

**STATE OF ILLINOIS**

**BEFORE THE ILLINOIS COMMERCE COMMISSION**

Gridley Telephone Company	)	Docket Nos.	04-0180
Flat Rock Telephone Co-Op, Inc.	)		04-0181
Cambridge Telephone Company	)		04-0182
Henry County Telephone Company	)		04-0183
LaHarpe Telephone Company	)		04-0184
Hamilton County Telephone Co-Op	)		04-0185
Moultrie Independent Telephone Company	)		04-0189
Glasford Telephone Company	)		04-0193
Viola Home Telephone Company	)		04-0194
New Windsor Telephone Company	)		04-0195
Montrose Mutual Telephone Company	)		04-0196
Woodhull Community Telephone Company	)		04-0197
Leaf River Telephone Company	)		04-0198
Oneida Network Services, Inc.	)		04-0199
Oneida Telephone Exchange	)		04-0200
Reynolds Telephone Company	)		04-0206
Adams Telephone Co-Operative	)		04-0228
Shawnee Telephone Company	)		04-0236
The El Paso Telephone Company	)		04-0238
Odin Telephone Exchange, Inc.	)		04-0239
Yates City Telephone Company	)		04-0240
Grandview Mutual Telephone Company	)		04-0282
	)		
Petition for Suspension or Modification of	)		
Section 251(b)(2) requirements of the Federal	)		
Telecommunications Act pursuant to Section	)		
251(f)(2) of said Act; for entry of Interim Order;	)		
and for other necessary relief.	)		

**DIRECT TESTIMONY OF**

**MICHAEL A. MCDERMOTT**

**ON BEHALF OF VERIZON WIRELESS**

Prefiled: May 20, 2004

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1  
2 **I INTRODUCTION**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Michael A. McDermott, and my business address is 1515 Woodfield Drive,  
5 Suite 1400, Schaumburg, IL, 60173.

6

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am the Regional Director of State Public Policy for Verizon Wireless.

9

10 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**  
11 **EXPERIENCE.**

12 A. I graduated from the University of Illinois at Springfield in 1990 with a Bachelor of Arts  
13 Degree in Communications. After several years on the Issues Staff of Illinois House  
14 Speaker Michael Madigan, I represented various entities before the Illinois General  
15 Assembly. In 1997, a predecessor company to Verizon Wireless, PrimeCo Personal  
16 Communications, hired me as a Manager of State Government Affairs covering five  
17 states in the Midwest where I was responsible for all legislative and regulatory matters  
18 impacting the Company. In 2000, after Bell Atlantic Mobile, GTE Mobility, Vodafone,  
19 and PrimeCo's formed Cellco Partnership d/b/a Verizon Wireless, I was promoted to  
20 Associate Director for State Public Policy. In 2003, I was promoted to Regional Director

21 of State Public Policy. In this capacity, I oversee state legislative and regulatory matters  
22 for the Company in nine states, including Illinois.

23

24 **Q. PLEASE DESCRIBE YOUR BACKGROUND IN TELECOMMUNICATIONS?**

25 A. For the past seven and a half years, I have coordinated, crafted and implemented  
26 legislative and regulatory telecommunications policy in a multi-state region. I have had  
27 personal interaction with legislators, public utility commissioners and their respective  
28 staffs on a wide array of issues related to the wireless telecommunications industry.

29

30 **Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

31 A. I am testifying on behalf of Verizon Wireless.

32

33 **Q. HAVE YOU TESTIFIED BEFORE ON BEHALF OF VERIZON WIRELESS?**

34 A. On November 6, 2003, I testified before the West Virginia Public Service Commission  
35 on the Statewide 2-1-1 Referral Service General Order 187.25 then known as Case NO  
36 01-0689-T-GI. The issues involved in this matter were preemption of charges related to  
37 211 services for the wireless industry. Additionally, I served on the “Executive  
38 Committee” made of the “Settling Parties” in Indiana Utility Regulatory Cause Number  
39 42144, regarding the establishment of a state universal service fund (“USF”) Also, I have

40 testified on numerous legislative proposals at the Committee level in Illinois, Wisconsin,  
41 Indiana, Michigan, Ohio to name a few.

