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**VIA FEDERAL EXPRESS & ELECTRONIC MAIL**

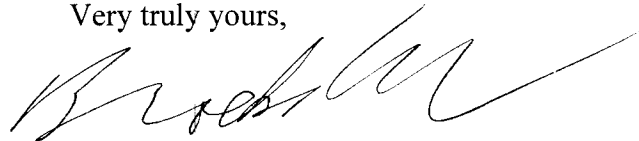
Public Utility Commission of Oregon  
Attn: Filing Center  
550 Capitol Street NE, Suite 215  
Salem, Oregon 97308

Subject: Docket UM 1217

Dear Filing Center:

Enclosed, for filing, are an original and five copies of the Rebuttal Testimony of Steven B. Otto on behalf of RCC Minnesota, Inc., in the above-referenced docket.

Very truly yours,



Brooks E. Harlow

cc w/enc: Parties of Record

CERTIFICATE OF SERVICE

UM 1217

I hereby certify that true and correct copies of the Rebuttal Testimony of Steve Otto and Don Wood, on behalf of Rural Cellular Corporation, were served on the following by electronic mail and first class U.S. Mail, postage prepaid in sealed envelopes to the following:

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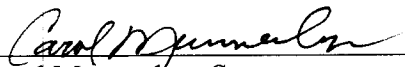
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Dated this 8<sup>th</sup> day of February, 2006, at Seattle, Washington.

  
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Carol Munnerlyn, Secretary

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**BEFORE THE OREGON PUBLIC UTILITIES COMMISSION**

In the Matter of

OREGON PUBLIC UTILITY COMMISSION

Staff Investigation to Establish Requirements  
for Initial Designation and Recertification of  
Telecommunications Carriers Eligible to  
Receive Federal Universal Service Support

Docket No. UM 1217

**REBUTTAL TESTIMONY OF**

**STEVEN B. OTTO**

**ON BEHALF OF**

**RCC MINNESOTA, INC.**

February 8, 2006

1                                   **I.        INTRODUCTION AND BACKGROUND**

2  
3    **Q.        PLEASE STATE YOUR NAME FOR THE RECORD.**

4    A.        Steve Otto

5    **Q.        WHO IS YOUR EMPLOYER AND WHAT IS YOUR CURRENT POSITION?**

6    A.        I am the USF Program Manager for Rural Cellular Corporation (“RCC”). My business  
7               address in 3905 Dakota Street, Alexandria, MN 56308. I have been with RCC for 5  
8               years, working with the USF programs for the last 3 years.

9    **Q.        WHAT ARE YOUR DUTIES IN THAT POSITION?**

10   A.       As USF Program Manager, I oversee the High Cost and Low Income programs at RCC. I  
11             assist in the preparation of USAC required filings for line count data and reimbursement  
12             of Lifeline discounts and any comparable state filings. I am responsible for tracking USF  
13             related expenditures and maintaining compliance with RCC’s various ETC order  
14             requirements. I assist in filings as defined by ETC related orders and annual  
15             recertification filings with numerous states.

16   **Q.        ARE YOU ADOPTING THE TESTIMONY OF ELIZABETH KOHLER?**

17   A.        Yes. Ms. Kohler is not able to attend the hearing in this matter, so I will adopt her  
18             testimony as pre-filed on December 13, 2005, and marked as Exhibit RCC/2.

19   **Q.        WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

20   A.        My rebuttal testimony will address the issue of the complaint reporting requirements that  
21             should apply for annual recertification of eligible telecommunications carriers (“ETC”). I  
22             will clarify RCC’s position on this issue based on my understanding of the testimony of  
23             the Staff witness, Kay Marinos. Additionally, I will respond to the testimony of the  
24             Oregon Telecommunications Association (“OTA”) recommending that the Commission  
25             require competitive ETCs (“CETCs”) to comply with the Oregon quality of service rules.  
26             The balance of RCC’s rebuttal testimony will be provided by Don Wood.

