

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

IN THE MATTER OF THE) TC06-189
APPLICATION OF MCC TELEPHONY)
OF THE MIDWEST, INC., D/B/A)
MEDIACOM FOR A CERTIFICATE)
OF AUTHORITY TO PROVIDE)
LOCAL EXCHANGE SERVICE IN)
THE CASTLEWOOD, ELKTON,)
ESTELLINE, HAYTI, LAKE NORDEN)
AND WHITE EXCHANGES)

DIRECT TESTIMONY OF DAN TEMPLIN

1 **Q. Please state your name, title and business address for the record.**

2 A. My name is Dan Templin, and my title is Group Vice President, Strategic
3 Marketing and Product Development, for Mediacom Communications
4 Corporation (“Mediacom”). My business address is 100 Crystal Run Road,
5 Middletown, New York 10941; my telephone number is (845) 695-2605.

6
7 **Q. What are your job responsibilities?**

8 A. In the role of Group Vice President, Strategic Marketing and Product
9 Development, I have overall strategic and business responsibilities for
10 Mediacom’s residential and commercial telephony services in addition to
11 product management responsibilities for Mediacom’s video and Internet
12 services.

13 **Q. What is your background in the telecommunications business?**

14 I have 17 years of experience in the cable television and broadband

1 communications industries. I joined Mediacom in May 2008 as Group Vice
2 President, Strategic Marketing and Product Development. Prior to joining
3 Mediacom, I served as Senior Vice President, Marketing and Product
4 Management, for Susquehanna Communications from February 1999 to
5 November 2005. In this role, I had overall operational responsibility for the
6 customer care, marketing communications and product management areas
7 related to the delivery of the company's telephony, video and Internet
8 services. I served in various management and operational roles with
9 Comcast Cable Corporation from August 1994 to January 1999 and with
10 Jones Intercable, Inc. from May 1989 to August 1994.

11 **Q. Please briefly describe your company's corporate structure.**

12 A. Mediacom Communications Corporation is a publicly traded company and
13 the parent of several wholly owned subsidiary companies including MCC
14 Telephony, Inc. MCC Telephony, Inc. is a parent of several wholly owned
15 subsidiary companies including MCC Telephony of the Midwest, Inc.

1 **Q. Are you familiar with the Application your company submitted to this**
2 **Commission?**

3 A. Yes, I am familiar with the Application.

4 **Q. What is the purpose of your testimony?**

5 A. The purpose of the testimony is to describe the operations of MCC and to
6 discuss the proposed expansion of our certificated authority to include those
7 areas served by ITC. By so doing, I will demonstrate that MCC has the
8 requisite financial, technical and managerial capability to provide facilities-
9 based local and long distance Internet protocol voice services in the ITC
10 service territory in the State of South Dakota.

11 **Q. What is your understanding regarding MCC's application for CLEC**
12 **certification?**

13 A. It is my understanding that, given the current unsettled nature of the issues
14 pertaining to the appropriate regulatory treatment of IP-based voice services
15 such as those proposed by MCC, MCC does not concede that the IP-based
16 voice services described in its Application are subject to state regulation. I
17 understand that in its application MCC had expressly reserved all rights
18 with respect to the regulatory classification or treatment of its IP-enabled
19 voice services.

20 The Federal Communications Commission addressed the question of
21 whether VoIP services, such as digital phone, are subject to state and/or

1 federal regulation *In the Matter of Vonage Holdings Corporation Petition*
2 *for Declaratory Ruling Concerning a Order of the Minnesota Public*
3 *Utilities Commission*, W.C. Docket No. 03-211, Memorandum Opinion and
4 Order, FCC 04-267, released November 12, 2004 ("Vonage Order").
5 Paragraph 32 of the Vonage Order indicates that to the extent cable
6 companies provide similar VoIP services, state regulation is preempted.
7 The FCC preempted the states from imposing "certification, tariffing or
8 other related requirements as conditions to offering digital voice.... "
9 *Vonage Order* ¶ 46.

10 **Q. How will this affect regulatory compliance issues?**

11 A. While reserving all its rights, as described above, MCC has and will
12 continue to make all reasonable efforts to abide by the Commissions rules
13 respecting the provision of voice services, in particular those pertaining to
14 collection and remittance of 911 and other similar fees. MCC does not
15 want anything in its application or filings with the Commission to be
16 construed as a concession or admission by MCC that the IP-enabled voice
17 service it describes constitutes a telecommunications service, and
18 information service, local exchange service, common carrier offering, or a
19 service that is otherwise subject to federal or state regulation.

1 **Q. Please describe the services offerings for which MCC seeks expanded**
2 **certification.**

3 A. MCC seeks authority to expand its certificated authority to include the ITC
4 service area. MCC seeks this authority so that it can offer any of the
5 services that a certificated CLEC is able to offer. MCC proposes to offer its
6 IP-enabled voice services in the ITC service area in the same manner as it
7 currently offers those services in other parts of South Dakota.

