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Missouri Public
Service Commission

Exhibit No.:

Issue:

Witness:

Type of Exhibit:

Sponsoring Parties:

Case No.:

Date:

Certificate of Service

Authority

Robert C.

Schoonmaker

Surrebuttal Testimony

BPS Telephone Co.

~~TA~~-2007-0093

January 31, 2007

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Big River Telephone Company, LLC to Expand Its Certificate of Basic Local Service Authority To Include Provision of Basic Local Exchange Telecommunications Service in the Exchanges Of BPS Telephone Company and to Continue To Classify the Company and Its Services as Competitive

Case No. ~~TS~~-2007-0093.

AFFIDAVIT OF ROBERT C. SCHOONMAKER

Robert C. Schoonmaker, of lawful age, being duly sworn, deposes and states as follows:

1. My name is Robert C. Schoonmaker. I am employed by GVNW Consulting, Inc. as President and Chief Executive Officer.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Robert C. Eberstadt

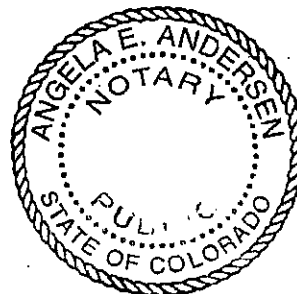
Robert C. Schoonmaker

Subscribed and sworn to before me this 31st day of January, 2007.

Angela E Anderson Notary Public

My Commission expires: 11-11-2009

CVNW Exhibit No. 6
Case No(s) TA-2007-0093
Date 2/13/07 Rptr MV



My Commission Expires 11/16/2009

1 SURREBUTTAL TESTIMONY OF
2
3 ROBERT C. SCHOONMAKER
4
5

6 **Q. Please state your name and address.**

7 **A.** My name is Robert C. Schoonmaker. My business address is 2270 La Montana
8 Way, Colorado Springs, Colorado 80918.

9 **Q. By whom are you employed and in what capacity?**

10 **A.** I am President and CEO of GVNW Consulting, Inc., a consulting firm
11 specializing in working with small telephone companies.

12 **Q. Are you the same Robert C. Schoonmaker that previously filed rebuttal**
13 **testimony in this case?**

14 **A.** Yes.

15 **Q. What is the purpose of your surrebuttal testimony?**

16 **A.** I will respond to several issues discussed by Staff witness Mr. John Van Eschen
17 in his rebuttal testimony.

18 **Q. On page 2 of his testimony (lines 18-19) Mr. Van Eschen comments on Big**
19 **River's request for waiver of certain statutes and Commission rules and observes**
20 **that these have previously been given to Big River "...in similar circumstances." Do**
21 **you agree with Mr. Van Eschen that the circumstances under which these waivers**
22 **were granted are similar to this case?**

23 **A.** I do not. Those waivers were granted to Big River in regard to applications to
24 provide service in the incumbent local exchange carrier (ILEC) serving areas of large
25 telephone companies in the state. As I previously indicated in my rebuttal testimony, the
26 statutory requirements are different for applicants seeking to provide basic local

1 telecommunications services in the serving areas of small Missouri telephone companies.
2 Section 392.451.2(4) of the Missouri statutes specifically indicates that applicants for
3 service in the areas served by small companies must:

4 Comply with all of the same rules and regulations as the commission may
5 impose on the incumbent local exchange telecommunications company
6 with which the applicant seeks to compete.
7

8 In my opinion the waiver of the statutes and rules requested by Big River is inconsistent
9 with this section of the statute, a very different circumstance than in their previous
10 applications.

11 **Q. On page 7 of his rebuttal testimony, Mr. Van Eschen discusses how he comes**
12 **to the conclusion that Big River has satisfied the requirements of Section 392.455 in**
13 **its application. What are your comments on his discussion?**

14 A. Mr. Van Eschen appears to rely on the representations in Big River's application
15 that it will comply with applicable orders and rules of the Commission to conclude that
16 Big River will "...offer services that satisfy the minimum standards established by the
17 Commission." However, as Mr. Van Eschen testifies on pages 9-10 of his testimony, Big
18 River is not currently complying with those rules as it relates to the provision of quarterly
19 service reports. Based on Mr. Van Eschen's testimony, it appears that for the last five
20 quarters Big River has not complied with these reporting requirements. One has to
21 wonder how much weight should be placed on Big River's commitment made at a time
22 when it is in violation of the very rules with which it says it will comply.

23 **Q. On page 7, Mr. Van Eschen also indicates that he relied on Big River's**
24 **verified application to assure himself that Big River will offer basic service as a**
25 **separate and distinct service. What comments do you have in this regard?**

1 A. On January 31, 2007 I called the Big River 800 number and spoke with a
2 customer service representative regarding the provision of telephone service in southeast
3 Missouri exchanges. In regard to Poplar Bluff I was told that the only service available
4 was a package that included local service, several features, and unlimited long distance
5 for a total of \$46.00 per month. I specifically asked if there was any more limited
6 package of services, and after the service representative checked with someone, he
7 verified that this was the only service package offered in Poplar Bluff. Pursuant to Big
8 River's tariff, residential local service only would cost \$8.94 in Poplar Bluff. I also asked
9 whether I could choose a different long-distance carrier and was told that I could not.

10

11 I also inquired about service in Cape Girardeau, Sikeston, Dexter, and Malden. I was
12 told that Big River did offer a package of local service only in these communities for
13 "around \$17.00" with some variation based on city taxes. This compares with the tariffed
14 rates in these communities as follows: Malden - \$7.67, Sikeston - \$8.84, Cape Girardeau
15 - \$9.04, and Dexter - \$9.29. In these communities I was told that I could choose other
16 long distance carriers.

17

18 Based on this contact with Big River's customer service representative, I question
19 whether Big River offers basic service as a separate and distinct service, at least in Poplar
20 Bluffs, and whether they offer customers the rates that are included in their tariffs.

21 **Q. Mr. Van Eschen indicates on page 8 of his testimony (lines 4-6) that the**
22 **public will be benefited by the "...degree of price discipline..." that will be imposed**
23 **on BPS by a competitor. What is your response to this comment?**

1 A. It is hard for me to understand how BPS would have any more "price discipline"
2 imposed on it by facing a competitor than it already does by being fully regulated by the
3 Commission. Since BPS was formed in April, 1996 it has had no change in its local rates
4 except that the local calling area was expanded in all of its exchanges in mid-2005 as a
5 result of Case No. TC-2002-0176. BPS is unable to increase any of its rates without a
6 thorough review of its earnings and rates in a rate case or earnings review environment.
7 That provides more "price discipline" than will be provided by a competitor.

8 **Q. On Page 10 of his testimony (lines 4-11) Mr. Van Eschen discusses his**
9 **recommendation regarding Big River's missing service reports. Do you agree with**
10 **his recommendation?**

11 A. I do not. As I understand Mr. Van Eschen's testimony in this section he indicates
12 that Staff expects Big River to file the 4th quarter 2006 service quality report by February
13 15th, 2007 (two days after the hearing in this case) and that Staff will make a
14 recommendation based on the submission of that one report. I believe the Commission
15 should require Big River to file all the quarterly service reports that they have failed to
16 file before any action to positively respond to Big River's application.

17 **Q. Does this conclude your surrebuttal testimony?**

18 A. Yes, it does.

19