

GUNDERSON, PALMER, GOODSSELL & NELSON, LLP

ATTORNEYS AT LAW

J. CRISMAN PALMER
G. VERNE GOODSSELL
JAMES S. NELSON
DANIEL E. ASHMORE
TERENCE R. QUINN
DONALD P. KNUDSEN
PATRICK G. GOETZINGER
TALBOT J. WIECZOREK
JENNIFER K. TRUCANO
DAVID E. LUST
THOMAS E. SIMMONS

ASSURANT BUILDING
440 MT. RUSHMORE ROAD
POST OFFICE BOX 8045
RAPID CITY, SOUTH DAKOTA 57709-8045
TELEPHONE (605) 342-1078 • FAX (605) 342-0480
www.gundersonpalmer.com
ATTORNEYS LICENSED TO PRACTICE IN
SOUTH DAKOTA, NORTH DAKOTA, NEBRASKA
COLORADO, CALIFORNIA, WYOMING & MINNESOTA

TERRI LEE WILLIAMS
SARA FRANKENSTEIN
AMY K. KOENIG
JASON M. SMILEY
SHANE C. PENFIELD
JONATHAN M. OOSTRA
MATTHEW E. NAASZ
MATTHEW R. MCGOVERN
WYNN A. GUNDERSON
Of Counsel

June 6, 2007

E-FILING

Patricia Van Gerpen
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre SD 57501-5070

RE: In the Matter of the Petition of Brookings/Swiftel for Suspension or Modification
– Docket TC07-007 GPGN File No. 8509.070220 (SPRINT)

Dear Ms. Van Gerpen:

Attached please find Sprint's initial Prefiled Testimony of Randy Farrar and James Burt, confidential (marked) and nonconfidential, in the above-entitled matter. By copy of same, counsel have been served by e-mail.

Please note some of the prefiled testimony has been marked confidential due to the fact that information contained in the testimony or exhibits is taken from documents or testimony previously provided and marked confidential by Swiftel.

If you have any questions, please contact me.

Sincerely,

/s/ Talbot J. Wieczorek

Talbot J. Wieczorek

TJW:klw
Enclosures

c: Rich Helsper/Mary Sisak/Ben Dickens via e-mail
Karen Cremer/Harlan Best via e-mail
David Gerdes via e-mail
Brett Koenecke via e-mail
Rich Coit via e-mail
Darla Rogers via e-mail
Stephen Rowell/Sean Simpson via e-mail
Monica Barone via e-mail

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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

In the Matter of the Petition of Brookings)
Municipal Utilities D/B/A Swiftel) DOCKET TC07-007
Communications for Suspension or)
Modification of Dialing Parity, Number)
Portability and Reciprocal)
Compensation Obligations)

Initial Testimony of James R. Burt

On Behalf of Sprint Communications Company, L.P.

June 6, 2007

1 **I. MR. BURT'S PROFESSIONAL BACKGROUND**

2
3 **Q. Please state your name, business address, employer and current**
4 **position.**

5 **A.** My name is James R. Burt. My business address is 6450 Sprint Parkway,
6 Overland Park, KS 66251. I am employed as Director – Policy for Sprint
7 Nextel.

8
9 **Q. Please summarize your educational and professional background.**

10 **A.** I received a Bachelor of Science degree in Electronics Engineering from
11 the University of South Dakota at Springfield in 1980 and a Masters in
12 Business Administration from Rockhurst College in 1989.

13
14 I became Director – Policy in February of 2001. I am responsible for
15 developing state and federal regulatory policy and legislative policy for
16 Sprint Nextel, including the coordination of regulatory and legislative
17 policies across the various Sprint business units and the advocacy of such
18 policies before regulatory and legislative bodies. In addition, I interpret
19 various orders, rules, or laws for implementation by Sprint Nextel.

20
21 From 1997 to February of 2001, I was Director-Local Market Planning. I
22 was responsible for policy and regulatory position development and
23 advocacy from a CLEC perspective. In addition, I supported

1 Interconnection Agreement negotiations and had responsibility for various
2 other regulatory issues pertaining to Sprint's CLEC efforts.

