Exhibit No.:

Issue: Remote Call Forward

Witness: Arthur P. Martinez

Sponsoring Party: CenturyTel of Missouri, LLC &

Spectra Communications

Group, LLC d/b/a CenturyTel

Type of Exhibit: Rebuttal Testimony

Case No.: TC-2007-0307

Date Testimony Prepared: July 6, 2007

## CENTURYTEL OF MISSOURI, LLC and SPECTRA COMMUNICATIONS GROUP, LLC d/b/a CENTURYTEL

REBUTTAL TESTIMONY

OF

ARTHUR P. MARTINEZ

CASE NO. TC-2007-0307

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel Tariff Filings to Grandfather Remote Call Forward Services To Existing Customers and Existing Locations.	) Case No. TC-2007-0307 Tariff Nos. JI-2007-0498 JI-2007-0499					
AFFIDAVIT OF ATHUR P. MARTINEZ						
STATE OF MISSOURI )						

COUNTY OF COLE ) ss.

- I, Arthur P. Martinez, of lawful age and being duly sworn, state as follows:
- 1. My name is Arthur P. Martinez. I am presently Director of Government Relations for CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel.
- 2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony in the above-referenced case.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge, information and belief.

Arthur P. Martinez

Subscribed and sworn to before me this 6th day of July, 2007.

Notary Public

My Commission expires: 12-4-2010 (SEAL)

CHERYL L. SLOAN
Notary Public - Notary Seal
STATE OF MISSOURI
County of Cole
My Commission Expires 12/4/2010
Commission # 06499902

1		REBUTTAL TESTIMONY
2		$\mathbf{OF}$
3		ARTHUR P. MARTINEZ
4		CASE NO. TC-2007-0307
5		
6	Q.	Please state your name and business address.
7	A.	My name is Arthur P. Martinez. My business address is 220 Madison Street,
8		Jefferson City, Missouri 65101.
9	Q.	Please state your current employment and on whose behalf you are testifying
10		in this proceeding.
11	A.	I am the Region Director of Government Relations for CenturyTel of Missouri,
12		LLC and Spectra Communications Group, LLC d/b/a CenturyTel, collectively
13		referred to herein as "CenturyTel". I am testifying on CenturyTel's behalf in this
14		proceeding.
15	Q.	Are you the same Arthur P. Martinez who submitted direct testimony on
16		behalf of CenturyTel on May 21, 2007?
17	A.	Yes.
18	Q.	What is the purpose of your rebuttal testimony?
19	A.	My rebuttal testimony is responsive to the Direct Testimony of R. Matthew Kohly
20		filed on May 21, 2007, on behalf of Socket Internet and Socket Telecom, LLC,
21		herein collectively referred to as "Socket" unless expressly named. As Mr. Kohly
22		testifies, Socket Holdings Corporation d/b/a Socket Internet is an Internet service
23		provider in the State of Missouri, and is Socket Telecom's (CLEC) parent

- 1 corporation. According to Mr. Kohly, he is employed by Socket Internet and is 2 primarily assigned to work for Socket Telecom.
- 3 Q. In your Direct Testimony, you testified that subsequent to CenturyTel's filing of tariffs to grandfather Remote Call Forwarding ("RCF") service, 4 Socket submitted a request for RCF service in 61 exchanges and that 5 CenturyTel denied Socket's request pursuant to CenturyTel's tariff. You 6 further elaborated on CenturyTel's concerns related to its refusal to fill 7 8 Socket's orders. Has Mr. Kohly's Direct Testimony alleviated those 9 concerns?
- A. Absolutely not. To the contrary, Mr. Kohly's testimony confirms the very real concerns associated with Socket's collective scheme and its resulting tariff violations, as addressed in CenturyTel's pre-filed Direct Testimony.
- 13 Q. Please explain.
- 14 As set forth in both my Direct Testimony and that of CenturyTel Witness Ralph A. Teasley, two of the specific conditions contained in CenturyTel's tariff regarding 15 RCF Service include: (1) RCF service cannot be used for toll bypass; and (2) 16 17 RCF Service specifically restricts a customer's ability to use the number for more than one telephone call at a time. Describing Socket's use of CenturyTel's RCF 18 19 Service, we pointed out that generally Socket Internet purchases a RCF Service 20 line and then requests that the line be forwarded to Socket's own toll-free or 8XX 21 Customer Service number. Shortly after the RCF Service line is installed, Socket 22 Telecom will request to port the number from CenturyTel on behalf of its affiliate, 23 Socket Internet. Once the RCF number is ported, the number is usually and

subsequently terminated to an Internet Service Provider ("ISP") modem, where it allows multiple customer calls to have simultaneous access to the modem. Consistent with CenturyTel's tariff, RCF Service may not be used for multiple simultaneous calls such as this, as it causes network congestion on the toll network and negatively impacts consumers trying to make the toll calls for which this network was designed. Regarding toll bypass, porting the number allows Socket to avoid the expense of paying for toll-free service for interexchange calls to its own customer support functions while shifting the cost to CenturyTel of transporting these calls from CenturyTel's central office to the tandem. This occurs because customers are dialing a local number that previously was RCF'd to a toll-free number but now has been ported to a non-RCF "local" number.

