
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

In the Matter of the Petition of RC
Communications, Inc. and Roberts County
Telephone Cooperative Assn. for
Suspension or Modification of 47 USC
Section 251(b)(2) of the Communications
Act of 1934 as Amended

Docket No. TC08-012

DIRECT PRE-FILED TESTIMONY OF
PAMELA HARRINGTON

July 15, 2008

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

2 A: My name is Pamela Harrington. My business address is Main Street, P.O.
3 Box 196, New Effington, SD, 57255. My business telephone number is 605-637-
4 5211.

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

6 A: I am the General Manager of Roberts County Telephone Cooperative/RC
7 Communications (collectively referred to as RC). RC is a rural independent local
8 exchange carrier that provides local exchange, exchange access and other
9 telecommunications services to 2,165 access lines within its South Dakota service
10 area, including an average of 110 “lifeline” access lines within its South Dakota
11 service area, which includes the exchanges of Peever, Summit, Veblen, New
12 Effington, Claire City, and Wilmot.

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

15 A: No.

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

19 A: We are a small company with only six exchanges. Our service areas are defined
20 by the boundaries of our exchanges, and where we have physical cable plant. The
21 wireless carriers, on the other hand, serve areas licensed by the FCC and by the
22 reach of a radio frequency transmission from a tower site, which makes their
23 wireless local calling area much larger than our exchange boundaries. The

1 boundary of our wireline rate centers and the local calling areas of wireless
2 carriers serving in our area vary greatly.

3 **Q: How does RC route calls from its subscribers' landline phones to wireless**
4 **carrier subscribers?**

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

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

15 A: To the best of my knowledge, there are four wireless carriers that are authorized
16 to serve in RC's Service area.

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

19 A: To my knowledge, not a single RC subscriber has requested local number
20 portability from RC.

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

4 A: Not to my knowledge.

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

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

10 **Q: If there is no demand for intermodal LNP and RC 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, RC has made
14 upgrades to its switches, and other cost elements associated with LNP have been
15 reduced, such that the cost of implementing LNP (other than transport) have
16 fallen. Second, RC's Petition, in essence, is a compromise to the wireless
17 carriers. Although RC believes there is no demand for intermodal LNP, some
18 wireless carriers apparently feel it is useful to their business. Rather than ask for a
19 total suspension, RC will incur the cost of implementing LNP. RC merely asks
20 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 four wireless carriers authorized to
2 serve in RC's service area, any other licensed carrier of which I am unaware
3 could start operations at any time. As a result of the latest FCC decision, RC may
4 be required to provide LNP in connection with service to VoIP providers. At this
5 time, RC does not know who or how many VoIP providers may be involved. RC
6 has no arrangements in place that would allow for the transport of traffic to
7 numbers ported from RC to any of these entities. Further, because RC 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 RC 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 (attached to his
22 direct testimony) bases the costs on transporting traffic to Sioux Falls. It is my
23 understanding, however, that Sprint and Alltel have said they have the right to

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

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

8 A: Yes. Other than limited EAS facilities, RC 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 RC to incur additional transport costs related to facilities to
11 transport local calls beyond its current local network and its service area would
12 impose a competitive disadvantage on RC and also make it more difficult in the
13 future to achieve universal service. I believe it must be recognized that RC, 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 RC should have to incur additional costs associated
19 with transport facilities to transport local calls outside of its rural service area in
20 order to make things more efficient for certain wireless carriers who have much
21 larger networks and many more customers. Moreover, the challenges of
22 maintaining affordable and universal telephone service are already substantial for
23 RC and shifting additional transport responsibilities to rural carriers and

1 customers for transport services to locations far removed from RC's existing rural
2 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 may impact the cost of transport. Verizon and Alltel currently
6 operate as two separate entities in RC's service area. If one of the operations is
7 sold as a result of the merger, then the new carrier may interconnect with RC in a
8 different manner or at a different location, which would impact the cost of
9 transport. Also, the newly merged Verizon and Alltel could decide to
10 interconnect differently. As the Verizon/Alltel merger is expected to close by
11 December 31, 2008, it may make sense to continue the total suspension of
12 intermodal LNP until after the merger.

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

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

1 decide to port their numbers. It is a very poor bargain for the majority of our
2 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 RC will impose an LNP surcharge on its
6 subscribers to recover the costs of implementing LNP. With respect to the cost of
7 transport, it is my understanding that RC may not be allowed to recover the costs
8 associated with transport of ported calls through the LNP surcharge. To the
9 extent this is correct, RC may be forced to increase local rates or curtail services
10 or investment in the network. For example, its investment in broadband or other
11 network improvements and in the services it is able to provide to customers may
12 be delayed or reduced. If the cost of transport is recovered through local rate
13 increases, some segment of subscribers may discontinue service or decrease the
14 number of lines to which they subscribe, which would further increase the per-
15 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 would expect the reaction to be very negative. Since the vast majority of our
19 customers will gain no benefit from intermodal LNP or VoIP LNP, I expect
20 protests if they must pay a cost for a service they do not want and for which they
21 receive no benefit. It is not in the RC's or its members' best interests for the large
22 majority of our members to be required to pay for a mandated service that will
23 benefit few if any of our members. For these reasons, our Board of Directors has

1 been supportive of our efforts to obtain a suspension or modification of the LNP
2 rules.

3 **Q: As RC is not LNP capable, can RC correctly route calls to a number ported**
4 **from one wireless carrier to another?**

5 A: No.

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

8 A: Yes. RC has contacted intervening wireless carriers and attempted to negotiate a
9 solution to the transport/routing issues. The parties have not yet been successful
10 in negotiating a settlement, but RC is committed to continue negotiations with
11 wireless carriers to reach a resolution of these outstanding issues.

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

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

Certificate of Service

The undersigned, attorney for Petitioner hereby certifies that a true and correct copy of Prefiled Testimony of Pamela Harrington and Prefiled Testimony of Dan Davis was sent electronically on this 15th day of July, 2008, upon:

Talbot J. Wieczorek
Gunderson, Palmer, Goodsell
& Nelson
P. O. Box 8045
Rapid City, SD 57709
E-mail: tjw@gpgnlaw.com

Richard Coit
SDTA
320 East Capitol Avenue
Pierre, SD 57501
E-mail: richcoit@sdtanline.com

Rolayne Ailts Wiest
Public Utilities Commission
State of South Dakota
500 East Capitol Avenue
Pierre, SD 57501
E-mail: rolayne.wiest@state.sd.us

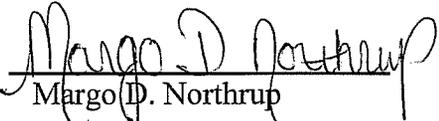
Denny Duncan
Attorney at Law
Zimmer, Duncan and Cole
PO Box 550
Parker SD 57053
Email: dlduncan@zdcclaw.com

Harlan Best, Staff Analyst
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501
E-mail: harlan.best@state.sd.us

Philip Schenkenberg
Attorney at Law
Briggs and Morgan P.A.
80 South Eighth Street
2200 ISD Center
Minneapolis MN 55402
Email: pschenkenberg@briggs.com

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501
E-mail: patty.vangerpen@state.sd.us

Mr. Stephen B. Rowell
Alltel
P. O. Box 2177
Little Rock, AR 72202
E-mail: stephen.b.rowell@alltel.com


Margo D. Northrup