3

4 From 1996 to 1997, I was Local Market Director responsible for Sprint's
5 Interconnection Agreement negotiations with BellSouth.

6

7 I was Director – Carrier Markets for Sprint's Local Telecom Division from
8 1994 to 1996. My responsibilities included inter-exchange carrier account
9 management and management of one of Sprint's Inter-exchange Carrier
10 service centers.

11

12 From 1991 to 1994, I was General Manager of United Telephone Long
13 Distance, a long distance subsidiary of Sprint/United Telephone Company.
14 I had profit & loss, marketing and operations responsibilities.

15

16 From 1989 to 1991, I held the position of Network Sales Manager
17 responsible for sales of business data and network solutions within
18 Sprint's Local Telecom Division.

19

20 From 1988 to 1989, I functioned as the Product Manager for data and
21 network services also for Sprint's Local Telecom Division.

22

1 Prior to Sprint I worked for Ericsson Inc. for eight years with positions in
2 both engineering and marketing.

3

4 **Q. Have you testified before any regulatory commissions?**

5 **A.** Yes. I have testified in Florida, Georgia, Illinois, Indiana, Iowa, Louisiana,
6 Maryland, Nebraska, Ohio, Pennsylvania, South Dakota, Texas and
7 Wisconsin and have supported the development of testimony in many
8 other states.

9

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

11 **A.** I'm testifying on behalf of Sprint Communications Company L.P (hereafter
12 referred to as "Sprint").

13

14 **II. PURPOSE AND SCOPE OF TESTIMONY**

15

16 **Q. What is the purpose and scope of your testimony?**

17 **A.** The purpose of my testimony is to rebut the testimony filed by Brookings
18 Municipal Utilities (Swiftel) witnesses Adkins, Rasmussen and Shotwell in
19 that order. Prior to rebutting the Swiftel testimony, I will also give my
20 general understanding and perspectives on the proceeding.

21

22 **Q. Please describe your understanding of the Petition for Suspension**
23 **or Modification of the Section 251(b) dialing parity, reciprocal**

1 **compensation and local number portability obligations shared by all**
2 **local exchange carriers.**

3 A. My understanding is that pursuant to Section 251(f)(2) of the Act, Swiftel
4 has filed a petition with the Public Utilities Commission of the State of
5 South Dakota to suspend or modify Swiftel's dialing parity, reciprocal
6 compensation and local number portability (LNP) requirements. Swiftel
7 has the burden to prove that granting a suspension or modification of
8 these requirements is necessary:

- 9 • To avoid a significant adverse economic impact on users of
- 10 telecommunications services generally;
- 11 • To avoid imposing a requirement that is unduly economically
- 12 burdensome; or
- 13 • To avoid imposing a requirement that is technically infeasible; and
- 14 • Is consistent with the public interest, convenience, and necessity.

15
16 **Q. Do you have any general observations regarding the Petition and**
17 **direct testimony filed by Swiftel and the arguments it makes?**

18 A. Yes. Many of the arguments made by Swiftel are rendered moot because
19 they are making inaccurate claims of economic burden based on what
20 they continue to claim Sprint has asked for in its interconnection request.
21 Sprint's response to Swiftel's petition should have cleared up any
22 misunderstandings. However, based on the testimony filed by Swiftel
23 witnesses, they have not taken Sprint's response into account. In any
24 event, my testimony and the testimony of Mr. Randy Farrar will, once
25 again, point out Swiftel's misinterpretation of Sprint's interconnection
26 request. In addition, Swiftel has also included costs that are not relevant

1 to the issues. For example, Swiftel has included the costs to transport
2 Swiftel's originating traffic to Sprint's chosen point of interconnection as a
3 cost of implementing LNP. This cost is not directly related to costs
4 associated with LNP as will be shown in Sprint's testimony. It is Sprint's
5 position that Swiftel is using transport costs as a back door to avoid its
6 LNP and dialing parity requirements.

