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: Surrebuttal Testimony

Case No.: TC-2007-0307

Date Testimony Prepared: July 30, 2007

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

SURREBUTTAL 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 ) ) ss. COUNTY OF COLE )			
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 Surrebuttal 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 30 <sup>th</sup> day of July, 2007.  The state of July, 2007.  Notary Public			
My Commission expires: $\frac{5}{20} \frac{20}{1}$ (SEAL)			

1		SURREBUTTAL TESTIMONY
2		$\mathbf{OF}$
3		ARTHUR P. MARTINEZ
4		CASE NO. TC-2007-0307
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6	<u>IDE</u>	NTIFICATION OF WITNESS
7	Q.	Please state your name and business address.
8	Α.	My name is Arthur P. Martinez. My business address is 220 Madison Street, Jefferson
9		City, Missouri 65101.
10	Q.	Please state your current employment and on whose behalf you are testifying in this
11		proceeding.
12	A.	I am the Region Director of Government Relations for CenturyTel of Missouri, LLC and
13		Spectra Communications Group, LLC d/b/a CenturyTel, collectively referred to herein as
14		"CenturyTel". I am testifying on CenturyTel's behalf in this proceeding.
15	Q.	Are you the same Arthur P. Martinez who submitted direct testimony on behalf of
16		CenturyTel on May 21, 2007 and rebuttal testimony on July 6, 2007?
17	A.	Yes.
18	<u>PUR</u>	POSE OF TESTIMONY
19	Q.	What is the purpose of your surrebuttal testimony?
20	A.	My surrebuttal testimony is responsive to the Rebuttal Testimony of Mr. R. Matthew
21		Kohly on behalf of Socket Internet and Socket Telecom, LLC herein collectively referred
22		to as "Socket" unless expressly named. Additionally I will respond to the Rebuttal
23		Testimony of Staff witness Mr. William L. Voight filed on July 6, 2007.

#### KOHLY REBUTTAL

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- 2 Q. Mr. Kohly asserts on page 1 of his rebuttal testimony that CenturyTel's concerns
- 3 "only arise after Socket Internet changes its retail service from CenturyTel to
- 4 another provider...." Is this accurate?
- 5 A. No. As I stated in my direct testimony, CenturyTel's RCF service may only be used for
- 6 voice traffic, not data, and is restricted to one call at a time. The tariff further states that
- an additional RCF service is necessary for each additional call to be forwarded
- 8 simultaneously. The tariff is clear and unambiguous; RCF service is not to be used for
- 9 multiple simultaneous customer access to an Internet Service Provider (ISP) such as
- Socket Internet's dial-up service. I will address in more detail why ISPs and their use of
- 11 RCF service violate the tariff later in my testimony. I should also note that when Mr.
- 12 Kohly uses the term "another provider", what he really means is Socket Internet's
- affiliate Socket Telecom. As I stated in my rebuttal testimony, Socket Internet purchases
- 14 CenturyTel's RCF service in conjunction with a subsequent Socket Telecom porting
- order for the sole purpose of engaging in toll bypass. This is yet another abusive
- application of CenturyTel's RCF service. Socket Internet would not be able to perpetuate
- this abuse on its own because CenturyTel, in accordance with its tariff, would not allow
- 18 Socket Internet to use RCF service lines for multiple dialers sending data transmissions
- 19 simultaneously.
- 20 Q. Is CenturyTel seeking a "rehearing" of the arbitration decision as Mr. Kohly
- 21 suggests? (Kohly Rebuttal, Page 3, Lines 6-7)
- 22 A. No. To the contrary, CenturyTel wants Socket to abide by the Company's tariffs and to
- 23 live up to its obligations under the arbitrated interconnection agreement. CenturyTel is

exercising its right to stem a prohibited and abusive use of a service upon its network that
has implications for other CenturyTel customers. Such abuses are more fully illustrated
in Mr. Teasley's Rebuttal and Surrebuttal Testimony.

# 4 Q. Please elaborate on Socket Telecom's role in this scheme.

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- Certainly. The interconnection agreement requires Socket to establish Points of Interconnection when certain local traffic thresholds are met. Before the ink was dry on the arbitrated agreement, Socket Telecom began ignoring the arbitrator's decision on this issue and disputing its obligations to establish POIs in exchanges where it met or exceeded the thresholds.¹ In some instances Socket Telecom notified CenturyTel of its intent to decommission existing POIs. Socket Telecom's refusal to directly interconnect and establish POIs as required by the interconnection agreement clearly foists the costs of transporting Socket Internet's data traffic over CenturyTel's interexchange network without just compensation. Thereby Socket is engaging in toll by-pass. This situation is not only inequitable for CenturyTel but also for others who legitimately purchase interexchange services from CenturyTel either directly or indirectly. Moreover, it imposes costs on third parties such as AT&T and Embarq who may transit Socket's traffic outside of CenturyTel's service areas.
- Q. If Socket Telecom were to live up to its obligations under the interconnection agreement, would the basis for your statements regarding CenturyTel's willingness to reevaluate its denial of Socket's request for 61 additional RCF numbers be correct, as addressed in Mr. Kohly's Rebuttal Testimony on page 5, lines 8-14.
- 22 A. Yes, for two reasons. First, it removes the incentive for Socket Telecom to solicit 23 customers, most usually its affiliate Socket Internet, to purchase an undesired and

