

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)
OF BRESNAN BROADBAND, LLC,)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
OPERATE AS A COMPETITIVE LOCAL)
EXCHANGE CARRIER IN UTAH)

DOCKET NO. 07-2476-01

DIRECT TESTIMONY OF
KATHERINE M. KIRCHNER

On behalf of
Bresnan Broadband of Utah, LLC

1 **Q. PLEASE STATE YOUR NAME AND CURRENT BUSINESS ADDRESS.**

2 A. My name is Katherine M. Kirchner. My business address is 1860 Monad Road, Billings,
3 MT 59102.

4

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am a Vice President of Telephony Operations for Bresnan Communications, LLC.

7

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK
9 EXPERIENCE.**

10 A. I graduated from DeVry Institute of Technology with a Bachelor's Degree in
11 Telecommunications Management in 1994. I have been employed in the
12 telecommunications industry during college and after graduation in a variety of positions
13 with carriers and ILECs, including Sprint, Onvoy, Mid-Rivers Telephone Cooperative,
14 Montana Advanced Information Network (Independent Telco owned fiber optic network
15 consortium). My primary areas of responsibility have included network management,
16 operations, customer care and account management, information technology, regulatory,
17 and product management.

18

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY
20 COMMISSION?**

21 A. Yes. I have provided testimony on telecommunications issues before the Wyoming
22 Public Service Commission on occasion. Specifically, I have provided testimony
23 regarding Bresnan's delivery of its digital phone service.

24 **Q. FOR WHOM ARE YOU APPEARING IN THIS PROCEEDING?**

25 A. I am appearing on behalf of Bresnan Broadband of Utah, LLC (“Bresnan”).

26

27 **Q. PLEASE DESCRIBE BRESNAN’S CURRENT SERVICE OFFERINGS AND**
28 **TERRITORY.**

29 A. Bresnan provides video, high speed-Internet and digital phone services in Utah,
30 Colorado, Montana, and Wyoming. The original Bresnan corporate entity, Bresnan
31 Communications, Inc., was founded in 1984 to provide cable television services.
32 Bresnan Communications, LLC and its subsidiaries currently provide cable and/or
33 telephony services to over 300,000 customers in our four-state territory. Bresnan’s
34 service territory is quite rural in nature. For example, the largest cities we serve are
35 probably Grand Junction, Colorado and Billings, Montana. The vast majority of our
36 markets are relatively small towns.

37

38 **Q. PLEASE DESCRIBE BRESNAN’S TELEPHONE SERVICE.**

39 A. Bresnan calls its telephone service Digital Voice. We typically offer this service through
40 cable telephony, whereby a call will originate via a telephone connected to a modem.
41 Such calls will be routed over our coaxial cable using internet protocol to a telephony
42 switch and transported via the Public Switched Telephone Network (PSTN), and then
43 terminated on traditional phone lines. This process does not utilize the public Internet for
44 transport, thus typically supporting a higher quality of service and prioritization of voice
45 traffic.

46

47 **Q. WHAT IS THE PURPOSE OF BRESNAN'S APPLICATION IN THIS DOCKET?**

48 A. Bresnan is asking the Commission for a Certificate of Public Convenience and Necessity
49 (CPCN) to offer digital phone service within the Vernal local exchange as defined by the
50 map provided to us by the Utah Division of Public Utilities (the "Vernal Exchange" or
51 "Vernal"). Bresnan would like this authority so we can offer our customers in Vernal our
52 full suite of service offerings, including Digital Voice.

53

54 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

55 A. My testimony explains how granting a CPCN to Bresnan will benefit customers in Vernal
56 and advance the public interest.

57

58 **Q. WHAT STANDARD MUST BRESNAN MEET TO BE GRANTED A CPCN?**

59 A. My understanding as a non-attorney is that Bresnan must meet the requirements set forth
60 in Utah Code § 54-8b-2.1 which calls for the Commission to issue a CPCN to Bresnan if
61 the Commission determines that: (a) Bresnan has sufficient technical, financial and
62 managerial resources and abilities to provide the public telecommunications services
63 applied for; and (b) the issuance of the certificate to Bresnan is in the public interest.

64

65 **Q. DOES BRESNAN HAVE SUFFICIENT TECHNICAL, FINANCIAL, AND**
66 **MANAGERIAL RESOURCES AND ABILITIES TO PROVIDE DIGITAL VOICE**
67 **IN VERNAL?**

68 A. Absolutely. Bresnan is a financially-sound company with more than adequate resources
69 to support rolling out Digital Voice in Vernal. Further, Bresnan is currently providing its

70 video and high-speed data services in Vernal, so much of the necessary physical plant is
71 already in place. Finally, as I mentioned previously, Bresnan has an experienced group
72 of managers and technicians who have been successfully providing Digital Voice in 40
73 other markets for some time.