Q.

A.

## You previously stated that Mr. Kohly's testimony confirmed Socket's intended course of action. Can you be more specific?

Certainly. Mr. Kohly testifies to this scheme beginning on page 6, lines 17-19 through page 7, lines 1-2 where, in addressing the order for 61 RCF numbers, he states: "In order to obtain numbers to port to Socket Telecom, Socket Internet attempted to subscribe to CenturyTel's Remote Call Forward Service. Once those services were provisioned, Socket Internet was going to request that Socket Telecom add those numbers to its existing service from Socket Telecom by porting the numbers." It is very clear to me from this statement that the only reason Socket Internet requests these RCF Service lines is to avoid the legitimately imposed toll charges it would otherwise have to pay in order to provide toll-free customer service numbers and toll-free Internet dial-up numbers.

Q. Does Mr. Kohly address CenturyTel's tariff restriction regarding the customer's ability to use the number for more than one telephone call at a time?

A.

While clearly acknowledging the collective nature of Socket's two-part scheme as referenced immediately above, Mr. Kohly incredibly spins a rationale that the tariff restriction "is not applicable." Admitting that prior to the port (which is clearly contemplated and an integral component of Socket's RCF Service request – by his own words) the RCF Service is provided by CenturyTel and, therefore, governed by CenturyTel's tariff, once the second component occurs ("Socket Internet exercising its right to change service providers"), Mr. Kohly opines that "CenturyTel is no longer providing service to the customer and CenturyTel's tariffs are no longer applicable. Since CenturyTel is not the service provider and its tariffs are no longer applicable, CenturyTel cannot claim its tariffs are somehow being violated." (Kohly Direct, pp. 11-12).

As I stated in my Direct Testimony, "When porting RCF numbers, CenturyTel loses control of the numbers and they can be used in a manner that overloads CenturyTel's network. If Socket Internet is willing to commit that it will not seek to have the RCF numbers ported to another carrier, CenturyTel would be in a position to re-evaluate the service requests." Given Mr. Kohly's "rationale" above, it should be quite easy to understand CenturyTel's stated concerns and why no such commitments from Socket have been forthcoming.

Q. Beginning on Page7, Line 3 of his direct testimony, Mr. Kohly states that Socket Internet "preferred" to use the ported numbers of CenturyTel rather

than new numbers issued by Socket Telecom. What was the reason given b
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- 2 Mr. Kohly as to why Socket Internet "preferred" to use CenturyTel's
- 3 telephone numbers?
- 4 A. In attempting to camouflage Socket's true intent of using this method to push its
- legitimate business costs onto CenturyTel, Mr. Kohly appears to suggest that the
- 6 primary reason is purported customer confusion associated with any new NPA-
- 7 NXX code. As such, Mr. Kohly's reasoning is misguided.
- 8 Q. Please explain how Mr. Kohly's reasoning is misguided?
- 9 A. CenturyTel has experienced numerous situations where NPA/NXXs have been
- 10 exhausted in its exchanges, without its customers becoming confused over the
- resulting assignment of a new NPA/NXX to the exchange. Socket wants the
- 12 Commission to believe that these very same customers are incapable of realizing
- that the new NPA/NXX assigned to Socket is not a local number. With
- appropriate efforts to educate its consumers, Socket customers would experience
- few, if any, problems. Of course, this is another legitimate cost of doing business
- that Socket may be trying to avoid through regulatory arbitrage.
- 17 Q. Mr. Kohly suggests that CenturyTel is preventing Socket Internet from
- obtaining the phone numbers (NPA-NXX) that are most familiar to
- 19 Century Tel subscribers in these exchanges. Do you agree with his assertion?
- 20 (Kohly Direct, Page 14, Lines 1-3)
- 21 A. No. The number pooling administrator will only assign numbers to a properly
- certificated local exchange carrier. Socket Internet does not possess a certificate

