

DIRECT TESTIMONY
OF
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ILLINOIS COMMERCE COMMISSION

Petition of Data Net Systems, L.L.C.
For Designation as an Eligible Telecommunications Carrier
Under 47 U.S.C. § 214(e)(2)

DOCKET NO. 06-0410

AUGUST 11, 2006

1 **Introduction**

2

3 **Q. Please state your name and business address.**

4 A. My name is Jeffrey H. Hoagg. My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed as the Principal Policy Advisor in the Telecommunications
9 Division of the Illinois Commerce Commission

10

11 **Q. Please briefly describe your educational background and work
12 experience.**

13

14 A. I graduated from Cornell University with a Master of Arts in Economics in
15 1986. I was admitted to doctoral candidacy at Cornell and completed all
16 requirements for the Ph.D. in Economics other than completion of the
17 dissertation. My major field of graduate study was Industrial Organization
18 and Regulation.

19

20 I have held the positions of Telecommunications Tariffs and Rates
21 Analyst, Telecommunications Policy Analyst, and Special Assistant to the
22 Deputy Chair of the Commission at the New York Public Service
23 Commission. I performed economic and policy analyses of industry and

24 regulatory issues, and formulated recommendations for Commission
25 members and other decision-makers.

26
27 In 1993 I became Special Advisor to Commissioner Barrett of the Federal
28 Communications Commission. I provided analyses and policy
29 recommendations on a wide range of telecommunications issues, and
30 functioned as liaison with the offices of other Commissioners, the
31 Chairman and the FCC's Common Carrier Bureau. I prepared testimony,
32 speeches and presentations for delivery before Congress and various
33 regulatory and industry groups, and drafted informal and formal
34 documents for issuance by the Commissioner and his office.

35
36 I have been employed by the Illinois Commerce Commission in the
37 Telecommunications Division from 2000 to the present. During this time, I
38 have conducted analyses and provided policy recommendations on a wide
39 range of telecommunications issues. I have provided testimony on behalf
40 of Staff of the Illinois Commerce Commission in numerous docketed
41 proceedings.

42
43 **Overview and Summary**

- 44
45 **Q. What is the purpose of your testimony?**
46 A. My testimony provides broad policy guidance and specific
47 recommendations to the Commission concerning the application of Data

48 Net Systems, L.L.C. (“DATA NET” or “Applicant”) for eligible
49 telecommunications carrier (“ETC”) status in Illinois. I address appropriate
50 requirements that should be met by DATA NET in order to qualify for ETC
51 status. I also address the appropriate public interest analyses the
52 Commission should undertake to evaluate DATA NET’s ETC application.

53

54 **Q. Please summarize your testimony.**

55 A. I conclude the Commission should, in large measure, apply requirements
56 similar to those set forth in the FCC’s March 17, 2005 Report and Order in
57 C.C Docket 96-45 (“ETC Order”).¹ This order enumerates the
58 requirements the FCC will apply to any application for ETC status that
59 comes before it. The requirements of the ETC Order are “permissive” and
60 are not binding upon this Commission in its evaluation of any application
61 for ETC status. However, the FCC strongly encourages states to utilize
62 the analyses and requirements contained in the ETC Order. Among other
63 things, this would achieve a reasonable level of consistency in treatment
64 of ETC applications across the nation. This argument, and others raised
65 by the FCC in support of state utilization of its ETC Order requirements
66 are, in my opinion, persuasive. In my opinion, the FCC requirements are,
67 for the most part, appropriate and reasonable. Had the FCC not issued its
68 ETC Order, I believe the Commission should have and would have
69 determined to apply standards and requirements similar to those set forth

¹ Report and Order, In the Matter of Federal State Joint Bd. on Universal Service, , CC Docket No. 96-45, FCC 05-46, Released March 17, 2005 (“ETC Order”).

70 in the ETC Order. In addition to these requirements, I believe the
71 Commission should require that the Applicant demonstrate its willingness
72 and ability to comply with all applicable ICC Code Parts (notably including
73 applicable portions of Code Parts 730, 731, 732, 735 and 757) as a
74 condition for ETC designation.

