
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

In the Matter of the Petition of McCook
Cooperative Telephone Company and Tri-
County Telcom for Suspension or
Modification of 47 USC Section 251(b)(2)
of the Communications Act of 1934 as
Amended

Docket No. TC08-020

DIRECT PRE-FILED TESTIMONY OF

BRYAN ROTH

July 15, 2008

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

2 A: My name is Bryan Roth. My business address is 330 S. Nebraska St, PO Box 630,
3 Salem, SD 57058. My business telephone number is 605-425-2238.

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

5 A: I am the General Manager of McCook Cooperative Telephone Company and Tri-County
6 Telcom (collectively referred to as McCook). McCook is a rural independent local
7 exchange carrier that provides local exchange, exchange access and other
8 telecommunications services to 2,081 access lines, of which 65 have lifeline service; Tri-
9 County provides service to 408 access lines, of which 20 have lifeline service. McCook's
10 service area includes the exchanges of Alexandria, Canova, Center, Salem, Spencer and
11 Winfred. Tri-County's exchanges are Clayton and Emery.

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

14 A: Yes. There is a direct connection between McCook and Alltel in the Salem exchange,
15 and a direct connection between McCook and Verizon in the Salem exchange.

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

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

1 **Q: How does McCook route calls from its subscribers' landline phones to wireless**
2 **carrier subscribers?**

3 A: If a wireless number is local to one of McCook's calling areas or EAS areas and the
4 wireless carrier has a direct connection to McCook, the call is routed over the trunks
5 associated with that direct connection. For example, an Alltel wireless number that is
6 local to the Salem calling area would be routed over the trunks associated with Alltel's
7 direct connection at Salem. The same would be true for Verizon wireless numbers that
8 are local to the Salem calling area. In all other cases, when a subscriber located in any
9 other McCook calling area uses his or her landline phone to call a wireless phone
10 number, the subscriber must dial a ten-digit phone number; the call is routed from the
11 subscriber's landline phone to the McCook central office switch, where it is determined
12 to be a non-local call; and the call is switched to a toll trunk group. The toll trunk carries
13 the call to South Dakota Network's (SDN's) Centralized Equal Access (CEA) tandem,
14 which is located in Sioux Falls, to be routed to the appropriate Point of Interconnection of
15 the wireless carrier.

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

18 A: To my knowledge, five wireless carriers are currently providing service in McCook's
19 local exchange area: Alltel Communications, Alltel Comm., RCC, Verizon Wireless, and
20 Swiftel Comm/Sprint. However, there are a significant number of other parties who own
21 wireless spectrum covering the McCook exchange area who may offer service in the
22 future.

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

3 A: To my knowledge, not a single McCook subscriber has requested local number
4 portability from McCook.

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

8 A: Not to my knowledge.

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

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

14 **Q: McCook's Petition and Mr. Davis' Direct Testimony address the cost of transport**
15 **associated with intermodal and VoIP LNP. Are there other costs?**

16 A: Yes. McCook would have to take a number of actions and incur various costs to be able
17 to port numbers. These costs are outlined in Exhibit 2 to Mr. Davis' direct testimony.
18 The Exhibit combines the costs of McCook and Tri-County.

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

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

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

10 A: Yes. There are five wireless carriers currently providing service in McCook's local
11 exchange area, and any additional licensed carrier could start operations at any time.
12 Further, as a result of the latest FCC decision, McCook may be required to provide LNP
13 in connection with service to VoIP providers. At this time, McCook does not know who
14 or how many VoIP providers may be involved. McCook has no arrangements in place
15 that would allow for the transport of traffic to numbers ported from McCook to any of
16 these entities. Further, because McCook has no arrangements with these carriers, it
17 cannot transport traffic to numbers ported from Verizon or Alltel to any of these other
18 entities.

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

21 A. Because, in the first instance, it is the wireless carrier who makes the decision whether to
22 pursue direct or indirect connection with the LEC. It also is the wireless carrier that, in

1 the first instance, either pursues a point of interconnection within the LEC's service
2 territory or not. Further, it appears to be the position of Alltel and Verizon that the point
3 of interconnection and direct versus indirect interconnection is within their discretion,
4 although McCook does not agree with this position. Therefore, whether there will be any
5 cost of transport and what the transport cost will be is largely controlled, at least in the
6 first instance, by the wireless carriers.

7 For example, Mr. Davis' exhibit concerning the costs of transport bases the cost on
8 transporting traffic to Sioux Falls. It is my understanding, however, that Sprint and Alltel
9 have said they have the right to require the transport of traffic to any point in the LATA,
10 which is almost any point in South Dakota. If the wireless carriers should some day
11 decide that it makes more sense for their traffic to go to some other point in the LATA,
12 the cost of transport could be a lot more than what Mr. Davis modeled. And, if they
13 make that decision for their own business purposes, they should be willing to pay for it.

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

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

1 extending throughout the LATA or MTA. This is in contrast to the larger wireless
2 carriers such as Verizon and Alltel which, with their telecommunications networks, do
3 reach most of this State. I find it hard to understand why McCook should have to incur
4 additional costs associated with transport facilities to transport local calls outside of its
5 rural service area in order to make things more efficient for certain wireless carriers who
6 have much larger networks and many more customers. Moreover, the challenges of
7 maintaining affordable and universal telephone service are already substantial for
8 McCook and shifting additional transport responsibilities to rural carriers and customers
9 for transport services to locations far removed from McCook's existing rural service
10 would be a step in the wrong direction.

11 **Q: Does the recently announced merger between Alltel and Verizon have any impact on**
12 **this proceeding and the cost of transport?**

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

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

1 A: As stated, implementing LNP will impose costs on McCook and its subscribers. The cost
2 of paying for transport will impose an additional burden on McCook and its subscribers.
3 Depending on the point of interconnection, the cost of transport may be substantial; and
4 our subscribers have not requested this service. There is little, if any, demand for
5 intermodal or VoIP LNP in our service area. Little or no demand means that the cost of
6 transport imposes a significant adverse economic impact on users and an undue
7 economically burdensome requirement on the company and subscribers. Further, the vast
8 majority of our customers will have to pay for those few, if any, who decide to port their
9 numbers. It is a very poor bargain for the majority of our customers.

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

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

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

3 A: I would expect the reaction to be very negative. Since the vast majority of our customers
4 will gain no benefit from intermodal LNP or VoIP LNP, I expect protests if they must
5 pay a cost for a service they do not want and for which they receive no benefit. It is not
6 in the McCook members' best interests for the large majority of our members to be
7 required to pay for a mandated service that will benefit few if any of our members. For
8 these reasons, our Board of Directors has been supportive of our efforts to obtain a
9 suspension or modification of the LNP rules.

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

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

1 **Q: As McCook is not LNP capable, can McCook correctly route calls to a number**
2 **ported from one wireless carrier to another?**

3 A: No.

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

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

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

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

Certificate of Service

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

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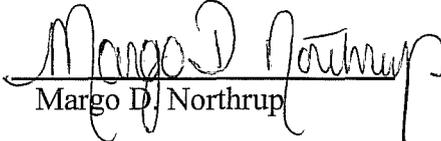
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