7

8 **Q. On page 1 of his direct testimony, Mr. Adkins describes Swiftel's**
9 **request for a suspension of wireline local number portability until 4**
10 **months after a competitive local exchange carrier is certified to**
11 **provide service in its service territory. Is this acceptable to Sprint?**

12 A. Yes. Sprint is willing to accept Swiftel's offer to implement wireline local
13 number portability 4 months after an order from the Commission granting
14 Sprint's expanded certification. Sprint interprets this offer to mean that
15 Swiftel will be in a position to begin porting telephone numbers consistent
16 with 47 C. F. R. § 52 to and from certified wireline service providers within
17 that 4 month time frame versus beginning to develop the capabilities to
18 perform the porting function.

19

20 **Q. When did Sprint initially submit a bona fide request to Swiftel to**
21 **implement wireline local number portability?**

1 A. Sprint sent its initial bona fide request to Swiftel requesting Swiftel to
2 implement wireline local number portability on March 6, 2006. This
3 request is included as Attachment JRB-1.

4
5 **Q. On page 2 of his direct testimony, Mr. Adkins states that its**
6 **Suspension Petition, if granted, will not require its subscribers to**
7 **dial calls any differently than it does today. Is Sprint or has Sprint**
8 **requested that Swiftel require its subscribers to dial calls any**
9 **differently than it does today?**

10 A. No. Sprint has not requested that Swiftel require its subscribers to dial
11 calls any differently than it does today. As discussed in the testimony of
12 Mr. Randy Farrar, Swiftel is making the false assumption that Sprint has
13 requested Swiftel to require its subscribers to dial calls (local or toll)
14 differently than today. Sprint does assert that Swiftel is responsible for the
15 delivery of local calls originated by its subscribers to Sprint. This is the
16 only call routing impact to Swiftel. Swiftel's obligations regarding its
17 originating traffic is an issue better suited for an arbitration proceeding, if
18 required, before the Commission rather than this 251(f)(2) proceeding.

19
20 **Q. Could the dialing parity suspension requested by Swiftel allow it to**
21 **route calls differently than it does today?**

22 A. Yes. Swiftel is asking for a blanket suspension of its obligation to provide
23 dialing parity. If granted, it would allow Swiftel to require its customers to

1 dial 1 plus ten digits to wireless or wireline subscribers getting service
2 from competitors of Swiftel even if they have numbers from within the local
3 calling area or EAS area. In addition, the blanket dialing parity suspension
4 requested by Swiftel could open the door for Swiftel to no longer allow its
5 own local service end users to select another long distance provider.

6 Neither of these capabilities would serve the citizens of Brookings very
7 well and would have a significant impact on Swiftel's competitors ability to
8 compete or, in the case of a competitive long distance provider, would not
9 allow it to compete.

10

11 **Q. On page 2 and 3 of his direct testimony, Mr. Adkins states there is no**
12 **reason to route local wireline calls to Sioux Falls and since Sprint**
13 **has chosen to enter the Swiftel market and interconnect in a manner**
14 **Sprint believes is consistent with rules implementing the competitive**
15 **provisions of the Act, Sprint should "pay for it." How do you**
16 **respond?**

17 A. I am not surprised that Mr. Adkins would like to have things stay just the
18 way they have been for the last 100 years. However, the passage of the
19 1996 Act changed things. In a nutshell, competition comes with a price.
20 New service providers pay a price to enter a market and the incumbents
21 have to pay a price when a competitor enters their market. There was no
22 guarantee provided to any ILEC, big or small, that things would not
23 change and that they might incur costs they would not have had Congress

1 not determined that local competition was in the public interest. Congress,
2 the Federal Communications Company and state commissions have
3 implemented rules that require former monopoly providers to incur some
4 of the costs of competition because it is in the best interest of consumers
5 to have competitive choices.