8 **Q. What service does MCC intend to offer in the ITC territory identified**
9 **in its Application?**

10 A. MCC anticipates that it will provide the same facilities-based Internet
11 Protocol ("IP") voice service currently being provided to MCC customers
12 elsewhere in South Dakota and across the country. MCC is currently
13 providing features similar to those offered by traditional analog telephone
14 service but utilizes IP technology to transport telephone calls. Customers
15 are able to call and be called by other IP voice service subscribers as well as
16 other parties connected to the public switched telephone network ("PSTN").
17 The service is offered on a bundled flat-rate basis and allows standard local
18 calling in addition to operator services, directory assistance, enhanced "911"
19 services, outbound 800 toll free calling, custom calling features such as call
20 waiting, caller identification, and directory listing. From a consumer
21 perspective, MCC currently provides unlimited local and long distance

1 calling for a single price that includes popular calling features. MCC
2 utilizes local number portability permitting consumers to maintain their
3 existing telephone numbers in addition to whole-home wiring and the
4 opportunity to utilize each telephone jack in the home.

5 **Q. What facilities will MCC use to provide this service?**

6 A. MCC predominately uses the facilities of Mediacom to provide the IP voice
7 services. Mediacom owns and manages cable systems serving
8 approximately 1.4 million subscribers in 23 states. Mediacom's telephony
9 subsidiaries provide voice services to over 200,000 subscribers throughout
10 Mediacom's cable service territories. In South Dakota, Mediacom facilities
11 pass approximately 16, 557 homes in nineteen different communities.

12 These facilities are capable of providing all of these homes with high speed
13 internet services. MCC draws upon the engineering and technical support
14 of its specialized staffs to manage its network and provision services. The
15 services are delivered over a managed network with quality of service
16 standards, ensuring that customers are provided with the level of quality
17 offered by traditional telephone service and to which they are accustomed.

18 In order to reach premises not served by Mediacom, calls must at times
19 traverse the PSTN. MCC completes these calls through relationships with
20 competitive local exchange carriers that provide a variety of services,
21 including the termination of local and toll calls, the provision of directory

1 assistance and operator services, and the delivery of 911 calls to the
2 appropriate public safety answering points. Calls destined for PSTN are
3 terminated in accordance with intercarrier compensation regimes. MCC
4 currently has an agreement with Sprint Communications Company, L.P.
5 ("Sprint") to carry MCC's traffic. Sprint then interconnects with the local
6 exchange carrier.

7 **Q. Which carrier or carriers serve as your underlying carrier for**
8 **interexchange services?**

9 A. At present, MCC uses Sprint as its underlying carrier.

10 **Q. Please discuss the managerial and technical ability of MCC to provide**
11 **services in South Dakota.**

12 A. Previously, the Commission concluded that MCC possessed the managerial
13 and technical resources to provide telecommunications services. MCC
14 continues to rely on the same individuals identified in its initial
15 certification. Moreover, the officers of MCC have extensive managerial
16 and technical experience in the telecommunications industry. Locally and
17 nationally, MCC is managed and operated by a team of well qualified
18 telecommunications professionals who are capable of operating a company
19 which will provide sophisticated, state of the art Internet Protocol voice
20 services similar to those offered by traditional analog telephone service
21 providers.

1 **Q. How are customer inquiries/disputes handled?**

2 A. MCC has a toll free customer service number which is staffed 24-hours a
3 day, 7-days a week. Customer service representatives are well trained and
4 make every effort to address customer inquiries and resolve any issues or
5 disputes which may occur as expeditiously as possible. If the resolution
6 proposed by the representative is not satisfactory to the customer, the
7 customer may request to speak with a supervisor or send e-mail comments
8 via the Mediacom website. MCC will also investigate and respond to issues
9 or concerns it may receive from utility commissions.

10 **Q. In what other states has MCC or affiliated entities received authority to
11 provide interexchange and/or local voice services?**

12 A. Entities affiliated with MCC have received authority to provide interexchange
13 and/or local voice services in Alabama, Mississippi, Minnesota, Illinois, Iowa,
14 Missouri, Georgia, Florida, Indiana, Kentucky, California, Delaware,
15 Maryland, Wisconsin and South Dakota.

16 **Q. Has MCC or any affiliated entity ever been denied certification in
17 another state?**

18 A. No. All of MCC's certification applications have been successful.

19 **Q. Has MCC or any affiliated entity ever applied to have an existing
20 certification expanded into a rural territory?**

21 A. Yes, MCC sought expanded certification in Wisconsin.

1 **Q. What has been the result of that petition?**

2 A. MCC Telephony of the Midwest has received expanded certification in
3 Wisconsin allowing it to have CLEC status in the territory of a Rural Local
4 Exchange Carrier.

5 **Q. Has MCC or any affiliated entity received expanded certification in
6 any other region?**

7 A. Yes, earlier this year MCC received expanded certification from this
8 Commission to offer service in the territory of Swiftel.

