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COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

----- X
: Docket No.
Linda Lesko v. : C-000014886
Verizon North Incorporated :

Initial Hearing

----- X
: Docket No.
Mary Ann Kaschalk v. : C-20015851
Verizon North Incorporated :
Extended Area Service Complaint :
Initial Hearing :

----- X
Pages 148 through 224 11th Floor Hearing Room
Pittsburgh State Office Building
Pittsburgh, Pennsylvania

DOCUMENT
FOLDER

Thursday, February 14, 2002

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

JOHN CORBETT, Administrative Law Judge

RECORDED

MAR 06 2002

APPEARANCES:

LINDA LESKO
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Johnstown, Pennsylvania 15909
(Pro Se)

MARY ANN KASCHALK (Via telephone)
2419 Swigle Mountain Road
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MAR -5 PM 1:33
SECRETARY'S BUREAU

Handwritten initials

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P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE JOHN CORBETT:

This is the time and place scheduled for a hearing on two Complaints. The first is the Complaint of Linda Lesko versus Verizon North Incorporated. This Complaint was docketed with the Pennsylvania Public Utility Commission at C-00014886

The second Complaint is Mary Ann Kaschalk versus Verizon North Incorporated and this Complaint was docketed at C-20015851.

I'm Administrative Law Judge John Corbett and I've been assigned to hear this case and to render an Initial Decision. We have in the hearing room this morning, Linda Lesko representing herself and Louise Knight representing Verizon North Incorporated. On the telephone, appearing by telephone, this morning we have the Complainant Mary Ann Kaschalk.

Before we go any further this morning, let me just indicate that on February 11th, I received a letter from District Justice Mary Ann Zanghi, I believe is the spelling. That's Z-A-N-G-H-I. District Justice Zanghi apparently has an office in Vinco or Mineral Point, Pennsylvania. And she wrote to me concerning her desire to obtain EAS from Jackson Township to the Ebensburg Area. I will share this

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1 letter with Counsel for Verizon and also with Ms.
2 Lesko.

3 Can you hand that down, please?

4 So that you know what they are doing,
5 Ms. Kaschalk, they are passing the letter around and
6 they're reading the letter. Do I have any comments
7 from your Ms. Lesko or from you Ms. Knight concerning
8 this letter from District Justice Zanghi? Ms. Lesko?

9 MS. LESKO: I don't think so, Your Honor.

10 JUDGE CORBETT: All right. Ms. Knight.

11 MS. KNIGHT: When you say comments ---.

12 JUDGE CORBETT: Comments. Objections.

13 MS. KNIGHT: Are we suggesting that that
14 be introduced into the record?

15 JUDGE CORBETT: No one has moved for its
16 admission at this point. Let me just say that Ms.
17 Zanghi apparently is not here this morning. Is Mary
18 Ann Zanghi in the hearing room today? Okay.

19 Apparently Ms. Zanghi is not in the hearing room. And
20 I take it, Ms. Knight, that you would object to my
21 consideration of the letter or the letter's admission
22 into the record?

23 MS. KNIGHT: I object it being moved into
24 the record; yes. I would make that objection.

25 JUDGE CORBETT: All right. So that it's

1 clear on the record and that the parties understand,
2 this is a legal proceeding and we are bound by the
3 Rules of Evidence. Anyone who presents testimony in
4 the case must be present and able to not only give
5 testimony but also be subject to Cross-Examination.
6 Otherwise, there are due process issues involved. So
7 for that reason, I'm not going to consider the letter
8 of District Justice Mary Ann Zanghi and it can not be
9 admitted into the record. It will not be marked and
10 identified and it will not be moved into the record.

11 Also, I received from Ms. Lesko in
12 response to the Protective Order, I received her
13 written consent to be bound by the terms of that
14 Protective Order concerning certain proprietary
15 information that Verizon North wishes to present in
16 this hearing. I received that Agreement to comply with
17 the Protective Order on January 31. Did you file this
18 with the Commission in Harrisburg, Mr. Lesko; or did
19 you just send me the original?

20 MS. LESKO: I guess --- I'm sorry, Your
21 Honor. I had contacted consumer advocate Joel Cheskis
22 and he --- under his direction I mailed them to Ms.
23 Knight.

24 JUDGE CORBETT: To Ms. Knight. Ms.
25 Knight has them? All right.

1 MS. KNIGHT: Yes, I do.

2 JUDGE CORBETT: That would be good. That
3 would be sufficient.

4 MS. KNIGHT: I have one from Ms. Kaschalk
5 also.

6 JUDGE CORBETT: You have one for Ms.
7 Kaschalk also?

8 MS. KNIGHT: Yes, I do.

9 JUDGE CORBETT: All right. Very good.
10 So did anyone else agree to be bound by that Protective
11 Order that you're aware of, Ms. Knight?

12 MS. KNIGHT: No, Your Honor. So I assume
13 that anyone in the hearing room would either have to
14 agree or absence themselves during that testimony.

15 JUDGE CORBETT: Okay. What Ms. Knight is
16 referring to is the fact that Verizon North anticipates
17 presenting proprietary information during this hearing.
18 Proprietary information would mean information that the
19 release of which may be harmful to Verizon if its
20 competitors obtain that information. For that reason
21 Verizon has asked that that information, that
22 information only, be placed under protective seal so
23 that only the Commission and the parties to the case
24 have access to it in order to litigate this matter and
25 to review this matter before the Commission.

1 So Ms. Lesko and Ms. Kaschalk have
2 agreed to be bound by the terms of the Protective Order
3 and not disclosing that information to anyone else
4 outside of these proceedings. And anyone who does not
5 agree to the terms of the Protective Order would be
6 asked to leave the hearing room and will not be able to
7 obtain any of the information that is placed under
8 Protective Order.

9 MS. KNIGHT: I also have to request that
10 you do not share the testimony, the proprietary version
11 of that.

12 MS. LESKO: I don't have the proprietary
13 version.

14 MS. KNIGHT: I sent you copies of both.

15 JUDGE CORBETT: It should be on the front
16 of the prepared direct testimony. The statement at the
17 top says contains confidential or proprietary
18 information.

19 MS. KNIGHT: You should have gotten two
20 copies.

21 MS. LESKO: Okay.

22 MS. KNIGHT: One of those is proprietary.

23 MS. LESKO: I might have it here.

24 MS. KNIGHT: If it says it's proprietary
25 it's marked in bold.

1 MS. LESKO: Am I allowed to write on
2 this?

3 JUDGE CORBETT: Oh, absolutely. That's
4 your copy.

5 MS. KNIGHT: This is yours. You just
6 can't share the proprietary version.

7 MS. LESKO: I understand that.

8 JUDGE CORBETT: Okay. For the record,
9 there are three other persons in the room other than
10 Ms. Lesko, Ms. Knight and her witness that will sponsor
11 the prepared testimony.

12 MS. LESKO: Your Honor, may I ask a
13 question?

14 JUDGE CORBETT: You may.

15 MS. LESKO: Was this information also
16 forwarded to the consumer advocate Attorney Joel
17 Cheskis?

18 JUDGE CORBETT: You'll have to ask Ms.
19 Knight.

20 MS. KNIGHT: Yes. The non-proprietary
21 version.

22 MS. LESKO: Just non-proprietary?

23 MS. KNIGHT: He's not a party. If they
24 are not a party they can't see the proprietary version.
25 He understood that.

1 MS. LESKO: He did not explain it that
2 way to me. I'm sorry for this inconvenience, but it
3 was not explained that way to me.

4 JUDGE CORBETT: Does the explanation this
5 morning, does that help you, Ms. Lesko, to understand?

6 MS. LESKO: I think so. I'm sorry for
7 the mix-up.

8 JUDGE CORBETT: That's all right. You
9 don't have to be sorry. No apologies are necessary.
10 It's just that we want to make sure that only parties
11 who have signed the agreement to be bound by the
12 Protective Order, or parties who agreed to be bound by
13 the terms of the Protective Order have access to the
14 proprietary information.

15 MS. LESKO: Thank you.

16 JUDGE CORBETT: You're welcome. Any
17 other questions with regard to proprietary information?

18 MS. LESKO: Are we allowed to agree ---?

19 JUDGE CORBETT: The other parties? I
20 would think so. Ms. Knight, do you have any comments
21 or objections to the other three parties in the room
22 agreeing to be bound by the terms of the Protective
23 Order?

24 MS. KNIGHT: To begin with they're not
25 parties.

1 JUDGE CORBETT: I understand.

2 MS. KNIGHT: They are attendees.

3 JUDGE CORBETT: Okay.

4 MS. KNIGHT: I'm trying to remember
5 exactly what the language of --- I believe the Order
6 only said she could share it with a consultant. So
7 before I answer if you would allow me to review that?

8 JUDGE CORBETT: Sure.

9 REVEREND LYNN SANNER: My understanding
10 is if we don't agree, we have to leave?

11 JUDGE CORBETT: You can step outside the door;
12 ma'am. Only during that part of the testimony that
13 deals with proprietary information. In other words,
14 you can sit in the hearing room and listen to
15 everything else that goes on, and you can listen to the
16 testimony of Verizon's witness up to the point where
17 there is proprietary information.

18 Does that help you understand?

19 REVEREND LYNN SANNER: Yes.

20 MS. KNIGHT: It says no person other than
21 the Commission staff and counsel and those sources here
22 and identified shall have access. They were not
23 identified in any way. They are allowed to have a
24 consultant. But they haven't been identified so
25 technically under the terms of the Order they are not

1 privy to the information.

2 JUDGE CORBETT: Okay. Ms. Lesko, just for
3 the sake of the record, could you identify who the
4 other three parties are?

5 MS. LESKO: Your Honor, these are three
6 residents of Jackson Township. This is Mrs. Dreikorn.

7 JUDGE CORBETT: I'm sorry. You'll have
8 to speak up and spell the last name for the Court
9 Reporter.

10 MS. LESKO: These are three residents of
11 Jackson Township. This is Mrs. Dreikorn,
12 D-R-E-I-K-O-R-N.

13 JUDGE CORBETT: Okay.

14 MS. LESKO: This is Mrs. Kathleen De
15 Yulis, D-E, capital Y-U-L-I-S. And this is Reverend
16 Lynn Sanner, S-A-N-N-E-R.

17 JUDGE CORBETT: Right. I remember Pastor
18 Sanner testified at the hearing in Johnstown. Okay.
19 Will these individuals be testifying this morning or
20 are they simply here to observe?

21 MS. LESKO: Your Honor, I was under the
22 impression having talked to Joel Cheskis, the Consumer
23 Advocate, the I would be the one who would officially
24 be allowed to speak but I would be allowed to bring
25 conferees to help me maybe brainstorm comments and this

1 is why I brought several people with me. And also I
2 did not bring a lot of people to help my cause because
3 Joel Cheskis did not recommend that I bring a whole lot
4 of people.

5 JUDGE CORBETT: Okay.

6 MS. KNIGHT: If I may ask a question?

7 JUDGE CORBETT: Sure.

8 MS. KNIGHT: It was my understanding that
9 we completed the Complainant's case with the exception
10 of Ms. Kaschalk which is why she was allowed to --- she
11 was not able to be at the hearing in Johnstown and we
12 accommodated her by allowing her to testify today and
13 by telephone.

14 JUDGE CORBETT: Right.

15 MS. KNIGHT: It was not my impression
16 that we were going to take additional hearing from the
17 Complainant?

18 JUDGE CORBETT: Right. I believe we had
19 covered quite a bit of information at the local hearing
20 in Johnstown. Did you intend presenting more testimony
21 this morning, Ms. Lesko? You don't have to stand. You
22 can sit. You don't have to keep jumping up and down.

23 MS. LESKO: Your Honor, I don't believe
24 so. I'm under the impression that I was to hear
25 Verizon testimony and then when they are completed, any

1 | comments that I thought would, of course, help our
2 | cause and I will be allowed, with your permission also,
3 | be allowed to ask these people for feedback or just to
4 | help me --- because I am not an attorney.

5 | JUDGE CORBETT: I understand.

6 | MS. LESKO: So it might just be helpful
7 | to me if I could have ideas given to me.

