

Exhibit No. _____
Issue: _____
Witness: Edward J. Cadieux
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Socket Telecom, LLC
Case No.: TO-2006-0299
Date: April 6, 2006

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

PETITION OF SOCKET TELECOM, LLC)
FOR COMPULSORY ARBITRATION OF)
INTERCONNECTION AGREEMENTS WITH) **CASE NO. TO-2006-0299**
CENTURYTEL OF MISSOURI, LLC AND)
SPECTRA COMMUNICATIONS, LLC)
PURSUANT TO SECTION 252(b)(1) OF THE)
TELECOMMUNICATIONS ACT OF 1996)

**REBUTTAL TESTIMONY OF
EDWARD J. CADIEUX ON BEHALF OF
SOCKET TELECOM, LLC**

FILED²
APR 25 2006
Missouri Public
Service Commission

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I. INTRODUCTION

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4 **Q. Mr. Cadieux, Please state your name and business address.**

5
6 A. My name is Edward J. Cadieux. My business address is 1060 Swingley Ridge
7 Road, Suite 450, Chesterfield, Missouri 63017.

8 **Q. Please describe your business experience and background.**

9
10 A. I am Senior Regulatory Counsel for NuVox Communications, including among
11 its subsidiaries, NuVox Communications of Kansas, Inc. ("NuVox"). As in-house
12 regulatory counsel, I advised and represented NuVox from its start-up phase through its
13 first five years of operations. My duties have included obtaining state public service
14 commission certification and initial interconnection agreements with incumbent local
15 exchange carriers, and providing NuVox management with legal/regulatory enforcement
16 support for those agreements. My current responsibilities focus on
17 renegotiation/arbitration of interconnection agreements, and in-house management of
18 NuVox's participation in state public utility commission proceedings related to
19 implementation of FCC unbundling rules. My duties also include representing NuVox in
20 regional and state CLEC trade associations and ad hoc CLEC advocacy groups. I
21 participate in formulating NuVox's regulatory policy and in determining the priorities for
22 regulatory issues and regulatory proceedings in which NuVox is involved.

23 I obtained my Juris Doctor degree from Saint Louis University School of Law in
24 1978. I hold a bachelor's degree in political science from Saint Louis University. I am a
25 member of the bar in the state of Missouri.

1 From 1996 to 1998 I was the Director, Regulatory Affairs—Central Region for
2 Brooks Fiber Properties. I served as in-house regulatory counsel for that CLEC from its
3 inception through its first three years of operation, and my duties included obtaining state
4 public service commission certification and initial interconnection agreements with
5 incumbent local exchange carriers. My responsibilities included analyzing FCC
6 decisions relating to interconnection, unbundled network elements and related matters.
7 Prior to my employment at Brooks Fiber, I was employed as State Regulatory Counsel—
8 Southwest Region for MCI from 1988 to 1995 representing MCI regarding state
9 commission proceedings affecting the company's long-distance business.

10 Prior to entering the private sector, I served as an Assistant Attorney General for
11 the Commonwealth of Massachusetts in the Public Utility Division in 1987. From 1980
12 to 1986 I was employed by the Missouri Public Service Commission in various positions,
13 including Administrative Hearing Officer and Deputy General Counsel.

14 **Q. Have you ever testified before any regulatory bodies?**

15 A. Yes, I have previously testified before the Arkansas PSC, Georgia PSC, Illinois
16 Commerce Commission, Indiana Utility Regulatory Commission, Mississippi PSC,
17 Missouri PSC, Oklahoma Corporation Commission, and the Tennessee Regulatory
18 Authority, in addition to this Commission. I have also submitted *ex partes* and affidavits
19 to the FCC.

20 **Q. On whose behalf are you testifying?**

21
22 A. I am testifying at the request and on behalf of Socket Telecom (Socket).
23

1 **II. PURPOSE AND SUMMARY OF REBUTTAL TESTIMONY**
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4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my testimony is to respond to the direct testimony of CenturyTel
6 witnesses who discuss the rural nature of CenturyTel's service territory and appear to
7 downplay the suitability of those areas for competitive entry. In that regard, I will focus
8 on the interest of NuVox Communications in entering certain portions of CenturyTel's
9 Missouri service territory as a natural expansion of NuVox's current footprint. As a
10 related matter, I will comment generally on some of the operational support systems
11 issues and explain the Catch-22 affect of CenturyTel's proposal to maintain manual or
12 otherwise inefficient processes for handling CLEC LSRs. In particular, I will be
13 responding to portions of the direct testimonies of CenturyTel witnesses Dr. Avera,
14 Ms. Hankins, Ms. Moreau and Ms. Wilkes.