74

75 **Q. MOVING ON TO THE PUBLIC INTEREST TEST, WHAT DOES THE PUBLIC**
76 **INTEREST MEAN TO YOU?**

77 A. When the Utah legislature opened the telecommunications markets to competition they
78 declared that it was the policy of the state to:

79 “(1) endeavor to achieve the universal service objectives of the state as set
80 forth in Section 54-8b-11; (2) facilitate access to high quality, affordable
81 public telecommunications services to all residents and businesses in the
82 state; (3) encourage the development of competition as a means of
83 providing wider customer choices for public telecommunications services
84 throughout the state; (4) allow flexible and reduced regulation for
85 telecommunications corporations and public telecommunications services
86 as competition develops; (5) facilitate and promote the efficient
87 development and deployment of an advanced telecommunications
88 infrastructure, including networks with nondiscriminatory prices, terms,
89 and conditions of interconnection; (6) encourage competition by
90 facilitating the sale of essential telecommunications facilities and services
91 on a reasonably unbundled basis; (7) seek to prevent prices for tariffed
92 public telecommunications services or price-regulated services from
93 subsidizing the competitive activities of regulated telecommunications
94 corporations; (8) encourage new technologies and modify regulatory
95 policy to allow greater competition in the telecommunications industry;
96 (9) enhance the general welfare and encourage the growth of the economy
97 of the state through increased competition in the telecommunications
98 industry; and (10) endeavor to protect customers who do not have
99 competitive choice.” Utah Code 54-8b-1.1.

100

101 Therefore, from my perspective, the public interest is served if the Commission’s actions
102 promote, on balance, these laudable policy objectives.

103

104 **Q. HOW WILL GRANTING BRESNAN'S APPLICATION FURTHER THE**
105 **STATE'S GOAL OF UNIVERSAL SERVICE?**

106 A. Bresnan is not seeking authority to serve in Salt Lake City. To the contrary, Bresnan is
107 seeking authority to serve in rural Utah, the precise area where universal service policies
108 are designed to promote access to telecommunications services. Further, Bresnan is not
109 requesting universal service subsidies to help pay for Bresnan's competitive entry.
110 Finally, if the Commission desires, Bresnan will accept the obligation to serve every
111 customer requesting service in the Vernal Exchange provided the Commission also
112 allows Bresnan the ability to charge reasonable line extension charges and, where
113 necessary, lease or resale the incumbent's existing facilities.

114

115 **Q. WILL BRESNAN'S CUSTOMERS IN THE VERNAL EXCHANGE ENJOY**
116 **HIGH QUALITY, AFFORDABLE TELECOMMUNICATIONS SERVICES**
117 **FROM BRESNAN?**

118 A. Yes. Bresnan will provide its customers with a high quality and affordable choice for
119 landline voice service. For example, when combined with other Bresnan products,
120 Digital Phone is currently available throughout Bresnan's service territory for \$39.99 a
121 month, and a second line can be added for \$14.99 a month. This monthly price includes
122 unlimited calling within the United States and Canada, with popular features like voice
123 mail, call waiting, caller identification and call forwarding at no additional cost. Digital
124 Phone is professionally installed, and allows customers to use their existing phones and
125 house wiring.

126

127 **Q. WILL ALLOWING BRESNAN A CPCN ENCOURAGE COMPETITION?**

128 A. Yes. Indeed, if the Commission were to deny Bresnan's application the people in Vernal
129 may never see the benefits of competition. To the best of my knowledge, other than
130 Bresnan, since the markets were opened in 1996, no competitor has ever sought entry in
131 the Vernal Exchange.

132
133 When Congress passed the 1996 Telecommunications Act, Congress intended to
134 facilitate all forms of competition including competition between telephone companies
135 and traditional video providers such as cable television operators. Bresnan is a traditional
136 cable television operator whose technical, financial and managerial savvy has allowed it
137 to emerge as a premier provider of advanced services over network facilities bought and
138 paid for out of its own private risk capital. As such, Bresnan represents precisely the kind
139 of competitive choice the customers in Vernal deserve.

140
141 **Q. WILL BRESNAN'S COMPETITIVE ENTRY ALLOW FOR THE POSSIBILITY**
142 **OF FLEXIBLE REGULATION?**

143 A. Yes. If Bresnan is allowed competitive entry in Vernal we would absolutely endorse
144 appropriately relaxing regulations on the incumbent and competitors alike in view of the
145 existence of real competition.