8 | JUDGE CORBETT: Okay. I think we
9 | understand what's going on. I think Ms. Knight is
10 | nodding her head in agreement. I think we now
11 | understand what's going on. So at this point are there
12 | any other preliminary matters that we need to address
13 | before we hear the testimony of Ms. Kaschalk?

14 | MS. KNIGHT: Not here, Your Honor.

15 | JUDGE CORBETT: Okay. Then we'll have
16 | you testify, Ms. Kaschalk. Are you still with us?

17 | MS. KASCHALK: Yes, I am.

18 | JUDGE CORBETT: Great. Raise your right
19 | hand please and be sworn.

20 |

21 | Whereupon,

22 |

MARY ANN KASCHALK

23 | Having first been duly sworn testified as follows:

24 |

DIRECT TESTIMONY

25 |

JUDGE CORBETT: Would you begin please by

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1 giving us your full name, please?

2 THE WITNESS: Mary Ann Kaschalk,
3 K-A-S-C-H-A-L-K.

4 JUDGE CORBETT: Ms. Kaschalk, where do
5 you reside?

6 THE WITNESS: 2419 Swigle Mountain Road,
7 Mineral Point, Pennsylvania.

8 JUDGE CORBETT: How long have you lived
9 there?

10 THE WITNESS: Ten months.

11 JUDGE CORBETT: I'm sorry. One month?

12 THE WITNESS: Since July.

13 JUDGE CORBETT:

14 July of 2001?

15 THE WITNESS: Yes. Seven and a half
16 months, seven months.

17 JUDGE CORBETT: Okay. And before that
18 where did you live?

19 THE WITNESS: I resided in Nanty Glo,
20 Pennsylvania for approximately a year.

21 JUDGE CORBETT: Okay. And the Nanty Glo
22 area is not in the Vinco exchange; is it?

23 THE WITNESS: No. Nanty Glo has no toll
24 calls to Mineral Point, Johnstown and Ebensburg. And
25 whenever I had moved to Swigle Mountain Road, which

1 will be my lifetime or very long time I'll be living
2 there, I had found that Ebensburg is not accessible on
3 my local toll calling. I felt that that was unjust.
4 Nanty Glo is actually a little further away from
5 Ebensburg than Mineral Point, my address. And that's
6 actually the Vinco area too. And I just thought it odd
7 that they didn't offer local calling so I thought I
8 would submit a letter to the PUC with my comments.

9 JUDGE CORBETT: Okay. Does anyone else
10 live at this address with you?

11 THE WITNESS: Yes. My family. My
12 husband and my three children.

13 JUDGE CORBETT: Okay. And how old are
14 your children?

15 THE WITNESS: My children are five and
16 half, three and a half and two.

17 JUDGE CORBETT: And do you work outside
18 of the home?

19 THE WITNESS: I do. That's currently
20 where I am.

21 JUDGE CORBETT: And what is your
22 occupation?

23 THE WITNESS: I'm an accountant.

24 JUDGE CORBETT: Where is this?

25 THE WITNESS: In Richland. It's an area

1 in Johnstown by the Cambria County Airport.

2 JUDGE CORBETT: Is this a business that
3 you own?

4 THE WITNESS: No. This is a defense
5 contractor.

6 JUDGE CORBETT: Very good. And what is
7 your husband's occupation?

8 THE WITNESS: My husband is in sales.

9 JUDGE CORBETT: What does he sell?

10 THE WITNESS: Chemicals. Industrial.

11 JUDGE CORBETT: All right. And what is
12 your interest in obtaining Extended Area Service from
13 the Vinco area to Ebensburg?

14 THE WITNESS: My daily operations in life
15 basically are Ebensburg. My children's day care. My
16 children's school, our lawyers, our pharmacy ---
17 everything basically that is part of daily life of the
18 general American is right there in Ebensburg which is
19 slowly a growing area hopefully, maybe larger. That's
20 why we've relocated to the area again. But considering
21 that it is maybe a 12-minute drive for me to get to
22 Wal-Mart, which is our economic center, I think, in
23 Ebensburg, and I cannot call there freely. I work over
24 about 20 minutes away and that is free to me. That is
25 the Johnstown exchange.

1 I'm glad that that also is a local toll
2 call to me, but Ebensburg supports my daily family
3 life. My children will be going to school and they
4 will be going to Ebensburg schools. Their day care is
5 in Ebensburg. Our doctors are in Ebensburg. Our
6 attorneys are in Ebensburg. Everything we do for our
7 lives outside from my job is located in Ebensburg.

8 JUDGE CORBETT: Okay. Where is your
9 husband's employer located?

10 THE WITNESS: Vinco, which is I guess
11 Mineral Point. It's a Johnstown mailing address but
12 it's a 322 exchange.

13 JUDGE CORBETT: Do you use any type of
14 calling cards or anything to make your long distance
15 calls every month?

16 THE WITNESS: I use just a regular
17 telephone. No calling cards, no.

18 JUDGE CORBETT: Can you estimate for us
19 what your average monthly bill is for toll calls to
20 Ebensburg?

21 THE WITNESS: You know, actually we use
22 my husband's cell phone for those. And if I'm calling
23 from my work, unfortunately my job absorbs the cost of
24 me calling my children's school or day care. But we do
25 have the cell phone, so we use the cell phone to be

1 able to just call into Ebensburg to avoid that.

2 JUDGE CORBETT: Is there anything else
3 that you wanted to tell me in support of your
4 Complaint?

5 THE WITNESS: I guess I would again note
6 that because I had had a brief residence in Nanty Glo,
7 Pennsylvania, and I was kind of surprised that I moved
8 to Mineral Point, which is closer to the Ebensburg
9 area, and that does not have local calling to that
10 area. And it is where our children go to school, you
11 know, it's our school district. We go to Central
12 Cambria Schools. Currently my son is in elementary
13 school. So the elementary is just a mile away from our
14 house. Fortunately that is not long distance. But
15 our day care again, is in Ebensburg and, you know,
16 they'll be going to school there and probably most of
17 their friends will be coming from a long distance area
18 as well as doctors and pharmacies.

19 You know, our local place where we would
20 buy anything. The Super Wal-Mart, everything that
21 supports our lifestyle is part of Ebensburg and it is a
22 close drive for us. It's the most feasible place.
23 It's our choice of where we would go. We would not
24 come to Johnstown or Richland or any of the other
25 other --- Westmont areas that we do have local calling

1 to provide us with our needs.

2 JUDGE CORBETT: Is there anything else
3 then that you want to explain to me about this
4 situation?

5 THE WITNESS: No, I think I just
6 basically have made my point which is basically simple.

7 JUDGE CORBETT: Ms. Lesko, do you have
8 any questions of Ms. Kaschalk?

9 MS. LESKO: No.

10 JUDGE CORBETT: Ms. Lesko said no. Then
11 we'll ask Ms. Knight, who represents Verizon if she has
12 any questions of you. Ms. Knight?

13 CROSS EXAMINATION

14 BY MS. KNIGHT:

15 Q Ms. Kaschalk, can you hear me?

16 A Yes.

17 Q Okay. Very good. You said that you work in
18 the Johnstown area out by the airport?

19 A Correct.

20 Q When you are --- after or before work or
21 during lunch hour, do you do some of your shopping
22 etcetera in the Johnstown area?

23 A Not really. I'm a manager and I have my
24 family at home so I work every available minute I can
25 while I'm at my office so that I can go home to be with

1 my family.

2 Q So right now your son's elementary school is
3 very close by?

4 A Yes.

5 Q Is that correct?

6 A Yes.

7 Q Okay. Now have you inquired where is the
8 Junior High School?

9 A Ebensburg.

10 Q That's in Ebensburg. Is that ---.

11 A It's kind of close to the Court House.

12 Q Is that together or in the same proximity as
13 the High School?

14 A No. The High School is off of --- I don't
15 know if it's 422. Again, I'm from Johnstown. I grew
16 up in Johnstown so the area is a little new to me but I
17 think it's up on 422. I'm sure that Mrs. DeYulis is
18 there. Her son went to school with my son and I guess
19 that's 422 there. I'm not quite sure but it's
20 Ebensburg.

21 Q Do you know whether the school has made any
22 arrangements for taking calls from people who may not
23 live in an area where the calling is toll free such as
24 an 800 number?

25 A As to that I have not inquired. Although any

1 place that I do call currently, you know, that's down
2 the line. That's in the future. But currently the
3 places that I do call do not provide me with an 800
4 number or any sort of, you know, toll free number.
5 Again, we unfortunately use my husband's cell phone and
6 you know, it's provided as a business perk for him. So
7 quite honestly our toll calls to Ebensburg at times are
8 being absorbed unfortunately by our employer. If I
9 have sick children at day care, I have to call them
10 back if a message has been left on my phone. And I
11 call them back off of my employer's line.

12 Q You said you grew up in Johnstown?

13 A Correct.

14 Q Do you have family in Johnstown?

15 A Yes.

16 Q Do you know how many calls you make within
17 the Johnstown area on a monthly basis?

18 A Numerous. How many; five, ten, 15 a day. It
19 depends on the day and what's going on. Are you
20 talking about my home life?

21 Q I was talking collectively how many telephone
22 calls you make from your home to the Johnstown area on
23 a monthly basis?

24 A On a daily basis.

25 Q Or on a daily basis?

1 A Roughly I'd say between five to 15 a day, so
2 we'll say 7.5 a day times roughly 30 days so that would
3 be 225 a month.

4 Q And right now, as I understand it, you have
5 no record of how many times you call Ebensburg because
6 your calls are don't appear on your telephone bill?

7 A Well, yeah, this month alone, my children
8 have been to the doctor's about --- and I have three
9 children and we'll say each of them has been about ---
10 we'll say I've been to the doctors about five times in
11 the last four weeks. And I've been to the pharmacy
12 about five times in the past four weeks. I followed up
13 with doctors a few times between their doctor's visits
14 with questions or problems. And, you know, that month
15 was basically February. I talked to the day care
16 probably half dozen times this month.

17 Q And when you say you've been to the pharmacy,
18 do you go to the pharmacy when you're in Ebensburg?

19 A Yes, at the Super Wal-Mart.

20 MS. KNIGHT: I have no further questions.

21 JUDGE CORBETT: Thank you, Ms. Kaschalk.

22 Is there anything else you want to tell us then, Ms.
23 Kaschalk?

24 THE WITNESS: No.

25 JUDGE CORBETT: Okay. Then I'll take

1 then the Complainants have rested their case in chief
2 and Ms. Knight, we'll turn to you as you have a witness
3 to present.

4 MS. KNIGHT: I do, Your Honor. At this
5 time I would call to the stand Regina Ryan.

6 JUDGE CORBETT: All right. Ms. Ryan,
7 we'll have you testify from this position up here.
8 Bring with you any papers or documents that you may
9 need. Are you still with us, Ms. Kaschalk?

10 MS. KASCHALK: I just pressed the
11 speaker.

12 JUDGE CORBETT: Okay. Very good. Ms.
13 Ryan, would you raise your right hand please and be
14 sworn.

15 Whereupon,

16 REGINA RYAN

17 Having first been duly sworn, testified as follows:

18 JUDGE CORBETT: Please have a seat. And
19 would you begin please by giving us your full name?

20 THE WITNESS: Regina Ryan.

21 JUDGE CORBETT: All right. Ms. Knight,
22 you may proceed.

23 DIRECT EXAMINATION

24 BY MS. KNIGHT:

25 Q Ms. Ryan, for the record would you spell your

Commonwealth Court Reporting Company
700 Lisburn Road
Camp Hill, Pennsylvania 17011

1 name and state your business address?

2 A R-E-G-I-N-A, R-Y-A-N. I'm at 1717 Arch
3 Street in Philadelphia for Verizon Pennsylvania, Inc.

4 MS. KNIGHT: Your Honor, I would note for
5 the record that on January 25th, I distributed Ms.
6 Ryan's appeared direct testimony. I distributed two
7 versions. A proprietary version which contained
8 confidential information as well as a non-proprietary
9 version. I believe that was sent to you and Ms. Lesko
10 who --- and Ms. Kaschalk. Actually I sent to Ms.
11 Kaschalk a little bit later because I got her signed
12 proprietary --- or signed Agreement complying with the
13 proprietary Order a couple days later. I previously
14 distributed two copies each to the Court Reporter this
15 morning.

