

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Wide Voice, LLC for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Services within the State of Utah))))	DOCKET NO. 14-2572-01
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**TESTIMONY OF DOUGLAS DUNCAN MEREDITH
ON BEHALF OF
THE UTAH RURAL TELECOM ASSOCIATION
AND ASSOCIATION MEMBERS**

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1 Introduction

2 **Q: Please state your full name, place of employment and position.**

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

8 **Q: Please describe your professional experience and educational background.**

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

13
14 In my employment at JSI, I have participated in numerous proceedings for rural and non-
15 rural telephone companies. These activities include, but are not limited to, the creation of
16 forward-looking economic cost studies, the development of policy related to the
17 application of the rural safeguards for qualified local exchange carriers, the determination
18 of Eligible Telecommunications Carriers, the sustainability and application of universal
19 service policy for telecommunications carriers, as well as supporting incumbent local
20 exchange carriers in arbitration proceedings and rural exemption and suspension and/or
21 modification proceedings.

22
23 In addition to assisting telecommunications carrier clients, I have served as the economic
24 advisor for the Telecommunications Regulatory Board of Puerto Rico since 1997. In this
25 capacity, I provide economic and policy advice to the Board Commissioners on all
26 telecommunications issues that have either a financial or economic impact on carriers or
27 end-users. I have participated in a number of arbitration panels established by the Board

28 to arbitrate interconnection issues under Section 252 of the Telecommunications Act of
29 1996.

30
31 I am participating or have participated in numerous national incumbent local exchange
32 carrier and telecommunications groups, including those headed by NTCA, USTelecom,
33 and the Rural Policy Research Institute. My participation in these groups focuses on the
34 development of policy recommendations for advancing universal service and
35 telecommunications capabilities in rural communities and other policy matters.

36
37 I have a Bachelor of Arts degree in economics from the University of Utah, and a Masters
38 degree in Economics from the University of Maryland – College Park. While attending the
39 University of Maryland – College Park, I was also a Ph.D. candidate in Economics, having
40 completed all coursework, comprehensive and field examinations for a Doctorate of
41 Economics.

42
43 **Q: Have you testified previously in federal and state regulatory proceedings on**
44 **telecommunications issues?**

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

53
54 **Q: On whose behalf are you testifying in this proceeding?**

55 A: I am testifying on behalf of the Utah Rural Telecom Association and Association Members
56 (“URTA”).

57
58 **Q: What is the purpose of your testimony?**

59 A: The purpose of my testimony is to provide the Commission with analysis of application of
60 Wide Voice, LLC for a Certificate of Public Convenience and Necessity (“CPCN”) to
61 provide resold and facilities-based local exchange services within the State of Utah. I have
62 reviewed the application and its various amendments and recommend to the Commission
63 that it deny the application as deficient and incomplete in the following items:
64

- 65 1. Wide Voice has failed to provide supporting testimony in this proceeding supporting its
66 allegations of good conduct;
- 67 2. Wide Voice imprecisely identifies its target market and services to be offered thereby
68 failing to give the Commission any meaningful information from which to judge its
69 operations proposed in the State of Utah;
- 70 3. Wide Voice seeks a waiver of the bond requirement as required in R745-349-3(A)(2)
71 without adequate justification;
- 72 4. Wide Voice seeks a certificate in all areas of the state without exclusion, a request that
73 ignores the provision Utah Code Ann. 54-8b-2.1 (3) and (4) afforded URTA members; and,
- 74 5. Wide Voice has failed to provide supporting testimony in this proceeding supporting its
75 allegations that competition in all areas of the state satisfies the public interest
76 requirement.
77

78 Accordingly, I recommend the Commission deny Wide Voice’s application for a CPCN in
79 the State of Utah.
80
81

82 **1. Wide Voice has failed to provide supporting testimony in this**
83 **proceeding supporting its allegations of good conduct**

84 **Q: Have you reviewed the application(s) filed by Wide Voice in this docket?**

85 A: Yes.

86 **Q: Does the application provide sufficient information to the Commission to judge the**
87 **adequacy of this provider?**

88 A: No. The application and the amendment to the application provide insufficient information
89 to judge the adequacy of Wide Voice. This proceeding was scheduled so that Wide Voice
90 could offer testimony supporting its allegations and provide details regarding its services.
91 Wide Voice has chosen not to file any testimony in this proceeding that would provide
92
93

94 facts sufficient for the Commission to judge the new entrant and determine its capabilities
95 to offer service and contribute to the general welfare of the State of Utah.

96
97 At present, there is no testimony supporting the allegations in the application. Without any
98 supporting facts it is not possible for the Commission to find that granting a CPCN. On
99 this basis alone, I believe the Commission should deny Wide Voice’s request.

