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BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

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In the Matter of the Petition of Faith  
Municipal Telephone Company for  
Suspension or Modification of 47 USC  
Section 251(b)(2) of the Communications  
Act of 1934 as Amended

Docket No. TC08-008

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DIRECT PRE-FILED TESTIMONY OF

DEBBIE BROWN

July 15, 2008

1 **Q: What is your name and address?**

2 A. My name is Debbie Brown. My business address is 206 Main Street, P.O.  
3 Box 368, Faith, SD, 57626. My business telephone number is 605-967-2261.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am the Business Manager of Faith Municipal Telephone Company (Faith).  
6 Faith is a municipal independent local exchange carrier that provides local  
7 exchange, exchange access and other telecommunications services to 377 access  
8 lines within its service area, which includes the exchange of City of Faith.

9 **Q: Does your company have any direct points of interconnection with any**  
10 **wireless carrier?**

11 A: No.

12 **Q: How would you describe the service area and local calling area of your**  
13 **exchanges, as compared to those of the wireless carriers operating in your**  
14 **area?**

15 A: City of Faith has only one exchange. Our service area is defined by the city limits  
16 of the City of Faith. The wireless carriers, on the other hand, serve areas licensed  
17 by the FCC and by the reach of a radio frequency transmission from a tower site,  
18 which makes their wireless local calling area much larger than our exchange  
19 boundaries. The boundary of our wireline rate centers and the local calling areas  
20 of wireless carriers serving in our area vary greatly.

21 **Q: How does Faith route calls from its subscribers' landline phones to wireless**  
22 **carrier subscribers?**

1 A: When a Faith subscriber uses his/her landline phone to call a wireless phone  
2 number, the call is routed from the subscriber's landline phone to the Faith central  
3 office switch, where it is determined to be a non-local call and is therefore  
4 switched to a toll trunk group. The toll trunk carries the call to South Dakota  
5 Network's (SDN's) Centralized Equal Access (CEA) tandem, which is located in  
6 Sioux Falls, to be routed to the appropriate Point of Interconnection of the  
7 wireless carrier. A Faith subscriber cannot call a wireless subscriber as a local  
8 call today, as no wireless carriers have direct connections in Faith's service area.

9 **Q: What is the number of wireless carriers authorized to serve in your**  
10 **company's service area?**

11 A: I am aware of three wireless carriers that provide service in Faith's local exchange  
12 area: Verizon Wireless, Alltel, and RCC.

13 **Q: Have any subscribers requested local number portability (LNP) from your**  
14 **company?**

15 A: To my knowledge, not a single Faith subscriber has requested local number  
16 portability from Faith.

17 **Q: Have any subscribers ever inquired whether the company could port a**  
18 **number to a VoIP provider or have any carriers requested LNP in**  
19 **connection with service to a VoIP provider?**

20 A: Not to my knowledge.

21 **Q: Has the lack of LNP had an impact on wireless service?**

1 A: Even during the past few years when Faith has had a suspension of intermodal  
2 LNP, the number of people who have wireless service has continued to grow  
3 throughout the country and in South Dakota. Therefore, I believe there has been  
4 no impact on wireless service or competition.

5 **Q: Mr. Davis' testimony addresses the cost of transport associated with**  
6 **intermodal and VoIP LNP. Are there other costs?**

7A: Yes. Faith is not LNP capable and Faith would have to take a number of actions  
8 and incur various costs to be able to port numbers. These costs are outlined in  
9 Exhibit 2 to Mr. Davis' direct testimony.

10 **Q: If there is no demand for intermodal LNP and Faith must incur costs to**  
11 **implement LNP, including, possibly, transport costs, why didn't you request**  
12 **a total suspension of LNP like you did before?**

13 A: For a couple of reasons. First, since the first and second LNP cases, Faith has  
14 contracted with another LEC for switching services, and other cost elements  
15 associated with LNP have been reduced, such that the cost of implementing LNP  
16 (other than transport) have fallen. Second, Faith's Petition, in essence, is a  
17 compromise to the wireless carriers. Although Faith believes there is no demand  
18 for intermodal LNP, some wireless carriers apparently feel it is useful to their  
19 business. Rather than ask for a total suspension, Faith will incur the cost of  
20 implementing LNP. Faith merely asks that it not be required to pay for transport.