16 At this point I'm showing Ms. Ryan,
17 figuratively, not really, a copy of her statement.

18 BY MS. KNIGHT:

19 Q Ms. Ryan, I'm showing you a copy of your
20 statements, both the proprietary and non-proprietary
21 version. If I were to ask you these same questions
22 today would your answers be the same?

23 A Yes, they would.

24 Q And was it prepared by your or under your
25 supervision and control?

1 A Yes.

2 Q Do you have any corrections or additions to
3 your testimony at this time?

4 A No.

5 MS. KNIGHT: Your Honor, I then also have
6 attached to that testimony a document that was marked
7 for purposes of identification as Verizon North Exhibit
8 1.

9 BY MS. KNIGHT:

10 Q Ms. Ryan, can you identify that document?

11 A Yes, it's a map of the local calling area for
12 the Johnstown exchange. The home exchange is marked in
13 yellow and the local calling area is marked in blue.

14 MS. KNIGHT: And, Your Honor, that map
15 was appended to the testimony that was sent. So at
16 this point I would move for the admission of Ms. Ryan's
17 statement both the proprietary and non-proprietary
18 version and Verizon North Exhibit No. 1 subject to
19 Cross-Examination. And she is now available for
20 Cross-Examination.

21 JUDGE CORBETT: All right. I will admit
22 Verizon North Statement No. 1 and Verizon North Exhibit
23 No. 1 conditioned upon Cross-Examination and any
24 appropriate Motions. I take it your offering Ms. Ryan
25 for Cross; did you say?

1 (Whereupon, the documents were marked as
2 Verizon Statement 1, Proprietary and Non-Proprietary
3 versions with attached Exhibit No. 1 for identification
4 and were received in evidence.)

5 MS. KNIGHT: Yes.

6 JUDGE CORBETT: Ms. Lesko, do you have
7 any Cross-Examination of Ms. Ryan?

8 MS. LESKO: Concerning this?

9 JUDGE CORBETT: Concerning the testimony,
10 the prepared testimony that she is sponsoring this
11 morning.

12 MS. LESKO: Yes, Your Honor. I do have
13 questions that I've been given.

14 JUDGE CORBETT: Let me just say before we
15 go into this too far, that if any of the questions deal
16 with proprietary information that is marked as such in
17 the testimony of Ms. Ryan, that you will let me know
18 ahead of time so that we can take the necessary steps
19 to have the hearing room cleared and the record marked
20 as sealed and marked as Proprietary. All right. You
21 may proceed with your Cross-Examination.

22 CROSS EXAMINATION

23 BY MS. LESKO:

24 Q Ms. Ryan, on page four you say to determine
25 the extent of the local calling area the company

1 identified for review where the majority of customers
2 in that particular exchange, regularly placed calls.
3 When does this review usually occur.

4 A This was done --- the review was done several
5 years ago. But we do do traffic studies that tells us
6 how much traffic, toll traffic, is going between
7 exchanges. And the traffic going between Johnstown and
8 Ebensburg doesn't meet the regulations for --- there's
9 not enough going between the two areas to warrant an
10 extended area.

11 Q I understand what you're saying. How do I
12 calculate and somehow put in --- Vinco does have
13 Johnstown address. We are not part of Johnstown.

14 MS. KNIGHT: Your Honor, this is
15 Cross-Examination.

16 JUDGE CORBETT: I understand. We'll ---
17 so that you understand, Ms. Lesko, at this point, this
18 is the point in the proceeding where we're allowing you
19 the opportunity to Cross-Examine Ms. Ryan who is
20 representing Verizon in this matter. If you disagree
21 with anything that she has to say, then we'll allow you
22 to come back after she's done testifying and give
23 rebuttal testimony of your own. But at this point,
24 this is simply a question and answer format. If you
25 want to give a statement, you can do that after she has

1 finished testifying; okay?

2 BY MS. LESKO:

3 Q When did you review happen?

4 A I don't know the answer to that.

5 Q Is the review done on the entire exchange
6 basis or did you consider sublets?

7 A The review is done on the entire exchange.
8 When we do traffic studies that's the only thing I can
9 equate it to.

10 Q Thank you. I believe you also told us that
11 the company does provide local calling areas that
12 effectively meet the needs the customers within the
13 exchange. Can it be considered that customers needs do
14 change over time and sometimes it does include the
15 school, government, emergency services and so forth?

16 MS. KNIGHT: Your Honor, I'd make an
17 objection as to the form of the question. I think it's
18 a compound question and not acceptable to a single
19 answer. If she could break it down into separate
20 questions I think it would be okay.

21 JUDGE CORBETT: Yes. Can you do that.

22 BY MS. LESKO:

23 Q Could we possibly ask you then is it
24 considered that customers needs do change over time?

25 A Again, I can only go back to the traffic

1 studies to see how much traffic is going between the
2 two exchanges. That's what we look at and that's what
3 determines if there is an extended area needed or if
4 there is some other relief that is needed in a certain
5 area.

6 Q What happens when some customers needs within
7 that exchange differ from other customers needs within
8 the same exchange?

9 A We go by the whole exchange.

10 MS. LESKO: Okay. Thank you very much.

11 JUDGE CORBETT: Ms. Kaschalk, do you have
12 any questions of Ms. Ryan?

13 MS. KASCHALK: Yes. I have a few,
14 please.

15 CROSS EXAMINATION

16 BY MS. KASCHALK:

17 Q Can you please define for me what the
18 exchange means, please? I don't have the map in front
19 of me.

20 A The exchange for your particular area is the
21 Johnstown exchange and that includes Johnstown,
22 Geistown, Benscreek and Westmont. That's the
23 exchange. And then included as part of the local
24 calling area for that exchange would be Seward, Nanty
25 Glo, South Fork, Beaverdale, Windber and Davidsville.

1 Q Okay. What warrants a traffic study?

2 A Traffic studies are done --- they are done
3 twice a year and it just measures the traffic going
4 between two exchanges to see if there is enough
5 traffic. And in the testimony that I gave, it explains
6 what the criteria is for meeting like an Extended Area
7 calling. The traffic studies are done twice a year.

8 Q Oh. But you don't have a date when the most
9 recent study was performed for the Johnstown, Ebensburg
10 study?

11 A I have ---.

12 Q I thought you had said a couple years ago?

13 A I have the March 2001 study and ---.

14 JUDGE CORBETT: Okay. Just a minute. I
15 think we're going to perhaps get into some proprietary
16 information concerning the results of the toll traffic
17 study. And at this point, Ms. Kaschalk, if you weren't
18 going to ask the information, I was. So I do that in
19 order to make a complete record so that the Commission
20 has all of the information in front of it.

21 So at this point, I'm going to ask the
22 three individuals who were identified later who are not
23 part of the proprietary order just to step outside of
24 the hearing room. You can just remain outside on the
25 other side of the door and this should be very brief.

1 We'll just ask you to step out for just a minute.

2 For the record, those three individuals
3 have stepped out of the hearing room. The only
4 persons in the room now are myself, the Court Reporter,
5 Ms. Lesko, Ms. Knight and Ms. Ryan and on the phone Ms.
6 Kaschalk. Are you satisfied, Ms. Knight, that everyone
7 in the hearing room is under the protections of the
8 Protective Order?

9 MS. KNIGHT: Yes, I am.

10 JUDGE CORBETT: All right. Very good.

11 (Whereupon, the following pages 180
12 through 184 were sealed and bound separately.)

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1 JUDGE CORBETT: Thank you for your
2 patience and cooperation. The individuals have
3 returned to the hearing room and we're back on the
4 public record. Ms. Kaschalk, do you have any further
5 questions of Ms. Ryan?

6 MS. KASCHALK: Within the --- and I'm
7 going back to the --- I don't think it's Proprietary
8 though. But as far as demographics go, is there a
9 percentage --- do you monitor anything rural versus
10 non-rural, you know, the percentage of population
11 within the Johnstown exchange? I guess it's the
12 population density, I guess, is what I'm talking about.

13 JUDGE CORBETT: Are you able to answer
14 the question, Ms. Ryan?

15 THE WITNESS: No. As far as I know it's
16 not monitored. What I --- I don't even know if I
17 should be doing this. But what I was doing is I was
18 trying to figure out, just for the Johnstown North
19 where you folks are located, into the Ebensburg. It
20 still doesn't --- it comes out that even the traffic
21 going from just that small area doesn't meet the
22 criteria based on the traffic study.

23 BY MS. KASCHALK:

24 Q Oh, you are able to monitor say from the 322
25 exchange alone?

1 A It's just the Johnstown North exchange.

2 Q Oh.

3 A The Johnstown North Central Office I should
4 say. It's not the exchange.

5 Q Okay. And, again, I don't have the map so I
6 can't tell who is included in that but my question was;
7 just based on rural versus non-rural and population
8 density amongst the different --- I'm calling it an
9 exchange being the first three numbers of a phone
10 number being 322, versus 536.

11 A It's not tracked like that.

12 MS. KNIGHT: I object to that question
13 because that's clearly based on facts not in evidence.
14 That's not an exchange. That's an NNX. That's part of
15 an ---.

16 MS. KASCHALK: NNX, excuse me.

17 JUDGE CORBETT: So that we get the
18 terminology correct.

19 MS. KASCHALK: Thank you.

20 JUDGE CORBETT: Any further questions
21 then, Ms. Kaschalk?

22 MS. KASCHALK: No.

23 JUDGE CORBETT: I have no further
24 questions of you, Ms. Ryan. Do you have any Redirect,
25 Ms. Knight?

1 MS. KNIGHT: I believe that Ms. Ryan
2 corrected herself and that the Johnstown North
3 exchange, just to go over that, Johnstown North is not
4 an exchange; correct?

5 THE WITNESS: That's correct.

6 REDIRECT EXAMINATION

7 BY MS. KNIGHT:

8 Q How many central offices does the Johnstown
9 exchange have?

10 A Six.

11 Q Do all exchanges have numerous central
12 offices?

13 A Yes.

14 Q But collectively they make up the exchange?

15 A Yes.

16 Q And there were a number of questions about
17 there being a subset here. To the best of your
18 knowledge, do the Commission's regulations contemplate
19 splitting out various subsets in exchanges to calculate
20 particular calling patterns?

21 A No. They don't.

22 Q But for the fact that you have a central
23 office in that area, would you even be able to
24 calculate what the calling rates were in particular
25 subsets of an exchange?

1 A No.

2 MS. KASCHALK: I cannot hear a thing.

3 JUDGE CORBETT: Ms. Knight is reviewing
4 her records at this point.

5 MS. KASCHALK: All right.

6 THE WITNESS: Can I just correct
7 something I said? There's five central offices in the
8 Johnstown exchange. I think I said six.

9 BY MS. KNIGHT:

10 Q And if any kind of relief were granted on the
11 basis of this complaint would Verizon North be able to
12 limit that relief only to the Vinco area or Johnstown
13 North Central Office or would any consequence apply to
14 the entire exchange?

15 A No. We would have to consider the entire
16 exchange for that.

17 Q So you don't parse out the exchange either
18 for the toll traffic studies or for the relief that
19 would be granted?

20 A That's correct.

21 MS. KNIGHT: Your Honor, I have no
22 further Redirect.

23 JUDGE CORBETT: All right. Ms. Lesko, do
24 you have any Cross-Examination, or Recross Examination
25 of Ms. Ryan based upon her Redirect testimony?

1 Ms. Lesko is conferring and reviewing
2 her notes.

3 MS. LESKO: Excuse me. I am having
4 trouble following this.

5 RE CROSS EXAMINATION

6 BY MS. LESKO:

7 Q Now in this testimony, or am I too far ahead,
8 I believe on Page 7, you list --- you say something
9 about lifeline?