42  
43 **Q. PLEASE DESCRIBE VERIZON WIRELESS' OPERATIONS IN THE STATE OF**  
44 **ILLINOIS.**

45 A. Verizon Wireless was formed as a joint partnership operating the U.S. wireless  
46 businesses of Bell Atlantic Corp. and GTE Corp. - now Verizon Communications, Inc.  
47 (NYSE:VZ) - and Vodafone (NYSE and LSE: VOD). Verizon Wireless' predecessor  
48 companies include Bell Atlantic Mobile, AirTouch Cellular, GTE Wireless Incorporated,  
49 PrimeCo Personal Communications, and AirTouch Paging. All wireless carriers making  
50 up Verizon Wireless, including, in Illinois, Illinois RSA 6 & 7 Limited Partnership,  
51 Illinois SMSA Ltd. Partnership, Chicago SMSA Ltd. Partnership and Cybertel Cellular  
52 Telephone Company, do business as Verizon Wireless. Verizon Wireless provides  
53 Commercial Mobile Radio Service ("CMRS") pursuant to 47 U.S.C. § 332 and Sec.13-  
54 214 of the Act. Verizon Wireless has its principal place of business at Bedminster, New  
55 Jersey. Our Midwest Area, of which I am Regional Director of State Public Policy, is  
56 headquartered in Schaumburg, Illinois.

57

58 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

59 A. Verizon Wireless generally objects to requests for a suspension of the duty to provide  
60 wireline-to-wireless local number portability in accordance with the requirements  
61 prescribed by the Federal Communications Commission (“FCC”) in its *Telephone*  
62 *Number Portability*, Memorandum Opinion and Order and Further Notice of Proposed  
63 Rulemaking, 18 FCC Rcd. 23697 (2003) (“*Intermodal Porting Order*”). I am familiar  
64 with the requests for waivers made in the Petitions filed by Gridley Telephone Company,  
65 Flat Rock Telephone Co-Op, Inc., Cambridge Telephone Company, Henry County  
66 Telephone Company, LaHarpe Telephone Company, Hamilton County Telephone Co-  
67 Op, Moultrie Independent Telephone Company, Glasford Telephone Company, Viola  
68 Home Telephone Company, New Windsor Telephone Company, Montrose Mutual  
69 Telephone Company, Woodhull Community Telephone Company, Leaf River Telephone  
70 Company, Oneida Network Services, Inc., Oneida Telephone Exchange, Reynolds  
71 Telephone Company, Adams Telephone Co-Operative, Shawnee Telephone Company,  
72 The El Paso Telephone Company, Odin Telephone Exchange, Inc., Yates City Telephone  
73 Company, and Grandview Mutual Telephone Company, as well the issues raised in the  
74 Direct Testimonies and Exhibits of Tom A. Korte, filed on behalf of Gridley Telephone  
75 Company, Cambridge Telephone Company, Henry County Telephone Company,  
76 Montrose Mutual Telephone Company, and Grandview Mutual Telephone Company; the  
77 Direct Testimony and Exhibits of Kevin Jacobson, filed on behalf of Flat Rock

78 Telephone Co-Op, Inc.; the Direct Testimony and Exhibits of Jason P. Hendricks, filed  
79 on behalf of LaHarpe Telephone Company, Hamilton County Telephone Co-Op,  
80 Telephone Co-Operative, The El Paso Telephone Company, Odin Telephone Exchange,  
81 and Yates City Telephone Company; the Direct Testimony and Exhibits of Michael P.  
82 Petrouske, on behalf of Moultrie Independent Telephone Company, Glasford Telephone  
83 Company, and Leaf River Telephone Company; the Direct Testimony and Exhibits of  
84 Gordon J. Kraut, Jr., on behalf of Viola Home Telephone Company, New Windsor  
85 Telephone Company, Woodhull Community Telephone Company, Oneida Network  
86 Services, Inc., Oneida Telephone Exchange, and Reynolds Telephone Company; and the  
87 Direct Testimony and Exhibits of Michael Guffy on behalf of Shawnee Telephone  
88 Company. My testimony is applicable to all of the above-listed dockets and addresses  
89 the following issues:

- 90 • Verizon Wireless is ready to proceed with wireline-to-wireless local  
91 number portability;
- 92 • The Petitioners are required to offer wireline-to-wireless local number  
93 portability;
- 94 • This Commission must follow the federal standard for granting the  
95 requested relief;
- 96 • Availability of wireline-to-wireless local number portability is in the  
97 public interest.

98

99 **II VERIZON WIRELESS IS READY TO PROCEED WITH LOCAL**  
100 **NUMBER PORTABILITY IN AREAS SERVED BY THE 22**  
101 **PETITIONERS.**

102 **Q. IF THE ILLINOIS COMMERCE COMMISSION HAD NOT ISSUED INTERIM**  
103 **ORDERS GRANTING THE PETITIONERS TEMPORARY SUSPENSIONS OF**  
104 **THEIR WIRELINE-TO-WIRELESS LOCAL NUMBER PORTABILITY**  
105 **OBLIGATIONS, WOULD VERIZON WIRELESS HAVE BEEN PREPARED TO**  
106 **PROCEED WITH WIRELINE-TO-WIRELESS LOCAL NUMBER**  
107 **PORTABILITY WITH THE “22 PETITIONERS” ON MAY 24, 2004?**

108 **A.** Absolutely. Verizon Wireless has been providing wireline-to-wireless local number  
109 portability since November 24, 2003 in the top 100 MSAs. Since that time, Verizon  
110 Wireless has been preparing for the expansion of wireline-to-wireless local number  
111 portability to areas, such as those served by the Petitioners, outside the top 100 MSAs  
112 where Verizon Wireless offers service.

113  
114 **Q. IN WHAT AREAS OF ILLINOIS HAS WIRELINE-TO-WIRELESS LOCAL**  
115 **NUMBER PORTABILITY BEEN AVAILABLE SINCE NOVEMBER 24, 2003?**

116 **A.** Wireline-to-wireless local number portability has been available in Cook County, DeKalb  
117 County, DuPage County, Grundy County, Kane County, Kendall County, Lake County,  
118 McHenry County, and Will County, which are part of the Chicago MSA throughout SBC  
119 and Verizon landline service areas.

120

121 **Q. HOW WILL VERIZON WIRELESS' EFFORTS TO SERVE AND ATTRACT**  
122 **NEW CUSTOMERS BE AFFECTED BY THESE PROCEEDINGS?**

123 A. That is one of Verizon Wireless' major concerns and one of the reasons we chose to  
124 intervene in these proceedings. Clearly, based on the interim orders already granted by  
125 the Commission, the Petitioners will not be ready or willing to provide wireline-to-  
126 wireless local number portability. We are very concerned about the consumer confusion  
127 that will result from this disparate treatment of consumers throughout Illinois and  
128 throughout the country. When a customer of one of the Petitioners approaches Verizon  
129 Wireless and asks to port a number, we will have to tell that customer that their local  
130 provider sought and was granted a waiver by this Commission from its federal obligation  
131 to provide wireline-to-wireless local number portability. If the customer is unhappy, and  
132 I anticipate they may be, they will express their disappointment to Verizon Wireless, to  
133 their local provider, to this Commission, and to the FCC. In addition, there is bound to  
134 be some general confusion as to who may and may not port their numbers.

135

136 **Q. CAN'T VERIZON WIRELESS EXPLAIN THIS TO THE ANGRY**  
137 **CUSTOMERS?**

138 A. Yes and we will. However, there will be a great deal of press coverage regarding the  
139 availability of local number portability, not just from Verizon Wireless, but from the

140 entire industry. The FCC is also issuing press releases announcing the May 24<sup>th</sup>  
141 availability date.

