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BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION) DOCKET NO.
On Its Own Motion) 01-0825
)
Implementation of Section 13-301.2)
of the Public Utilities Act.)

Springfield, Illinois
April 26, 2002

Met, pursuant to notice, at 10:00 A.M.

BEFORE:

MR. WILLIAM SHOWTIS, Administrative Law Judge

APPEARANCES:

MR. DAVID RUDD
625 South Second Street
Springfield, Illinois 62704
E-mail: dorudd@aol.com

(Appearing on behalf of Gallatin River
Communications)

MR. DOUGLAS DOUGHERTY
300 East Monroe Street
Suite 306
Springfield, Illinois 62701

(Appearing on behalf of Illinois
Telecommunications Association)

SULLIVAN REPORTING COMPANY, by
Cheryl A. Davis, Reporter, CSR License #084-001662

1 APPEARANCES: (Cont'd)

2 MS. NANCY J. HERTEL
3 225 West Randolph
4 HQ 25D
5 Chicago, Illinois 60606

6 (Appearing on behalf of Ameritech
7 Illinois via teleconference)

8 MR. MICHAEL GUERRA
9 Sonnenschein, Nath & Rosenthal
10 8000 Sears Tower
11 Chicago, Illinois 60606
12 Email: 5mg.sonnenschein.com

13 (Appearing on behalf of Verizon North,
14 Inc. and Verizon South, Inc. via
15 teleconference)

16 MR. DENNIS K. MUNCY
17 306 West Church Street
18 Champaign, Illinois 61820
19 E-mail: dmuncy@meyercafel.com

20 (Appearing on behalf of the Illinois
21 Independent Telephone Association via
22 teleconference)

MS. CINDY JACKSON
527 East Capitol Avenue
Springfield, Illinois 62701

(Appearing on behalf of the Consumer
Services Division of the Illinois
Commerce Commission)

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1		<u>I N D E X</u>			
2	<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
3	DOUGLAS DOUGHERTY				
4	By Judge Showtis	23			
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12	<u>EXHIBITS</u>		<u>MARKED</u>	<u>ADMITTED</u>	
13	ITA 1.0		e-docket	24	
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PROCEEDINGS

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2 JUDGE SHOWTIS: Pursuant to the authority
3 vested in me by the Commission, I now call for
4 hearing Docket 01-0825 which is a proceeding by the
5 Commission On Its Own Motion that concerns the
6 implementation of Section 13-301.2 of the Public
7 Utilities Act.

8 Will the parties in Springfield please enter
9 their appearances for the record.

10 MR. RUDD: On behalf of Gallatin River
11 Communications, David Rudd, R-U-D-D, 625 South
12 Second Street, Springfield, Illinois 62707.

13 MR. DOUGHERTY: On behalf of the Illinois
14 Telecommunications Association, Douglas A.
15 Dougherty, D-O-U-G-H-E-R-T-Y, P.O. Box 730,
16 Springfield, Illinois 62705.

17 JUDGE SHOWTIS: And will the parties that are
18 hooked up by phone please enter their appearances
19 for the record?

20 MS. HERTEL: Appearing on behalf of Ameritech
21 Illinois, Nancy Hertel, H-E-R-T-E-L, 225 West
22 Randolph, 25D, Chicago, Illinois 60606. Phone is

1 312/727-4517.

2 MR. MUNCY: Go ahead, Mike.

3 MR. GUERRA: On behalf of Verizon North Inc.
4 and Verizon South Inc., Mike Guerra, law firm of
5 Sonnenschein, Nath and Rosenthal, 8000 Sears Tower,
6 Chicago, Illinois 60606.

7 MR. MUNCY: Dennis K. Muncy, 306 West Church
8 Street, Champaign, Illinois 61820, appearing for the
9 Illinois Independent Telephone Association.

10 MS. JACKSON: On behalf of Staff, Cindy
11 Jackson, Illinois Commerce Commission, 527 East
12 Capitol Avenue, Springfield, Illinois.