10 MS. KNIGHT: Your Honor, objection.
11 Technically, her questions now ought to be limited to
12 the Redirect. I'm willing to be somewhat liberal but I
13 didn't want to reopen the entire ---.

14 MS. LESKO: Okay. Well, then may I
15 simply ask ---?

16 JUDGE CORBETT: Okay. Well, wait a
17 minute. There is an objection outstanding here and I
18 haven't ruled on it yet. You're right, Ms. Knight.
19 You're technically right. But since this is a pro se
20 litigant unfamiliar with the rules of evidence, we'll
21 allow some leeway. Just so we have some order to the
22 proceeding here, what I'd like you to do, Ms. Lesko, is
23 review your notes and make sure that you ask all of
24 your questions that you want to ask at this point so
25 that, you know, we don't go back and forth over things

1 that we should cover all at one time.

2 MS. KNIGHT: And, Your Honor, should she
3 ask additional questions, I'd just like to reserve the
4 right to Redirect on that part of the questions that
5 are somewhat out of order.

6 JUDGE CORBETT: Sure. That's fine. Ms.
7 Lesko is reviewing notes and testimony.

8 BY MS. LESKO:

9 Q Is there any requirement that does require a
10 specific portion of the access line to be making the
11 calls to the terminating station?

12 A Do you mean the number of calls going from
13 Johnstown North to Ebensburg?

14 Q I would imagine that.

15 JUDGE CORBETT: Do you understand the
16 question, Ms. Ryan?

17 THE WITNESS: I think I do. It's not
18 part of the --- the regulations require us to do it by
19 exchange not by central office.

20 BY MS. LESKO:

21 Q Okay. Now in the testimony you have optional
22 calling plans for Johnstown North.

23 JUDGE CORBETT: What page are you on?

24 MS. LESKO: This is Page 8.

25 JUDGE CORBETT: Thank you.

1 BY MS. LESKO:

2 Q Is there anyway you can tell how many Vinco
3 residents are taking advantage of a different calling
4 plan?

5 A I haven't gathered that information. I would
6 have to go in on each one of their accounts. I would
7 have to know who had service there.

8 Q So in other words there's just --- there's no
9 way of knowing other than Verizon anyone who has any
10 access to anything different than Verizon North, there
11 would be no information available? Here again, is
12 Vinco using different calling plans to compensate?

13 A I don't know that.

14 Q Okay. We can't find that out then; is that
15 correct? To me ---.

16 JUDGE CORBETT: Don't testify. We'll
17 give you the opportunity to do that.

18 BY MS. LESKO:

19 Q Does it include --- are you considering calls
20 that are using the 10-10 numbers?

21 A No.

22 Q Cell phones; pay phones that are being used?

23 MS. KNIGHT: She's asking a series of
24 questions. I would object to the form.

25 JUDGE CORBETT: All right. Just one

1 question at a time. Let the witness answer that one
2 and then you can proceed to your next question.

3 BY MS. LESKO:

4 Q Are you considering calls from cell phones?

5 A No.

6 Q From pay phones?

7 A No.

8 Q Calling cards?

9 A No.

10 Q How do you take into account the signal
11 calling that residents use?

12 A I don't know what you mean signal calling?

13 JUDGE CORBETT: Please define that for
14 us.

15 MS. LESKO: Signal calling is using the
16 signal type where I'd call you, let it ring once.
17 Hang up. You call me back so I don't have to pay the
18 toll.

19 THE WITNESS: That information wouldn't
20 even be captured because it's not an answered call.

21 BY MS. LESKO:

22 Q Using those questions, would those make the
23 toll studies and the traffic studies actually
24 inaccurate studies?

25 A I don't know the answer to that.

1 Q The numbers that you are giving us then do
2 they reflect the results from the entire Johnstown
3 exchange?

4 A I'm not sure I know what you mean?

5 JUDGE CORBETT: I think she's referring
6 to --- Ms. Lesko, correct me if I'm wrong, but I think
7 what you're referring to are the numbers that Ms. Ryan
8 referred to earlier concerning the toll traffic
9 numbers. Those numbers, you're asking are for the
10 entire Johnstown exchange; is that right?

11 MS. LESKO: Yes.

12 JUDGE CORBETT: All right.

13 THE WITNESS: Yes, they would.

14 BY MS. LESKO:

15 Q Now, you do, on page 11, you identify the
16 lost toll revenues if extended the area service ---.

17 JUDGE CORBETT: Okay. Wait. That's
18 proprietary information. You can refer to it Wait, I
19 don't want to have people jumping up and down and in
20 and out of the hearing room. Besides, that's difficult
21 for the Court Reporter to handle, also. Can you refer
22 to that --- do you have a question with regard to the
23 specific numbers, Ms. Lesko, or is the question more
24 general in nature?

25 MS. LESKO: I guess my question would be

1 then ---.

2 JUDGE CORBETT: Why don't you ask your
3 question and I'll ask the witness not to answer until
4 we decide whether it's proprietary or not?

5 BY MS. LESKO:

6 Q Is there any way to determine the actual
7 number needs of the Vinco residents as far as their
8 calling Ebensburg?

9 A No.

10 Q That's the bottom line then. Would you turn
11 to your page 12, please?

12 A Regarding expense that the company has
13 incurred, or would incur . . .

14 JUDGE CORBETT: Okay. Let me just ask
15 the witness not to answer until we determine whether
16 it's proprietary or not. Go ahead. Ask your question.

17 BY MS. LESKO:

18 Q Would your expenses be more should you grant
19 the extended area service?

20 MS. KNIGHT: Your Honor, I'm going to
21 object to the form of the question. Again, there is an
22 underlying assumption in everyone of these questions
23 that that relief is doable. And it's not been
24 established at any point in the transcript by any
25 witness that it is doable to segregate or separate

1 particular portions of an exchange. So these questions
2 are not susceptible to any answer. They are
3 hypothetical based on no fact in evidence, nor have I
4 seen that there is potential to have facts put in
5 evidence that can support the underlying facts that is
6 assumed in these questions.

7 JUDGE CORBETT: I understand the
8 objection. I will note the objection and I will take
9 that into consideration whenever reviewing the
10 transcript. The objection is overruled. I'll ask the
11 witness to answer the question to the best of her
12 ability if she understands it?

13 THE WITNESS: Can you say it again?

14 JUDGE CORBETT: Are you able to repeat
15 the question or would you like to have the Court
16 Reporter read it back?

17 MS. LESKO: Yes.

18 JUDGE CORBETT: Can you read it back?

19 COURT REPORTER: Question, would your
20 expenses be more should you grant Vinco the extended
21 area service?

22 THE WITNESS: I don't know the answer to
23 that.

24 JUDGE CORBETT: Okay. Wait. Let the
25 Court Reporter get back to where she was.

1 Go ahead.

2 THE WITNESS: I don't know the answer to
3 that because we can't separate out the exchange.

4 BY MS. LESKO:

5 A What happens when an exchange is
6 geographically so big that it includes an area where
7 residents have a different community of interest than
8 the remainder of the residents within the exchange?

9 MS. KNIGHT: Your Honor, again, I object
10 to the form of the question when she says what happens?
11 I'm not sure that that question is not redundant or not
12 susceptible to an answer the way it's expressed. She
13 hasn't defined what the term what happens means?

14 JUDGE CORBETT: Can you rephrase the
15 question, Ms. Lesko? I think it might be difficult
16 and I'm not sure we'll get the right response to your
17 question.

18 BY MS. LESKO:

19 Q Would this help? I've reworded it, if your
20 telephone provider, in this case being Verizon North,
21 at this time encompasses an area that is so large that
22 only certain residents find their needs met by this
23 present phone system. How can we accommodate or what
24 would Verizon do to accommodate to help the residents
25 where their interests and needs are no longer being

1 met?

2 A I really don't know the answer.

3 Q I'm sorry. I could not rephrase that. I
4 realize that was not a good question. Do you know when
5 the present exchange lines for the Johnstown exchange
6 were drawn up?

7 A No.

8 MS. LESKO: I think, Your Honor, at this
9 time, I have no other questions.

10 JUDGE CORBETT: All right. Ms. Kaschalk,
11 do you have any questions?

12 RE CROSS EXAMINATION

13 BY MS. KASCHALK:

14 Q The Central Office includes five ---.

15 JUDGE CORBETT: No. Let me just rephrase
16 that so we don't get too far off the track, here. Her
17 testimony as I understand it is that the Johnstown
18 exchange includes five central offices.

19 MS. KASCHALK: Yes. And Nanty Glo is
20 included in one of those central offices?

21 THE WITNESS: No. Nanty Glo is part of
22 the local calling area. The central offices are
23 Johnstown North, Johnstown, Westmont, Benscreek and
24 Geistown.

25 JUDGE CORBETT: These are ---.

1 MS. KASCHALK: Okay.

2 JUDGE CORBETT: Ms. Kaschalk, if you,
3 this evening or whenever, I know you have three
4 children. But when you get the chance to review the
5 testimony again and look at the map that is attached to
6 the testimony of Ms. Ryan ---.

7 MS. KASCHALK: I have it in front of me
8 actually.

9 JUDGE CORBETT: Oh, you do. Okay. If
10 you turn to the last page, there's a map there that
11 indicates in yellow the exchange, the Johnstown
12 exchange. And the blue area represents the local
13 calling area for the Johnstown exchange.

14 MS. KASCHALK: Okay.

15 BY MS. KASCHALK:

16 Q I'm sorry. I thought for some reason the
17 Nanty Glo area was somehow related to the home exchange
18 and I see it's not. So, with that, their calls would
19 not be in the traffic study for the central office; is
20 that correct? Or is the central office part of that
21 local calling area?

22 A The traffic study for Johnstown to Ebensburg,
23 is just those five I gave you.

24 Q Just those five. Okay.

25 MS. KASCHALK: I have no more questions.

1 I would be up for more discussion.

2 JUDGE CORBETT: Okay. Ms. Knight, do you
3 have any Redirect?

4 MS. KNIGHT: No.

5 JUDGE CORBETT: Okay. Very good. Do you
6 have anything else then, Ms. Knight, that you wish to
7 present this morning?

8 MS. KNIGHT: No, Your Honor. I would
9 move for admission, the Cross Examination being
10 complete, I renew that Motion for admission of the
11 statements and the exhibits.

12 JUDGE CORBETT: All right. The Statement
13 of Verizon North Statement 1 and Verizon North Exhibit
14 1 were previously admitted into the record. Ms. Ryan,
15 thank you very much. You may step down.

16 MS. LESKO: Your Honor, it's my fault and
17 I do apologize. I did forget to ask about the
18 information on Page 13. Is it possible to ask her that
19 now?

20 JUDGE CORBETT: Sure. Why not.

21 RE-CROSS EXAMINATION (con't)

22 BY MS. LESKO:

23 Q I'm not sure what these means. Reading,
24 however, of course you do not support this. Near the
25 end. The last sentence I guess. Based on the total

1 number of customers in the Johnstown exchange we would
2 propose a one time surcharge of \$1.50 on each access
3 line the first year after EAS is granted and a dollar
4 annual surcharge thereafter. Can you tell me how those
5 numbers fit in and exactly what you mean? What's this
6 one-time surcharge of \$1.50? I don't ---.

7 JUDGE CORBETT: Are you asking how did
8 Verizon derive those numbers?

9 MS. LESKO: Yes. And what do they
10 like --- for example, we would propose a one-time
11 surcharge of \$1.50 per each access line the first year.
12 And is that what you really what you mean just one year
13 of 1.50 extra on the phone --- each customer's phone
14 bill?

15 JUDGE CORBETT: Okay. I think she's
16 asking first for clarification. Secondly, how you
17 derived those numbers. I think that's the question.
18 It's two questions. One is what do those numbers
19 represent. And secondly, how did you derive them? Can
20 you respond to that, Ms. Ryan?

21 The witness is reviewing her notes.

22 THE WITNESS: Can I ask Ms. Knight
23 something?

24 JUDGE CORBETT: No, you can't. If you
25 can respond to the two questions, fine. If not then

1 you can tell us.

