
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 7-01

Direct Testimony of Randy Houdek

On Behalf of Venture Communications Cooperative

June 12, 2007

1 **Q1. What is your name and address?**

2 A. My name is Randy Houdek. My business address is 218 Commercial Street,
3 Highmore, South Dakota 57345-0157. My business telephone number is 605-
4 852-2224.

5 **Q2. By whom are you employed and in what capacity?**

6 A. I am the General Manager of Venture Communications Cooperative (Venture).
7 Venture is an independent local exchange carrier that provides local exchange,
8 exchange access and other telecommunications services to approximately 14,000
9 subscriber lines in 2006 within its service territory in South Dakota. This is less
10 than 2% of the access lines nationwide.

11 **Q3. Has the number of Venture's access lines declined since 2006?**

12 A. Yes, Venture currently has 13,500 access lines, and I expect the trend of declining
13 access lines to continue.

14 **Q4. How does a decrease in access lines affect Venture's suspension petition?**

15 A. The per line financial impact on Venture subscribers becomes even more
16 significant as the number of subscribers decreases.

17 **Q5. Briefly explain what it means that Venture is a cooperative?**

18 A. As a cooperative telephone company, Venture's subscribers or customers are the
19 owners of the company.

20 **Q6. Briefly describe Venture's network.**

21 A. Venture communications serves 26 local exchanges covering over 7,000 square
22 miles in rural South Dakota. The customers of most exchanges are served by a
23 Venture central office in their exchange. Customers of all exchanges have

1 unlimited calling to other Venture customers in their own exchange on a local
2 basis (they will not incur any additional charges). There are some instances
3 where a customer may have an even larger local calling scope and be allowed to
4 call a neighboring exchange on a local basis. These local calling areas were
5 established many years ago. It is rare occurrence for local calling areas to change
6 and none of Venture's local calling areas have not changed in the 20+ years I
7 have worked here.

8 **Q7. How does Venture route calls that terminate outside of its service area?**

9 A. Calls originated by a Venture customer that terminate outside of Venture's service
10 area are toll calls and are routed to the originating customer's IXC. The only
11 exception to this is a few extended area service (EAS) arrangements Venture has
12 with other wireline carriers.

13 **Q8. Could Venture make all calls that originate and terminate to a Venture
14 subscriber within its network local calls?**

15 A. Yes.

16 **Q9. Why doesn't Venture do so?**

17 A. Because it would require network upgrades and result in the loss of significant
18 access revenue, which would require Venture to increase basic local rates charged
19 to Venture's customers.

20 **Q10. In terms of designating a call as local or toll, does Venture treat calls to a
21 customer of a wireless carrier the same as it treats a call between two
22 Venture customers?**

23 A. Yes.

1 **Q11. Does this mean that a call from a Venture subscriber to a wireless subscriber**
2 **in the MTA might be considered a toll call and routed to an IXC?**

3 A. Yes. A call from a Venture subscriber in a particular local calling area that
4 terminates to a wireless subscriber in a different local calling area would be a toll
5 call and routed to an IXC. Also, a call from a Venture subscriber to a wireless
6 subscriber that terminates outside of Venture's service territory would be a toll
7 call and routed to an IXC.

8 **Q12. Have these routing patterns been in effect since the 1996 Act?**

9 A. Yes.

10 **Q13. Does Venture pay reciprocal compensation to wireless carriers for calls that**
11 **are routed to an IXC?**

12 A. No.

13 **Q14. Has this been Venture's practice since the 1996 Act?**

14 A. Yes.

15 **Q15. Has wireless competition increased in Venture's service area since the 1996**
16 **Act?**

17 A. We have seen substantial increases in wireless traffic within the Venture network
18 since 1996.

19 **Q16. How are calls dialed today by Venture customers?**

20 A. Local calls are dialed on a seven-digit basis. Toll calls are dialed on a one plus
21 ten-digit basis.

22 **Q17. In the Suspension Petition, is Venture proposing to require its subscribers to**
23 **dial calls any differently than it does today?**

1 A. No.

2 **Q18. In the Suspension Petition, is Venture proposing to route calls any differently**
3 **than it does today?**

4 A. No.

5 **Q19. Has this dialing pattern been in effect since the 1996 Act?**

6 A. Yes.

7 **Q20. If Venture is required to allow its customers to dial calls on a local basis to**
8 **wireless subscribers outside of the local calling area and in the MTA, would**
9 **Venture be able to maintain seven-digit dialing for local calls?**

10 A. No. Venture would have to require ten-digit dialing for all local calls because
11 most NXXs are used more than once within the Minneapolis MTA in different
12 NPAs. For example, the 996 NXX is used in the 702, 605, and 612 NPA.

13 **Q21. Is it your experience that customers object to changes in dialing patterns and**
14 **that they find such changes burdensome?**

15 A. Yes.

16 **Q22. Do dialing pattern changes burden the company?**

17 A. Yes. The company would need to conduct extensive education efforts to explain
18 the new dialing pattern and respond to customer complaints.

19 **Q23. Does Venture have facilities in place that would allow it to route calls outside**
20 **of its network as local calls?**

21 A. No. If Venture is required to route calls that terminate outside of its network
22 as local calls, it would have to either lease or install the facilities to carry
23 such traffic.

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2 **Q24. How many wireless carriers currently operate in Venture's service territory?**

3 A. There are three wireless carriers currently operating in Venture's service territory,
4 Verizon Wireless, Alltel and RCC Wireless. However, it is my understanding
5 that there are other wireless carriers licensed to provide service in at least part of
6 Venture's service territory.

7 **Q24. Does this conclude your testimony?**

8 A. Yes. However, I wish to reserve the opportunity to amend this
9 testimony in the future, if necessary.

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