6

7 **Q. On page 3 of his direct testimony, Mr. Adkins states that a call to a**
8 **wireless subscriber outside Swiftel's local service area are dialed on**
9 **a 1 plus ten-digit basis and are routed to South Dakota Network**
10 **(SDN) and then handed off to the subscriber's presubscribed**
11 **interexchange carrier (IXC) for transport. Is Sprint asking Swiftel to**
12 **change how this call is dialed or routed?**

13 A. No. Sprint is not asking Swiftel to require its subscribers to change the
14 way in which they reach a wireless subscriber with a number not assigned
15 to the local calling area. For example, if a wireless subscriber has a
16 Minneapolis, MN telephone number the Swiftel subscriber would make a 1
17 plus ten-digit call and the call would be routed to the subscriber's IXC for
18 transport. Nor is Sprint proposing that Swiftel not be appropriately
19 compensated for traffic that is subject to access charges. At issue in the
20 pending Sprint arbitrations are the concepts of multi-use and multi-
21 jurisdictional trunks. Swiftel is misconstruing these concepts and, as a
22 result, adding confusion to the issues in this proceeding. These concepts
23 call for the routing of different kinds of traffic over the same trunks.

1 Methods such as factors, can be applied effectively in implementing these
2 concepts to bring greater efficiency to network routing without disturbing
3 the appropriate compensation methods. My testimony here is not to
4 address those concept but to dispute the allegations that Swiftel will be
5 disadvantaged or suffer an undue economic burden as a result of the
6 introduction of competition. Mr. Adkins is incorrect in his assertions that
7 Swiftel customers will have dialing patterns changed or Swiftel will not be
8 appropriately compensated for access traffic.

9

10 **Q. On page 3 of his direct testimony, Mr. Adkins discusses access line**
11 **loss prior to 2004 and since 2004 and claims Swiftel lost 1,200**
12 **access lines to wireless service prior to 2004 and implying it has lost**
13 **over 1,550 access lines to wireless service since 2004. How do you**
14 **respond?**

15 A. I believe Mr. Adkins is assuming these access lines were lost to wireless
16 service. He provided no substantiation that suggests his assertions are
17 accurate. During this period of time there has been a massive migration
18 of customers from dial-up Internet access to broadband Internet access.
19 This has resulted in many subscribers disconnecting "2nd lines." 2nd lines
20 were many times used for Internet access so that there was no disruption
21 in a subscriber's ability to make or receive voice calls while accessing the
22 Internet through a dial-up connection. 2nd lines have also been utilized by
23 many subscribers for facsimile machines. Electronic faxing capabilities

1 are now available that eliminate the need for a dedicated line for facsimile
2 machines. Subscribers have also been disconnecting traditional local
3 voice service and opting to utilize VoIP services such as those provided by
4 companies like Vonage. Customers also just disconnect service and
5 leave. Furthermore, given the fact that Swiftel does not provide wireline to
6 wireless local number portability, I don't know how Swiftel could determine
7 a customer that has disconnected local service actually chose wireless
8 service as a substitute. The exception might be if the customer chose the
9 wireless service Swiftel itself provides and this information has been
10 shared between affiliates. Sprint has asked Swiftel for a more complete
11 accounting for its access line losses in discovery.

12

13 **Q. On page 5 of Mr. Adkins' direct testimony, he states that Swiftel is**
14 **evaluating Sprint's response to its petition in which Sprint stated**
15 **that certain modifications suggested by Swiftel were not necessary.**
16 **How do you respond?**

17 A. Swiftel has had over a month to evaluate Sprint's response. – Sprint filed
18 its response to Swiftel's petition on April 17, 2007. Sprint believes that the
19 information provided in its response should resolve some of the issues
20 Swiftel is concerned about and relies upon to make their case. Its lack of
21 attention to these issues forces Sprint and others to exert money and
22 resources that Sprint believes would not be necessary if Swiftel would
23 complete its evaluation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Q. On page 5 of Mr. Rasmusson’s direct testimony, he is suggesting that transport of traffic from Brookings to Sioux Falls be included in the cost for LNP. Are the transport costs he identified related to whether Swiftel should provide LNP?