2 THE WITNESS: I don't know if it's one
3 time annually or if it was per month, this charge. It
4 looks like it's one time annually based on the numbers
5 that I'm seeing on page 11. It would be onetime the
6 first year of \$1.50 and then after that each year it
7 would be \$1.00.

8 BY MS. LESKO:

9 Q Only once per year?

10 A Right.

11 Q Okay. Then what sort of confused me --- may
12 I ask you one more question. Near the top you say ---
13 what do you mean we submit that Verizon North --- what
14 do you mean by be allowed to recover it's toll and
15 access fee losses; what does that mean?

16 A Well the revenue that we get right now for
17 these calls we would lose that because they would
18 become local calls.

19 JUDGE CORBETT: So instead of each
20 customer paying a toll call, they would no longer be
21 paying the toll calls to Verizon. Verizon would be
22 losing that revenue.

23 BY MS. LESKO:

24 Q How do you plan to recover those losses from
25 the customer?

1 A On the surcharge.

2 Q And by that you do mean the \$1.50 once per
3 year, the first year and thereafter \$1.00 per year
4 once?

5 A That's right. But that would be for all the
6 customers in Johnstown, not just Johnstown North.

7 JUDGE CORBETT: All right. Do you want
8 to review your notes? Do you have any other questions
9 that you'd like to ask?

10 BY MS. LESKO:

11 Q Also, I guess I should ask what do you mean,
12 here again on Page 13, when you say onetime for Verizon
13 to be permitted to recover losses and new operation and
14 maintenance costs. What is that referring to?

15 MS. KNIGHT: That is on Page 11 of the
16 testimony of the proprietary version.

17 MS. LESKO: Okay. We just wanted to make
18 sure that we understood this last paragraph.

19 MS. KNIGHT: I just didn't want to get
20 her into having to get ---.

21 JUDGE CORBETT: Yes, without giving
22 specific numbers, Ms. Ryan, can you respond to the
23 question? Do you understand the question?

24 THE WITNESS: You want to know about the
25 cost?

1 BY MS. LESKO:

2 Q Okay. Maybe if I said it this way. Would it
3 be correct to ask it this way? When you mentioned one
4 time cost for new operations and maintenance cost,
5 would those be put on to the customer?

6 A Yes.

7 Q On a continuing basis or?

8 A That's included in that dollar that
9 would ---.

10 Q So in other words, I think I understand it
11 correctly. You're asking if possible, you would be
12 asking for a \$1.50 fee once the first year, thereafter
13 a dollar a year thereafter and that sentence basically
14 explains the paragraph on Page 13?

15 A That's correct.

16 MS. LESKO: Thank you.

17 JUDGE CORBETT: Do you want to review
18 your notes or are there any other questions that you
19 have that you haven't had a chance to ask?

20 MS. LESKO: Am I allowed to ask any
21 questions now or just on this?

22 JUDGE CORBETT: Just on the testimony.
23 Would you like to review your notes again, Ms. Lesko?
24 Do you have any other questions in regards to the
25 testimony of Ms. Ryan?

1 MS. LESKO: I don't think so, Your Honor.
2 Thank you for being very patient and kind.

3 JUDGE CORBETT: All right. Ms. Kaschalk,
4 once again, do you have any questions of Ms. Ryan?

5 MS. KASCHALK: No, thank you.

6 JUDGE CORBETT: Ms. Knight, do you have
7 any redirect of Ms. Ryan?

8 MS. KNIGHT: I do have one clarifying
9 statement or question intended to clarify the
10 situation.

11 REDIRECT EXAMINATION

12 BY MS. KNIGHT:

13 Q Focusing on your testimony on page 13
14 regarding the hypothetical surcharge, is that surcharge
15 were the relief granted in this proceeding, would that
16 require a polling?

17 A Yes.

18 Q And who would be --- I'm sorry. I didn't
19 mean to interrupt you while you were answering.

20 A The whole Johnstown exchange would polled.
21 They would be asked if they would be willing to pay
22 this because that would become part of the whole
23 exchanges local calling area.

24 MS. KNIGHT: No further questions.

25 JUDGE CORBETT: All right. Any further

1 questions, Ms. Lesko, on that?

2 MS. LESKO: No, thank you very much.

3 JUDGE CORBETT: Ms. Kaschalk?

4 MS. KASCHALK: No.

5 JUDGE CORBETT: Thank you. Okay. Ms.

6 Ryan, thank you again. You are excused. Anything

7 further then, Ms. Knight?

8 MS. KNIGHT: No. That completes our case
9 in chief.

10 JUDGE CORBETT: Okay. Ms. Lesko, I asked
11 you earlier to hold any statement that you wanted to
12 make. After listening to the testimony of Ms. Ryan, do
13 you have any statements that you would like to make at
14 this point?

15 MS. LESKO: I don't know if you're able
16 to do this. This was --- I had contacted our
17 superintendent of schools just as verification proof
18 that we are --- Vinco is part of Central Cambria. And
19 he did write a letter that we would want to submit.

20 JUDGE CORBETT: Again, for the same
21 reason that I could not consider the letter from the
22 District Justice, I can not consider any petitions or
23 any letters from other parties who are not here present
24 today to testify. I'm sorry, but I'm bound by the
25 rules of evidence.

1 MS. LESKO: That's fine. It's just
2 showing that we really are a part of Ebensburg/Central
3 Cambria school.

4 MS. KNIGHT: I think we would stipulate
5 that we have no evidence to the contrary.

6 JUDGE CORBETT: I don't think that's an
7 issue.

8 MS. LESKO: I don't know if this might
9 help or show interest in the area, I tried to
10 compile --- it's very rough. These are businesses that
11 work out of their homes and have needs for calling 472.
12 This is a list of 40 out of the home businesses in
13 Vinco. The second is the list of 40 businesses that I
14 guess would have the Better Business Bureau I.D. Number
15 and so forth, also in the Vinco area. And I did
16 contact them either directly or by phone. Each
17 verifying that they feel it is a hardship on them ---.

18 MS. KNIGHT: Your Honor, I object to that
19 testimony. I have no objection that she can verify ---
20 that she put together a list as long as I can
21 Cross-Examine on it. But beyond that saying what her
22 conversation with them is clearly is hearsay testimony
23 prejudicial to my client without having each person
24 available for Cross-Examination.

25 JUDGE CORBETT: Ms. Lesko, I understand

1 that you're not an attorney. However, there are some
2 limits that I have to abide by and the Commission has
3 to abide by in these kinds of cases. When you get into
4 a situation where you're testifying as to what other
5 people have told you, then we have a hearsay problem.
6 Those people usually have to be here and be subject to
7 Cross-Examination. So for that reason, I'm sorry, but
8 I can not consider the information that you want to
9 give me at this point concerning what those people have
10 told you.

11 MS. LESKO: Okay. Would it simply be
12 possible to be included that there are a number of
13 businesses in Vinco that feel it is an economic
14 hardship not having access to Ebensburg.

15 JUDGE CORBETT: Well, see, I think you're
16 asking the same thing and it's based upon what other
17 people have told you. And those people aren't here
18 subject to Cross-Examination. And that's a problem.
19 So I can't consider that.

20 MS. KNIGHT: In addition, Your Honor, we
21 did go to Johnstown and have a public input hearing.

22 JUDGE CORBETT: All right. Anything
23 further, then, Ms. Lesko?

24 MS. LESKO: No. That's all.

25 JUDGE CORBETT: Ms. Kaschalk, I believe I

1 stopped you at one point that you wanted to make a
2 statement after listening to the testimony of Ms. Ryan.
3 Now is the opportunity. Do you have a statement or
4 further testimony that you'd like to give after
5 listening to the testimony of Ms. Ryan?

6 MS. KASCHALK: Yes. I have a few points
7 to make.

8 JUDGE CORBETT: All right.

9 FURTHER DIRECT TESTIMONY

10 MS. KASCHALK: For one, it's very obvious
11 that the Vinco area, Mineral Point area is rural versus
12 the rest of the --- basically the Johnstown North is
13 rural. And not as vastly populated as Westmont,
14 Geistown, Johnstown and Benscreek. I'd also like to
15 add that Westmont, Johnstown, Benscreek and Geistown
16 are more closer to each other in miles than the
17 Johnstown North area is. Myself, I grew up in
18 Johnstown at a 536 NNX and my family thinks it's very
19 far to come to my home which is 20 minutes away from
20 them and I live in the Johnstown North area.

21 This is --- you know, we're living in a
22 small area here where people don't travel very readily
23 and so therefore, many people, the majority, you know,
24 you have five different areas set up in that central
25 office. Four of the offices are very close to each

1 other and this Johnstown North is considered the
2 boondocks. Sorry for my slang, to most of those people
3 in Westmont, Johnstown, Benscreek and Geistown. I
4 could also say that also with the people I work with,
5 they think that if they have to go to Ebensburg that it
6 pretty far.

7 MS. KNIGHT: Your Honor, objection.

8 JUDGE CORBETT: Okay. There was some
9 hearsay in there. We will in this instance, we'll
10 overrule the objection but again, Ms. Kaschalk, if you
11 could give us information concerning your personal
12 experience.

13 MS. KASCHALK: I was just trying to push
14 the point that we're talking rural versus non-rural and
15 Johnstown North is rural and Westmont, Geistown and
16 Benscreek are non-rural. There's a higher population
17 density in those areas and less of a population density
18 in Johnstown North. Again, I don't have any studies to
19 prove that but I'm sure there are studies available.
20 Sorry I didn't pull that as information. And I think
21 with saying that the difference between rural and
22 non-rural, the traffic between Johnstown and Ebensburg,
23 again, would be limited because of those densely
24 populated areas in the Central Office, the Johnstown
25 North area is far away for their consideration.

1 I'd also like to say that I think the
2 study is limited. The data --- I would think that they
3 would be able to have better studies that could pull
4 data based on the NNX for that. I think that the phone
5 companies are quite technically advanced and, you know,
6 the studies may be able to be pulled on NNX's to
7 demonstrate a higher calling rate in our small 322 area
8 to the Ebensburg area.

9 JUDGE CORBETT: Okay. Does that then
10 include your testimony then, Ms. Kaschalk?

11 MS. KASCHALK: Yes.

12 JUDGE CORBETT: Ms. Knight, do you have
13 any Cross-Examination on that?

14 MS. KNIGHT: Just a couple of questions.

15 FURTHER CROSS EXAMINATION

16 BY MS. KNIGHT:

17 Q Ms. Kaschalk, we have been talking sort of
18 conventionally about the Vinco, Mineral Point area.
19 And I know that a map was put into evidence at the
20 public input hearing. But do you have a definition of
21 what is encompassed in that area?

22 A The --- excuse me. Are you talking Johnstown
23 North?

24 Q No. I'm asking you what you mean when you
25 say Vinco, Mineral Point areas?

1 A I'm talking Johnstown North because --- I'm
2 not talking Johnstown, Westmont, Benscreek or Geistown.
3 I'm talking Johnstown North.

4 Q Well, before you got this testimony, would I
5 be correct that you were unaware there was a central
6 office called Johnstown North?

7 A Correct.

8 Q What did you define Vinco and Mineral Point
9 as before you knew there was a Johnstown North central
10 office?

11 A Correct.

12 Q No. I said what did you define it as when
13 you referred to it? What did you mean?

14 A As far as what did I mean by saying Vinco and
15 Mineral Point?

16 Q Yes.

17 A I'm meaning, because I'm looking at this map,
18 the Johnstown North area, I'm meaning the area that
19 would desire to have toll calls to Ebensburg. There
20 would be more of a desire for those people in that
21 central office rather than the people in Johnstown,
22 Westmont, Geistown and Benscreek. We are closely
23 located to Ebensburg in the Vinco, Mineral Point or
24 a/k/a Johnstown North area.

25 Q Okay. But you did not answer my question

1 which was, before you knew there was a Johnstown North
2 central office, are you confining your remarks only to
3 the people who live in those two communities or were
4 you previously when you filed the Complaint for
5 example, and said I live in the Vinco, Mineral Point
6 area?