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16 **III. NATURE OF CENTURYTEL'S MISSOURI SERVICE TERRITORY –**
17 **REBUTTAL TO CENTURYTEL WITNESS AVERA**
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20 **Q. Have you reviewed the direct testimony of Dr. Avera?**

21 A. Yes I have.

22 **Q. How does Dr. Avera characterize CenturyTel Missouri operations?**

23 A. Dr. Avera repeatedly notes the rural nature of CenturyTel's Missouri service
24 territory in an effort to distinguish CenturyTel from AT&T (formerly SBC) in Missouri.
25 (See, e.g., Avera Direct, p. 3 beginning at line 22; p. 4, beginning at line 8; p. 5,
26 beginning at line 3, etc.). He notes that CenturyTel serves sixty-two thousand (62,000)

1 access lines in Columbia, Missouri but his emphasis is on the rural nature of
2 CenturyTel's service territory.

3 **Q. Do you disagree with that characterization?**

4 A. Only to the extent that it does not provide a full picture of the telecom market in
5 CenturyTel's service area.

6 **Q. Please explain.**

7 A. In addition to Columbia, CenturyTel also serves some of the fastest growing and
8 commercially active formerly rural areas in the State, including portions of St. Charles
9 County and Branson in Southwest Missouri. St. Charles County has historically been one
10 of the fastest growing areas in the Midwest, with a current estimated population of about
11 three hundred and twenty thousand (320,000). Some years ago, growth from the
12 St. Louis metropolitan area spread out of St. Louis County to the northwest into the City
13 of St. Charles and surrounding areas, turning what had been rural areas into more densely
14 populated suburban environments. That westward expansion continued and now includes
15 portions of the St. Charles County served by CenturyTel including, most notably,
16 O'Fallon (with a population of approximately 66,000) and Wentzville (population
17 13,931). And while Branson's permanent population is estimated at less than 10,000, it
18 has an extremely active commercial sector related to tourism and the entertainment
19 industry.

20 **Q. Are these areas attractive in terms of competitive entry?**

21 A. Yes, they are. In fact, NuVox already has customers in the parts of St. Charles
22 County that are served by AT&T.

1 **Q. With specific reference to your company, does NuVox have interest in expanding**
2 **into the St. Charles and Branson portions of CenturyTel's service areas?**

3 A. Yes, it does. NuVox has been providing voice and broadband Internet services to
4 small and medium-sized business customers in the St. Louis and Springfield metropolitan
5 areas for nearly seven years, and the St. Charles County and Branson portions of
6 CenturyTel's service area are logical and natural areas of expansion for NuVox. For the
7 past seven years, NuVox has served the portions of St. Charles County that are served by
8 AT&T (the former SBC). More and more, as the St. Louis metropolitan area expands to
9 the west and northwest, the population growth has spilled over the boundary between the
10 AT&T and CenturyTel service territories. Currently, NuVox can only offer local
11 exchange service to those portions of the county that are within AT&T's territory. This
12 has increasingly become a barrier to NuVox's growth, particularly with respect to multi-
13 location customers that have offices in both AT&T and CenturyTel service territories.
14 With respect to Branson, NuVox already serves a limited number of customers in
15 Branson providing long-distance and broadband internet service (no local exchange
16 service is currently offered due to NuVox's lack of interconnection with CenturyTel) as
17 an adjunct to our Springfield operations. That pre-existing, albeit limited, presence
18 makes Branson a natural candidate for the expansion of our local exchange service
19 offerings.

20 **Q. Has NuVox commenced interconnection negotiations with CenturyTel in Missouri?**

21 A. Not at this point. Potential expansion into the CenturyTel territory was put on
22 hold several years ago with the telecom crash and the resulting severe constraints on

1 CLEC capital budgets. At this point, however, financial conditions have stabilized and
2 consideration of limited expansions such as these becomes possible again. Most recently,
3 NuVox considered initiating parallel or joint negotiations (with Socket) and arbitration
4 with CenturyTel, but ultimately was not prepared to proceed on the same timeline as
5 Socket due to NuVox's involvement in multiple arbitrations and TRO/TRRO change of
6 law cases across all of our SBC and BellSouth region states. Nevertheless, NuVox is
7 acutely interested in the outcome of this proceeding and we will closely review the
8 Commission's arbitration award and the resulting Socket-CenturyTel interconnection
9 agreement to determine whether opting into the entirety of the agreement is a suitable
10 basis for our entry into this market.