A. No. Transport responsibilities will be spelled out by the interconnection agreement terms and conditions between Swiftel and any other carrier, including Sprint. It is Sprint’s position that Swiftel does have the obligation to transport traffic it originates to Sprint. Since Swiftel does not agree it has this obligation the issue will undoubtedly be an arbitration issue between Sprint and Swiftel. Regardless of the outcome of that arbitration, Swiftel can still implement LNP. In other words, Swiftel’s ability or obligation to implement LNP is not dependent upon how the transport issue is resolved. To illustrate, there are multiple scenarios that could result. I have identified all the possible alternatives only to show that LNP and transport are distinct issues and one is not dependent upon the other, i.e., LNP is not dependent upon the resolution of whether Swiftel is responsible for paying the costs of transporting traffic originating from its own subscribers.

- The commission could require Swiftel to implement LNP and not require it to pay for the transport of its originating traffic
- The commission could require Swiftel to implement LNP and require it to pay for the transport of its originating traffic
- The commission could grant Swiftel’s petition regarding LNP and not require it to pay for the transport of its originating traffic

- The commission could grant Swiftel's petition regarding LNP and require it to pay for the transport of its originating traffic

While it is Sprint's position that these costs are the responsibility of Swiftel and are irrelevant to the determination of Swiftel's LNP obligations, Sprint witness Mr. Randy Farrar will address the merits of Mr. Rasmusson's costs in his testimony.

Q. On page 9 of Mr. Rasmusson's direct testimony, he discusses the costs associated with Swiftel subscribers to dial Sprint wireless customers with numbers in the Minneapolis-St. Paul MTA as a local call with utilizing a local dialing pattern. Has Swiftel misunderstood Sprint's request?

A. Yes. While I will not get into the interconnection agreement issues being negotiated by Sprint and Swiftel, this is apparently one area in which Swiftel has misunderstood Sprint's position. Sprint is not asking Swiftel to allow or require its subscribers in the Brookings exchange to use a local dialing pattern to reach Sprint wireless subscribers with telephone numbers assigned to rate centers within the Minneapolis-St. Paul MTA except for those assigned within the local calling area or EAS area. Therefore, the costs identified by Mr. Rasmusson in Exhibit 3 are irrelevant to the determination of whether this Commission grants Swiftel's request to suspend its dialing parity obligation.

1 **Q. On page 11 and 12 of his direct testimony, Mr. Rasmusson discusses**
2 **access revenue losses as a result of what he terms Wireless Dialing**
3 **Parity. Do you agree with Mr. Rasmusson’s assertions?**

4 A. No. As stated above, Sprint is not asking Swiftel to implement local
5 dialing throughout the Minneapolis-St. Paul MTA. Therefore, Mr.
6 Rasmusson’s suggested access revenue losses will not occur.

7

8 **Q. On page 18 and 19 of Mr. Rasmusson’s direct testimony, he**
9 **discusses costs associated with upgrading or modifying its**
10 **intercarrier billing system and how that would increase Swiftel’s**
11 **costs to provide dialing parity. Do you agree these costs should be**
12 **considered by the Commission?**

13 A. No. First, Sprint is not requesting Swiftel to implement dialing parity as
14 Swiftel has described it. Therefore the cost assumptions are irrelevant to
15 the decision before this Commission. Second, a single line statement in
16 testimony hardly substantiates a cost. Finally, this is an issue more
17 appropriately dealt with in interconnection agreement negotiations and, if
18 necessary, arbitration.