7 A I was confining it to Vinco, Mineral Point
8 because, again, I'm from Johnstown and I don't know all
9 of the small little areas that may make up Johnstown
10 North and I honestly --- I'm looking for 2419 Swigle
11 Mountain Road and my neighbors.

12 Q And you can't quantify how many people you
13 think are affected by -- would potentially be included
14 when you say Vinco, Mineral Point?

15 A No, I can't quantify that because Mineral
16 Point actually stretches between two different
17 townships. You know, there is Jackson Township and
18 Croyle Township. I learned that also by trying to
19 establish trash pickup in my house. The differences in
20 the expense for Mineral Point --- Jackson Township
21 versus Mineral Point, Croyle Township. But that's a
22 whole other story. I'm basically new to the area and
23 feel that the Mineral Point/Vinco area basis a lot of
24 their daily lives on business done in Ebensburg and
25 therefore I feel that calling should be local.

1 MS. KNIGHT: Your Honor, that answers my
2 question.

3 JUDGE CORBETT: Let her finish her
4 answer.

5 BY MS. KNIGHT:

6 Q Would you agree then that defining what
7 customers might be effected in this area is really not
8 susceptible to precise definition?

9 A Definition of Johnstown North; is that what
10 you're saying?

11 Q No. No. Definition of the Vinco, Mineral
12 Point area?

13 A My concerns are for Vinco, Mineral Point.
14 That was my primary concern. Looking at the map I am
15 part of Johnstown North. I do not know what
16 encompasses Johnstown North although I know I am part
17 of the membership there as far as Verizon defines it.

18 MS. KNIGHT: Your Honor, if you could
19 direct her to answer my question which is would she
20 agree that defining what it encompassed in the
21 Vinco/Mineral Point area, not mentioning Johnstown
22 North, is not susceptible to precise definition?

23 JUDGE CORBETT: Okay. Can you answer the
24 question, Ms. Kaschalk?

25 MS. KASCHALK: Well, yes. I agree.

1 MS. KNIGHT: I have no further questions.

2 JUDGE CORBETT: Okay. All right. Ms.

3 Knight has indicated she has no further questions.

4 Anything further then, Ms. Knight, from your side? Ms.

5 Lesko, you had your hand up. Is there something you

6 wanted ----.

7 MS. LESKO: Excuse me, Your Honor.

8 Possibly I could help. I think by quantifying, we

9 mean ----.

10 MS. KNIGHT: Your Honor, this is totally

11 out of order.

12 MS. LESKO: --- solely for 322 exchange

13 and those were the only people I polled and I think if

14 you're interested in quantity or population, I did

15 offer the census map of Vinco which the population is

16 just short 5,000 and it includes 2,000 households.

17 JUDGE CORBETT: All right. Anything

18 further then, Ms. Knight?

19 MS. KNIGHT: I have nothing, Your Honor.

20 JUDGE CORBETT: At this point, do the

21 parties want to make a closing statement? Did you

22 contemplate making a closing statement this morning or

23 do you simply just want to close the record at this

24 point and I'll write the decision?

25 MS. LESKO: I just want to say thank you

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1 for everyone coming and trying to help and I'm sorry I
2 wasn't real organized.

3 JUDGE CORBETT: All right. Go ahead, Ms.
4 Knight.

5 MS. KNIGHT: I was just going to make a
6 short closing statement but obviously, Ms. Kaschalk
7 should proceed.

8 JUDGE CORBETT: No. I think you can make
9 your closing statement and then the party with the
10 burden of proof has the last word.

11 MS. KNIGHT: Your Honor, I understand
12 from the testimony and both today as well as at the
13 public input hearing, that people who filed complaints
14 in this case and have testified, view themselves as
15 having completely different needs from the vast
16 majority of the customers in the Johnstown exchange.
17 First of all, I don't believe that the testimony shows
18 that their needs are that different.

19 For example, today Ms. Kaschalk
20 testified that she makes loads of calls to Johnstown.
21 The question is whether the regulations contemplate
22 being able to look at every possible subset within an
23 exchange and who knows how many there are, of people
24 who have differing needs from the majority of the
25 exchange. However, the exchange is designed to

1 encompass a certain area and it can't be parsed out
2 infinitesimally to tailor the calling area to each
3 individual virtually taking this to it's logical
4 extreme every person who is in the exchange may have
5 differing needs.

6 The sociological factors that may drive
7 where people call change constantly. There probably
8 wasn't a Super Wal-Mart ten years ago. The school
9 district clearly became --- who knows when that was
10 formed visa vis when the Johnstown exchange was put
11 together. But that's the whole point of having the EAS
12 regulations. There has to be an objective way to look
13 at what the calling patterns are. As Ms. Ryan
14 testified, some of the information simply can't be
15 captured. However, the regulations are what we have to
16 deal with. But Ms. Ryan even went the extra step of
17 looking at what the call rates were for one particular
18 central office, keeping in mind that relief has never
19 been, nor has the Commission's regulations contemplate
20 granting relief on that subset basis. And still,
21 despite the testimony of the community of interest, the
22 calling rates were not high.

23 So, Verizon North's position is
24 that the way the system is set up the relief has to
25 be --- the objective need is gathered on an

1 exchange-wide basis. Relief has to be granted on an
2 exchange-wide basis. We acknowledge there may be
3 subsets of people whose needs aren't totally met.
4 However, to say that their needs are met are obviously
5 a gross distortion of the record given both how many
6 access lines they have and the fact that there's
7 testimony that they do call their own local calling
8 area for day-to-day needs.

9 That's my final statement, Your Honor.

10 JUDGE CORBETT: All right. Ms. Lesko, do
11 you have a final statement to make?

12 MS. LESKO: Your Honor, this seems to be
13 a catch-22 that we're in. I do feel strongly, and I
14 know because I've lived there all my life, we are not
15 part of Johnstown. Saying that are calling rates are
16 not high to Ebensburg, I can not yet fathom where that
17 information is coming from. I am single. I have no
18 children. I call Ebensburg all the time. My friends
19 are there. I went to school. My businesses are there.
20 My CPA is there. My financial advisor is there. These
21 I don't consider just personal or social needs. I must
22 have these things. I must have a doctor. I must have
23 an attorney. I must have a CPA. I need a financial
24 advisor.

25 I went to school there because that's

1 | how it was set up and schools are not indiscriminately
2 | districted. The major objective, I do admit, is
3 | economy but also safety is taken into a big
4 | consideration talking to several administrators.
5 | Particularly for our elementary students so that they
6 | get on those buses and get off at excuse me,
7 | respectable lengths of time and distances from school.
8 | And what we are part of Ebensburg and how this phone
9 | line put in we could not establish when it was put in,
10 | I don't know why it was put in that way. Many times I
11 | know they're put in. It's easy for the company to put
12 | in.

13 | MS. KNIGHT: Your Honor. I object to
14 | that. There's no evidence in the record regarding
15 | that.

16 | JUDGE CORBETT: Okay. It's true. It's
17 | not evidence. It's argument at this point. And to the
18 | extent that the argument is not supported by the
19 | record, we will not consider it. But if you can
20 | proceed, Ms. Lesko, based upon your recollection of
21 | what is in the record.

22 | MS. KNIGHT: I just think that as a group
23 | Vinco has presented themselves in the community of
24 | interest. We have shown that. We have shown economic
25 | need. We have shown educational need. Looking at a

1 map, shows geographic need for that access to
2 Ebensburg.

3 JUDGE CORBETT: Ms. Kaschalk, you have
4 the last word.

5 MS. KASCHALK: Thank you. I just have a
6 few statements to make. I think that, you know, maybe
7 there should be another look at the Extended Area
8 Service or actually which central office the --- and I
9 don't know if I should call it--- again, there are so
10 many proximities. There are so many areas. It could
11 be called Mundy's Corner. It can be called Vinco. It
12 can be called Mineral Point. It can be called the 322
13 NNX, although 749 also is included in that NNX and
14 maybe some others. I'm not sure. So it's hard for me
15 to define. I've been kind of pushed on trying to define
16 my area and who I am trying to discuss.

17 But again, I would also like to say
18 that, yes, the area that I'm speaking of which is 2419
19 Swigle Mountain Road is not considered Johnstown. And
20 we are more an Ebensburg --- part of the Ebensburg
21 community. Our schools are there. My son's school bus
22 service is out of Ebensburg. It's not out of
23 Johnstown. Again, as Ms. Lesko said. All of our daily
24 needs are provided through businesses that are located
25 in the Ebensburg area. Location, location, location.

1 Vinco is not a metropolis as far as successful
2 businesses go and Ebensburg at this point is just
3 starting to grow as far as successful businesses.

4 There are two airports here in Cambria
5 County. I work across the street from one that's
6 struggling to survive and the other, which is in
7 Ebensburg on Route 22 is trying to sell their land so
8 that they can bring businesses in because there is no
9 financial growth for them. But I am working in a place
10 that is local to my calling but my own personal needs
11 are provided by Ebensburg. I don't know if there would
12 be --- how they could reassess. It's just unfortunate
13 that it seems like we're up there in this little
14 Northern Johnstown area that really is not connected or
15 tied to Johnstown, Westmont, Geistown and Benscreek.

16 I found out whenever I was building my
17 home in the Mineral Point area that I had problems even
18 having my land assessed because ---.

19 MS. KNIGHT: Your Honor ---.

20 JUDGE CORBETT: Ms. Kaschalk, you're
21 getting into additional matters.

22 MS. KASCHALK: Okay. I'm getting into
23 political things.

24 JUDGE CORBETT: No. No, I'm not talking
25 about political things, I'm talking about additional

1 matters that you hadn't testified to earlier and the
2 problem is that this is not evidence at this point.
3 This is argument based upon facts not in evidence.

4 MS. KASCHALK: I'm sorry. I apologize
5 for that then. I've not had much practice in the court
6 room.

7 JUDGE CORBETT: That's all right.

8 MS. KASCHALK: Nonetheless, my biggest
9 point is is that we're a rural area outside of
10 Johnstown that uses Ebensburg, which was once very
11 rural and it's trying to turn a little bit more
12 commercial. That's where our needs are satisfied for
13 our daily lives and you may be calling it a personal
14 need. My personal calls you had mentioned were made in
15 mainly in Johnstown. Well, I was born and raised
16 there. My mother lives there and my aunts and uncles
17 and cousins and my children's aunts and uncles live
18 there also.

19 So, yes, I have a complete tie to
20 Johnstown. I'm not saying that I don't have a tie to
21 the place I live but I happen to live in an area that
22 my in-laws are also local to me and their family. But
23 I'd also like to stress that Ebensburg can call my
24 house toll free. It's a toll free call for Ebensburg
25 to call my home. But I cannot call Ebensburg. I

1 cannot return their phone call as a toll-free call.

2 JUDGE CORBETT: Okay. Does that conclude
3 your remarks then, Ms. Kaschalk?

4 MS. KASCHALK: Yes, it does.

5 JUDGE CORBETT: So the parties understand
6 the procedure from this point, I will wait to receive
7 the copy of the transcript from today's hearing. That
8 transcript should arrive in this office within the next
9 three or four weeks. As my schedule permits, I will
10 sit down and begin drafting a decision in this case
11 when that transcript comes in. My decision will be
12 filed with the Commission in Harrisburg. Within 90
13 days after receipt of the transcript. You'll receive a
14 copy of that Decision directly from the Commission in
15 Harrisburg. If you disagree with anything that is
16 stated in the Decision, you have the right to file what
17 are called exceptions.

18 There will be an instructional letter
19 that accompanies the Decision which outlines for you
20 the procedure to follow if you wish to file exceptions.
21 Please note that the exceptions must be filed within
22 the deadline specified in the instructional letter.
23 Are there any questions with regard to the procedure
24 from this point?

25 MS. KNIGHT: Your Honor, I only have one

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1 additional note and that is if you would like I will
2 make a copy of Ms. Kaschalk's signature on the
3 Agreement to Comply just so your record is complete.

