

BEFORE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of the Petitions of Bresnan Broadband of Utah, LLC, to Resolve Dispute Over Interconnection of Essential Facilities and for Arbitration to Resolve Issues Relating to an Interconnection Agreement with UBTA-UBET Communications, Inc.</p>	<p>DOCKET NO. 08-2476-02</p>
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DIRECT TESTIMONY OF
DOUGLAS DUNCAN MEREDITH
ON BEHALF OF
UTAH RURAL TELECOM ASSOCIATION
AND UBTA-UBET, COMMUNICATIONS, INC.

1 **Q: PLEASE STATE YOUR FULL NAME, PLACE OF EMPLOYMENT AND**
2 **POSITION.**

3 A: My full name is Douglas Duncan Meredith. I am employed by John
4 Staurulakis, Inc. (“JSI”) as Director – Economics and Policy. JSI is a
5 telecommunications consulting firm headquartered in Greenbelt Maryland.
6 My office is located at 547 Oakview Lane, Bountiful, Utah 84010. JSI has
7 provided telecommunications consulting services to rural local exchange
8 carriers since 1963.

9 **Q: PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**
10 **EDUCATIONAL BACKGROUND.**

11 A: As the Director of Economics and Policy at JSI, I assist clients with the
12 development of policy pertaining to economics, pricing and regulatory
13 affairs. I have been employed by JSI since 1995. Prior to my work at JSI, I
14 was an independent research economist in the District of Columbia and a
15 graduate student at the University of Maryland – College Park.

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17 In my employment at JSI, I have participated in numerous proceedings for
18 rural and non-rural telephone companies. These activities include, but are not
19 limited to, the creation of forward-looking economic cost studies, the
20 development of policy related to the application of the rural safeguards for
21 qualified local exchange carriers, the determination of Eligible
22 Telecommunications Carriers, and the sustainability and application of
23 universal service policy for telecommunications carriers.

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25 In addition to assisting telecommunications carrier clients, I have served as
26 the economic advisor for the Telecommunications Regulatory Board of
27 Puerto Rico since 1997. In this capacity, I provide economic and policy
28 advice to the Board Commissioners on all telecommunications issues that
29 have either a financial or economic impact. I have participated in a number of

30 Arbitration panels established by the Board to arbitrate interconnection issues
31 under Section 252 of the Telecommunications Act of 1996 (the “Act”).

32 I am participating or have participated in numerous national incumbent local
33 exchange carrier and telecommunications groups, including those headed by
34 NTCA, OPASTCO, USTA, and the Rural Policy Research Institute. My
35 participation in these groups focuses on the development of policy
36 recommendations for advancing universal service and telecommunications
37 capabilities in rural communities and other policy matters.

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39 I have testified or filed pre-filed regulatory testimony in various states
40 including Utah, South Carolina, New Hampshire, New York, Michigan,
41 Wisconsin, North Dakota, South Dakota, Vermont, Texas, Kentucky, Maine
42 and Tennessee. I have also participated in regulatory proceedings in many
43 other states that did not require formal testimony, including Florida,
44 Louisiana, Mississippi, North Carolina, Puerto Rico and Virginia. In
45 addition to participation in state regulatory proceedings, I have participated in
46 federal regulatory proceedings through filing of formal comments in various
47 proceedings and submission of economic reports in an enforcement
48 proceeding.

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50 I have a Bachelor of Arts degree in economics from the University of Utah,
51 and a Masters degree in economics from the University of Maryland –
52 College Park. While attending the University of Maryland – College Park, I
53 was also a Ph.D. candidate in Economics. This means that I completed all
54 coursework, comprehensive and field examinations for a Doctorate of
55 Economics without completing my dissertation.

56 **Q: ON WHOSE BEHALF ARE YOU TESTIFYING?**

57 A: I am testifying in this docket on behalf of the Utah Rural Telecom
58 Association (“URTA”) and UBTA-UBET Communications, Inc.

59 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

60 A: My purpose in providing this testimony to the Public Service Commission of
61 Utah (“Commission” or “PSC”) is to recommend it make two determinations
62 related to an essential facilities agreement. This is the first time the
63 Commission has ruled on an essential facilities agreement operating solely
64 under state of Utah law and applicable Utah rules. Consequently, there are
65 items that will be determined in this proceeding that will have direct
66 implication not just to UBTA-UBET but to all members of the URTA. The
67 first determination relates to the location of the interconnection point (point
68 of interconnection or interconnection point) for purposes of exchanging local
69 public telecommunications traffic between a competitive local exchange
70 carrier (“CLEC”) and an incumbent local exchange carrier (“ILEC”). The
71 second determination is for the Commission to default to the ILEC’s
72 proposed essential facilities agreement when there isn’t any compelling
73 public or private interest changing the ILEC’s proposed agreement. In
74 addition to the recommendations provided by Ms. Valerie Wimer, I urge the
75 Commission to adopt my recommendations in this testimony.

76 **Q: WHAT IS AN ESSENTIAL FACILITY?**

77 A: An essential facility is a state-defined facility that an ILEC must provide to
78 certificated telephone corporations operating in a specific geographic area unless
79 the ILEC can show that providing a facility is technically infeasible. The
80 Commission provides a list of essential facilities and services in its rules. *See*
81 Utah Admin. Code § R746-348-7.