13 JUDGE SHOWTIS: Mr. Dougherty has filed
14 testimony on behalf of the Illinois
15 Telecommunications Association, and I believe it's
16 been prefiled and is on the Commission's e-Docket
17 system.

18 MR. DOUGHERTY: Yes, it is.

19 JUDGE SHOWTIS: I'll swear you in.

20 MR. DOUGHERTY: Okay.

21 JUDGE SHOWTIS: Would you raise your right
22 hand.

1 (Whereupon the witness was sworn by
2 Judge Showtis.)

3 **DOUGLAS DOUGHERTY**

4 called as a witness on behalf of the Illinois
5 Telecommunications Association, having been first
6 duly sworn, was examined and testified as follows:

7 EXAMINATION

8 BY JUDGE SHOWTIS:

9 Q. Would you state your name for the record?

10 WITNESS DOUGHERTY:

11 A. Douglas Dougherty, D-O-U-G-H-E-R-T-Y.

12 Q. And by whom are you employed and in what
13 capacity?

14 A. I'm President of the Illinois
15 Telecommunications Association.

16 Q. You have prefiled what has been identified as
17 ITA Exhibit 1.0 that consists of a cover page and
18 15 following questions and answers. Is that
19 correct?

20 A. Yes, sir.

21 Q. Do you have any additions or corrections that
22 you wish to make to that testimony?

1 A. No.

2 Q. And are you requesting that your direct
3 testimony, ITA Exhibit 1.0, as it appears on the
4 Commission's e-Docket system be admitted into
5 evidence?

6 A. Yes, I am.

7 JUDGE SHOWTIS: Okay. Is there any objection?
8 Okay. ITA Exhibit 1.0 is admitted into evidence.

9 (Whereupon ITA Exhibit 1.0 was
10 received into evidence.)

11 Do any of the parties have any questions?

12 MS. JACKSON: Staff doesn't.

13 JUDGE SHOWTIS: I just had a couple of
14 questions.

15 EXAMINATION (Cont'd)

16 BY JUDGE SHOWTIS:

17 Q. Would you turn to I believe it's the fourth
18 page of your testimony? It's question 12.

19 A. Okay.

20 Q. In your answer there it appears to me that
21 you're indicating that telecommunications carriers
22 could have the program fully implemented by

1 September 30, 2002. By that do you mean that the
2 telecommunications carriers would be able to
3 provide customers with the ability to make the
4 elections, that is identify the amounts that they
5 want to contribute, by no later than September
6 30th?

7 A. Yes. Actually the answer could be improved a
8 little bit by a reference to Section 758.50(g) which
9 states that telecommunications carriers shall
10 provide customers the ability and the opportunity to
11 make elections referred to in subsections (c) and
12 (f) above on the bill inserts required by Section
13 758.40, so the answer ties directly back to that
14 requirement of 758.50(g).

15 Q. And as I understand it, the telecommunications
16 carriers would have different billing cycles, so
17 some customers would obviously have the ability to
18 elect to contribute earlier than others.

19 A. Right. A lot of carriers have multiple billing
20 cycles within a month, so rather than say September
21 15th, we decided to include the whole month of
22 September in order for the entire billing cycle of a

1 company to be implemented.

2 Q. Do you know if telecommunications carriers
3 intend to expend money that is necessary to
4 implement this program ahead of the final rules? In
5 other words, do they intend to make upgrades to
6 their systems ahead of time or do they intend to
7 wait until there is a final rule adopted by the
8 Commission?

9 A. Well, many of the carriers that are members of
10 mine that I've spoken to about the implementation of
11 this rule, they're aware of it. They know that it's
12 not a contested case; that the rule that was on
13 first order is probably not going to change much, if
14 any, on second notice, so they are in many cases
15 preparing to implement the rule, but the actual
16 expense or devotion of resources to modify a large
17 information technology systems or billing systems
18 will probably not take place until final rule is
19 adopted by JCAR and implemented, and so as my
20 testimony states that we anticipate that the rule
21 will have an effective date sometime in July, we
22 would use the -- companies would use the August

1 month, the month of August, to actually begin to
2 deploy resources to reconfigure billing systems and
3 then have the bills sent out in September.