75

76 **Standards and Requirements for ETC Designation**

77

78 **Q. What fundamental requirements are imposed directly upon ETCs by**
79 **the federal Act?**

80 A. These fundamental requirements are:

81 A common carrier designated as an ETC must offer the
82 services supported by the federal universal service
83 mechanisms throughout the designated service area. The
84 ETC must offer such services using either its own facilities or
85 a combination of its own facilities and resale of another
86 carrier's services. The ETC must also advertise the
87 supported services and the associated charges throughout
88 the service area for which designation is received, using
89 media of general distribution. In addition, an ETC must
90 advertise the availability of Lifeline and Link Up services in a
91 manner reasonably designed to reach those likely to qualify
92 for those services.²

93

94 In addition, the federal Act³ requires that either the FCC or a state
95 commission must determine that an ETC designation serves the public
96 interest, convenience and necessity before granting ETC status.

² ETC Order, par. 17

³ Section 214 falls under the Communications Act of 1934 ("34 Act"). Section 254 of the 1996 Telecommunications Act ("96 Act") amended the Communication Act's prior directives

97

98 **Q. What standards should be applied by the Commission to determine if**
99 **granting DATA NET's ETC application is in the public interest?**

100 A. These standards may be determined broadly at the discretion of the
101 Commission, consistent with Section 214(e) of the federal
102 Telecommunications Act, and all other applicable state and federal law. I
103 recommend that the Commission utilize the basic requirements and
104 analyses of the FCC's ETC Order as a "minimum baseline" from which to
105 conduct the Commission's own analyses. Moreover, I recommend that
106 the Commission require ETC applicants to demonstrate both willingness
107 and ability to comply with all applicable Commission Code Parts as a
108 condition for ETC designation.

109

110 **Q. Why do you recommend that the Commission utilize ETC Order**
111 **requirements as an appropriate "baseline" to apply to new ETC**
112 **applicants?**

113 A. I believe the analytical framework and requirements contained in the ETC
114 Order reflect an appropriate balancing of key competing considerations
115 and interests. Speaking generally, it balances the potential benefits to
116 consumers of additional competitive entry with protections and
117 requirements intended to ensure consumers benefit directly from that
118 entry and use of USF support to promote that entry.

regarding ETC designation. Consequently, Staff will refer to both the 96 Act and the 34 Act as the "federal Act".

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There are two overarching reasons to impose upon new ETC applicants obligations identical or similar to those imposed by the FCC. The first is to achieve better “targeting” of universal service support. The ETC Order requirements will help ensure that universal service support flows to uses that will directly benefit consumers. In my opinion, this is the essence of the FCC’s “five year plan” requirement, which is intended to ensure that universal service support received by a newly designated ETC is used to upgrade, improve, extend and/or operate facilities in ways that will directly benefit customers. I consider such a five-year USF spending plan an essential “bedrock” requirement for ETC designation for any new entrant.

A second compelling rationale is that these requirements will help ensure that customers (particularly in rural areas) continue to have appropriate protections reflecting their circumstances, even as increased competitive entry is facilitated through new ETC designations. It is virtually axiomatic that competitive entry into the serving territories of existing ILECs will financially weaken these incumbent carriers to some (unknown) extent.

This is a largely unavoidable corollary to receipt of USF support by new entrants, since such funding will facilitate new entrants’ efforts to win customers from incumbent ILECs. Thus, increased competitive entry ultimately is accompanied by some danger that over time, some incumbent carriers (particularly rural carriers) may not be able to fully

142 maintain their traditional provider of last resort (POLR) status.⁴ Among
143 other things, the Commission thus should ensure that new entrant ETCs
144 are reasonably well positioned to step into the role of POLR. ETC
145 obligations should be formulated, at least in part, to assist the newly
146 designated ETC to generally prepare to undertake POLR obligations if
147 needed in the future. I believe this is a fundamental objective of several
148 obligations contained in the FCC's ETC Order. This Commission's ETC
149 requirements also should be designed to advance this basic objective.

150

151 **Q. In your opinion, is the FCC's ETC Order consistent with the intent of**
152 **the federal Act with respect to new entrant ETC designations?**

153 A. Yes. I believe this is illustrated by requirements contained in Section
154 241(e) of the Act:

155 A State commission shall permit an ETC to relinquish its
156 designation as such a carrier in any area served by more
157 than one ETC. Any ETC that seeks to relinquish its ETC
158 designation for an area served by more than one ETC shall
159 give advance notice to the State commission of such
160 relinquishment. Prior to permitting a telecommunications
161 carrier designated as an ETC to cease providing universal
162 service in an area served by more than one ETC, the State
163 commission shall require the remaining ETC or ETCs to
164 ensure that all customers served by the relinquishing carrier
165 will continue to be served, and shall require sufficient notice
166 to the remaining ETC or ETCs to permit the purchase or
167 construction of adequate facilities by any remaining ETC.
168 The state commission shall establish a time, not to exceed
169 one year after the State commission approves such
170 relinquishment under this paragraph, within which such
171 purchase or construction shall be completed.⁵

⁴ In contrast to larger incumbent carriers, rural incumbent carriers generally have fewer resources and revenue streams to draw upon to offset such customer losses.