142  
143 **Q. THE PETITIONS IN THESE DOCKETS WERE FILED IN MARCH. HOW**  
144 **LONG BEFORE THAT DID THE PETITIONERS KNOW THAT THEY WOULD**  
145 **NEED TO PROVIDE WIRELINE-TO-WIRELESS LOCAL NUMBER**  
146 **PORTABILITY?**

147 A. The Petitioners should have known since 1996 that they would be required to provide  
148 local number portability. Section 251(b)(3) of the Telecommunications Act of 1996  
149 requires all local exchange carriers to provide local number.<sup>1</sup> In its rules implementing  
150 the local number portability requirements of the Act, the FCC recognized that the public  
151 interest would be served by requiring carriers to implement local number portability in all  
152 areas, but conditioned the requirement to implement local number portability in rural  
153 areas on a carrier receiving a bona fide request (“BFR”) from another carrier.<sup>2</sup>

154 On June 27, 1996, the FCC issued its First Report and Order on Local Number  
155 Portability.<sup>3</sup> In that Report and Order, the FCC reiterated that “number portability must

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<sup>1</sup> 47 U.S.C. § 251(b)(3).

<sup>2</sup> 47 C.F.R. § 52.26.

<sup>3</sup> *First Report and Order and Further Notice of Proposed Rulemaking*, 11 FCC Rcd 8352 (1996) (“*First Report and Order on Local Number Portability*”).

156 be provided in these areas by all LECs to all telecommunications carriers, including  
157 commercial mobile radio services (CMRS) providers.”<sup>4</sup>

158 The FCC granted a number of extensions<sup>5</sup> to intermodal and wireless-to-wireless  
159 local number portability up until July 2002 when it issued a final order requiring wireless  
160 local number portability by November 24, 2003.<sup>6</sup> Therefore, all of the Petitioners should  
161 have known about and begun preparing for wireline-to-wireless local number portability  
162 in July 2002. Despite the fact that the FCC had given the industry over seven years to get  
163 ready, the FCC gave rural carriers, such as the Petitioners until May 24, 2004, six months  
164 later, to prepare for wireline-to-wireless local number portability.<sup>7</sup> Though the  
165 Petitioners had over 8 years to prepare for wireline-to-wireless local number portability,  
166 they waited until less than 3 months before the FCC’s mandate’s effective date to file the  
167 instant petitions with this Commission.

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<sup>4</sup> *Id* at ¶3

<sup>5</sup> Ironically, in the past this very Commission opposed such requests, arguing “the benefits of LNP [were being] ignored.” *See*, Letter from Thomas G. Aridas, General Counsel, Illinois Commerce Commission to Margalie Roman Salas, Federal Communications Commission, re: Docket No. 01-184, October 16, 2001 (Attached hereto as Attachment A.)

<sup>6</sup> *Local Number Portability, Memorandum Opinion and Order*, 17 FCC Rcd 14972 (2002).

<sup>7</sup> *Intermodal Porting Order*.

169 **III THE PETITIONERS ARE REQUIRED TO OFFER WIRELINE-TO-**  
170 **WIRELESS LOCAL NUMBER PORTABILITY.**

171 **Q. ARE THE PETITIONERS REQUIRED BY THE FCC TO OFFER WIRELINE-**  
172 **TO-WIRELESS LOCAL NUMBER PORTABILITY?**

173 A. Yes. But for this Commission's Interim Order, the Petitioners all would be required by  
174 the FCC's *Intermodal Porting Order* to provide wireline-to-wireless local number  
175 portability on May 24, 2004. As the FCC recognized that the public interest would be  
176 served by requiring carriers to implement local number portability in all areas, but  
177 conditioned the requirement to implement local number portability on a carrier receiving  
178 a bona fide request ("BFR") from another carrier.<sup>8</sup>

179  
180 **Q. HAS VERIZON WIRELESS SENT A BFR TO EACH OF THE PETITIONERS**  
181 **REQUESTING THE IMPLEMENTATION OF LNP?**

