
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 COMMUNICATIONS
FOR SUSPENSION OR MODIFICATION
OF 47 U.S.C. SECTION 251(b)(2) OF THE
COMMUNICATIONS ACT OF 1934 AS
AMENDED PURSUANT TO THE
TELECOMMUNICATIONS ACT OF 1996

Docket No. TC08-017

Direct Testimony of W. James Adkins

On Behalf of Brookings Municipal Utilities D/B/A Swiftel Communications

July 15, 2008

DIRECT PRE-FILED TESTIMONY OF
W. JAMES ADKINS

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

2 A: My name is W. James Adkins. My business address is 415 4th Street, Brookings, South
3 Dakota 57006. My business telephone number is 605-692-6211.

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

5 A: I am the Technical and Network Operations Manager of Brookings Municipal Utilities
6 d/b/a Swiftel Communications, a municipal independent local exchange carrier that
7 provides local exchange, exchange access and other telecommunications services to
8 12,164 access lines, including 240 “lifeline” access lines as of the date of this testimony,
9 within its South Dakota service area, including the exchange of City of Brookings.

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

12 A: Our company has direct interconnection between Swiftel’s wireless business and
13 Swiftel’s wireline switch.

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

16 A: Swiftel has only one exchange. Our service area is contained within the city limits of the
17 City of Brookings. The wireless carriers, on the other hand, serve areas licensed by the
18 FCC, which makes their wireless local calling area much larger than our exchange

1 boundaries. The boundary of our wireline rate center and the local calling areas of
2 wireless carriers serving in our area vary significantly.

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

5 A: There are two methods of routing wireline calls to wireless numbers local to our calling
6 area dependent upon whether the wireless carrier has a direct connection to Swiftel, an
7 indirect connection to Swiftel through extended area service (EAS) arrangement or not.
8 If a wireless number is local to our calling area and the wireless carrier has a direct
9 connection to Swiftel, the call is routed over the trunks associated with that direct
10 connection. If a wireless carrier has an indirect interconnection to Swiftel through an
11 EAS arrangement and its numbers are local to our EAS calling area, the call is routed
12 over the EAS trunks. In all other cases, when a subscriber located in Brookings uses his
13 or her landline phone to call a wireless phone number, the subscriber must dial a ten-digit
14 phone number. The call is then routed from the subscriber's landline phone to the Swiftel
15 Communications central office switch, where it is determined to be a non-local call; and
16 the call is switched to a toll trunk group. The toll trunk carries the call to SDN
17 Communication's Centralized Equal Access (CEA) tandem, which is located in Sioux
18 Falls, to be routed to the appropriate Interexchange Carrier then on to the wireless carrier.

19 **Q: Please identify the EAS plans that you provide to your subscribers or to a**
20 **connecting carrier's subscribers.**

21 A: Swiftel Communications provides the following EAS:

1 --Brookings City to the Interstate Telecommunications Cooperative Inc. exchanges of
2 Brookings Rural and Sinai.

3 --Brookings City to the Qwest exchange of Volga/Bruce

4 **Q: How does this impact your ability to provide intermodal LNP to subscribers of**
5 **Verizon and Alltel?**

6 A: Verizon and Alltel currently interconnect to Swiftel through Swiftel's EAS arrangement
7 with Interstate Telecommunications Cooperative (ITC). If the existing arrangement
8 remains in place; if ITC agrees to allow the use of the EAS trunk; and if ITC implements
9 LNP; Swiftel would be able to transport calls as local to numbers ported from Swiftel to
10 Verizon and Alltel via the Swiftel/ITC EAS trunk.

11 **Q. Then why did you file this Petition?**

12 A: Swiftel cannot force Verizon and Alltel to maintain their current direct connection with
13 ITC. Swiftel also cannot force ITC to continue to allow this use of the EAS trunk or to
14 implement LNP. Further, to my knowledge, there are several cellular, PCS and SMR
15 wireless carriers authorized to serve Swiftel's service area, including Sprint. It appears
16 that, other than Verizon, Alltel, and Swiftel wireless, these carriers are not active.
17 Swiftel, however, does not know this for certain and, in any event, any licensed carrier
18 could start operations at any time. For example, in the interconnection arbitration with
19 Sprint, Sprint seems to indicate that it intends to provide wireless service in Swiftel's
20 service area. Further, as a result of the latest FCC decision, Swiftel may be required to
21 provide LNP in connection with service to VoIP providers. At this time, Swiftel does not
22 know who or how many VoIP providers may be involved. Swiftel has no arrangements

1 in place that would allow for the transport of traffic to numbers ported from Swiftel to
2 any of these entities as a local call. Further, because Swiftel has no arrangement with
3 these carriers, it cannot transport traffic to numbers ported from Verizon, Alltel or Swiftel
4 wireless to any of these entities as a local call.

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

7 A: No. In fact, to my knowledge, only two customers have even inquired about intermodal
8 LNP in the past two years.

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

12 A: In only one instance did a customer inquire about porting to a VoIP provider.

13 **Q. Has the lack of LNP had an impact on wireless service?**

14 A. Even during the past few years when Swiftel has had a suspension of intermodal LNP,
15 the number of people who have wireless service has continued to grow throughout the
16 country, and in South Dakota. Therefore, I believe there has been minimal, if any impact
17 on wireless service or competition.