4 JUDGE CORBETT: That's fine. You can
5 make that copy and send it to me. I would appreciate
6 that.

7 MS. KNIGHT: Very good.

8 JUDGE CORBETT: Any question with regard
9 to procedure from this point forward? Okay. Thank you
10 all for your patience and cooperation. I'll be very
11 frank and honest and open with you all. This is a
12 difficult case. Whichever way I decide this case, it's
13 going to be very difficult because we're dealing with
14 the regulations of the Commission which call for an
15 exchange-wide review of the situation and I have no
16 doubt that there is some interest in Vinco for
17 toll-free calling to Ebensburg. But how that fits in
18 to the overall outline of how this particular exchange
19 is to be regulated, that's a matter that I have to look
20 at and then the Commission has to look at. This is a
21 very difficult case. I will do the best I can and
22 you'll receive me decision in due course. Thank you
23 all. The hearing is now adjourned. Good day to you
24 Ms. Kaschalk.

25 MS. KASCHALK: Thank you.

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MS. KNIGHT: Thank you, Your Honor.

(Whereupon, at 12:14 p.m., the hearing
was adjourned.)

* * *

C E R T I F I C A T E

I hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken
stenographically by me, and thereafter reduced to
typewriting by me or under my direction; and that this
transcript is a true and accurate record to the best of
my ability.

COMMONWEALTH REPORTING COMPANY, INC.

By: Patricia J. Stefanik
Patricia J. Stefanik

* * *

SECRETARY'S BUREAU
02 MAR -5 PM 1:33

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
John H. Corbett, Jr.

DOCKETED

MAR 06 2002

LINDA LESKO,

Complainant

v.

Docket No. C-00014886

VERIZON NORTH INC. and VERIZON PENNSYLVANIA INC.,

Respondents

MARYANN KASCHALK,

Complainant

v.

Docket No. C-20015851

VERIZON NORTH INC. and VERIZON PENNSYLVANIA INC.,

Respondents

DOCUMENT
FOLDER

PREPARED DIRECT TESTIMONY OF
REGINA RYAN,
SENIOR STAFF CONSULTANT,
VERIZON PENNSYLVANIA INC. AND
VERIZON NORTH INC.

SECRETARY'S BUREAU

C211138-5 PM 1:40

Louise A. Knight
Malatesta Hawke & McKeon LLP
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100 North Tenth Street
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Harrisburg, PA 17105-1778
(717) 236-1300
Verizon North Inc. Statement No. 1

DATED: January 25, 2002
ADMITTED:

EXHIBIT
211402 Statement
C00014886 Exhibit 1
Pys Pittsburgh

1 Q. Please state your name and business address.

2 A. My name is Regina Ryan, and my business address is 1717 Arch Street, Philadelphia, PA
3 19103.
4

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

6 A. I am employed by Verizon Pennsylvania Inc. ("Verizon PA") as Senior Staff Consultant.
7

8 Q. How long have you been employed by Verizon PA?

9 A. I have been with Verizon PA (and its predecessors) for 22 years in a variety of disciplines
10 and departments. I have been in my present position since 2001. I am responsible for both
11 Verizon PA and Verizon North Inc. ("Verizon North").
12

13 Q. What are your responsibilities as Senior Staff Consultant?

14 A. One of the areas for which I have responsibility is for Exchange Services planning,
15 introduction of new services, investigation of customer requests for Extended Area Service,
16 administration of exchange boundaries, and the preparation, filing and interpretation of
17 Exchange Service tariffs that Verizon PA and Verizon North make with the Pennsylvania
18 Public Utility Commission ("Commission").
19

20 Q. What is the purpose of your testimony in this proceeding?

21 A. The purpose of my testimony is to describe generally what an "exchange" and a "local
22 service area" represent and, in particular, the exchanges and local service areas to which the
23 Complainants, Linda Lesko and Maryann Kaschalk, belong. I also will identify the options

1 theoretically available to provide what the Complainants have requested and the reasons
2 why none of those options is warranted in this proceeding.

3
4 Q. What is an "exchange"?

5 A. An "exchange" is the fundamental rate division for providing telephone service. The
6 exchange in which a customer is located determines what services are available to the
7 customer and the rates the customer pays for those services. For example, the monthly rate
8 that Verizon North charges for access to the telephone network varies throughout
9 Pennsylvania based on the exchange in which a customer is located. An exchange also
10 determines where a customer can call on a toll-free basis. Verizon North has 102 exchanges
11 in Pennsylvania.

12 I cannot overemphasize the importance of viewing and accepting the concept of
13 exchanges as the fundamental unit of telephone service. With the proliferation of cellular
14 telephones and other technologies, it may be tempting to overlook the fact that exchanges
15 are our design unit -- that is, we plan landline facilities based on servicing the area
16 comprising the exchange. There is a growing tendency to view the structure as unwieldy or
17 just artificial, but the exchange is our essential building block.

18
19 Q. What is the significance of a customer's location within a particular exchange?

20 A. The most significant consequence of being in a particular exchange is an economic one -- a
21 customer's exchange determines the rate the customer pays for local usage packages and
22 whether particular calls the customer places are considered local calls or toll calls.

23 Q. How does a customer's exchange determine the rate that the customer pays for local usage
24 packages?

1 A. Under Verizon North's tariffs, the rates for each exchange are established on the basis of the
2 number of telephone access lines (main stations) in the local service area. Each exchange is
3 placed in a rate group according to the number of weighted access lines that can be called
4 without a toll charge. Verizon North currently has six (6) rate groups. The rate for each rate
5 group reflects the value of local calling ability based on the number of access lines in an
6 exchange, plus application of a weighting factor which reflects the value of distance
7 between an exchange and any additional exchanges included in the local service area.

8
9 Q. How does a customer's exchange determine whether a call is a local call or a toll call?

10 A. Each exchange has its own "local calling area," which is the area in which residential
11 customers who have subscribed to Verizon North's "Flat Rate Extended Area Service"
12 can, with payment of the tariffed monthly rate associated with that calling package, place
13 an unlimited number of uncounted and untimed calls within the customer's "local calling
14 area." This service package is referred to as "flat rate" service. The "local calling area"
15 for most exchanges includes not only the exchange itself, but other exchanges as well.

16 Some customers find it more economical to pay for calls within their local calling
17 area. Verizon North customers who do not wish to have Flat Rate Service, may elect a
18 measured local calling option known as "Metered Service" or "Usage Sensitive Service,"
19 if available. "Metered Service" allows a customer to make untimed calls within his or
20 her local calling area at a tariffed rate of \$.07 per call during peak hours and \$.035 per
21 call during off-peak hours. "Usage Sensitive Service" consists of a monthly charge and
22 charges per call based on time and distance.

1 By contrast to these local area calling alternatives, calls to locations outside of a
2 customer's local calling area are known as "toll calls," and are charged separately under
3 Verizon North's Commission-approved Message Toll Telephone Service table of rates.
4 Each toll call is separately itemized on a customer's bill, and the amount charged for any call
5 depends on its duration, the time of day and day of the week when the call is placed, and the
6 distance between the toll rate center of the customer's exchange and the toll rate center of the
7 exchange where the call terminates.

8
9 Q. How did Verizon North determine what each exchange's local calling area should include?

10 A. Typically, the reason a particular exchange was designed in a particular way has not been
11 memorialized in company records, but the basic approach was to define a local calling area
12 for each exchange which was extensive enough so that the large majority of the customers in
13 the exchange could meet their day-to-day calling needs without incurring toll charges. To
14 determine the extent of a local calling area, the calling patterns of customers were reviewed
15 and analyzed.

16 We continue to provide local calling areas designed to meet the needs of most
17 customers within our exchange. However, logic and experience demonstrate that the
18 places that customers tend to call can depend largely upon where they are located within
19 the exchange, where their relatives, friends, and business relationships are located, and
20 where their shopping is done. Of course, these factors are not necessarily constant over
21 time. For instance, a large number of customers may tend to call one area for shopping
22 and business needs, but that can change as businesses and shopping areas change and
23 customer preferences change in response to a changing business environment.

1 That certainly appears to be a factor in this case. Several witnesses at the public
2 input hearing testified about the Super WalMart in Ebensburg, as well as other
3 commercial development along the Routes 22 and 422 corridor near Ebensburg.
4 Obviously that development is relatively recent, certainly more recent than the origin of
5 the Johnstown exchange. Likewise, it appears that large consolidated school districts
6 which were formed over the last 30-40 years were designed without considering local
7 versus toll calling areas. Yet we have found that many schools do not provide toll-free
8 numbers where there are areas in their districts which cannot call toll-free. Finally, some
9 customers in an exchange may elect to shop or visit doctors or do business in
10 communities outside of their local calling area.

11 It is, of course, virtually impossible to design local calling areas which will meet
12 all of the calling habits of every customer in a particular exchange. That is why the
13 Commission developed regulations to identify when a local calling area is deemed to be
14 insufficient.

15
16 Q. Once a local calling area has been established for a particular exchange, under what
17 circumstances does Verizon North change or enlarge the local calling area?

18 A. The local calling area should be enlarged only if the existing calling area is so insufficient as
19 to lead to the conclusion that Verizon North is not providing adequate telephone service to
20 its customers in the affected exchange. The primary objective criteria that we examine and
21 hold to are those set forth in the Commission's regulations on "Extended Area Service"
22 ("EAS") at 52 Pa. Code §§63.71-63.77. The purpose of these regulations strike a balance
23 between customers' need for local calling area and telephone company's duty to provide flat
24 rate calling in lieu of toll calling. In addition, where we receive a request for a change in a

1 customer's local calling area, we do not examine that request in isolation, because we feel it
2 is necessary to look at the consequences that action taken with respect to one exchange may
3 have on other exchanges, and on Verizon North and its customers as a whole.
4

5 Q. To what exchange do the Complainants belong?

6 A. They are in Verizon North's Johnstown exchange.
7

8 Q. Can you describe generally the Johnstown exchange?

9 A. The Johnstown exchange is located in Cambria County in central Pennsylvania. It covers
10 about 142 square miles.
11

12 Q. What is the local area calling for the Johnstown exchange?

13 A. The local area calling for the Johnstown exchange includes the following exchanges:
14 Johnstown, Beaverdale, Davidsville, Nanty Glo, Seward, South Fork, and Windber.
15

16 Q. Can you identify and describe the document that has been marked as Verizon North
17 Exhibit No. 1?

18 A. Verizon North Exhibit No. 1 is a map prepared under my supervision that depicts the local
19 calling area for the Johnstown exchange. The Johnstown exchange is highlighted in yellow,
20 and the other exchanges included in Johnstown local calling area is highlighted in blue.
21

22 Q. So residence subscribers in the Johnstown exchange are able to call the exchanges in blue
23 and yellow on this exhibit for a flat fee?

24 A. Yes.

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Q What are the rates for a Johnstown customer?

A. A residential Johnstown customer pays \$13.80 per month for a dial tone line and an unlimited local calling area package. Residential customers also may elect to have the measured service. Some customers find it more economical to pay for calls within their local calling area on an individual basis.

Q. How many square miles does the local calling area Johnstown cover?

A. The Johnstown exchange's local calling area covers approximately 456 square miles.

Q. How many access lines are in the Johnstown exchange?

A. There are [START PROPRIETARY] [END PROPRIETARY] access lines in the Johnstown exchange. However, in the case of the Johnstown exchange, there are several central offices comprising the entire exchange. One of those central offices serves the Vinco area. It is called Johnstown North. The central office has [START PROPRIETARY] [END PROPRIETARY] access lines. That is not in addition to the total number of access lines, but a part of the total number.

Q. Can Johnstown customers receive Lifeline and Universal Telephone Assistance Plan ("UTAP") to assist them in paying their telephone bills?

A. Yes, if qualified, a Johnstown customer can receive a \$9.00 Lifeline credit each month and also have the option of requesting UTAP funding to assist the subscriber.

Q. What is your understanding of the relief Ms. Lesko and Ms. Kaschalk are seeking?

1 A. The Complainants would like the local calling area of the Johnstown exchange expanded to
2 include Verizon PA's Ebensburg exchange.

3
4 Q. In theory, what actions are available to provide the relief requested by the Complainants?

5 A. There are two kinds of relief that would reduce or eliminate the application of toll charges to
6 calls placed from the Johnstown exchange to the Ebensburg exchange. They are (1) EAS
7 and (2) an optional calling plan ("OCP").