<sup>&</sup>lt;sup>1</sup>Case No. TC-2007-0341, Transcript, Volume 3, pp. 288-295.

unnecessary service, RCF, from CenturyTel. Second, to the extent that Socket Telecom wishes to allow its customers to use Socket's RCF service for multiple simultaneous calls, toll by-pass and data traffic, it does so at its own cost and does not foist its fair share of costs upon CenturyTel or other carriers.

On pages 5 and 6 of Mr. Kohly's rebuttal testimony, Mr. Kohly enters into a long

discussion in responding to your rebuttal testimony where you describe the impacts to CenturyTel's network when the Company ports a number and in effect looses control of the number. Is the actual loss or control of the number what is at issue?

No. Mr. Kohly has incorrectly characterized my testimony and that of Mr. Teasley in this regard. CenturyTel fully acknowledges the requirement to port numbers in accordance with federal law; however, just because a number is ported does not grant a CLEC the right to potentially abuse or harm CenturyTel's network or to ignore situations where competitors should be obligated to purchase or lease facilities portions of the Company's network. Any CenturyTel customer, whether retail or wholesale, must comply with the terms by which the Company makes its services available, including restrictions on use.

# Q. Can you give examples of such general restrictions?

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Yes. CenturyTel's tariff allows the company to disconnect services, without notice when any transmission service is used "in a manner as to interfere unreasonably with other services or service of another user, constitute abuse, fraud or tend to injuriously affect the efficiency of the Company's plant, property or service." In addition, CenturyTel's tariff allows the company to refuse to furnish service and/or disconnect existing service for a customer who, "demonstrates fraudulent means of obtaining, or attempting to obtain, or

<sup>&</sup>lt;sup>2</sup> CenturyTel of Missouri, LLC, PSC MO. NO. 1, § 2, Original Sheet 9; Spectra Communications Group, LLC d/b/a CenturyTel, PSC MO. NO. 1, § 2, Original Sheet 9.

assisting another to obtain, service by any trick, scheme, false representation, false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the charge for such service.<sup>3</sup>

Q. Have facts surrounding Socket's use of CenturyTel's RCF service either by its ISP
 or its telecommunications company changed since the arbitration?

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Yes. During the course of the arbitration Socket intentionally used examples of what I would characterize as normal voice customers to support its arguments that this Commission should require CenturyTel to port RCF numbers. Moreover and more importantly, they used examples of customers who were already purchasing and using RCF service from CenturyTel. The circumstances by which Socket is utilizing CenturyTel's RCF service today and the reason why CenturyTel elected to grandfather the service are entirely different. Today Socket solicits CenturyTel customers who are not currently purchasing RCF service and in all probability offers such customers enticements to get them to now purchase a service (RCF) from CenturyTel for which the customer had no need for before. The customer then elects to have its local service provided by Socket who requests that CenturyTel port the customer's number shortly after RCF service has been provisioned. This is a scheme by Socket to take advantage of regulatory arbitrage. Socket Telecom could have just as easily ported the number of the customer prior to the customer having to order RCF service from CenturyTel. At which point, Socket Telecom could offer its own RCF service to the customer.

Q. What type of customers is Socket Telecom enticing to purchase RCF service from CenturyTel?

<sup>&</sup>lt;sup>3</sup> CenturyTel of Missouri, LLC, PSC MO. NO. 1, § 2, Original Sheet 9; Spectra Communications Group, LLC d/b/a CenturyTel, PSC MO. NO. 1, § 2, Original Sheet 9.

- 1 A. Mainly ISPs and for the most part Socket Telecom's own ISP affiliate, Socket Internet.
- 2 Q. With the exception of normal business phone lines used to communicate with
- 3 customers, do ISPs normally purchase basic local service for the purpose of
- 4 transmitting data?
- 5 A. Yes. In fact for dial-up Internet access, the local phone line acts as a gateway to the ISP's
- 6 network. ISPs purchase basic local service for the purpose of allowing access to local
- 7 modem banks capable of handling multiple simultaneous connections through a single
- 8 telephone number for the transmission of Internet (IP) traffic such as e-mail, searches, up
- 9 loading and down loading of documents or information.
- 10 Q. On page 5 of his Rebuttal Testimony, Mr. Kohly implies that because a number is
- ported to a competitive carrier that the use of a service by the ported customer has
- 12 no bearing on CenturyTel's network. Do you agree?
- 13 A. No. Socket Telecom purchases certain wholesale services from CenturyTel. Those
- services must be used in an appropriate manner so as not to jeopardize the network. To
- the extent Socket relies on the CenturyTel network for the transportation of its traffic,
- Socket's use of the ported number has a significant bearing on the CenturyTel network.
- 17 Q. Why is this important to all carriers not just CenturyTel?
- 18 A. The network supports all of a carrier's services simultaneously much like a transportation
- system supports multiple forms of transportation. The pricing and provisioning of
- services vary in proportion to each services use of the network. An improper use of a
- service may not only impede that service but will likely have an impact on other services
- use of the network in a discriminatory manner. For example, if RCF service is allowed
- 23 to be used in this manner, customers who purchase toll-free 800 service either from