1		to provide local exchange service in the state of Missouri and, therefore, cannot
2		"obtain" NPA-NXX number blocks.
3	Q.	Socket also claims that Socket Telecom's telephone numbers are not listed,
4		presumably in the local telephone directory. Is this the responsibility of
5		CenturyTel? (Kohly Direct, Page 7, Lines 14-15)
6	A.	No. Socket would have this Commission believe that this is a barrier placed on it
7		by the incumbent, which is utterly false. The publication of directories have been
8		deregulated for some time now allowing telephone companies to contract with a
9		directory publisher of its choosing. CenturyTel uses a contracted publisher for its
10		directory. Socket may also choose to publish its own directory via this same
11		method. This whole argument is a red herring meant to divert attention from
12		Socket's real intention of using CenturyTel's RCF Service as a subterfuge to
13		avoid lawful and legitimate costs.
14	Q.	What is CenturyTel's obligation with regards to publishing numbers of its
15		local competitors?
16	A.	CenturyTel's obligation is to provide access to its directory for the white page
17		listings of its competitors.
18	Q.	Is CenturyTel obligated to do this at no cost?
19	A.	Absolutely not. There are costs associated with the publication of a directory and
20		these costs must be paid by Socket if it wishes to be in the directory. Note what
21		the Federal Communications Commission ("FCC") has to say on this topic:
22		8 We conclude that the nondiscrimination requirement in section 222(e)

obligates a carrier subject to that section to provide subscriber list

information to requesting directory publishers at the same rates, terms, and conditions that the carrier provides the information to itself....<sup>1</sup>

As mentioned earlier, CenturyTel contracts with a publisher to have its customer's telephone numbers published in a company-sponsored directory. CenturyTel is willing to allow any entity to publish numbers in its directories so long as that entity is willing to pay for the cost of publishing. It is for this reason that directory costs are excluded from the cost of unbundled network elements or discounted as an avoidable cost of resold services. Socket's claim that its numbers are not in the directory is the responsibility of Socket, not its competitors or the directory publisher for that matter. Socket can pay for a supplement to a directory already in circulation, as could its competitors. Socket's claims in this regard are baseless and should be disregarded by the Commission.

- Q. Socket states that it is not aware of any situation where CenturyTel's network has been impaired by a request from Socket to port an RCF Service number. Is this a mere allegation as Mr. Kohly claims?
- 16 A. No. This is not an allegation. Based on Socket's already submitted porting orders
  17 in Missouri, this is a reasonable, foreseeable event that could occur and
  18 CenturyTel wants to prevent this from occurring at the risk of interruption or
  19 deterioration of service to its existing customers. Furthermore, the tariff
  20 restrictions of CenturyTel's RCF Service clearly state that, "RCF Service will

<sup>&</sup>lt;sup>1</sup> Third Report and Order in CC Docket No. 96-115, Second Order on Reconsideration if the Second Report and Order in CC Docket No. 96-98, and Notice of Proposed Rulemaking in CC Docket No. 99- 273, Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Provision of Directory Listing Information under the Telecommunications Act of 7934, As Amended, 14 FCC Rcd 15550 (1999)("Directory Listing Information Order").

only be provided when, *in the judgment of the company*, the customer *subscribes* to sufficient RCF Service at the answering location to adequately handle calls without interfering with or impairing any services offered by the Company."<sup>2</sup>

Q.

A.

I would also note that CenturyTel witness, Ralph Teasley, has provided an example of network impairment due to a RCF Service line port in his Rebuttal Testimony.

- Mr. Kohly claims that the answering location is provided by Socket Telecom and therefore Socket Internet has sufficient services at the location to adequately handle calls. (Kohly Direct, Page 10, Lines 15-17) Do you agree?

  No. This would be true if Socket Internet maintained its location in the local routing and rating area for which the local telephone numbers were assigned. However, Socket Internet moves its location to one of three locations: Branson, Columbia or St. Louis. Since the 61 numbers Socket is requesting RCF Service are located in different local exchange areas, CenturyTel would be burdened with building additional interoffice transport facilities from the local exchange areas of the 61 numbers requesting RCF Service to Branson, Columbia, or St. Louis. This is not an allegation, it is an undisputed fact. Socket does not have sufficient services and facilities to handle its calls; it wants CenturyTel to carry the burden of installing sufficient facilities, without compensation, to handle Socket's calls.
- Q. Does the change in location of the RCF number also violate CenturyTel's tariff restrictions?
- 22 A. Yes. CenturyTel's RCF tariff expressly states that both the RCF customer and the RCF number must remain in the same local calling area. Socket has denied

<sup>&</sup>lt;sup>2</sup> CenturyTel's PSC MO No.1, Section 6.B.10 (emphasis added).

repeated requests by CenturyTel to confirm that the physical termination location of the intended RCF numbers will remain in the original local calling area. This creates a burden for CenturyTel in two ways. First, CenturyTel is no longer compensated for the transport of RCF Service lines by virtue of the fact that it will no longer receive the revenue for the RCF Service. Second, CenturyTel will be subjected to additional transport costs without any corresponding compensation from Socket.