21 **Q: Are there other reasons you filed this Petition?**

1 A: Yes. Even though to my knowledge there are three wireless carriers providing  
2 service in Faith's local exchange area, any licensed carrier could start operations  
3 at any time. As a result of the latest FCC decision, Faith may be required to  
4 provide LNP in connection with service to VoIP providers. At this time, Faith  
5 does not know who or how many VoIP providers may be involved. Faith has no  
6 arrangements in place that would allow for the transport of traffic to numbers  
7 ported from Faith to any of these entities. Further, because Faith has no  
8 arrangements with these carriers, it cannot transport traffic to numbers ported  
9 from Verizon Wireless and Alltel to any other of these entities.

10 **Q. Why do you believe it is appropriate for the wireless carriers to pay for the**  
11 **cost of transport?**

12 A: Because, in the first instance, it is the wireless carrier who makes the decision  
13 whether to pursue direct or indirect connection with the ILEC. It also is the  
14 wireless carrier that, in the first instance, either pursues a point of interconnection  
15 within the LEC's service territory or not. Further, it appears to be the position of  
16 Alltel and Verizon that the point of interconnection and direct versus indirect  
17 interconnection is within their discretion, although Faith does not agree with this  
18 position. Therefore, whether there will be any cost of transport and what the  
19 transport cost will be is largely controlled, at least in the first instance, by the  
20 wireless carriers.

21 For example, Mr. Davis' exhibit concerning the cost of transport bases the costs  
22 on transporting traffic to Sioux Falls. It is my understanding, however, that  
23 Sprint and Alltel have said they have the right to require the transport of traffic to

1 any point in the LATA, which is almost any point in South Dakota. If wireless  
2 carriers should some day decide that it makes more sense for their traffic to go to  
3 some other point in the LATA, the cost of transport could be a lot more than what  
4 Mr. Davis modeled. And, if they make that decision for their own business  
5 purposes, they should be willing to pay for it.

6 **Q: Do you have concerns with this Commission requiring Faith to incur**  
7 **transport obligations that extend beyond its current rural service area?**

8 A: Yes. Other than limited EAS facilities, Faith does not have facilities to transport  
9 local calls outside of its service area. Generally, I believe that requiring a small  
10 rural company such as Faith to incur additional transport costs related to facilities  
11 to transport local calls beyond its current local network and its service area would  
12 impose a competitive disadvantage on Faith and also make it more difficult in the  
13 future to achieve universal service. I believe it must be recognized that Faith, as a  
14 small rural carrier with a service area limited to only a portion of South Dakota,  
15 does not have telecommunications facilities extending throughout the LATA or  
16 MTA. This is in contrast to the larger wireless carriers such as Verizon and Alltel  
17 which, with their telecommunications networks, do reach most of this State. I  
18 find it hard to understand why Faith should have to incur additional costs  
19 associated with transport facilities to transport local calls outside of its rural  
20 service area in order to make things more efficient for certain wireless carriers  
21 who have much larger networks and many more customers. Moreover, the  
22 challenges of maintaining affordable and universal telephone service are already  
23 substantial for Faith and shifting additional transport responsibilities to rural

1 carriers and customers for transport services to locations far removed from Faith's  
2 existing rural service would be a step in the wrong direction.

3 **Q: Does the recently announced merger between Alltel and Verizon have any**  
4 **impact on this proceeding and the transport?**

5 A: Yes. This merger most likely will impact the cost of transport. Verizon and  
6 Alltel currently operate as two separate entities in Faith's service area. If one of  
7 the operations is sold as a result of the merger, then the new carrier may  
8 interconnect with Faith in a different manner or at a different location, which  
9 would impact the cost of transport. Also, the newly merged Verizon and Alltel  
10 could decide to interconnect differently. As the Verizon/Alltel merger is expected  
11 to close by December 31, 2008, it may make sense to continue the total  
12 suspension of intermodal LNP until after the merger.