182 A. Verizon Wireless sent BFRs to Petitioners in October of 2003. In fact nearly all of the  
183 Petitions acknowledge receiving BFRs from Verizon Wireless in both their Petitions and  
184 in their direct testimony and include, as exhibits to their direct testimony, copies of  
185 Verizon Wireless's BFRs. One of the Petitioners, Shawnee Telephone Company (Docket  
186 No. 04-0236) claims not to have received a BFR from Verizon Wireless. Yet Shawnee's  
187 witness, Michael Guffy attached to his testimony the October 22, 2003 correspondence

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<sup>8</sup> 47 C.F.R. § 52.26.

188 from Verizon Wireless that includes a document specifically titled “Bonafide Request  
189 Form” requesting permanent local number portability.<sup>9</sup> Verizon Wireless’ lawful  
190 requests to implement wireline-to-wireless local number portability provided the  
191 Petitioners with more than 6 months notice to deploy wireline-to-wireless local number  
192 portability. The Petitioners waited more than 4 months to ask for suspensions of its  
193 wireline-to-wireless local number portability obligations and then failed to serve Verizon  
194 Wireless with their Petitions.

195

196 **IV THIS COMMISSION MUST FOLLOW THE FEDERAL STANDARD FOR**  
197 **GRANTING THE REQUESTED RELIEF.**

198 **Q. WHAT IS THE STANDARD FOR GRANTING THE PETITIONERS’**  
199 **REQUESTS FOR SUSPENSION OF THEIR LNP OBLIGATIONS?**

200 A. Section 251(f)(2) of the Act permits state commissions to suspend a carrier’s LNP  
201 obligations only:

202 to the extent that, and for such duration as, the State commission  
203 determines that such suspension or modification —  
204 (A) is necessary: (i) to avoid significant adverse impact on users  
205 of telecommunications services generally; (ii) to avoid imposing a  
206 requirement that is unduly economically burdensome; or (iii) to  
207 avoid imposing a requirement that is technically infeasible; and

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<sup>9</sup> See, Direct Testimony of Michael Guffy on behalf of Shawnee Telephone Company, ICC Docket No. 04-0236, Attachment 2.

208 (B) is consistent with the public interest, convenience, and  
209 necessity.<sup>10</sup>

210 “Congress intended exemption, suspension, or modification of the section 251  
211 requirements to be the exception rather than the rule.... [the FCC] believes that Congress  
212 did not intend to insulate smaller or rural LECs from competition.”<sup>11</sup> Further in  
213 codifying its interpretation of Section 251(f)(2), the FCC found that:

214 In order to justify a suspension or modification under section  
215 251(f)(2) of the Act, a LEC must offer evidence that the  
216 application of section 251(b) or section 251(c) of the Act would be  
217 likely to cause undue economic burden beyond the economic  
218 burden that is typically associated with efficient competitive  
219 entry.<sup>12</sup>

220

221 **Q. HOW SHOULD THIS COMMISSION DETERMINE WHETHER OR NOT TO**  
222 **SUSPEND THE PETITIONERS WIRELINE-TO-WIRELESS LOCAL NUMBER**  
223 **PORTABILITY OBLIGATIONS?**

224 A. The FCC has said that the Petitioners bear the burden of demonstrating that they meet the  
225 statutory and regulatory standards for a suspension of their wireline-to-wireless local  
226 number portability obligations. The Petitioner must offer evidence that application of

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<sup>10</sup> 47 U.S.C. § 251(f)(2).

<sup>11</sup> *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, First Report & Order, 11 FCC Rcd. 15499, ¶1262 (1996) (“*Local Competition First Report and Order*”).

<sup>12</sup> 47 C.F.R. § 51.405(d); see also *Local Competition First Report and Order*, ¶1262.

