



1300 NORTH 17th STREET, 11th FLOOR
ARLINGTON, VIRGINIA 22209

OFFICE: (703) 812-0400
FAX: (703) 812-0486
www.fhhlaw.com
www.commlawblog.com

July 10, 2017

VIA ECFS

Marlene Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *AT&T Corp. v. Iowa Network Services, Inc.*
FCC Docket No. 17-56
Bureau ID No. EB-07-MD-001

Dear Ms. Dortch:

On behalf of Iowa Network Services, Inc. d/b/a Aureon Network Services ("Aureon"), transmitted herewith is Aureon's Objections and Responses to AT&T's Second Set of Interrogatories filed in the above-referenced proceeding. This submission does not contain any confidential information. Accordingly, no confidential versions of this filing will be submitted.

Should there be any questions with respect to this matter, please feel free to contact the undersigned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'James U. Troup', written over the printed name.

James U. Troup
Tony S. Lee

Counsel for Iowa Network Services, Inc.
d/b/a Aureon Network Services

Enclosure

July 10, 2017

Page 2

cc: Michael J. Hunseder, Counsel for AT&T
James F. Bendernagel, Jr, Counsel for AT&T
Lisa Griffin, FCC
Anthony J. DeLaurentis, FCC
Adam Suppes, FCC
Sandra Gray-Fields, FCC
Christopher Killion, FCC

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
AT&T CORP.,)	
)	Docket No. 17-56
Complainant)	
)	Bureau ID No. EB-07-MD-001
vs.)	
)	
IOWA NETWORK SERVICES, INC.)	
DBA AUREON NETWORK SERVICES,)	
)	
Defendant.)	
)	

**IOWA NETWORK SERVICES, INC. DBA
AUREON NETWORK SERVICES' OBJECTIONS AND RESPONSES TO
COMPLAINANT'S SECOND SET OF INTERROGATORIES**

Pursuant to Section 1.729(c)(1) of the Commission's Rules, 47 C.F.R. § 1.729(c)(1), Iowa Network Services, Inc. dba Aureon Network Services ("Aureon") hereby submits its objections to the interrogatories propounded by AT&T Corp. ("AT&T" or "Complainant").

GENERAL OBJECTIONS

Although Aureon will specifically object to each particular proposed interrogatory and document production request as is appropriate, the following general objections are set forth to preserve applicable objections.

1. Aureon objects to each and every one of Complainant's "Instructions and Definitions" to the extent that Complainant purports to abrogate any of Aureon's rights or to add to any of Aureon's obligations under the Commission's Rules.

2. No response to the proposed interrogatories or document production requests shall be construed as an acknowledgment or admission that any information provided is relevant or admissible into evidence, all such objections being expressly reserved by Aureon.

3. Aureon objects to each and every one of the interrogatories to the extent Complainant seeks materials protected by applicable privileges, including but not limited to the attorney-client privilege and/or the work product doctrine (hereafter “privileges” or “privileged”). Any inadvertent disclosures of privileged information shall not constitute a waiver of such privilege(s).

4. Aureon objects to each and every one of the interrogatories to the extent that Complainant seeks information that is not relevant to the claims or defenses of any party (or such discovery is not reasonably calculated to lead to the discovery of admissible information). Aureon reserves the right to supplement these objections.

5. Aureon objects to each and every one of the interrogatories to the extent that an interrogatory requests information in multiple subparts, and those subparts, when counted individually, exceed the maximum number of interrogatories permitted under the FCC’s rules.

OBJECTIONS TO INTERROGATORIES

ATT-INS 11: In its Legal Analysis, INS asserts that that “AT&T’s actions have resulted in significant increased costs to smaller competing interexchange carriers (“IXCs”), and threatens the entire competitive long distance market for rural Iowa.” See INS Legal Analysis at 2. Please identify the names of each of the “smaller competing interexchange carriers” referenced in this sentence and produce all documents quantifying or otherwise discussing the “significant increased costs” that allegedly have resulted from AT&T’s conduct. In addition, in light of the Commission’s determination that stand-alone long distance has long been a fringe market, see, e.g., *In re USTelecom Petition for Forbearance*, 31 F.C.C. Rcd. 6157, ¶ 49 (2015), please explain in detail how AT&T’s conduct “threatens the entire competitive long distance market for rural Iowa” and produce all documents either supporting or discussing that issue, including whether there exists a separate product market for long distance service in rural Iowa and, if so, please produce any market analysis of long distance competition in rural Iowa. Further, for the period September 2013 to May 2017, please provide by month the total minutes of use that INS transported for Verizon,

CenturyLink, Sprint, Frontier and any other IXC that You do not consider to be a “smaller competing interexchange carrier.”