13 **Q: What will be the impact on Faith and its customers if its Petition is not**  
14 **granted?**

15 A: Faith is a small municipal telephone company serving only the City of Faith. As  
16 stated, implementing LNP will impose costs on Faith and its subscribers. The  
17 cost of paying for transport will impose an additional burden on Faith and its  
18 subscribers. We have few economies of scale; the cost of transport is substantial;  
19 and our subscribers have not requested this service. There is little, if any, demand  
20 for intermodal or VoIP LNP in our service area. Little or no demand means that  
21 the cost of transport imposes a significant adverse economic impact on users and  
22 an unduly economically burdensome requirement on the company and  
23 subscribers. Further, the vast majority of our customers will have to pay for those

1 few, if any, who decide to port their numbers. It is a very poor bargain for the  
2 majority of our customers.

3 **Q: Do you expect the implementation of LNP to result in an increase in**  
4 **customer's rates?**

5 A: It is not known at this time whether Faith will impose an LNP surcharge on its  
6 subscribers to recover the costs of implementing LNP, other than transport. With  
7 respect to the cost of transport, it is my understanding that Faith may not be  
8 allowed to recover the costs associated with transport of ported calls through the  
9 LNP surcharge. To the extent this is correct, Faith may be forced to increase local  
10 rates or curtail services or investment in the network. For example, its investment  
11 in broadband or other network improvements and in the services it is able to  
12 provide to customers may be delayed or reduced. If the cost of transport is  
13 recovered through local rate increases, some segment of subscribers may  
14 discontinue service or decrease the number of lines to which they subscribe,  
15 which would further increase the per-subscriber cost of transport.

16 **Q: What do you expect the general reaction of your customers to be if there are**  
17 **new LNP charges or rate increases associated with LNP and transport costs?**

18 A: I expect the reaction to be very negative. Since the vast majority of our customers  
19 will gain no benefit from intermodal LNP or VoIP LNP, I expect strong protests if  
20 they must pay a cost for a service they do not want and for which they receive no  
21 benefit. I feel strongly that it is not in the City of Faith and its customers' best  
22 interests for the large majority of our members to be required to pay for a  
23 mandated service that will benefit few, if any, of our members.



1 **Q: Does intermodal and VoIP LNP impose any other burdens on the company**  
2 **and subscribers?**

3 A: Yes. Wireline to wireless porting under current routing protocols would impose  
4 an unduly economically burdensome requirement by making the network less  
5 efficient and by confusing customers. Currently, for calls from a subscriber of  
6 Faith to a wireless carrier, Faith does not carry local traffic to a point of  
7 interconnection beyond Faith's local calling area (or EAS area). Therefore, if  
8 intermodal LNP is implemented before the transport issue has been resolved with  
9 all wireless carriers, end users who continue to dial a ported number on a seven-  
10 digit basis may receive a message that the call cannot be completed as dialed, or a  
11 message instructing the party to redial using 1+ the area code. Thus, callers  
12 would have to dial twice, with the resulting network use, to place one call. It  
13 appears these issues also may be associated with calls to numbers ported to VoIP  
14 providers.

15 **Q: As Faith is not LNP capable, can Faith correctly route calls to a number**  
16 **ported from one wireless carrier to another?**

17 A: No.

18 **Q: In your Petition, you stated Faith would contact wireless carriers and**  
19 **attempt to negotiate a resolution of routing and transport issues. Has Faith**  
20 **done so?**

21 A: Yes. Faith has contacted intervening wireless carriers and attempted to negotiate  
22 a solution to the transport/routing issues. The parties have not yet been successful

1 in negotiating a settlement, but Faith is committed to continue negotiations with  
2 wireless carriers to reach a resolution of these outstanding issues.

3 **Q: Does this conclude your direct testimony?**

4 A: Yes, although I reserve the opportunity to revise or modify this pre-filed direct  
5 testimony at or before the hearing if I receive additional information pertaining to  
6 the issues I presented herein.

**Certificate of Service**

The undersigned, attorney for Petitioner hereby certifies that a true and correct copy of Pre-filed Testimony of Debbie Brown and Pre-filed Testimony and Confidential Exhibits of Dan Davis was sent electronically on this 15th day of July, 2008, upon:

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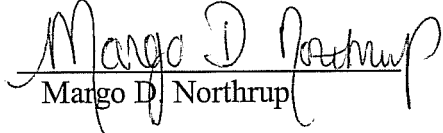
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