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101
102 **2. Wide Voice imprecisely identifies its target market and services**
103 **to be offered thereby failing to give the Commission any**
104 **meaningful information from which to judge its operations**
105 **proposed in the State of Utah**

106
107 **Q: Will you please provide the Commission some examples of the vague and unsupported**
108 **claims made in the Wide Voice application?**

109 A: Yes. The application requirements are supposed to provide the Commission an adequate
110 picture of the applicant’s operations. Yet, in paragraph 4 of the application addressing state
111 rule R746-349-3(A)(4) entitled “Services to be Offered,” Wide Voice states it will
112 “provide service to VoIP-enabled business customers and Telephony Applications
113 providers on a retail, wholesale, carrier level, including PSTN connectivity and
114 intermediate carrier functions.” Wide Voice then states further that it will “initially” offer
115 services targeted at business customers. With these statements, it appears that Wide Voice
116 seeks to provide business service but with its use of the word “initially,” the exact scope of
117 services it will offer are unknown. The Commission simply doesn’t know what will be
118 offered by Wide Voice and there isn’t anything in the record to inform the Commission on
119 whether there is or is not a problem with the services it seeks to offer.

120
121 Furthermore, in Section 12 of the application addressing State rule R746-349-3(A)(12)(b),
122 Wide Voice states for the first time that it intends to “resell” services as well as provide
123 facilities-based interconnection services. I cannot find any more information on the types
124 of services Wide Voice intends to resell. This raises questions for URITA members because
125 a carrier can resell service to customers either with or without triggering the wholesale

126 discount provision in Section 251 of the Communications Act of 1934, as amended. There
127 are a number of questions whether Wide Voice will be seeking to resell services in URTA
128 member's service areas.

129
130 The response to R736-349-3(A)(4)(b) does not give any guidance to this important
131 question of the location of service because Wide Voice states its "initial focus will be in
132 the service territory of CenturyLink, but it request [sic] statewide authority." URTA
133 members need better guidance from the applicant on its intent before it can give a response
134 to the Commission that would inform the Commission on the prudence of granting a CPCN
135 for Wide Voice.

136
137

138 **3. Wide Voice seeks a waiver of the bond requirement as required**
139 **in R745-349-3(A)(2) without adequate justification**

140
141 **Q: Wide Voice seeks a waiver of the proof of bond required by R746-349-3(A)(2). Do**
142 **you recommend this be granted?**

143 **A:** No. The proof of bond addresses in part customer deposits and prepaid services. But the
144 proof of bond is also a mechanism the Commission may use to ensure that payments to the
145 Utah Public Telecommunications Service Support Fund are timely and correct. Without
146 any track record in the State of Utah, Wide Voice claims that its adequate financial
147 resources will be sufficient to cover amounts due to state.

148
149 One reason the bond is required is to assure that payments are made to the state. I don't
150 think it prudent for the Commission to waive this requirement for a new entrant coming
151 into the state. Instead, if the Commission desired, the requirement could be waived after
152 sufficient time has passed where Wide Voice has made a demonstration that support
153 payments are made. I think that three years of payments would be adequate to demonstrate
154 a timely payment history. After a three-year period, the Commission could revisit the need
155 to require a proof of bond for Wide Voice.

156

157 **4. Wide Voice seeks a certificate in all areas of the state without**
158 **exclusion, a request that ignores the provision Utah Code Ann.**
159 **§54-8b-2.1 (3) and (4) afforded URTA members**
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161 **Q: Did you find in the Wide Voice application any statements addressing Utah Code**
162 **Ann. §54-8b-2.1 (3) and (4)? This is a provision addressing the rural areas of the**
163 **state.**

164 A: No. Wide Voice seeks “statewide authority.” (See response to R746-349-3(A)(4)(b))
165

166 **Q: What concerns does URTA have with Wide Voice’s failure to address the rural**
167 **provision in the statute?**

168 A: URTA members seek to have the Commission exclude from the Wide Voice application
169 all areas served by URTA members or their incumbent carrier affiliates. This exclusion
170 would be faithful to the application wherein Wide Voice states its “initial focus will in the
171 service territory of CenturyLink.” The Commission should limit the application to
172 CenturyLink service area. Wide Voice can seek to amend its CPCN to include other areas
173 of the state when and if it moves beyond its initial focus. This determination is consistent
174 with the public interest as it follows prior Commission CPCN decisions.
175

176 **5. Wide Voice has failed to provide supporting testimony in this**
177 **proceeding supporting its allegations that competition in all**
178 **areas of the state satisfies the public interest requirement**
179

180 **Q: Has Wide Voice provided any support for its claim of public interest?**

181 A: No. Wide Voice states its “application will serve the public interest by creating greater
182 competition in the local exchange marketplace.” (Application Section 15) This statement
183 is an allegation that creates a nullity in the state statute and rules. Assuming *arguendo* that
184 creating greater competition was always in the public interest, then the Commission would
185 rubber-stamp all requests for a CPCN and there would be no need to require a public
186 interest finding. However, the state Legislature requires that the Commission judge
187 whether granting a CPCN is in the public interest and the Commission requires a statement

188 as to why entry by the applicant is in the public interest. (R746-349-3(A)(15)) I think it
189 would be expected for the applicant to support said statement in testimony and give its
190 rationale as to why it is in the public interest to be given “statewide authority.” Absent any
191 support for its claim, I recommend the Commission reject Wide Voice’s allegation that
192 generating more competition statewide is always in the public interest.

193 **Conclusion**

194

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

196 **A: Yes.**