146
147 **Q. HOW WILL GRANTING A CPCN TO BRESNAN ENCOURAGE THE**
148 **DEPLOYMENT OF ADVANCED TELECOMMUNICATIONS NETWORKS?**

149 A. Bresnan's network is highly advanced. In Vernal, Bresnan's existing investments in its
150 network have already immensely improved the customer experience by increasing the
151 available speeds for Internet and bringing superior video program quality. Customers in
152 Vernal for example, can now receive data downloads from Bresnan comparable to major
153 cities in this country. For example, Bresnan currently provides the Uintah County School
154 District with a 100% fiber network connecting four elementary school sites. The flexible
155 design provides transmission speeds of one gigabit per second and allows the District to
156 expand the amount of bandwidth allocated to any location in the future.

157

158 **Q. DOES BRESNAN NEED TO HAVE AUTHORITY TO LEASE UNBUNDLED**
159 **NETWORK ELEMENTS FROM THE INCUMBENT TO OFFER SERVICE?**

160 A. Not necessarily. If the Commission does not require Bresnan to serve every customer
161 requesting service in the Vernal Exchange (which the Commission is not required to do
162 because the Vernal Exchange has more than 5,000 lines), Bresnan will not need
163 unbundled network elements from the incumbent. In that case, Bresnan would use its
164 own facilities to service the customers whenever possible. Our only requirement on the
165 incumbent would be interconnect trunking and porting arrangements sufficient to ensure
166 customers of both companies could call each other, support local calling arrangements,
167 and allow numbers to be ported between companies.

168

169 If the Commission elects to impose such a requirement on Bresnan, which, as I said
170 previously, Bresnan is willing to accept, Bresnan may well need access to UNEs and

171 resale to reach the few, remote customers in the exchange where Bresnan does not
172 currently have facilities.

173
174 **Q. WILL BRESNAN USE THE PROCEEDS FROM ITS DIGITAL VOICE**
175 **PRODUCT TO SUBSIDIZE IT COMPETITIVE ACTIVITIES?**

176 A. No. Further, Bresnan fully understands its obligations to comply with the Commission's
177 tariff and pricing rules to ensure this policy objective is satisfied.

178
179 **Q. WILL GRANTING A CPCN TO BRESNAN ENCOURAGE NEW**
180 **TECHNOLOGIES?**

181 A. Yes. Bresnan is a company whose technology and product delivery systems are at the
182 cutting edge of the technology curve. This means Bresnan's customers will be able to
183 enjoy the benefits of advanced technology deployed over 21st century facilities.

184
185 **Q. HOW WILL BRESNAN'S COMPETITIVE ENTRY IN VERNAL ENHANCE**
186 **THE GENERAL WELFARE AND PROMOTE ECONOMIC DEVELOPMENT?**

187 A. Because Vernal is a relatively rural area, the cost of communication is critical to its
188 economic development. Economic activity that could move to that area may locate
189 elsewhere if the cost of communicating is higher in Vernal. Indeed, Vernal is already at a
190 disadvantage because Comcast has deployed their product comparable to Digital Phone
191 along the Wasatch Front, and Bresnan has been providing Digital Voice in rural portions
192 of Colorado, Montana and Wyoming for several years now. In addition, the Vernal

193 Exchange is still served by a single landline phone company, while customers in Qwest's
194 Utah territory have enjoyed the benefits of choice and competition for over a decade.

195

196 **Q. FINALLY, HOW WILL ALLOWING BRESNAN TO COMPETE IN VERNAL**
197 **ADVANCE THE POLICY OF PROTECTING THOSE WHO DO NOT HAVE**
198 **COMPETITIVE CHOICES?**

199 A. By allowing Bresnan to compete in Vernal, not only do the people in Vernal benefit, but
200 the Commission's burden of protecting those in the state without competitive choices is
201 diminished. As a result, everyone in the state benefits from granting Bresnan's
202 application.

203

204 **Q. PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS?**

205 A. Both federal and state law promote and encourage competition. Yet one of the failings of
206 these statutes is that while competition has come fairly readily in urban areas, it has come
207 rather slowly or not at all to rural areas. Bresnan is one of the few competitors whose
208 whole business plan is deploying advanced telecommunications services in rural areas of
209 the Rocky Mountain west. Indeed, Bresnan would like to bring competitive choices and
210 technologies to Vernal which, to date, no other company has done. Further, Bresnan's
211 application should be granted because Bresnan has the technical, financial, and
212 managerial resources and abilities to provide an affordable, high-quality product. Finally,
213 granting Bresnan's application will promote each and every one of the policies
214 established by the legislature when it ordered that telecommunications markets be open to
215 competition. As such, granting Bresnan's application is in the public interest.

216

217 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

218 A. Yes.

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