9 **Q. Has MCC or any affiliated entity ever been subject to any federal or
10 state investigation regarding its services?**

11 A. No.

12 **Q. Describe the financial ability of MCC to operate as a
13 telecommunications carrier.**

14 A. MCC Telephony of the Midwest, Inc. is a wholly owned subsidiary of MCC
15 Telephony, Inc. which is a wholly owned subsidiary of Mediacom
16 Communications Corporation (“Mediacom”). As such, MCC Telephony of
17 the Midwest relies on the financial capabilities of its ultimate parent,
18 Mediacom, to fund its operations within the state of South Dakota.

19 **Q. Will the issuance of an expanded certification to MCC be in the public
20 interest?**

21 A. Yes. The benefits available to customers and potential customers, and the

1 compliance with state and federal telecommunications policies encouraging
2 the development of competition in telecommunications markets,
3 demonstrates without question that MCC's provision of services is in the
4 public interest.

5 **Q. Will granting MCC's application promote and preserve competition?**

6 A. Yes. Competition serves the public interest by bringing about lower rates,
7 improved quality of service, and enhanced services. Expanding MCC's
8 certification will increase competition in the ITC market. Furthermore,
9 MCC's voice services make use of advanced and developing technologies
10 and give consumers the opportunity to take advantage of the competitive
11 options based on such emerging technology.

12 **Q. Will granting MCC's application promote consumer choice?**

13 A. Yes. Granting MCC's application will serve the public interest by allowing
14 consumers in the communities listed above to have access, in many cases
15 for the first time, to a facilities-based competitive local telephone service.
16 It is the ability of a customer to choose between providers that requires
17 MCC and the other certified providers to compete for the business of the
18 customer. To effectively compete, MCC and the other providers must offer
19 services that are desired by customers at competitive prices and at a
20 competitive level of quality. MCC and the other providers must also
21 maintain a competitive level of customer support to retain their customers.

1 Simply put, customer choice provides MCC the incentive to offer the
2 highest quality services and the highest level of customer support for the
3 lowest cost. If MCC is prohibited from offering or providing services in the
4 territory, its customers would no longer have the choice to receive their
5 services from MCC. The inability of MCC to provide services will result in
6 less competitive pressure on ITC to keep their prices low and their service
7 quality and support high. Furthermore, IP-enabled voice technology can
8 link phone calls with other data which makes several new and future
9 services possible. The technology offers new flexibility to consumers who
10 may be able to program their phones to redirect calls to other numbers, take
11 messages, and send email responses to a voice call. Thus, granting MCC's
12 application will greatly enhance the availability of affordable local
13 exchange service in the communities currently served by ITC through the
14 introduction of increased competition and alternative offerings using a new
15 technology.

16 **Q. Will granting MCC's application have a positive impact on the quality**
17 **of life for the public while respecting privacy considerations?**

18 **A.** Yes. MCC's ability to provide local exchange service gives the public the
19 power to determine for themselves which provider offers services that best
20 fit their needs and budget. Having the ability to choose MCC or the RLECs
21 gives the customer the opportunity to select the provider that best responds

1 to its needs. The inability of a customer to select MCC deprives the
2 customer of a service alternative that may meet that customer's needs better
3 than ITC . These facts, together with MCC's ability to provide residents in
4 these communities with the latest technology and communications features,
5 means that MCC offers an efficient and secure alternative to current
6 providers of telecommunications services that enhances the quality of life
7 for the public.

8 **Q. Will granting MCC's application promote universal service?**

9 A. Yes. MCC participates fully in state and federal universal service
10 mechanisms by assessing and remitting charges on subscriber bills that
11 support universal service. Moreover, because the introduction of
12 competition that would result from granting MCC's application also should
13 have the effect of lowering customer prices, it is logical that the
14 introduction of MCC's service into the communities currently served by ITC
15 will increase overall subscribership.

16 **Q. Will granting MCC's application promote economic development,
17 including telecommunications infrastructure deployment?**

18 A. Yes. MCC has and will continue to make plant and other capital
19 investments in South Dakota to support continued expansion of its
20 telephone service. MCC intends to protect this investment by continuing to
21 expand and upgrade its facilities to remain competitive and current with the

1 latest technological advances in the field.

2 **Q. Will granting MCC's application promote the efficient and productive**
3 **delivery of telecommunications services to customers in South Dakota?**

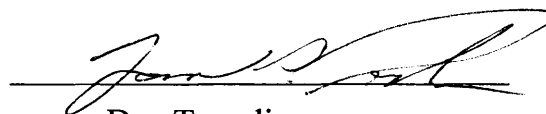
4 A. Yes. Because MCC must compete for customers, and because price is often
5 a substantial factor in a customer's choice of provider, MCC must make
6 every attempt to keep its prices down. To accomplish this goal, MCC
7 continually strives to operate as efficiently as possible. By operating in a
8 manner to maximize its productivity and efficiency, MCC also forces other
9 competitive providers to do likewise in order to remain viable competitors
10 in the marketplace.

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

12 A. Yes.

13 Dated this 27th day of October, 2008.

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Dan Templin