11 **Q. Which issue areas of the interconnection agreement are most important for a CLEC**
12 **like NuVox in terms of whether a particular interconnection agreement is a suitable**
13 **vehicle for competitive entry?**

14 A. Three of the most important areas are: UNE rates (particularly DS1 loop and DS1
15 and DS3 transport rates); interconnection-related provisions; and operational support
16 systems. For competitive entry to make sense for a CLEC that uses UNEs and serves in
17 the low-to-mid size range of the business market, the costs of leasing last-mile facilities
18 are a critical factor in determining the CLEC's ability to offer a competitive service. At
19 some level they become too high to permit financially sustainable operations. With
20 respect to interconnection issues, the key factor for a carrier like NuVox is whether, taken
21 together, these provisions permit an efficient basis for exchanging traffic. I address
22 operational support system issues in the following section of my testimony.

1 Q. Do you have any comments regarding Dr. Avera's discussion of rate considerations?

2 A. Only to make the observation that where an ILEC has a mix of rural and
3 urban/suburban areas within its service territory, it is particularly important to set
4 deaveraged (zone) rates for UNEs, such that if different geographic areas within the
5 CenturyTel Missouri service territory display different TELRIC cost characteristics, those
6 differing cost characteristics can be translated into rates that reflect the respective cost
7 characteristics. Otherwise, in areas with relatively lower costs where competitive entry is
8 feasible, averaged costs will artificially inflate UNE prices and deter competition.

9 Q. Do you have any other concerns regarding the rates established for interconnection
10 between CenturyTel and Socket Telecom?

11 A. Yes, I understand that the interconnection agreement approved in this proceeding
12 will include rates to be charged for CenturyTel's UNEs. However, the establishment of
13 TELRIC-based rates for UNEs is an issue that impacts all providers that currently
14 operate, or plan to operate, in CenturyTel's service territory. Therefore, I believe the
15 Commission should continue its practice of setting the ILEC's TELRIC rates in a
16 proceeding open to all interested certificated providers, and not in a bilateral arbitration.

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18 IV. OPERATIONAL SUPPORT SYSTEM ISSUES
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21 Q. Have you reviewed the direct testimony of CenturyTel witnesses Hankins, Moreau
22 and Wilkes regarding operational support system issues?

23 A. Yes, I have.
24

1 **Q. What comments do you have with respect to that testimony?**

2 A. As a general matter, my understanding of CenturyTel testimony regarding OSS
3 issues is to defend its existing processes – irrespective of whether they may be inefficient
4 for CLECs and inefficient relative to industry standards – on the grounds that the current
5 demand from Socket is allegedly insufficient to justify upgrading particular systems or
6 processes. (See, e.g., Hankins Direct at pp. 19-21; Moreau Direct at p.15; and Wilkes
7 Direct at p.4). It also appears that CenturyTel wants to impose on CLECs the higher
8 costs it (CenturyTel) claims are associated with its manual processes. (See, Hankins
9 Direct at pp. 22-23). My response to CenturyTel’s position relates back to my earlier
10 comment regarding a “Catch-22” situation: One of the factors that deters additional
11 CLECs from expanding into portions of CenturyTel’s territory is the fact that their OSS
12 systems are non-standard and, thus, will make it much more resource intensive and more
13 costly per service order for the CLEC to do business with CenturyTel as compared to
14 operations with Bell Operating Companies. That certainly is an inhibiting factor for
15 NuVox when it considers entering CenturyTel’s territory. Because of a CLEC’s relative
16 lack of scale, if more manual and less efficient OSS processes are employed by the ILEC,
17 significantly higher per order costs will be imposed on the CLEC and will tend to deter
18 competitive entry.

19 **Q. Do you believe it is fair and reasonable for CenturyTel to be immune from**
20 **upgrading its OSS systems?**

21 A. No, I do not. If CenturyTel was more purely a rural ILEC, my conclusion would
22 be different. But with markets the size of Columbia and the O’Fallon/Wentzville areas

1 and the fact that CenturyTel has already availed itself of competitive classification
2 benefits under Missouri statute for those areas, I think it is unreasonable for CenturyTel
3 to be immune from all upgrades to its OSS systems. Depending on the particular issue
4 and the facts involved, it may be reasonable under the circumstances to implement
5 upgrades over a reasonable period of time, but I do not believe CenturyTel should be
6 permitted to maintain status quo with respect to its OSS. An arbitration award that
7 mandates reasonable OSS upgrades, even if implemented over a reasonable period of
8 time, would improve the calculus of carriers like NuVox when considering whether to
9 expand into the CenturyTel service territory.

10 **Q. Does that conclude your rebuttal testimony?**

11 **A. Yes, it does.**

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