19

20 **Q. On page 3 lines 22-24 of Ms. Shotwell’s direct testimony, she states**
21 **that the Act “automatically provided rural companies an exemption**
22 **from the provision of interconnection, services and network**
23 **elements.” What is your response?**

1 A. I am not sure what point Ms. Shotwell is making. First, Swiftel has filed a
2 section 251(f)(2) petition seeking a suspension or modification of dialing
3 parity, number portability and reciprocal compensation obligations. Swiftel
4 has not claimed that it is exempt from its interconnection duties under
5 section 251(a) of the Act. Section 251(a) specifically states that each
6 telecommunications carrier has the duty to interconnect, directly or
7 indirectly, with other telecommunications carriers. There is no exemption
8 from the duty to interconnect under this provision anywhere in the Act.

9
10 Second, I don't know what Ms. Shotwell is referring to by her use of the
11 term "services." That term is undefined by the Act, so I would have to say
12 that her statement that rural companies have an exemption from providing
13 "services" is also incorrect. If by some chance, Ms. Shotwell is referring to
14 251(b) obligations, she would also be incorrect. Rural carriers can seek a
15 suspension and modification of 251(b) obligations, but the burden of proof
16 is high and it is not automatic.

17
18 Finally, Ms. Shotwell's reference to unbundled network elements is
19 accurate. Rural carriers do have an exemption from providing access to
20 unbundled network elements until such time as the exemption is lifted by a
21 requesting carrier. Again, since Sprint has not requested unbundled
22 network elements, I am not sure what point Ms. Shotwell is making.

23

1 **Q. On page 9 of Ms. Shotwell's direct testimony, she discusses the**
2 **option a carrier that is implementing LNP has to recover the cost**
3 **from its subscribers and that some subscribers will have to pay for**
4 **these costs even though they may never port their number. Please**
5 **respond.**

6 A. Ms. Shotwell seems to be implying that the approach offered to carriers is
7 the wrong approach. First, carriers are not required to charge their end
8 users for their legitimate porting costs. If a carrier does not think it should
9 do this for whatever reason, it does not have to pass on the costs.

10
11 Second, the practice Ms. Shotwell appears to be criticizing was the best
12 approach for the industry and has been widely used. This type of cost
13 recovery is not unique. Every subscriber pays a 911 surcharge, but not
14 every subscriber dials 911. They may, but I would speculate that a very
15 small number of subscribers actually dial 911 even though they have been
16 paying for it for years.

17
18 The point of the approach to cost recovery is that the service, be it 911 or
19 local number portability is in the public interest, everyone has the
20 opportunity to utilize it if needed or desired and spreading the costs across
21 a large base of customers has been determined to be a fair approach.

22
23 **Q. Will consumers benefit from the implementation of LNP?**

1 A. Yes. Consumers want and deserve a choice. I realize that they have not
2 really had a choice in Brookings to select an alternative wireline local
3 service provider for the past 100 years or within the last 11 years since the
4 passage of the Act, but according to Swiftel's own testimony that 1200
5 subscribers have switched to wireless service. Assuming their estimates
6 are accurate, it would appear to be evidence that customers do want a
7 choice. I will assume that given the alternative of switching to a wireline
8 service provider even more of Swiftel's subscribers would choose to
9 switch. Again, as evidenced by Swiftel's own testimony they think 30
10 percent of their customers want a choice. Allowing them to take their
11 telephone number with them is obviously in their best interest.

12

13 **Q. On page 10 and 11 of Ms. Shotwell's direct testimony, she discusses**
14 **the issue of transport outside Swiftel's service territory. Is this**
15 **relevant to the LNP suspension request?**

16 A. No. As I stated previously in my testimony, this issue is not relevant to
17 Swiftel's LNP suspension request. This is an interconnection issue that is
18 independent of the LNP issue. LNP is the ability for consumers to take
19 their telephone number with them when they switch to another service
20 provider. Transport is an issue related to interconnection terms and
21 involves the carriage of traffic between points. Transport is an issue
22 generally addressed in the terms and conditions of an interconnection
23 agreement.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Q. On page 11 and 12 of Ms. Shotwell’s direct testimony, she states that consumers will bear the cost of LNP and transport. Do you agree?