1 Q. PLEASE IDENTIFY THE STAFF TESTIMONY TO WHICH YOU ARE  
2 RESPONDING.

3 A. At page 81 of Exhibit Staff/1, Ms. Marinos was asked to describe the Eighth FCC  
4 reporting requirement as adopted in *In the Matter of Federal-State Joint Board on*  
5 *Universal Service*, Report and Order, CC Docket No. 96-45, FCC 05-46 (released March  
6 17, 2005) and whether the Commission should adopt it. Ms. Marinos' recommendation  
7 is that the Commission should "adopt some type of report that objectively measures  
8 service performance for all ETCs to determine if they are actually meeting their service  
9 quality commitments." Ms. Marinos then recommends that reports be categorized by the  
10 type of the complaint and lists the following as examples: "dropped calls, no service,  
11 poor sound quality, can't place calls, can't receive calls, roaming problems, etc. . . ."  
12 Ms. Marinos stated that reports categorized by wireless switch would indicate  
13 "extraordinary geographical problems." Finally, Ms. Marinos recommended that  
14 complaint reports should include a count of how many customer complaints, if any, were  
15 unresolved.

16 Q. WHAT IS RCC'S POSITION ON THE STAFF RECOMMENDATION AS YOU  
17 UNDERSTAND IT?

18 A. As you recall, this issue was discussed at some length in RCC's direct testimony. Exhibit  
19 RCC/2, Kohler/6-9. RCC's capability to track "complaints," however that term might be  
20 interpreted, is limited. It is important to remember that our business systems, such as our  
21 trouble ticket system, were set up without regard to regulatory requirements that were not  
22 in existence when the systems were designed and implemented. Accordingly, our  
23 systems were designed to provide the best possible customer service in a competitive and  
24 economic manner. Little or no thought was given to generating reports on complaints  
25 broken down geographically and by categories for filing with state commissions. In spite  
26 of this background, I believe it would be feasible for RCC to comply with the current

1 Staff recommendation. The cost to do so will be reasonable, albeit significantly higher  
2 than the cost to comply with the requirements established by the FCC and other states.

3 **Q. PLEASE ELABORATE ON HOW RCC COULD COMPLY WITH THE STAFF'S**  
4 **RECOMMENDATION IN ITS DIRECT TESTIMONY.**

5 A. Based on the examples provided by Staff of the categories of service quality problems,  
6 the Staff recommendation for reports going forward is essentially the same information  
7 that RCC provided in a supplement to its 2005 ETC recertification filing. The Staff's  
8 intent appears to be to focused on network-related service issues. By focusing on  
9 network-related issues, RCC can use information gleaned from its "trouble ticket" system  
10 to prepare a report.

11 **Q. COULD YOU EXPLAIN, BRIEFLY, RCC'S TROUBLE TICKET SYSTEM?**

12 A. When a customer calls with a problem such as the examples in the Staff's direct  
13 testimony, RCC opens a "trouble ticket." Trouble tickets are then routed to appropriate  
14 service personnel until the issue is resolved or the problem, if any, is fixed. Some  
15 problems can be resolved from the network operations center, for example, correction of  
16 routing, translation, or porting problems. Other problems actually require the dispatch of  
17 a technician, for example to repair tower transmitters or antennas. Some problems  
18 require replacement or reprogramming of the handset. Other problems may have nothing  
19 to do with RCC or its service, but could be the result of a problem with the terminating  
20 carrier. Whatever the issue is, it is either fixed or RCC determines that no action is  
21 required. Then the trouble ticket is "closed." When a ticket is "closed" that reflects that  
22 the issue was resolved.

23 **Q. WHY WOULD A TROUBLE TICKET BE CLOSED OTHER THAN WHEN THE**  
24 **PROBLEM WAS CAUSED BY ANOTHER CARRIER?**

25 A. Wireless service is extraordinarily complex to provide. The technology does a  
26 remarkable job of handling calls, considering the complexity of the task of serving the

1 customers as they move about in virtually any part of the country at will. Also, because  
2 the technology is wireless, it is subject to environmental factors--such as rain, ice storms,  
3 sun spots--that interfere with radio frequency transmission. Moreover, it is possible for  
4 the available bandwidth to be exhausted from time to time at a given location. Thus, as  
5 most cellular users know and expect, occasionally calls do not get through or are  
6 dropped. This is not indicative of a flaw in the network, but merely the limitations of  
7 existing technology, the radio spectrum, and the RF environment of a given place and  
8 time.