CenturyTel or another carrier will be paying CenturyTel for the cost of originating the toll-free 800 traffic and thereby placing such carriers in a position of unnecessarily subsidizing Socket's cost of operation. In other words, both the toll-free 800 subscribers and Socket's ISP traffic are riding the same transport network with other toll customers; but Socket, by refusing to pay its share of the transport costs, is being subsidized by all other paying customers using this common network.

# VOIGHT REBUTTAL

- 9 Mr. Voight in his Rebuttal (page 5, lines 13-16) suggests that the network congestion problems that will result from the two-step process related to Socket's improper use of RCF numbers is remedied by the interconnection agreement between the parties.
- 11 Do you agree?

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- 12 A. Regrettably my answer would have to be no. Socket has continually ignored the
  13 arbitrator's decisions and disputed its obligations under the agreement, particularly its
  14 obligation to establish POIs once certain thresholds are met, leaving CenturyTel and its
  15 customers to subsidize Socket's competitive initiatives.
- On page 3, lines 2-4, Mr. Voight states that RCF Service is "indispensable for emergency and disaster contingency planning purposes."
- 18 A. While Mr. Voight's intentions are well placed, the reality of the situation renders his
  19 testimony moot in this regard. I have previously testified that the number of
  20 CenturyTel's customers purchasing the service represents less than one half of one
  21 percent, which means that of the more than 420,000 customers served by CenturyTel in
  22 Missouri less than 1,300 of those customers, scattered throughout Missouri purchase RCF
  23 Service. In the event of a disaster it is likely that most if not all of the affected customers

would not be subscribed to RCF Service. Therefore, CenturyTel would have to seek a waiver of some sort to allow customers to access the service on an expedited basis taking into account that in many situations customers may not have the means to pay for the service in the event of a disaster or otherwise. I have already testified that the Company stands ready to deploy the service in such situations.<sup>4</sup> In addition, Mr. Teasley points out in his Rebuttal Testimony that CenturyTel has other means of providing service in the event of an emergency or disaster. These methods would allow customers to retain their original telephone number, and have it forwarded temporarily to a new location. In that case, their families would be able to contact them.

- Q. What does the Commission require of other carriers in the case of emergency situations?
- 12 A. The Commission requires that carriers demonstrate the "ability to remain functional in 13 emergency situations, including a demonstration that the carrier has a reasonable amount 14 of back-up power to ensure functionality without an external power source, is able to 15 reroute traffic around damaged facilities and is capable of managing traffic spikes 16 resulting from emergency situations."<sup>5</sup>
- 17 Q. Are there any additional requirements imposed on carriers?
- 18 A. Not to my knowledge.

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- 19 O. Does CenturyTel meet the requirements of the rule?
- 20 A. Yes and CenturyTel has demonstrated its ability to meet the requirements of the rule for 21 some time, but most recently in 2006 during the wind and ice storms that left tens of 22 thousands of Missourians without power and in some instances, without water. During

<sup>5</sup> Commission Rule 4 CSR 240-3570(2)(A)(4).

<sup>&</sup>lt;sup>4</sup> Martinez Rebuttal Testimony starting at page 9, line 19 continuing through page 11, line 3.

these storms the company was able to sustain service during long periods until commercial power was restored. I also provided another example where the company went above and beyond the Commission's Rule during a severe and life threatening propane leak that I more fully explained in my rebuttal testimony.

# 5 Q. Do you have any concluding remarks you would like to make?

Yes. The Commission's own rule we were just discussing should highlight for the Commission the rationale for allowing carriers to suspend or terminate the improper use of its services that directly impact the viability of the network. As Mr. Teasley has demonstrated in his testimony, abuses such as the ones exercised by Socket have the sudden and unplanned effect of causing congestion on the network resulting in ad hoc costs and network disruptions to CenturyTel and its customers. As a provider of last resort, CenturyTel bears the additional burden of ensuring its network is engineered and managed to a level that other providers such as Socket are not obligated to fulfill. Furthermore, it was the goal of Congress in passing the 1996 Telecommunications Act and the FCC's subsequent implementation to create incentives for competitive carriers to establish their own networks over time, thus creating a sustainable competitive alternative for consumers. I believe that this goal was the basis for the arbitrator's and commission's decision to require Socket to establish POIs in any exchange where its traffic has exceeded established thresholds.

# 20 Q. Does this conclude your testimony?

21 A. Yes.

A.