A. No. As I stated previously, Swiftel, like any other carrier implementing LNP, has the right, but not the requirement to pass the appropriate LNP +costs along to its end users in the form of an FCC approved surcharge. As for whether the transport costs referenced are eligible for cost recovery, my opinion would be that those costs would not be allowed to be included in the surcharge. The FCC criterion for cost recovery uses a two-part test for carrier specific cost eligibility. Unless these tests are passed a cost is not eligible for recovery. The FCC’s test is as follows.

“we adopt a two-part test for identification of the carrier-specific costs that are directly related to the implementation and provision of telephone number portability, that is, eligible LNP costs. Under this test, to demonstrate that costs are eligible for recovery through the federal charges recovery mechanism, a carrier must show that these costs: (1) would not have been incurred by the carrier ‘but for’ the implementation of number portability; and (2) were incurred ‘for the provision of’ number portability service.”¹

As this relates to transport, Swiftel may incur the cost of transport outside its service territory even if it is not required to port telephone numbers. As I stated previously, the commission could determine in an arbitration proceeding that Swiftel is obligated to transport traffic originating from its end users outside its service territory AND decide in this proceeding that Swiftel does not have to provide LNP. Therefore, transport in this context

¹ In the Matter of Telephone Number Portability Cost Classification Proceeding, FCC CC Docket No. 95-116, DA 98-2534, para. 10.

1 would not pass the FCC's "but for" requirement. The Commission will
2 likely make a determination on this transport issue in the context of an
3 arbitration proceeding and, in Sprint's opinion, will find that Swiftel has a
4 duty to transport its originating traffic just like Sprint does.

5

6 **Q. Despite the fact that transport outside its service territory is**
7 **irrelevant to Swiftel's LNP obligation, if Swiftel is not allowed to**
8 **recover these transport costs from the LNP cost recovery**
9 **mechanism allowed by the FCC, would Swiftel have to recover the**
10 **costs from end users through general increases in basic rates as**
11 **suggested by Ms. Shotwell on page 11 and 12 of her direct**
12 **testimony?**

13 A. No. I don't believe Swiftel has the ability to simply raise and lower its local
14 service rates whenever it incurs such a minor cost. It is my understanding
15 that Swiftel would have to get a rate increase approved by this
16 Commission. I think Ms. Shotwell's idea that Swiftel itself would have to
17 bear the cost is the appropriate answer.

18

19 **Q. Do you agree with Ms. Shotwell's "cost causer" discussion on page**
20 **12 of her direct testimony?**

21 A. No. Ms. Shotwell seems to think that because Sprint wants to provide
22 service in Swiftel's territory that it is the cost causer of Swiftel's increased
23 costs and should therefore bear all that cost. Ms. Shotwell apparently

1 doesn't agree with idea that competition is in the public interest and
2 increased costs are sometimes borne by the incumbent.

3

4 Sprint witness Mr. Randy Farrar discusses this in more detail in his
5 testimony, but the FCC has established a competitive neutral principal that
6 originating carriers bear the cost of traffic originated by their subscribers.
7 Sprint certainly is taking the responsibility of delivering its traffic to Swiftel.
8 Conversely, Sprint believes Swiftel should bear the cost of delivering its
9 traffic to Sprint. Sprint must pay for its transport between Sioux Falls and
10 Brookings.

11

12 Furthermore, who can really say who the cost causer is. If you assume
13 that competition is in the public interest, a call between a Sprint subscriber
14 and a Swiftel subscriber regardless of the direction of the call is the result
15 of both Sprint and Swiftel's provision of service. Neither one can be
16 considered the sole "causer" of the call.

17

18 **Q. On page 18 of Ms. Shotwell's direct testimony, she states that the**
19 **modifications requested by Swiftel would "essentially preserve the**
20 **status quo." Do you agree?**

21 A. No. As I stated previously, Swiftel's request does not maintain the status
22 quo. They are requesting that they no longer have an obligation to
23 provide dialing parity. What Sprint has requested from Swiftel does

1 maintain the status quo since Sprint has not requested Swiftel to modify its
2 dialing patterns for calls placed to wireless subscribers of Sprint.