18 **Q. Mr. Rasmusson's testimony addresses the cost of transport associated with**
19 **intermodal and VoIP LNP. Are there other costs?**

20 A. Yes. Swiftel is not LNP capable and Swiftel would have to take a number of actions and
21 incur various costs to be able to port numbers. Mr. Rasmusson also addresses these costs.

1 **Q. If there is no demand for intermodal LNP and Swiftel must incur costs to implement**
2 **LNP, why didn't you request a total suspension of LNP like you did before?**

3 A. For a couple of reasons. First, since the first and second LNP cases, Swiftel has made
4 upgrades to its switch and other cost elements associated with LNP have been reduced,
5 such that the cost of implementing LNP (other than transport) have fallen. Second,
6 Swiftel's Petition, in essence, is a compromise to the wireless carriers. Although Swiftel
7 believes there is essentially no demand for intermodal LNP, some wireless carriers,
8 apparently feel it is useful to their business. Rather than ask for a total suspension,
9 Swiftel will incur the cost of implementing LNP. Swiftel merely asks that it not be
10 required to pay for transport.

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

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

21 For example, Mr. Rasmusson's exhibits concerning the cost of transport are based on
22 transporting traffic to Sioux Falls. Sprint and Alltel, however, have said they have the
23 right to require the transport of traffic to any point in the LATA, which is almost any

1 point in South Dakota. If they should some day decide that it makes more sense for their
2 traffic to go to Rapid City, the cost of transport would be a lot more than what Mr.
3 Rasmusson modeled. And, if they make that decision for their own business purposes,
4 they should be willing to pay for it.

5 **Q. Does the recently announced merger between Alltel and Verizon have any impact on**
6 **this proceeding and the transport issue?**

7 A. Yes. This merger most likely will impact the cost of transport. Verizon and Alltel
8 currently operate as two separate entities in Swiftel's service area. If one of the
9 operations is sold as a result of the merger, then the new carrier may interconnect with
10 Swiftel in a different manner or at a different location, which would impact the cost of
11 transport. Also, the newly merged Verizon and Alltel could decide to interconnect
12 differently. As the Verizon/Alltel merger is expected to close by the end of the year,¹ it
13 may make sense to continue the total suspension of intermodal LNP until after the
14 merger.

15 **Q: What will be the impact on Swiftel and its customers if its Petition is not granted?**

16 A: Swiftel is a small municipal telephone company serving only the City of Brookings. As
17 stated, implementing LNP will impose costs on Swiftel and its subscribers. The cost of
18 paying for transport will impose an additional burden on Swiftel and its subscribers. We
19 have few economies of scale; the cost of transport is substantial; and our subscribers have
20 not requested this service. There is little, if any, demand for intermodal or VoIP LNP in
21 our service area. Little or no demand means that the cost of transport imposes a

¹ Verizon Wireless News Center, June 5, 2008: <http://news.vzw.com/news/2008/06/pr2008-06-05.html>

1 significant adverse economic impact on users and an unduly economically burdensome
2 requirement on the company and subscribers.

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

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

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

17 A: In general, customers have expressed concern over rate increases on their bills in recent
18 years. Since the vast majority of our customers will gain no benefit from intermodal LNP
19 or VoIP LNP, I expect they will be even more concerned if they must pay a cost for a
20 service they do not want and for which they receive no benefit. Our Utility Board, which
21 is comprised of citizens of Brookings and customers of Swiftel Communications, has
22 been very supportive of our efforts to obtain a suspension or modification of the LNP
23 rules.

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

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

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

16 A: Yes. Currently, Swiftel does not have facilities to transport local calls outside of its
17 service area, with the limited exception of the EAS route with Qwest. Generally, I believe
18 that requiring a small rural company such as Swiftel to incur additional transport costs related
19 to facilities to transport local calls beyond its current local network and its service area would
20 impose a competitive disadvantage on Swiftel and also make it more difficult in the future to
21 achieve universal service. It must be recognized that Swiftel, as a small rural carrier with a
22 service area limited to only a small portion of South Dakota, does not have
23 telecommunications facilities extending throughout the LATA or MTA. This is in contrast to

1 the larger wireless carriers such as Verizon and Alltel which, with their telecommunications
2 networks, do reach most of this State. Swiftel should not have to incur additional costs
3 associated with transport facilities to transport local calls outside of its rural service area in
4 order to make things more efficient for certain wireless carriers who have much larger
5 networks and many more customers. Moreover, shifting additional transport responsibilities
6 to rural carriers and customers for transport services to locations far removed from Swiftel's
7 existing rural service area would be a step in the wrong direction in terms of maintaining
8 affordable and universal telephone service.

9 **Q. Once the transport issue is resolved, when could Swiftel be LNP capable?**

10 A. In the Petition, Swiftel asked for 90 days to implement LNP, after the transport issue is
11 resolved. However, because a number of ILECs use the same consultants for various
12 functions, if all of the ILECs must implement LNP at the same time, Swiftel may need
13 additional time to implement.

14 **Q: In your Petition, Swiftel stated that it would contact wireless carriers and attempt to**
15 **negotiate a resolution of routing and transport issues. Has Swiftel done so?**

16 A: Yes. Swiftel has contacted intervening wireless carriers and attempted to negotiate a
17 solution to the transport/routing issues. The parties have not yet been successful in negotiating a
18 settlement, but Swiftel is committed to continue negotiations with wireless carriers to reach a
19 resolution of these outstanding issue

20 **Q. As Swiftel is not LNP capable, can Swiftel correctly route calls to a number ported**
21 **from one wireless carrier to another?**

22 A. No.

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

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