82 **Q: IT IS YOUR UNDERSTANDING THAT AN ESSENTIAL FACILITIES**
83 **AGREEMENT MUST RELY SOLELY ON UTAH LAW?**

84 A: Yes. The Commission has determined to proceed with an essential facilities
85 agreement based solely on Utah law. *See* the Commission Order in this
86 Docket dated November 17, 2008 denying UBTA-UBET’s Motion to

87 Dismiss. This presumes that any regulations to enforce this agreement must
88 be based solely on Utah rules that do not reference federal law or regulations.

89 **Q: WHY IS THIS DISTINCTION IMPORTANT?**

90 A: All the interconnection agreements I am familiar with, that have been
91 negotiated or arbitrated since the Telecommunications Act of 1996, have
92 been based on federal law and regulation. At present UBTA-UBET has a
93 rural exemption from arbitration of a Section 251 interconnection agreement
94 under the terms and conditions specified in Section 252. The instant
95 proceeding is addressing interconnection based solely on Utah law and
96 regulation. Certain of the Commission's rules refer to and apply federal law.
97 Utah Admin. Code § R746-348-4, for example, requires compliance with 47
98 USC Sections 224, 251, 252, 256, and Subsection 271(c). It would be a farce
99 for the Commission to conduct a state-only interconnection and adopt federal
100 law or regulations referenced or referred to in state rules.

101 **Q: IN THIS PROCEEDING, DOES BRESNAN SEEK A POINT OF**
102 **INTERCONNECTION OUTSIDE UBTA-UBET'S SERVICE**
103 **TERRITORY?**

104 A: Yes. Bresnan proposes to have an interconnection in Provo to exchange local
105 exchange originating and terminating in the Vernal exchange.

106 **Q: IS A POINT OF INTERCONNECTION OUTSIDE UBTA-UBET'S**
107 **SERVICE TERRITORY FOR LOCAL TRAFFIC IN THE PUBLIC**
108 **INTEREST?**

109 A: No.

110 **Q: PLEASE EXPLAIN WHY YOU BELIEVE A POINT OF**
111 **INTERCONNECTION OUTSIDE UBTA-UBET'S SERVICE TERRITORY**
112 **IS NOT IN THE PUBLIC INTEREST.**

113 A: The traffic to be exchanged between Bresnan and UBTA-UBET is local
114 public telecommunications traffic that originates or terminates on Bresnan's
115 Vernal-only network and terminates or originates on UBTA-UBET's
116 network. Since both telephone corporations operate or are planning to
117 operate in the Vernal exchange, it does not make any economic or public
118 interest sense to require the carriers to transport this traffic outside the
119 operating exchange. There are costs to haul traffic from Vernal to a point of
120 interconnection outside the service territory that can be avoided by both
121 parties if the point of interconnection is a technically feasible point within the
122 Vernal exchange.

123 **Q: WHAT IS YOUR RECOMMENDATION TO THE COMMISSION**
124 **REGARDING THE REQUIRED POINT OF INTERCONNECTION FOR**
125 **ESSENTIAL FACILITIES?**

126 A: I recommend the Commission require that any CLEC interconnecting with a
127 rural ILEC within the state of Utah interconnect at a technically feasible
128 point within the same or overlapping service territories or as otherwise
129 agreed to by the parties. In Utah Code Ann. § 54-8b-(1)(a)(i), the legislature
130 empowered the Commission to require telecommunications corporations
131 serving the same, adjacent, or overlapping areas to interconnect. At the time
132 this law passed, Qwest was the only ILEC affected and it is inconceivable
133 that anyone contemplated requiring Qwest to interconnect with a CLEC
134 outside of its service territory. To require otherwise, would place
135 unnecessary economic costs on the ILEC for the exchange of local public
136 telecommunications traffic.

137 **Q: WHAT IS THE SECOND DETERMINATION THAT YOU SEEK?**

138 A: Telecommunications corporations must file with the Commission the prices,
139 terms and conditions of any essential facilities agreement that it makes and
140 offer no less favorable terms to any other telecommunications corporations
141 seeking interconnection. *See* Utah Code Ann. § 54-8b-2.2(b). Rural ILECs
142 are not exempt from this law and it is important that specific protections in an
143 essential facilities or interconnection agreement be adopted. If the
144 Commission does not adopt certain protections, the ILEC will be vulnerable
145 in every subsequent essential facilities agreement it is required to enter.

146 **Q: DO YOU HAVE ANY EXAMPLES OF THE PROTECTIONS THAT**
147 **SHOULD BE REQUIRED?**

148 A: Yes. Ms. Wimer discusses many protections in the UBTA-UBET agreement.
149 An example is that the UBTA-UBET agreement has protections for the
150 identification and proper billing of traffic as well as other remedies for failure
151 to perform. These may be of no concern to the interconnecting CLEC but
152 vital to the ILEC.

153 **Q: DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

154 A: Yes.

Certificate of Service

I certify that on December 17, 2008 I emailed a true and correct copy of the foregoing direct testimony of Douglas Duncan Meredith in Docket No. 08-2476-02 to the following:

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