9 **Q. WHAT IMPLICATIONS DO THESE LIMITATIONS HAVE REGARDING**  
10 **COMPLAINT REPORTING?**

11 A. As technology improves, additional spectrum is made available, and additional cell sites  
12 are added, we can and should expect that such service quality issues will tend to  
13 diminish. By providing the Commission with fairly broad and flexible reports on  
14 network service quality issues, the Commission may obtain some helpful information  
15 regarding benefits of investment of USF money in new towers and equipment upgrades.  
16 However, we note that as wireless networks add customers as they build out their  
17 networks and more customers will result in more service quality calls. Our goal is to  
18 minimize the rate of service quality calls.

19 **Q. HOW WOULD RCC GENERATE THE REPORTS SUGGESTED BY THE**  
20 **STAFF IN ITS DIRECT TESTIMONY?**

21 A. Because the Staff focuses on network-related issues, we believe our trouble ticket system  
22 can provide information that is substantively the equivalent of the Staff's suggested  
23 categories and similar to what we filed last year. For our 2005 report, the report was  
24 compiled manually. Going forward, the report can be partially generated automatically.  
25 The first thing we would do is sort trouble ticket entries by the telephone number. By  
26 limiting our review to only the NPAs that serve Oregon (e.g. 503 and 541), we limit our



1 report to Oregon customers. Note that Oregon customers may be reporting problems that  
2 occur when they travel outside of the state and use networks operated by other carriers.  
3 The next step would be to sort the trouble tickets according to the issue codes in our  
4 system. This year the process can be automated, provided that we are allowed to report  
5 using our existing codes. The relevant codes currently are: Cannot Place Calls, Cannot  
6 Receive Calls, Cannot Dial Numbers, No Service (disruption or degradation in service),  
7 Coverage Problem, 411 Outage Complaint , Static, Calls Dropped, Calls Echo, Calls  
8 One-Way Audio, Calls Other. Last year this sorting had to be done manually by doing a  
9 series of key word searches of a narrative message field in the trouble ticket report that  
10 described the problem. To categorize customer service issues, we searched the fields for  
11 words such as “dropped call,” “roaming,” or “static.” The last step in the process is to tie  
12 the trouble tickets to resolution and count the number of customer inquiries and the  
13 resolutions by issue. This part of the process was done manually last year and would still  
14 be done manually if we file a similar report this last year.

15 The change in our capabilities between this year and last year illustrates why the  
16 reporting requirement should be kept as flexible as possible, to accommodate the  
17 differences among different carriers’ systems and the changes that occur from time to  
18 time. We would not want to forego an upgrade to our system that could provide better or  
19 more efficient service because we got locked into a particular system to meet a static and  
20 inflexible regulatory requirement.

21 **Q. DID YOU REPORT CUSTOMER INQUIRIES BY SWITCH LAST YEAR?**

22 **A.** Yes. Therefore, our filing last year would comply with Staff’s recommendation if it were  
23 adopted in this docket. However, I do not want to mislead the Commission to think that  
24 this will provide meaningful information regarding “extraordinary geographical  
25 problems.” The reason is that RCC serves its entire market in the state of Oregon with a  
26 single switch. Indeed, RCC’s switch that serves Oregon also serves other states.

1 Q. **CAN RCC IDENTIFY AND REPORT ON THE LOCATIONS WHERE THE**  
2 **PROBLEMS REPORTED TO ITS CUSTOMER SERVICE REPRESENTATIVES**  
3 **OCCURRED?**

4 A. At this point in time we have not identified any feasible way using our existing trouble  
5 ticket systems to provide information that is geographically specific.

6 Q. **WOULD YOU PLEASE SUMMARIZE RCC'S RESPONSE TO THE STAFF**  
7 **TESTIMONY AND POSITION ON THIS ISSUE?**

8 A. Yes. As the Staff's direct testimony is written, it describes the report that RCC filed for  
9 its 2005 ETC recertification. RCC was able to provide that level of detail in 2005, and  
10 can do so in the future. Accordingly, RCC does not take issue with Staff's  
11 recommendation as it stands. If Staff or another party were to advocate reporting to a  
12 smaller geographic area than that covered by RCC's switch, RCC would oppose such a  
13 requirement. RCC would have significant problems and bear an undue burden and  
14 expense to attempt to break down its trouble ticket reports on a geographic basis.

15 Q. **WHAT IS RCC'S POSITION ON THE RECOMMENDATION OF MR. WOLF**  
16 **THAT THE COMMISSION'S QUALITY OF SERVICE STANDARDS SHOULD**  
17 **BE A BASIC ELIGIBILITY REQUIREMENT (EXHIBIT OTA/1, WOLF/15)?**

18 A. Mr. Wood will address the policy issues this recommendation raise. As a practical  
19 matter, the Commission's wireline service quality rules generally do not make sense  
20 when applied to wireless carriers and can be difficult or impossible for wireless carriers  
21 to comply with.

