside of your financial and engineering analysis, do you have other concerns**  
2 **regarding LTD Broadband’s plan to serve in South Dakota? If so, what are those**  
3 **concerns?**

4 A. I have concerns regarding LTD Broadband’s ability to meet Service Standards as  
5 contained in South Dakota Administrative Rules.

6 **Q. What is the basis for your concern?**

7 A. LTD has no history or proven track record nor does it have plans adequately to  
8 demonstrate it can satisfy consumer protection and service quality standards. LTD Broadband  
9 currently has less than 300 customers in South Dakota and 147 employees companywide. In  
10 SDTA’s fifth data request,<sup>3</sup> LTD broadband admitted to only having 448 total FTTH customers  
11 today and those are in Tennessee. LTD Broadband is committed to serve over half a million  
12 RDOF locations in the next 6 years [REDACTED]

13 [REDACTED] This would be challenging for even the most experienced  
14 FTTH broadband provider. Discovery responses indicate that LTD Broadband has not  
15 developed any plans about how it will satisfy consumer protection and service quality standards  
16 for thousands of new customers over the course of the next 6 years. Customers in the LTD  
17 Broadband areas are entitled to receive the same level of customer service as all other South  
18 Dakota residents.

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

20 A. Yes, but I reserve to right to modify this testimony if new information becomes available.

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<sup>3</sup> SDTA Data Request 5 (Request 5-1)