⁵ 47 U.S.C. § 214(e)(4).

172

173 In my opinion, this illustrates a basic precept of the federal Act concerning
174 ETC status that is advanced by the FCC ETC Order. Accepting ETC
175 designation is a weighty commitment. ETC designation is about more
176 than simply receiving universal service funds if a carrier can show that it
177 will provide rural customers with more choice in services. Section 214(e)
178 effectively conveys the following message: once you're in, you can't
179 simply opt out, as in a competitive market devoid of universal service
180 support. Section 214(e) reflects the fact that receipt of USF support is
181 accompanied by specific obligations, and regulators should ensure these
182 obligations are fulfilled by an ETC.

183

184 **Q. What fundamental obligations has the FCC determined are**
185 **appropriate for ETCs?**

186

187 A. The FCC determined that an ETC must demonstrate:

188 (1) a commitment and ability to provide services, including
189 providing service to all customers within its proposed service
190 area; (2) how it will remain functional in emergency
191 situations; (3) that it will satisfy consumer protection and
192 service quality standards; (4) that it offers local usage
193 comparable to that offered by the incumbent LEC; and (5) an
194 understanding that it may be required to provide equal
195 access if all other ETCs in the designated service area
196 relinquish their designations pursuant to section 214(e)(4) of
197 the Act.⁶

198

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⁶ ETC Order, par. 20.

200 **Q. Briefly summarize how the FCC requires ETCs to satisfy these**
201 **general obligations.**

202 A. The ETC must satisfy the first item:

203
204 (1) by providing services to all requesting customers within
205 its designated service area; and (2) by submitting a formal
206 network improvement plan that demonstrates how universal
207 service funds will be used to improve coverage, signal
208 strength, or capacity that would not otherwise occur absent
209 the receipt of high-cost support.⁷
210

211 The ETC must satisfy the second item by showing:

212
213 it has a reasonable amount of back-up power to ensure
214 functionality without an external power source, is able to
215 reroute traffic around damaged facilities, and is capable of
216 managing traffic spikes resulting from emergency situations.⁸
217

218 With respect to the third item, the ETC must:

219
220 make a specific commitment to objective measures to
221 protect consumers.... In addition, an ETC applicant, as
222 described *infra*, must report information on consumer
223 complaints per 1,000 handsets or lines on an annual basis.⁹
224

225 Concerning the fourth item, the ETC must:

226 demonstrate that it offers a local usage plan comparable to
227 the one offered by the incumbent LEC in the service areas
228 for which the applicant seeks designation.¹⁰
229

230 For the final item, the ETC must acknowledge it may be required:

231
232 to provide equal access to long distance carriers in their
233 designated service area in the event that no other ETC is
234 providing equal access within the service area.¹¹
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⁷ ETC Order, at par. 21.

⁸ Id. at par. 25.

⁹ Id. at par. 28.

¹⁰ Id. at par. 32.

¹¹ Id. at par 35.

237 **Q. Please briefly summarize the FCC's "five-year service quality**
238 **improvement" plan.**

239 A. The FCC requires that an ETC applicant submit the following as a
240 condition for ETC designation:

241 a five-year plan describing with specificity its proposed
242 improvements or upgrades to the applicant's network on a
243 wire center-by-wire center basis throughout its designated
244 service area. The five-year plan must demonstrate in detail
245 how high-cost support will be used for service improvements
246 that would not occur absent receipt of such support. This
247 showing must include: (1) how signal quality, coverage, or
248 capacity will improve due to the receipt of high-cost support
249 throughout the area for which the ETC seeks designation;
250 (2) the projected start date and completion date for each
251 improvement and the estimated amount of investment for
252 each project that is funded by high-cost support; (3) the
253 specific geographic areas where the improvements will be
254 made; and (4) the estimated population that will be served
255 as a result of the improvements.¹²
256
257

258 **Q. Please provide your overall assessment of this requirement.**

259 A. In my view, such a plan is a vital component of any new ETC application.
260 I recommend that the Commission reject any new ETC application that
261 does not contain a sufficiently detailed and verifiable multi-year USF
262 support spending plan. I think it is appropriate to describe this
263 requirement more generally as a "multi-year USF spending" plan, since
264 the nature and contents of such a plan will differ depending upon whether
265 the ETC uses its own facilities to provide service, or leases network
266 facilities from another provider. In the latter case, the plan generally would
267 not involve physical investment in the applicant's own network facilities.