227 the wireline-to-wireless local number portability obligations would be likely to cause  
228 undue economic burdens beyond the economic burdens typically associated with efficient  
229 competitive entry. In fact:

- 230 • not one of the petitions nor accompanying prefiled testimony mention this  
231 standard;
- 232 • not one of the petitions nor accompanying prefiled testimony mention  
233 competitive entry anywhere in Illinois or elsewhere;
- 234 • not one of the petitions nor accompanying prefiled testimony compare  
235 their economic projections of providing the required wireline-to-wireless  
236 local number portability to the economic realities of any other carrier who  
237 is already providing wireline-to-wireless local number portability; and,
- 238 • not one of the petitions nor accompanying prefiled testimony offer any  
239 facts on whether or not their economic projections would cause undue  
240 economic burdens.

241 The FCC has determined that where such petitions are filed, “State commissions  
242 will need to decide on a case-by-case basis whether such a showing has been made.”<sup>13</sup>  
243 Plain and simple, the Petitioners have failed to even provide evidence that a suspension  
244 of wireline-to-wireless local number portability is justified.

---

<sup>13</sup> *Local Competition First Report and Order*, ¶1262.

245 **Q. HAS THE FCC GIVEN STATE COMMISSIONS ANY FURTHER GUIDANCE**  
246 **REGARDING REQUESTS FOR SUSPENSIONS OF WIRELINE-TO-WIRELESS**  
247 **LOCAL NUMBER PORTABILITY?**

248 A. Yes they have. In a letter to Stan Wise, President of the National Association of  
249 Regulatory Utility Commissioners, the FCC's Chief of the Consumer & Governmental  
250 Affairs Bureau, K. Dane Snowden, outlined how the FCC views such Petitions. Mr.  
251 Snowden wrote:

252 "I hope that you . . . will encourage state commissions to hold  
253 carriers that seek waivers of their porting obligations to the  
254 appropriate standard of review. At this point, I understand that  
255 many rural wireline carriers have sought waivers of their  
256 obligations, and that, in some cases, waivers have been granted.  
257 Of course, states have jurisdiction to waive porting obligations for  
258 certain rural telephone companies under Section 251(f) of the  
259 Telecommunications Act of 1996, where carriers demonstrate  
260 undue economic burden or technological infeasibility. I think we  
261 can agree that the State commissions should strictly apply that  
262 statutory standard so that the rights of consumers are protected. I  
263 encourage the State commissions to ensure that carriers seeking  
264 waivers demonstrate that they are on a path to compliance so that  
265 customers of these carriers will not be forever denied the rights  
266 their fellow consumers enjoy. If relief were to be granted in the  
267 absence of extraordinary circumstances, or for indefinite periods, it  
268 would be a setback for rural consumers. It should be noted that  
269 some of the same carriers that now seek to have their porting  
270 obligations waived have long known that they would, absent a  
271 demonstration of undue burden, be required to provide porting to  
272 both wireline and wireless carriers.<sup>14</sup>

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<sup>14</sup> Correspondence from K. Dane Snowden to Stan Wise, May 6, 2004 (Attached hereto as Attachment B).

273

274 **Q. IN THE ABSENCE OF THE IMPLEMENTATION DELAY ALREADY**  
275 **GRANTED TO THE PETITIONERS BY THIS COMMISSION, WHAT ARE THE**  
276 **PREVAILING GUIDELINES FOR IMPLEMENTATION OF WIRELINE-TO-**  
277 **WIRELESS LOCAL NUMBER PORTABILITY AND HOW DO THEY RELATE**  
278 **TO THE PETITIONERS' SITUATION?**

279 A. From the Petition's testimony and exhibits, it is apparent that only software upgrades and  
280 table translations are required to Petitioners' switches to make them wireline-to-wireless  
281 local number portability capable. The default guidelines required this type of upgrade to  
282 be completed within 60 days of receipt of a bona fide request. Local Number Portability  
283 requirements were established for all local exchange carriers in Section 251(b)(3) of the  
284 Telecom Act in 1996.<sup>15</sup> Specific to the Petitioners in this case, the FCC conditioned the  
285 requirement to implement local number portability in rural areas on a carrier receiving a  
286 BFR from another carrier:<sup>16</sup>

287 After the deadline for deployment of number portability in an  
288 MSA in the 100 largest MSAs, according to the deployment  
289 schedule set forth in the appendix to this part, a LEC must deploy  
290 number portability in that MSA in additional switches upon  
291 request within the following time frames:

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<sup>15</sup> 47 U.S.C. § 251(b)(3).