8
9 Q. You earlier cited the Commission's regulations on EAS. Can you describe generally what
10 those regulations provide?

11 A. The Commission's regulations on Extended Area Service required that Verizon North
12 produce and file with the Commission periodic point-to-point studies of toll traffic for routes
13 between contiguous exchanges and for routes between non-contiguous exchanges that have
14 toll rate centers that are within sixteen miles of one another. The regulations further
15 required that the toll traffic usage studies be evaluated to ascertain whether either an OCP or
16 non-optional EAS should be implemented under certain circumstances.

17
18 Q. What is Extended Area Service and under what circumstances is it available?

19 A. As defined by the Commission's regulations at 52 Pa. Code §§63.71-63.77, EAS is "[t]he
20 expansion of a local calling area to include additional exchanges." In the context of the
21 Complainants' requests, EAS would involve the expansion of the local calling area for the
22 Johnstown exchange to include the Ebensburg exchange.

23 Under the Commission's regulations, EAS must be considered where three
24 conditions are satisfied. The first of the conditions is what may be referred to as a

1 "proximity" requirement: that is, the calling and called exchanges either must be contiguous
2 or have toll rate centers that are within sixteen miles of each other. Second, the calling
3 exchange's average call rate to the called exchange must equal or exceed 5.5 messages per
4 line per month. Third, at least 50% of the customers in the calling exchange must call the
5 called exchange per month.

6
7 Q. Have each of these three conditions been satisfied with the Johnstown exchange as the
8 "calling exchange" and the Ebensburg exchange as the "called exchange."

9 A. No, neither the calling volumes nor the percentage of customers making calls meet the
10 thresholds set forth in the Commission's regulations and, therefore, do not justify
11 consideration of providing EAS.

12
13 Q. Please explain.

14 A. In order for Verizon North and the Commission to determine on a periodic basis whether
15 EAS or an OCP is called for, the Commission's regulations require that Verizon North
16 produce the toll traffic studies that I previously described. Because of a moratorium
17 ordered by the Commission, the last official toll traffic study was done in 1997. At that
18 time, the criteria in the EAS regulations were not satisfied.

19
20 Q. What do those calling rates and percentages of customers calling signify?

21 A. The significance of measuring the calling rate is that it is a proxy for "need" to call. If
22 there is a compelling need, people will make calls and pay the toll. The number of calls
23 per access line reflects daily decisions by customers that they need to make a call.

1 The percentage of customers is a safeguard so that just a few customers can't
2 skew the calling rates. In other words, the need must be widespread, and not confined to
3 a small segment of customers. In this case, it is apparent that calling from the Johnstown
4 exchange to the Ebensburg exchange is not widespread but correlates to location within
5 the Johnstown exchange. The callers probably are typified for the most part by the
6 complainants and those who testified at the public input hearing.

7
8 Q. What is an OCP and under what circumstances is it available?

9 A. An OCP is an alternative to EAS that the Commission's regulations require to be made
10 available where the average monthly calling frequency is at least two calls per access line
11 (as opposed to 5.5 calls for Extended Area Service), and where at least 25% of the access
12 lines in the calling exchange have placed calls to the called exchange per month. Where
13 these criteria are met, Verizon North and Verizon PA are required to offer to customers
14 within the calling exchange a tariff option that will reduce the charges for calls they make
15 to the called exchange. Unlike EAS, however, an OCP does not expand the local calling
16 area for the exchange. Verizon North and the Commission rely on the same traffic usage
17 studies used for EAS to determine whether an OCP must be made available.

18
19 Q. Did calling rates support the provision of an optional calling plan for the Johnstown
20 exchange to any other exchange?

21 A. No.

22
23 Q. Are there other competing toll carriers handling intraLATA toll calling originating in the
24 Johnstown exchange?

1 A. Yes, now there are competing toll carriers, although the number of lines each served is
2 considered to be proprietary by those carriers.

3

4 Q. Do you consider cellular calling competition for your toll market?

5 A. Yes, more and more customers are using cellular services as an alternative to toll.

6

7 Q. Is there currently local competition in the Johnstown exchange?

8 A. Yes.

9

10 Q. Has Verizon North analyzed costs that it would experience if EAS were implemented
11 from Johnstown to Ebensburg?

12 A. There are three major components of costs: (1) lost toll and access charge revenue; (2)
13 capital costs (i.e., additional equipment and facilities); and (3) expenses caused by
14 regulatory requirements.

15

16 Q. Can you identify these costs for the route in question?

17 A. Yes. Lost toll and access revenue would be [START PROPRIETARY]

18

19

20

21

[END PROPRIETARY]

22

23 Q. What types of new facilities would be required?

24 A. The facilities are digital trunk interfaces, fiber cable, fiber terminal equipment.

1
2 Q. So, if EAS were granted, Verizon North will experience about [START
3 PROPRIETARY] [END PROPRIETARY] in one time costs?

4 A. Correct.

5
6 Q. And around [START PROPRIETARY] [END PROPRIETARY] in annual
7 revenue loss and recurring increased operating and maintenance

8 A. Yes, that's right.

9
10 Q. What is the position of Verizon North regarding this case?

11 A. That the EAS quantitative standards have not been met. Furthermore, the calling needs
12 expressed by many of the witnesses reflect personal calling preferences or circumstances.
13 The Johnstown exchange is large. The benefit of that expansiveness is that there is a
14 large calling area within the exchange itself. The downside is that calling patterns within
15 the exchanges have a higher likelihood of not being homogeneous. That is the case for
16 the Vinco area. It is part of the Johnstown exchange, but sees itself as having different
17 needs and wants from the exchange as a whole. The regulatory framework is not set up
18 to respond to small calling subsets within an exchange. The telephone system, as I
19 testified before, uses the exchange as the basic building block.

20 If we examine the criteria set forth in Section 63.77, I submit that the complainants
21 have not shown (1) a community of interest between the Johnstown exchange as a whole
22 and the Ebensburg area, (2) that the lack of EAS impairs the economy of the area, and/or
23 (3) that no options to EAS exist, especially considering testimony regarding the availability
24 of calling cards which allow calling to Ebensburg for a few cents per minute.

1 However, if EAS were granted -- and again Verizon North does not support that
2 expansion -- then we submit that Verizon North should be allowed to recover its toll and
3 access fee loss, as well as its one-time costs and new operations and maintenance costs.
4 Because we cannot confine those costs to the customers in the Vinco area -- again we must
5 treat the exchange as a whole -- they would be recovered from all the customers in the
6 Johnstown exchange. Based on the total number of customers in the Johnstown exchange,
7 we would propose a one-time surcharge of \$1.50 on each access line the first year after EAS
8 is granted and a \$1.00 annual surcharge thereafter.

9

10 Q Does this conclude your testimony?

11 A. Yes.

12

13

14

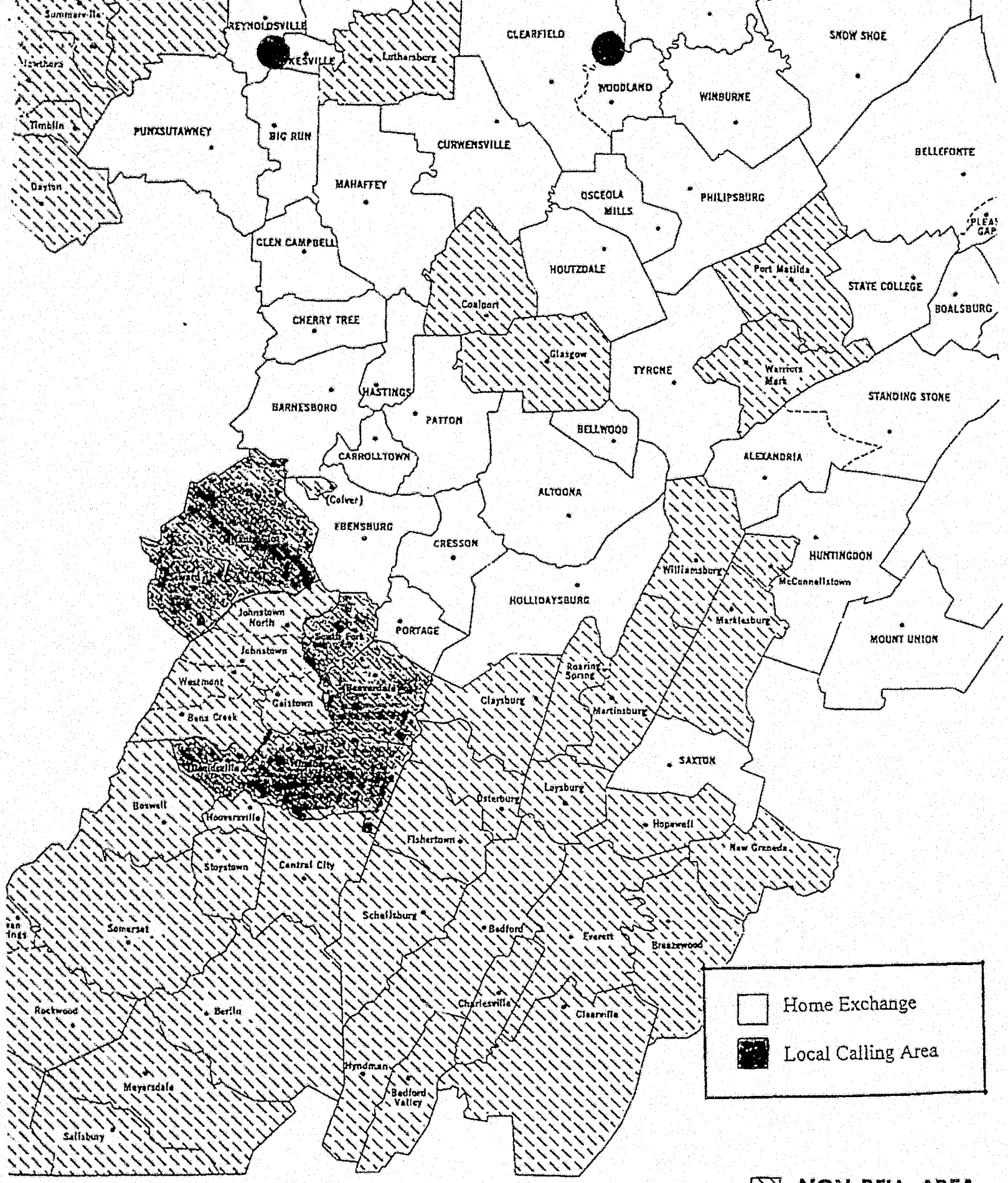
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Summersville
Newtowers
Timblin
Dayton

REYNOLDSVILLE
PARKERSVILLE
BIG RUN
MAHAFFEY
CLEM CAMPBELL
CHERRY TREE
BARNESBORO
HASTINGS
PATTON
CARROLLTOWN
EBENSBURG
PORTAGE
Johnstown North
Johnstown
Westmont
Bens Creek
Martinsburg
Boswell
Hooversville
Stoytown
Central City
Somerset
Berlin
Meyersdale
Salisbury

Luthersburg
CURWENSVILLE
MAHAFFEY
COALGART
GLASGOW
TYRONE
BELLWOOD
ALTOONA
CRESSON
HOLLIDAYSBURG
Claysburg
Martinsburg
Loysburg
Osterburg
Fishertown
Schellsburg
Bedford
Hyndman
Bedford Valley

CLEARFIELD
WOODLAND
WINDBURNE
OSCEOLA MILLS
HOUTZDALE
OSCEOLA MILLS
TYRONE
BELLWOOD
ALTOONA
HOLLIDAYSBURG
Claysburg
Martinsburg
Loysburg
Hopewell
Brewerwood
Charlesville
Clearville

SNOW SHOE
BELLEFORTE
PHILIPSBURG
STATE COLLEGE
BOALSBURG
STANDING STONE
ALEXANDRIA
HUNTINGDON
MOUNT UNION
SAXTON
New Grenada

Home Exchange
 Local Calling Area

NON-BELL AREA
ISSUED 3-91