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In my opinion, the Commission must understand how the applicant would

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utilize any and all USF support funding received in order to determine

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whether granting an application for ETC status would be in the public

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interest. The Commission must be able to ascertain that USF support will

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be utilized in a manner that directly benefits customers. Only a *detailed*

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and *verifiable* spending plan that: (1) accounts for the expenditure of all

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USF support projected to be received; and (2) permits adequate tracking

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and confirmation of such spending (through annual reports filed by the

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ETC) would adequately serve this important purpose. I believe such a

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plan should be on record and part of an applicant's commitments prior to

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any decision by the ICC to grant an ETC application.

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Q. Would you recommend any departure from or modification of this

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requirement as you have described it?

283

A. In my view, a specific limited departure is warranted in the case of an

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applicant whose requested ETC serving territory would qualify it to receive

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no "high cost" USF support, but *only* "low income" USF support. This

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would occur when the applicant's requested ETC serving territory is the

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territory of an incumbent LEC that itself receives *only* "low income" USF

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support (and no "high cost" USF support). In this circumstance, the ETC

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applicant would be eligible to receive only funds to support provision of

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subsidized rates for qualified Lifeline and Linkup customers. The

¹² ETC Order, par. 23.

291 requirements of an acceptable spending plan could then be readily and
292 directly achieved. This follows from the fact that “low income” USF support
293 reimburses an ETC only for the amount of the Lifeline and/or Linkup
294 subsidization actually provided, on a per-qualified customer basis. Thus,
295 provided accurate accounting is maintained, the requisite use of USF
296 support to directly benefit customers is easily verifiable. In such a case, I
297 believe the ETC applicant could satisfy the multi-year spending plan
298 requirement by certifying the following:

299 i) that all “low income” USF funding received would be used
300 to support subsidized rates for Lifeline and LinkUp
301 customers;

302
303 ii) that the applicant would timely notify the ICC (within 3
304 weeks) of any future change that would render the applicant
305 eligible to receive USF “high cost” support; and
306

307 iii) that in the event of any such future change, the applicant
308 would timely file (within 6 weeks) a revised 5 year spending
309 plan to account for appropriate use of all “high cost” USF
310 support received.
311

312 I would recommend that under such circumstances the failure of an ETC to meet
313 these criteria, or the failure to satisfy any other applicable requirement, result in
314 the revocation of ETC designation (upon proper notice and hearing).

315

316 **Q. Please briefly describe the FCC’s ETC reporting obligations.**

317 A. All ETCs currently must certify annually that universal service support is
318 used for its intended purposes. The FCC also requires the following
319 annual filings:

- 320 (1) progress reports on the ETC's five-year service quality
321 improvement plan, including maps detailing progress
322 towards meeting its plan targets, an explanation of how
323 much universal service support was received and how the
324 support was used to improve signal quality, coverage, or
325 capacity; and an explanation regarding any network
326 improvement targets that have not been fulfilled. The
327 information should be submitted at the wire center level;
- 328 (2) detailed information on any outage lasting at least 30
329 minutes, for any service area in which an ETC is
330 designated for any facilities it owns, operates, leases, or
331 otherwise utilizes that potentially affect at least ten percent
332 of the end users served in a designated service area, or
333 that potentially affect a 911 special facility (as defined in
334 subsection (e) of section 4.5 of the *Outage Reporting*
335 *Order*). An outage is defined as a significant degradation
336 in the ability of an end user to establish and maintain a
337 channel of communications as a result of failure or
338 degradation in the performance of a communications
339 provider's network. Specifically, the ETC's annual report
340 must include: (1) the date and time of onset of the outage;
341 (2) a brief description of the outage and its resolution; (3)
342 the particular services affected; (4) the geographic areas
343 affected by the outage; (5) steps taken to prevent a similar
344 situation in the future; and (6) the number of customers
345 affected;
- 346 (3) the number of requests for service from potential
347 customers within its service areas that were unfulfilled for
348 the past year. The ETC must also detail how it attempted
349 to provide service to those potential customers;
- 350 (4) the number of complaints per 1,000 handsets or lines;
- 351 (5) certification that the ETC is complying with applicable
352 service quality standards and consumer protection rules,
353 e.g., the CTIA Consumer Code for Wireless Service;
- 354 (6) certification that the ETC is able to function in emergency
355 situations;
- 356 (7) certification that the ETC is offering a local usage plan
357 comparable to that offered by the incumbent LEC in the
358 relevant service areas; and
- 359 (8) certification that the carrier acknowledges that the
360 Commission may require it to provide equal access to long