22 Q. **WOULD YOU PLEASE EXPLAIN HOW THE SERVICE QUALITY RULES**  
23 **THAT OTA ADVOCATES BE IMPOSED ON WIRELESS CETCs WOULD NOT**  
24 **BE PRACTICAL?**

25 A. Yes. In a data request we asked OTA to clarify and identify specifically which of the  
26 service quality rules the OTA recommends should apply to CETCs. OTA's response

1 identified the following: OAR 862-034-0390(4), OAR 860-032-0012(5)-(8), and OAR  
2 860-032-0012(11).

3 The first rule OTA identified, OAR 860-034-390(4) is a “held order” rule that applies to  
4 small telecommunications utilities in Oregon. The rule states that a small  
5 telecommunications utility “must give a retail customer an initial commitment date of not  
6 more than six business days after a request for access line service . . . .” This requirement  
7 makes absolutely no sense in a wireless world. Our customers receive a handset at the  
8 store or in the mail and their service can be activated immediately. Once activated, the  
9 customer has service. The only potential issue is that signal strength may not be  
10 sufficient at the customer’s service address to enable calls of acceptable quality. The  
11 “held order” rule does not really address this situation unique to wireless service. It  
12 mentions “lack of facilities,” which appears to contemplate that a line must be extended  
13 or, if all pairs are used, existing distribution cables must be augmented or replaced. It  
14 makes no sense to apply this rule to a wireless carrier, particularly when the Commission  
15 has already adopted the FCC’s six-step process, to which RCC has agreed. The six-step  
16 process is discussed in my direct testimony (RCC/2, Kohler/3).

17 The next rule that OTA recommends be imposed on wireless ETCs is OAR 860-032-  
18 0012(5). This subsection contains over two dozen provisions relating to trouble report  
19 resolution, recordkeeping, and reporting. Many of the provisions do not translate at all to  
20 a wireless carrier. Moreover, application of the rule is simply not feasible, for the reasons  
21 I have discussed previously in this testimony and my direct testimony regarding  
22 “complaint” reporting.

23 The next provision OTA would impose is OAR 860-032-0012(6) entitled “Repair  
24 Clearing Time.” This rule requires measurement and calculation of the percentage of  
25 trouble reports cleared within 48 hours. As I have discussed previously, RCC’s systems  
26 are not set up to measure this metric.

1 Next, OTA recommends application of OAR 860-032-0012(7) regarding “Blocked  
2 Calls.” The rule requires that the telecommunications provider must “engineer and  
3 maintain all intraoffice, interoffice, and access trunking . . . to allow completion of calls  
4 made during the average busy season busy hour” to the applicable standards. Again, the  
5 terms in the rule apply to the wired world, not wireless. As I have testified previously,  
6 even if comparative terms could be devised, RCC’s systems would have to be completely  
7 redesigned just to **measure** the metrics set forth in this subsection. The same problems  
8 exist with regard to OTA’s recommendation to apply OAR 860-032-0012(8), regarding  
9 the allowed time for business office or repair service center representatives to answer  
10 customer calls.

11 Finally, OTA recommends that OAR 860-032-0012(11) be applied to wireless ETCs.  
12 This rule is entitled “Customer Access Lines and Wire Center Switching Equipment.” As  
13 the title of the subsection suggests, the rule applies to wireline service. Most of the terms  
14 in the rule mean nothing in the wireless world.

15 **Q. WOULD YOU PLEASE SUMMARIZE RCC’S RESPONSE TO OTA’S**  
16 **TESTIMONY AND POSITION ON APPLICABILITY OF SERVICE QUALITY**  
17 **RULES?**

18 **A.** Yes. OTA’s recommendation is a classic example of the futility expressed by the old  
19 “square peg in a round hole” axiom. The rules don’t fit wireless technology. As Mr.  
20 Wood testifies, public policy does not require such rules. Finally, if they were somehow  
21 made to fit, the cost of compliance would be enormous. The money would be better  
22 spent adding cell sites, upgrading networks, and taking other steps to continue to improve  
23 wireless service.

24 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

25 **A.** Yes, it does.