

Exhibit No.:
Issues: Suspension &
Modification of LNP
Requirements
Witness: Natelle Dietrich
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: TO-2004-0401
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MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

NATELLE DIETRICH

KLM TELEPHONE COMPANY

CASE NO. TO-2004-0401

Jefferson City, Missouri
July 2004

FILED

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Missouri Public
Service Commission

Exhibit No. 12
Case No(s) TO-2004-0401
Date 7-21-04 Rptr VF

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Petition of KLM)
Telephone Company for Suspension of the)
Federal Communications Commission)
Requirement to Implement Number)
Portability)

Case No. TO-2004-0401

AFFIDAVIT OF NATELLE DIETRICH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Natelle Dietrich, of lawful age, on her oath states: that she has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 6 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Natelle Dietrich

Subscribed and sworn to before me this 15th day of July, 2004.



Notary Public

My commission expires _____
DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005

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1 May 24, 2004, or six months from receiving a bona fide request (BFR) to implement
2 LNP.

3 Q. Has KLM received a bona fide request from a wireless provider?

4 A. According to the Direct Testimony of Mr. Copsey, KLM had not yet
5 received a bona fide request. In his Rebuttal Testimony, Mr. Williams indicates Western
6 has now issued a BFR to KLM. Receipt of a BFR would imply that KLM now has six
7 months to implement LNP. Therefore, KLM would not have been required to implement
8 LNP, or perform the necessary switch modifications, upgrades or replacements until
9 receipt of that BFR.

10 Q. Mr. Williams, on page 6 of his Rebuttal Testimony, discusses the intent of
11 Congress and the FCC with respect to intermodal porting requirements. Do you agree
12 with his assessment that Congress did not intend to insulate rural telephone competition?

13 A. Yes I do. As Mr. Williams notes, the FCC stated, "Congress intended
14 exemption, suspension, or modification of the section 251 requirements to be the
15 exception rather than the rule...We believe that Congress did not intend to insulate
16 smaller or rural LECs from competition." It is because of this assertion that the
17 Telecommunications Department, as discussed in my Staff Recommendations and
18 testimony in the various LNP cases, has only supported two-year suspensions in limited
19 circumstances when the suspension standards were justified.

20 Q. You mention suspension standards. Is there a standard for a waiver or
21 suspension of intermodal porting requirements?

22 A. Yes. A "two percent" carrier can petition a state commission for a
23 suspension by providing substantial, credible evidence that there are special

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circumstances to justify the suspension.² Section 251(f)(2) of the Telecommunications Act of 1996 states: The State commission shall grant such petition to the extent that, and for such duration as, the State commission determines that suspension -

“(A) is necessary –

(i) to avoid a significant adverse economic impact on users
of telecommunications services generally;

(ii) to avoid imposing a requirement that is unduly
economically burdensome; or

(iii) to avoid imposing a requirement that is technically
infeasible; and

(B) is consistent with the public interest, convenience, and
necessity.” (47 U.S.C. § 251 (f) (2)).

Q. In your opinion, is the public interest served by the requested suspension?

A. Yes it is. In my opinion, on behalf of the Telecommunications Department, it is in the public interest to allow KLM the opportunity to replace its switch as opposed to creating a situation where KLM subscribers incur LNP implementation costs and then, within the next two years, incur duplicative costs when KLM replaces its switch. By granting KLM a suspension to allow for switch replacement, all of KLM’s subscribers will receive the benefit associated with the costs incurred for that switch replacement, as opposed to receiving little benefit from costs incurred for LNP implementation.

² Memorandum Opinion and Order and Further Notice of Proposed Rulemaking. *In the Matter of Telephone Number Portability and CTIA Petitions for Declaratory Ruling on Wireline-Wireless Porting Issues*. CC Docket No. 95-116. par. 30.

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1 Q. Mr. Williams discusses KLM's cost projections and provides an
2 alternative LNP cost estimate for KLM. Do you have any concerns regarding his cost
3 discussion?

4 A. Yes I do. Mr. Williams, on page 15, lines 7-9, of his Rebuttal Testimony
5 estimates 60 intermodal ports per year, or 5 ports per month, for KLM. Mr. Williams
6 does not provide justification for this estimate. Also, Mr. Williams, on page 15
7 beginning at line 10, questions the "Verisign Porting Charges" and states that Verisign
8 functionality is, in part, redundant to Neustar costs. Once again, Mr. Williams does not
9 explain this statement. Finally, Mr. Williams continues by explaining that other Verisign
10 features are not necessary if KLM's port volume is in the range forecasted by Western.
11 Again, however, Mr. Williams does not explain the assertion. On page 15, beginning at
12 line 15, Mr. Williams presents a modified recurring rate that KLM could assess its
13 subscribers. Do Mr. Williams' estimates or concerns change your recommendation for
14 KLM?

15 A. No. As previously stated, Mr. Williams presents a modified recurring rate
16 without providing support for his estimates or concerns. However, a discussion as to
17 whether Mr. Williams' recurring cost estimates or KLM's recurring cost estimates are
18 accurate is not pertinent to my recommendation in this case since I did not use the
19 recurring costs as a basis for my recommendation. As previously stated, my
20 recommendation, on behalf of the Telecommunications Department, was based on the
21 implementation costs, and whether those costs should be duplicative by first
22 implementing LNP to meet the FCC's LNP intermodal porting requirements, and then in
23 the near future, replacing the switch due to lack of future technical support.

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1 Q. You stated that you used the implementation costs as the basis for your
2 recommendation. Did Mr. Williams have any comments on the implementation costs?

3 A. Yes he did. On page 16 of his Rebuttal Testimony, lines 4-6,
4 Mr. Williams states, "The KLM cost exhibit identifies non-recurring switch upgrade
5 costs for LNP that appear consistent with cost estimates made by other carriers
6 implementing similar upgrades to their Mitel switches." Therefore, the costs I used in
7 making the Telecommunications Department's recommendation, appear to be supported,
8 or at least not challenged, by Western.

9 Q. Have you changed your recommendation to approve KLM's petition for a
10 two-year suspension of the FCC's intermodal porting requirements based on the Rebuttal
11 Testimony of Mr. Williams?

12 A. No. My recommendation, on behalf of the Telecommunications
13 Department, continues to support a two-year suspension of the FCC's intermodal porting
14 requirements for KLM to allow KLM time to replace existing switches, consistent with
15 the FCC's waiver standards and Section 251(f)(2)(A)i and (B) of the
16 Telecommunications Act of 1996.

17 Q. After reviewing Mr. Williams' Rebuttal Testimony, have you changed
18 your recommendation on KLM's request for modification until the FCC addresses the
19 issue of carrier responsibility for the transport of local calls to wireless providers with
20 rate centers outside the local exchange areas of KLM (rating and routing issues)?

21 A. As indicated in my Rebuttal Testimony, upon further review I also support
22 modification until such time as the FCC addresses the outstanding rating and routing
23 issues. Regardless of when the FCC resolves the routing and rating issues, it is, and was,

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1 the Telecommunications Department Staff's position that neither the Petitioner, nor its
2 wireline customers, should be responsible for any transport or long distance charges
3 associated with porting numbers and any associated calls outside Petitioner's local
4 service area.

5 Q. Does this end your Surrebuttal Testimony?

6 A. Yes it does.