361 distance carriers in the event that no other eligible
362 telecommunications carrier is providing equal access
363 within the service area.¹³

364

365 **Q. Do you recommend that this Commission impose these reporting**
366 **requirements upon new ETC applicants?**

367 A. Yes. I believe these requirements would help ensure a newly designated
368 ETC continues to appropriately discharge its obligations over time.
369 However, I would recommend one minor modification. In the case of an
370 ETC receiving solely “low income” support, reporting on the multi-year
371 USF spending plan could be significantly simplified, consisting of
372 identification of the support amount received, and appropriate details
373 concerning the amounts utilized to provide subsidized services to Lifeline
374 and Linkup eligible customers.

375

376 **Public Interest, Convenience and Necessity**

377

378 **Q. How does the FCC conduct its public interest analyses to determine**
379 **whether an ETC application should be granted?**

380 A. First, the burden to prove that ETC designation is in the public interest is
381 placed solely and squarely upon the ETC applicant. Second, all specific
382 requirements of the ETC Order must be satisfied for a “positive” public
383 interest finding. Third, if the ETC applicant seeks designation below the
384 study level area in the territory of a rural ILEC, a “cream-skimming

¹³ ETC Order, par. 69.

385 analysis” must show that any existing cream skimming potential does not
386 render ETC designation contrary to the public interest. Finally, the FCC
387 conducts a (largely qualitative) cost-benefit analysis that includes the
388 following:

389 Consumer Choice: The Commission takes into account the
390 benefits of increased consumer choice when conducting its
391 public interest analysis. In particular, granting an ETC
392 designation may serve the public interest by providing a
393 choice of service offerings in rural and high-cost areas. The
394 Commission has determined that, in light of the numerous
395 factors it considers in its public interest analysis, the value of
396 increased competition, by itself, is unlikely to satisfy the
397 public interest test.

398 Advantages and Disadvantages of Particular Service
399 Offering: The Commission also considers the particular
400 advantages and disadvantages of an ETC’s service offering.
401 For instance, the Commission has examined the benefits of
402 mobility that wireless carriers provide in geographically
403 isolated areas, the possibility that an ETC designation will
404 allow customers to be subject to fewer toll charges, and the
405 potential for customers to obtain services comparable to
406 those provided in urban areas, such as voicemail, numeric
407 paging, call forwarding, three-way calling, call waiting, and
408 other premium services. The Commission also examines
409 disadvantages such as dropped call rates and poor
410 coverage.¹⁴

411
412 The public interest analysis may consider the impact of ETC designation
413 upon the federal high cost fund. As with virtually all other aspects of the
414 ETC Order, the FCC encourages states to conduct similar analyses. It
415 notes, specifically with respect to the high cost universal service fund:

416 [O]ne relevant factor in considering whether or not it is in the
417 public interest to have additional ETCs designated in any
418 area may be the level of per-line support provided to the

¹⁴ ETC Order, par. 44.

419 area. If the per-line support level is high enough, the state
420 may be justified in limiting the number of ETCs in that study
421 area, because funding multiple ETCs in such areas could
422 impose strains on the universal service fund.¹⁵
423

424 I recommend that the Commission proceed with its own public interest
425 analyses broadly along the lines applied by the FCC. I also recommend
426 that the Commission require appropriate compliance with all applicable
427 Commission Administrative Code Parts as a condition for finding that a
428 grant of ETC status is consistent with the public interest in Illinois.
429

430 **DATA NET's Application for ETC Designation**

431

432 **Q. Please briefly summarize the ETC requirements addressed by DATA**
433 **NET in its application and supporting testimony of Mr. Segal.**

434 **A.** DATA NET avers the following in its application and testimony:

435

436 • DATA NET is a common carrier that can provide each
437 of the supported services required to be offered by an
438 ETC (Data Net Ex. 1.0 (Segal), at 7, 9-11);

439

440 • DATA NET provides the required supported services
441 through purchase of at least some network element
442 combinations (*Id.*, at 11);

443

444 • DATA NET will conform its advertising to Commission
445 requirements (specifically those contained in
446 Administrative Code Part 757) (*Id.*, at 12);

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448 • DATA NET is willing to provide written notification of
449 universal service programs to directors of various
450 governmental agencies within DATA NET's serving
451 territory (*Id.*, at 12);

¹⁵ ETC Order, par. 55.

