

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

**RECEIVED**

JUL 14 2006

IN THE MATTER OF THE ESTABLISHMENT OF )  
LECS' 2005 SWITCHED ACCESS REVENUE )  
REQUIREMENTS )

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Alliance Communications Cooperative, Inc. )  
City of Brookings Municipal Telephone Department )

**DOCKET NO. TC05-083**

**DOCKET NO. TC05-087**

**Direct Testimony of Peter Rasmuson  
On Behalf of Alliance Communications Cooperative and City of  
Brookings Municipal Telephone Department**

**July 14, 2006**

**DIRECT PRE-FILED TESTIMONY OF PETER RASMUSSON**

1  
2  
3  
4 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

5 A. My name is Peter Rasmusson. My business address is 1515 N. Sanborn Blvd.,  
6 Mitchell, SD 57301. My title is President – Telecommunications, Consulting and  
7 Engineering (TCE) division of Martin Group, Inc..

8 **Q. WHAT IS MARTIN GROUP, INC. AND WHAT IS YOUR POSITION**  
9 **WITH THE FIRM?**

10 A. Martin Group, Inc. (MG) is a software and engineering consulting firm specializing  
11 in assisting local exchange carriers plan and engineer their infrastructure and  
12 providing telecommunications cost accounting and regulatory consulting services  
13 for over 35 years. I am President of the TCE division of Martin Group.

14 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
15 **WORK EXPERIENCE.**

16 A. I received a Bachelor of Science degree in Civil Engineering from Iowa State  
17 University. I have served as President of MG's Telecommunications, Consulting  
18 and Engineering division since 2002. In this role I have overall responsibility for  
19 all operations of the division including supervision of the staff that prepared the  
20 cost studies submitted in these two dockets. From 1990 to 1997, I was President  
21 and General Manager for Sioux Valley Telephone Company and Hills Telephone  
22 Company. These companies were local exchange carriers operating in South  
23 Dakota, Minnesota and Iowa. During portions of this same time period, I served  
24 on the Board of Directors for Express Communications and Local Exchange

25 Carrier Association. In addition to my telecommunications experience, I have held  
26 positions in the civil engineering, computer and financial industries.

27 **Q. HAVE YOU EVER TESTIFIED BEFORE THE SOUTH DAKOTA**  
28 **PUBLIC UTILITIES COMMISSION (SD PUC)?**

29 A. No.

30 **Q. ON WHOSE BEHALF WAS THIS TESTIMONY PREPARED?**

31 A. This testimony was prepared on behalf of Alliance Communications Cooperative,  
32 Inc. (Alliance) and the City of Brookings Municipal Telephone Department  
33 (Brookings).

34 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

35 A. The purpose of this testimony is to provide information to support Alliance and  
36 Brookings in their respective cost study dockets. In particular I will comment on  
37 the state and federal public policy changes since the enactment of the cost study  
38 rules defined in ARSD 20:10:27 through 20:10:29.

39 **Q. WHAT MAJOR CHANGES HAVE BEEN MADE BY THE SD PUC AND**  
40 **SD LEGISLATURE SINCE THE ORIGINAL COST STUDY RULES**  
41 **WERE IMPLEMENTED?**

42 A. Since the original cost study rules were implemented in TC93-086, the South  
43 Dakota Legislature (SD Legislature) enacted SDCL 49-31-60 and 49-31-61 to  
44 ensure that all of the citizens of South Dakota would have access to advanced  
45 communications services, including broadband services. The SD Legislature also  
46 enacted SDCL 49-31-59.1 to allow the cooperation of South Dakota  
47 telecommunications companies to efficiently and cost effectively develop a fully

48 integrated SONET backbone of interconnected survivable rings connecting all  
49 areas of the State. After the passage of the Federal Telecommunications Act of  
50 1996 (Act), the SD Legislature passed several new laws and the SD PUC made  
51 rule revisions to align its laws and rules with the Act.

52 **Q. WHAT CHANGES HAVE BEEN MADE BY THE UNITED STATES**  
53 **CONGRESS AND FEDERAL COMMUNICATIONS COMMISSION**  
54 **SINCE THE ORIGINAL COST STUDY RULES WERE IMPLEMENTED?**

55 A. Since the original cost study rules were implemented in TC93-086, the United  
56 States Congress (Congress) passed the Telecommunications Act of 1996 (Act).  
57 One of the most important public policies embodied in Section 254(b)(5) of the  
58 Act is the requirement for "specific, predictable and sufficient Federal and State  
59 mechanisms to preserve and advance universal service." Subsequent to the filing  
60 of the cost studies in these dockets, the FCC issued its orders in FCC 05-150  
61 (DSL Order). The DSL Order directly addresses the issue of joint and common  
62 cost allocation for facilities used to provide DSL service on a common carrier  
63 basis. Further discussion of the impact of these actions on the South Dakota cost  
64 study process is included in the Joint Initial Comments of LECA and SDTA in  
65 RM05-002.

66 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

67 A. Yes.

68