3

4 **Q. Mr. Shotwell discusses toll dialing parity on page 18-20 of her direct**
5 **testimony as a result of Sprint's request. Is this another issue in**
6 **which Swiftel has failed to understand Sprint's interconnection**
7 **request?**

8 A. Yes. Swiftel's request to suspend its toll dialing obligation is a result of
9 them failing to understand Sprint's request. Sprint clearly stated in its
10 response to Swiftel's petition that it is not requesting Swiftel re-route its
11 originating toll traffic.

12

13 **Q. On page 19 and 20 of her direct testimony, Ms. Shotwell gives her**
14 **opinion that carriers should not be allowed to combine different**
15 **traffic types onto common trunks. Is this relevant to this**
16 **proceeding?**

17 A. No. Combining various traffic types onto a common trunk is not relevant
18 to this proceeding. This issue is better resolved in interconnection
19 agreement negotiations. That said, Sprint disagrees with Ms. Shotwell on
20 this point. There is no such prohibition and this practice is commonly used
21 between tandem and end offices. ILECs that subtend another ILEC
22 tandem commonly utilize common trunk groups which include wireless
23 and wireline traffic.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Sprint’s desire to combine its various traffic types is an attempt to make its interconnections as efficient as possible and to recognize the convergence of services and networks. Furthermore, from the perspective of combining wireless intraMTA and wireline local traffic onto the same trunks both are considered 251(b)(5) traffic subject to reciprocal compensation, which suggests they can be combined since they are jurisdictionally the same traffic.

It doesn’t make economic sense and there is no requirement for a carrier such as Sprint to establish one interconnection for wireless 251(b)(5) traffic and another interconnection for wireline 251(b)(5) traffic.

Q. On page 21 – 23 of her direct testimony, Ms. Shotwell discusses the issue of whether wireless carriers are due reciprocal compensation from originating ILECs for intraMTA calls when there is an IXC involved. Please comment.

A. Wireless carriers are due reciprocal compensation for intraMTA calls from the originating carrier. The fact that there is an IXC involved is not relevant. Ms. Shotwell argues that because the IXC receives revenue from the end user for this call, the originating ILEC should not have to pay the terminating carrier reciprocal compensation. What Ms. Shotwell conveniently leaves out is the fact that the ILEC also receives revenue

1 from the end user through local service charges. These rates take into
2 account the fact that long distance calls will be made. She does point out
3 that the originating ILEC receives originating access. In effect, the
4 originating ILEC is getting paid twice for the call.

5
6 **Q. In Ms. Shotwell's discussion regarding reciprocal compensation**
7 **payments to wireless carriers for intraMTA calls, she suggests that**
8 **wireless carriers would be double recovering. How do you respond?**

9 A. It is true that the FCC said wireless carriers could receive terminating
10 revenue from IXCs, but that order has not resulted in any terminating
11 revenue. Wireless carriers are not allowed to file access tariffs, so the
12 only means to collect terminating revenue is by a commercial agreement
13 with an IXC. Not surprisingly, Sprint has not been successful in getting
14 IXCs to voluntarily enter into such agreements.

15
16 **Q. Ms. Shotwell suggests that Swiftel's request would maintain the**
17 **status quo and as a result there is no harm to wireless carriers. Is**
18 **that an fair statement?**

19 A. No. Ms. Shotwell's reasoning is flawed. She suggests that because a
20 wireless carrier has not been receiving compensation it is due, they are
21 not harmed if they are prevented from getting it in the future. Swiftel's
22 request is an attempt to do just that, prevent wireless carriers from
23 receiving revenue they are due. It's like saying an ILEC is not harmed if

1 they don't receive the revenue from delinquent, underbilled or unbilled
2 access charges. I'm certain they would think they are harmed by not
3 receiving the revenue they believe they are owed.

4

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

6 **A. Yes it does.**

7