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- DATA NET seeks ETC designation only in non-rural wire centers in the serving territory of AT&T Illinois, and does not seek designation in any wire centers designated as rural (*Id.*, at 3);
 - DATA NET seeks receipt only of Lifeline and Link-Up (“low income”) funding support, and does not seek so-called “high cost” funding support (*Id.*, at 5, 12, 24);
 - DATA NET offers certification that it would timely notify the Commission of any future change rendering it eligible to receive “high cost” funding support (*Id.*, at 24);
 - DATA NET offers certification that in the event it became eligible to receive “high cost” funding support, it would timely file a revised 5-year spending plan to account for appropriate use of all such high cost support received (*Id.*);
 - DATA NET will provide service throughout its proposed ETC serving territory to all customers making a reasonable request for service (*Id.*, at 14-15);
 - DATA NET will provide the same ability to remain functional in emergency situations as that provided by Illinois Bell Telephone (*Id.*, at 15-16);
 - DATA NET abides by applicable rules set forth in Commission Code Parts 730 and 735, as well as requirements set forth in PUA Sections 13-902 and 13-903 (*Id.*, at 16-17);
 - DATA NET offers residential service calling plans comparable to calling plans offered by Illinois bell Telephone (*Id.*, at 17-18);
 - DATA NET will abide by all applicable annual reporting requirements as detailed in the FCC’s ETC Order (*Id.*, at 19-21); and
 - DATA NET acknowledges that it may be required to provide equal access in the future as a condition of ETC designation and agrees to abide by any such requirement (*Id.*, at 18-19).

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Q. Please provide your opinion concerning an appropriate “multi-year USF spending” plan for DATA NET.

A. Since DATA NET seeks ETC status only for AT&T’s serving territory, if granted ETC status DATA NET would receive only “low income” (as opposed to “high cost”) support. As previously discussed, I believe DATA NET could satisfy the multi-year spending plan requirement by certifying the following:

- i) that all “low income” USF funding received would be used to support subsidized rates for Lifeline and LinkUp customers;
- ii) that it would timely notify the ICC (within 2 weeks) of any future change that would render MTI eligible to receive USF “high cost” support; and
- iii) that in the event of any such future change, it would timely file (within 6 weeks) a revised 5 year spending plan to account for appropriate use of all “high cost” USF support received.

DATA NET has indicated it will provide such certifications to the Commission. Data Net Ex. 1.0 (Segal), at 24. Thus, it appears that DATA NET is able to satisfy the multi-year spending plan requirement appropriate for recipients of “low income” USF support.

Q. Does DATA NET address the annual reporting requirements that you believe are appropriate conditions for ETC designation?

527 A. Yes. These are addressed in testimony filed by Mr. Segal. He states that
528 DATA NET commits to providing annual reports concerning the items
529 discussed above in my testimony. *Id.*, at 20.

530

531 **Q. Does DATA NET address the requirement that ETC designation must**
532 **be consistent with the public interest, convenience and necessity in**
533 **Illinois?**

534 A. Yes. Data Net argues that granting its ETC application meets the public
535 interest standard because this would, in sum, expand universal service,
536 promote increased consumer choice, and make available affordable rates,
537 expanded coverage and enhanced services, particularly to low income
538 households. Data Net Ex. 1.0 (Segal), at 22.

539

540 **Q. Has DATA NET demonstrated that it meets the requirements set forth**
541 **in the federal Act and FCC's ETC Order, as well as the Illinois-**
542 **specific requirements you recommend herein?**

543 A. In my opinion, DATA NET has the burden to address and resolve all such
544 applicable requirements prior to a grant of ETC status. At this juncture, it
545 appears DATA NET has or likely will be able to do so.

546

547 **Q. Does this conclude your direct testimony?**

548 A. Yes.