4 Q. Section 758.30 of the proposed rule would
5 require a telecommunications carrier to file a
6 tariff pursuant to Section 13-301.2 of the Act for
7 the provision of the program within thirty days
8 after the effective date of this section, which I
9 take it would really be referring to the effective
10 date of the rule.

11 A. Uh-huh.

12 Q. So if the rule became effective sometime in
13 July, I assume that the telecommunications carriers
14 could still file a tariff within thirty days after
15 that effective date.

16 A. Yes, that's correct, and then I would presume
17 that the tariff would reference the compliance with
18 758.50(g) on the September 30th date.

19 Q. Okay.

20 A. To comply with that portion of the rule.

21 JUDGE SHOWTIS: Okay. So I think it would be
22 my intention to clarify in Section 758.50(g) that

1 the ability to make the election to contribute
2 should be provided to customers by no later than
3 September 30, 2002, so that would be inserted in
4 the rule, and then the tariff could just be filed
5 thirty days after the final rules become effective,
6 and it could obviously reference that section if
7 necessary.

8 WITNESS DOUGHERTY: I would agree with that.

9 JUDGE SHOWTIS: Okay. So that would be my
10 proposal insofar as amending the rule. I would
11 like to run that by Conrad Rubinkowski, the OGC
12 counsel who is our rulemaking guru, for want of a
13 better word, and the person who obviously deals
14 with JCAR.

15 But in any event, the September 30th date that
16 you're referring to is the outside date at which
17 all customers would be able to elect to contribute.

18 WITNESS DOUGHERTY: Correct.

19 JUDGE SHOWTIS: Okay. Is there anything else
20 you want to add at this point?

21 WITNESS DOUGHERTY: Well, I would like the
22 record to reflect that Staff was very accommodating

1 to our concerns and acted in a professional manner
2 and helped expedite the rule, the rule's first
3 notice, and we appreciate Staff's work in this
4 case.

5 JUDGE SHOWTIS: Okay.

6 I don't believe there are any contested issues
7 in this case. That would include both the rule and
8 the proposed effective date for -- or outside
9 effective date for customers electing to
10 participate, so I would not intend to serve a
11 proposed order on the parties, but rather send an
12 order directly to the Commission.

13 The matter will probably be before the
14 Commission at their second session in May,
15 May 22nd.

16 WITNESS DOUGHERTY: Okay.

17 JUDGE SHOWTIS: Hopefully then it could be
18 before JCAR for their meeting in June, with action
19 shortly thereafter after JCAR reviews it.

20 WITNESS DOUGHERTY: Would there be still --
21 on your proposed -- or your order to the Commission,
22 that would start the second notice period, which is

1 a 45-day period I believe? And then would probably
2 go to JCAR I would assume probably July.

3 JUDGE SHOWTIS: Well, wait a minute. Off the
4 record.

5 (Whereupon at this point in the
6 proceedings an
7 off-the-record
8 discussion transpired.)

9 JUDGE SHOWTIS: Back on the record.

10 And I assume no party has any objection to
11 my submission of an order directly to the Commission
12 that would reflect this September 30, 2002 outside
13 date on which customers would have the ability to
14 elect to participate in the program.

15 WITNESS DOUGHERTY: Right. That's acceptable
16 to me.

17 MR. RUDD: No objection.

18 JUDGE SHOWTIS: I would anticipate that if the
19 rulemaking follows the normal process, that the
20 final rules would be adopted sometime in July, and
21 then carriers would obviously have thirty days after
22 that effective date of the final rules to file their

1 tariffs.

2 The record will be marked Heard and Taken.

3 HEARD AND TAKEN

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