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. There are an enormous number of documents, including all comments, replies, and other documents filed with, and orders issued by, the FCC regarding the competitive long distance market. Furthermore, the identities of the smaller competing IXCs include all IXCs other than AT&T because AT&T's share of the interstate terminating CEA traffic volume over Aureon's network comprised almost 75% of all CEA traffic over the last year. *See* Declaration of Frank Hilton, ¶ 14, Attached to Aureon's Answer as Ex. B. Given that the interstate terminating CEA traffic volume of all carriers other than AT&T comprised approximately 25% of the total CEA traffic volume over the last year, the other IXCs that use Aureon's CEA service are “smaller competing interexchange carriers” in comparison to AT&T. Furthermore, it is axiomatic that AT&T's conduct has caused significant increased costs for other IXCs because the failure of AT&T to pay Aureon's bills results in lower revenues to Aureon. Aureon still has to meet its revenue requirement in order to maintain operations, and all the other IXCs pay more in order to make up for AT&T's failure to pay the CEA tariff rate, and to enable Aureon to meet its revenue requirement. Aureon further objects to this interrogatory because the USTelecom proceeding, which requested forbearance from enforcement of ILEC legacy regulations, is irrelevant to CEA service because Aureon is not an ILEC. As for the long distance competition that has been fostered by CEA service, there are seventeen IXCs that rely upon CEA service to compete for terminating calls to rural Iowa, and there are fifteen IXCs that depend upon CEA service to originate calls from rural Iowa. *F. Hilton Decl.* ¶ 3. Aureon further objects to this interrogatory because the total minutes of use Aureon transported for other carriers

is irrelevant as this case is about AT&T's use of CEA service and its failure to pay the tariff rates. Notwithstanding the foregoing objections, Aureon states that for the period September 2013 to May 2017, Aureon will provide on an aggregated basis the total minutes of use by month for traffic that Aureon transported for carriers other than AT&T.

ATT-INS 12: With respect to Table 1 to Mr. Schill's declaration, please identify the source of the data set forth in each column on Table 1 and either identify where in INS's production that information can be located (i.e., the applicable bates ranges) or produce copies of the documents setting forth this information.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that it will produce spreadsheets setting forth the data in each column on Table 1.

ATT-INS 13: On page 12 of Mr. Schill's declaration he states: "Network lease costs are periodically tested for reasonableness based on an analysis of costs derived from the IXC Division." Please describe that testing, and produce all documents reflecting or otherwise discussing the results of that testing.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome. Notwithstanding the foregoing objections, Aureon states that the reasonableness testing information is set forth in Table 1 to Mr. Schill's declaration. Aureon further states that the documents that will be produced in response to AT&T Interrogatory No. 13 will provide further details regarding the data used to support the reasonableness testing results in Table 1.

ATT-INS-14: In response to AT&T's Interrogatory Nos. 3 and 10, You indicate that INS "does not know the identity of all LECs to which call aggregation traffic was directed over the CEA network during the period 2012" and You then indicate that you will produce the requested documents for the seven access stimulating CLECs identified by AT&T in its November 8, 2016 informal discovery requests. Please confirm that these seven CLECs are the only CLECs that, to your knowledge, are involved in access stimulation. In addition, please confirm that these seven CLECs are the only LECs to which traffic designated as call aggregation traffic on the INS worksheets identified in AT&T Interrogatory No. 1 (i.e. Aureon_01934-38, 02180-85, 02394-98 and 02696-708) was routed. To the extent that is not the case, please identify the names of the additional LECs to which call aggregation traffic was directed and produce the documents referenced in Interrogatories Nos. 3 and 10 for those additional LECs.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome. Local exchange carriers ("LECs") are required to file lower access tariff rates if two conditions are met: (1) the LEC has a revenue sharing agreement and (2) the LEC either has (a) a three-to-one ratio of terminating-to-originating traffic in any month or (b) experiences more than a 100 percent increase in traffic volume in any month measured against the same month during the previous year. *Connect America Fund, et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17663 ¶ 33 (2011). As previously stated, Aureon does not know the identities of all entities that are engaged in access stimulation. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission's rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Aureon does not know if the seven LECs identified by AT&T have access revenue sharing agreements, and only assumes that those LECs are involved in access stimulation based on AT&T's representations. Aureon further states that with regard to the traffic designated as call aggregation traffic on the Aureon worksheets identified in AT&T Interrogatory No. 1, the columns on those worksheets are used to estimate future call aggregation traffic based on historical changes in traffic patterns apparently attributable to conference bridge