8 Q. Beginning on Page 16, Line 9, of his direct testimony Mr. Kohly suggests that
9 it would be contrary to the public interest for the Commission to permit
10 CenturyTel to cease providing RCF Service; does CenturyTel agree?

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- 11 A. No. Here again Socket is using the regulatory process to burden its main 12 competitor by suggesting that CenturyTel must continue to offer a service that 13 mainly benefits Socket. I find it paradoxical that Socket does not use this as an 14 opportunity to offer its own RCF Service as a means of differentiating itself from CenturyTel,<sup>3</sup> but would rather use this as a means of impeding its competitor's 15 16 ability to modify its service offerings relevant to the market. This tells me that 17 Socket must enjoy some benefit that the market cannot provide; namely the ability 18 to use CenturyTel's RCF Service for regulatory arbitrage.
- Q. Mr. Kohly suggests that RCF Service is necessary in emergency and disaster situations (Kohly Direct, Page 16, Lines 19-22 and Page 17, Lines 1-6). Do you agree with this assertion?

<sup>&</sup>lt;sup>3</sup> I would note that Socket Telecom did file a tariff for RCF Service in March 2007, following the filing of this Complaint.

1 A. Mr. Kohly suggests that this service may be needed in emergency and disaster 2 situations and therefore CenturyTel, Socket's competitor, should be required to 3 maintain the service. Staff also brought this issue to CenturyTel's attention when 4 the Company filed its tariff to grandfather the RCF Service, but based on assurances from the Company that CenturyTel would respond in what ever manner appropriate to address a given disaster situation, the Staff seemed to be satisfied that the public interest would be served.

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## Q. How long would it take CenturyTel to initiate the service in a disaster situation?

Century Tel is grandfathering the service not withdrawing the service. Therefore, the service will remain an active service for those purchasing the service prior to Century Tel's filing. Even if this were not the case, the service could be provided instantaneously with the emergence of a disaster situation. This is possible because the features of the service remain a functioning part of the network. It would be the regulatory process that would cause any delays in provisioning the service in a disaster. I'm positive that the Company and the Commission would take immediate action to ensure RCF, or any other possible service configuration, would receive the appropriate regulatory treatment as a result of a catastrophe. Further, common sense would dictate that the Company would be absolved of any wrong doing by this Commission if it were to unilaterally provision the service for the benefit of Missouri consumers needing such assistance in the event that such a calamity was unforeseen. Finally, depending on the effects of a disaster. RCF may not be the best or most appropriate service configuration to address the

- situation; and indeed Ralph Teasley notes, in his Rebuttal Testimony, another tool
  that would replace the use of RCF in an emergency or disaster situation.

  Therefore, Mr. Kohly's alarmist testimony is misplaced and without basis.
- 4 Q. Does CenturyTel have experience in dealing with natural or man-made disasters?
- 6 A. Yes, and as recently as this year. CenturyTel employees went beyond the call of duty earlier this year by placing themselves in harms way while responding to a 7 8 propane leak at a storage facility in Lewistown, Missouri. The Company's employees maintained phone service after local authorities evacuated about 580 9 10 residents due to a leaking propane tank and potential fire hazard in this northeast Missouri town. I personally communicated with the Commission and the 11 12 respective state legislator as to the Company's progress in dealing with the 13 catastrophe. CenturyTel's President and COO, was commended just last week by 14 a Washington Utility and Transportation Commissioner for the Company's 15 restoration efforts and coordination with Commission staff following a December 14<sup>th</sup> windstorm. And the Commission does not need to be reminded of hurricanes 16 17 Katrina and Rita that struck CenturyTel's affiliates in Louisiana not too long ago, 18 and the remarkable efforts put forth to restore service to customers in that state.
- Q. Given CenturyTel's experience in dealing with disasters should this
  Commission be concerned about the Company's ability to do what is needed
  to ensure the safety and well being of its customers?

- A. Absolutely not. CenturyTel has proven itself time and again as a responsible corporate citizen not only in Missouri but in other states and communities where the Company operates.
- 4 Q. Finally, is CenturyTel limiting customer options by grandfathering RCF
  5 Service?
- A. No, as I mentioned in my direct testimony, the percentage of customers currently subscribing to RCF Service is approximately one half of one percent; hardly a blockbuster. Moreover, in most of the communities where RCF Service served a purpose, CenturyTel has introduced services such as unlimited long distance calling thereby providing the market with superior alternatives to RCF Service.
- 11 Q. Does this conclude your rebuttal testimony?
- 12 A. Yes.