<sup>16</sup> 47 C.F.R. § 52.23(b)(2)(iv).

- 292 (A) For remote switches supported by a host switch equipped  
293 for portability (“Equipped Remote Switches”), within 30  
294 days;
- 295 (B) For switches that require software but not hardware  
296 changes to provide portability (“Hardware Capable  
297 Switches”), within 60 days;
- 298 (C) For switches that require hardware changes to provide  
299 portability (“Capable Switches Requiring Hardware”),  
300 within 180 days;
- 301 (D) For switches not capable of portability that must be  
302 replaced (“Non Capable Switches), within 180 days.

303 The BFR process established an implementation interval of 180 days.

304 The FCC reiterated this rule with respect to wireline-to-wireless local number  
305 portability on November 10, 2003:

306 Therefore for wireline carriers operating in areas outside of the 100  
307 largest MSAs, we hereby waive, until May 24, 2004, the  
308 requirement that these carriers port numbers to wireless carriers  
309 that do not have a point of interconnection or numbering resources  
310 in the rate center where the customer’s wireline number is  
311 provisioned.”<sup>17</sup>

312 There is nothing vague or indefinite about the wireline-to-wireless local number  
313 portability obligations imposed on the Petitioners. This eventuality has been foreseeable  
314 for the eight years since the Telecom Act was passed in February 1996. Verizon  
315 Wireless’ intent to port numbers from the Petitioners has been known by the Petitioners

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<sup>17</sup> Intermodal Porting Order, ¶ 29.

316 since October, 2003, more than 7 months ago. The FCC released its *Intermodal Porting*  
317 *Order* 6 months ago. With all this advance public notice the Petitioners should have been  
318 be prepared to implement wireline-to-wireless local number portability.

319 The opportunity for a carrier to “game the system” to delay performance  
320 obligations should not be rewarded. Clearly, Petitioners have had sufficient time to meet  
321 their obligations.

322

323 **Q. SHOULD THE FACT THAT MANY SIMILARLY SITUATED LECS ARE NOT**  
324 **SEEKING A DELAY OR SUSPENSION OF WIRELINE-TO-WIRELESS LOCAL**  
325 **NUMBER PORTABILITY IMPLEMENTATION MERIT CONSIDERATION IN**  
326 **THIS PETITION?**

327 A. Yes. The decision by many other independent local exchange companies to prepare for  
328 implementation rather than seek a delay or suspension is clear evidence that the  
329 implementation of number portability by May 24, 2004 was achievable.

330

331 **V** **THERE IS NO UNDUE ECONOMIC BURDEN ON THE PETITIONERS**  
332 **IN IMPLEMENTING THE REQUIRED WIRELINE-TO-WIRELESS**  
333 **LOCAL NUMBER PORTABILITY**

334 **Q. HAVE YOU HAD A CHANCE TO REVIEW THE COST STUDIES PRESENTED**  
335 **BY THE PETITIONER’S WITNESSES?**

336 **A.** Yes I have. While, I am not an accountant, I am prepared to talk on the policy issues  
337 presented within their cost studies.