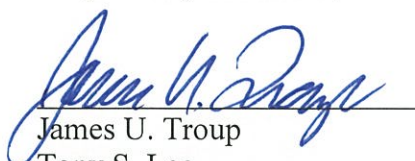
traffic. Aureon does not have any revenue sharing agreements with any LECs. Aureon's engineering department is able to identify significant spikes in traffic patterns and utilization of specific trunk groups, and those spikes are assumed to be conference bridge related traffic. Aureon separates "traditional" traffic from what Aureon has identified as suspected conference bridge traffic as a means to track increases or declines in both types of traffic. Aureon's spreadsheets are an internal tool utilized to support Aureon's budgeting and forecasting requirements, and are also used as a predictive model for future minutes-of-use that are utilized in Aureon's cost studies. Aureon has no control over any type of traffic delivered to the CEA network, and does not "direct" traffic to any LEC. Rather, Aureon merely delivers traffic to LECs based on the called party information passed on by the IXCs.

ATT-INS-15: In response to AT&T Interrogatory No. 6, You identify the INS divisions that are included in the “All Other” category as “the Parent, the Network and the Products Division.” Further, in response to AT&T Interrogatory No. 7, You state that Account 6410 “includes the lease costs that Aureon’s Network Division charges to the Access Division.” In Your answering submission, however, INS’s IXC Division is identified as leasing capacity to the Access Division. Please clarify which INS division leases capacity to the Access Division. To the extent that the Network Division is the same as the IXC Division, does the Network/IXC Division lease transport capacity to third parties? If so, please identify those services and state whether the rates for any of those services are based on fully distributed costs as that term is used by Mr. Schill in his declaration. See Schill Decl. ¶¶ 5, 20. If so, please identify each such service.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is irrelevant to this case. The lease of transport capacity by the IXC Division to third parties is irrelevant to the provision of CEA service by the Access Division because the provision of limited, point-to-point transport services is not comparable to the lease of capacity to the Access Division, which provides access to the IXC Division’s entire fiber network. The CEA rate required to make a comprehensive more than 2,700 mile rural network of common trunks available to all IXC’s on a non-discriminatory basis cannot be rationally compared to a single lease for transport between only two geographic points, or to the limited service provided for land-to-mobile traffic or the point-to-point transport provided by third parties without all the CEA functions. See Declaration of Jeff Schill, ¶ 18, Attached to Aureon’s Answer as Ex. A. Notwithstanding the foregoing objections, Aureon states that the Network Division is the same as the IXC Division, and the names are used interchangeably.

Respectfully submitted,



James U. Troup

Tony S. Lee

Karyn K. Ablin

Keenan P. Adamchak

Fletcher, Heald & Hildreth, PLC

1300 N. 17th Street, Suite 1100

Arlington, VA 22209

Tel: (703) 812-0400

Fax: (703) 812-0486

Email: troup@fhhlaw.com

lee@fhhlaw.com

albin@fhhlaw.com

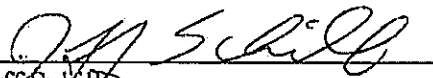
adamchak@fhhlaw.com

Counsel for Iowa Network Services, Inc.
dba Aureon Network Services

Dated: July 10, 2017

CERTIFICATION

I, Jeff Schill, Senior Vice President of Corporate Finance for Iowa Network Services, Inc. d/b/a Aureon Network Services, hereby certify that I have read the foregoing objections and responses to AT&T's Second Set of Interrogatories, and the responses therein are truthful and correct to the best of my knowledge, information, and belief.



Jeff Schill

CERTIFICATE OF SERVICE

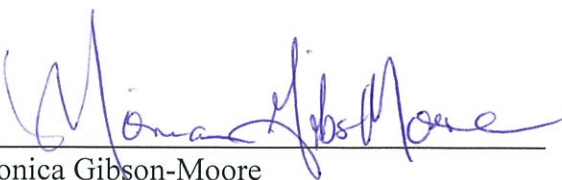
I, Monica Gibson-Moore, do hereby certify that on this 10th day of July, 2017, copies of the foregoing Objections and Responses of Iowa Network Services, Inc. d/b/a Aureon Network Services were sent to the following:

By Electronic Mail:

Lisa Griffin, Esq.
Rosemary McEnery, Esq.
A.J. DeLaurentis, Esq.
Market Disputes Resolution Division
Enforcement Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
lisa.griffin@fcc.gov
rosemary.mcenery@fcc.gov
anthony.delaurentis@fcc.gov

By Electronic Mail:

Michael Hunseder, Esq.
James Bendernagel, Esq.
Sidley Austin LLP
1501 K Street, N.W.
Washington, DC 20005
mhunseder@sidley.com
jbendernagel@sidley.com


Monica Gibson-Moore