338

339 **Q. WHAT IS THE STANDARD FOR ESTABLISHING AN “UNDUE ECONOMIC**  
340 **BURDEN”?**

341 **A.** As I previously stated, Section 251(f)(2) of the Telecommunications Act of 1996 permits  
342 the Commission to suspend a local exchange carrier’s wireline-to-wireless local number  
343 portability obligation if such action is “necessary to avoid imposing a requirement that is  
344 unduly economically burdensome.”<sup>18</sup> This Commission has stated that:

345 “In determining whether the requested waiver is necessary to avoid  
346 imposing a requirement that is unduly economically burdensome,  
347 the factors which may be considered by the Commission include,  
348 but are not limited to, the following:

349 1) the ability of the ILEC to attract capital on its Illinois  
350 jurisdictional investment or to raise capital on reasonable  
351 terms;

352 2) the impact on the ILEC's ability to compete in Illinois  
353 telecommunications markets;

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<sup>18</sup> 47 U.S.C. § 251(f)(2)(A)(ii).

354 3) the impact on the ILEC's ability to innovate.”<sup>19</sup>

355 The facts contained in the Petitioner’s testimony do not address these standards.

356

357 **Q. WILL A DELAY IN WIRELINE-TO-WIRELESS LOCAL NUMBER**  
358 **PORTABILITY SAVE ANY LOCAL NUMBER PORTABILITY**  
359 **INVESTMENTS?**

360 A. No. The investments required by the Petitions will not be reduced by delaying their  
361 obligation to implement wireline-to-wireless local number portability. The risk for the  
362 Petitioners is no more than the investment risk made by any other carrier who has  
363 implemented local number portability. A delay only serves to deny those competitive  
364 carriers that have made local number portability investments the opportunity to leverage  
365 that investment in the Petitioners’ serving areas.

366

367 **Q. HAS VERIZON WIRELESS MADE THE INVESTMENTS NECESSARY TO**  
368 **PROVIDE LNP IN ILLINOIS?**

369 A. Yes. We have upgraded our network, implemented new processes, systems, and hired  
370 supporting resources to implement wireline-to-wireless local number portability in  
371 Illinois and throughout the nation. We believe it is unfair that carriers that are similarly  
372 obligated, would be exempted from their obligations and thereby limit our ability to

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<sup>19</sup> 83 Ill. Adm. Code 733.105.

373 recoup the wireline-to-wireless local number portability investments we have made by  
374 restricting our opportunity to offer wireline-to-wireless local number portability to the  
375 Petitioners' customers.

376

377

378 **Q. HOW DO YOU BELIEVE THIS COMMISSION SHOULD VIEW THE FACT**  
379 **THAT THE PETITIONERS APPARENTLY HAVE NOT PREPARED FOR**  
380 **WIRELINE-TO-WIRELESS LOCAL NUMBER PORTABILITY?**

381 The fact that the Petitioners have not prepared their networks for the  
382 implementation of competition through wireline-to-wireless local number portability and,  
383 apparently, have not budgeted for wireline-to-wireless local number portability  
384 implementation in 2004 (even though they received bona fide requests for  
385 implementation in 2003) should not be used as basis for granting any delay or suspension  
386 of number portability obligations. The Petitioners have not demonstrated good-faith  
387 efforts to comply with the local number portability requirements.

388

389 **Q. WHAT STANCE HAS THE FCC STAFF TAKEN WITH RESPECT TO THE**  
390 **PETITIONERS' POSITIONS?**

391 A. Speaking at a forum on LNP issues, Wireless Bureau Assistant Chief David Firth said  
392 that the volume of actual number porting would not be the measure of success, but giving  
393 customers the option to port was most important. He indicated that carriers outside of the

394 100 largest MSA's should be testing and preparing for the May 24, 2004 LNP deadline.

395 Responding to questions, Mr. Firth indicated that rating and routing issues between

396 carriers are not porting issues and are therefore not a valid reason for refusing to port.<sup>20</sup>

397

398 **VI CONCLUSION**

399 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

400 The Commission should reject the Petitioners' arguments for delayed

401 implementation, deny the Petitions, and establish an expedited date by which the

402 Petitioners should implement wireline-to-wireless local number portability

403

404 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

405 **A.** Yes, it does.

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<sup>20</sup> See Attachment C, *Washington Watch*, NECA, March 18, 2004. (Mr. Firth's name is misspelled in the *Washington Watch* article. It is actually spelled "Furth.")