



COMMONWEALTH OF PENNSYLVANIA

April 14, 2020

The Honorable Joel H. Cheskis  
The Honorable Benjamin J. Myers  
Administrative Law Judges  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120

**Re: The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink 2019 Annual Price Stability Index / Service Price Index Report & The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink 2018 Annual Price Stability Index / Service Price Index Report / Docket Nos. R-2019-3012238 & R-2018-3004019**

Dear Judge Cheskis and Judge Myers:

Enclosed please find the PUBLIC VERSION of the Statement and Verification of Joseph Gillan, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceedings.

The OSBA, along with the parties in the above-captioned proceedings, agree to make these statements part of the record via stipulation and agree to waive cross examination.

Copies will be served all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray  
Senior Supervising  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Joseph Gillan  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

The United Telephone Company of Pennsylvania LLC	:	R-2018-3004019
d/b/a CenturyLink 2018 Annual Price Stability	:	
Index/Service Price Index Report Filing	:	
Office of Consumer Advocate	:	C-2018-3005400
v.	:	
The United Telephone Company of Pennsylvania LLC	:	
d/b/a CenturyLink	:	
The United Telephone Company of Pennsylvania LLC	:	R-2019-3012238
d/b/a CenturyLink 2019 Annual Price Stability	:	
Index/Service Price Index Report Filing	:	
Office of Consumer Advocate	:	C-2019-3012876
v.	:	
The United Telephone Company of Pennsylvania LLC	:	
d/b/a CenturyLink	:	

**STATEMENT OF JOSEPH GILLAN  
ON BEHALF OF THE  
OFFICE OF SMALL BUSINESS ADVOCATE**

**Introduction**

1. My name is Joseph Gillan. My business address is PO Box 540386, Merritt Island, Florida, 32954. I am an economist with almost 40 years of experience providing economic and policy analysis to businesses and government agencies in the telecommunications industry.
2. I began my professional career as an intern with the Mountain Bell Telephone Company where I developed statistical models estimating the consumer reaction to changes in the price for local telephone service. The work I performed for Mountain Bell became the basis of my thesis and I was awarded a M.A. Degree in Economics from the University of Wyoming (as part of a program focused on the economics of public utilities and regulated companies).
3. For five years I served on the staff of the Illinois Commerce Commission (the Illinois equivalent to the Pennsylvania PUC). I was ultimately named Policy Director - Market Structure, with primary responsibility for the analysis of issues created by the emergence of competition in regulated markets.
4. I left the staff of the Illinois Commerce Commission to become the Director of Regulatory Affairs with US Switch, a company working to establish partnerships with independent local telephone companies to construct in-state long distance networks. My final title at US Switch was Vice President-Strategic Planning, where I had continuing responsibility

**Statement of Joseph Gillan  
Office of Small Business Advocate**

for the company's regulatory compliance/advocacy, as well as responsibility for contract negotiation/marketing with independent telephone companies and project management for the company's pilot project in Indiana (which ultimately failed to achieve the financial support to become operational).

5. In 1987 I left US Switch to start my consulting practice. As a consultant, I have testified (or provided affidavits and/or reports) over 300 times before more than 40 state commissions, numerous state legislatures, the FCC, the Commerce Committee of the United States Senate, and the Federal/State Joint Board on Separations Reform. I have also provided testimony in federal and state civil courts, as well as providing expert reports filed with the Finance Ministry of the Cayman Islands and the Canadian Radio-Telecommunications Commission.

6. In addition to my consulting and business activity, for a number of years I volunteered as an instructor at the annual regulatory studies program at Michigan State University ("Camp NARUC"), and have taught at similar programs sponsored by New Mexico State University and the University of Wyoming. I have also lectured at the Northwestern University Law School; the School of Laws, University of London (United Kingdom); and co-instructed *Telecom Policy and Regulation for Next Generation Networks* with Dr. Mark Jamison for the staff at the Office of the Communications Authority (Hong Kong, China).

7. I have been a Senior Fellow at the Institute of Public Utilities at Michigan State University, I currently serve on the Advisory Counsel to the New Mexico State University Center for Regulation as its Second Vice Chair, and I am on the Advisory Council to the Regulatory Training Initiative, an educational project of the National Regulatory Research Institute. In 2008, I was nominated by the Chairman of the FCC to serve on the Board of Directors for the Universal Service Administrative Company ("USAC").<sup>1</sup> I was renominated to the Board of Directors in 2009, 2013 and 2017, and currently serve as the Chairman of the Board.<sup>2</sup>

**Purpose of Statement**

8. The purpose of my statement is to explain why the proposed settlement between United Telephone Company of Pennsylvania LLC ("CenturyLink"), the Office of Consumer Advocate ("OCA") and the Office of the Small Business Advocate ("OSBA") is in the public interest.<sup>3</sup> As I explain below, the regulatory tools needed to attribute a portion of the federal income tax reduction to jurisdictionally intrastate services – most particularly, a cost allocation mechanism to plausibly determine intrastate profits – have been discarded over the past 35+ years. As a result, there is no off-the-shelf methodology to determine what portion (if any) of a reduction in federal income tax liability should be allocated to intrastate Pennsylvania services.

---

<sup>1</sup> The USAC Board is comprised of representatives from different "constituencies" affected by Federal USF policies and I hold the seat designated to represent the interests of competitive local exchange carriers.

<sup>2</sup> A complete resume is attached as Gillan Exhibit JPG-1.

<sup>3</sup> *Joint Petition for Approval of Settlement Agreement*, January 23, 2020.

9. Attempting to create a special, single-use, cost allocation mechanism for this one purpose is impractical, while the core benefit of the settlement – *i.e.*, retail price protection for the next two years – is a valuable concession. Changing market conditions and emerging technologies make it likely that any rate increase foregone by CenturyLink today will be forever gone as CenturyLink’s markets (including its rural, non-competitive markets) become increasingly competitive and its traditional product lines become obsolete.

**The Proposed Settlement**

10. The proposed settlement has three components:

- The elimination of \$912,511 in banked revenues that could have been used to justify an increase in non-competitive rates;
- A commitment to forgo using its 2020 PSP filing to increase prices; and
- A commitment that CenturyLink will not increase its cumulative banked revenues as a part of its 2020 PSP filing (currently estimated at \$450,000 +/- \$25,000).

11. In addition, the parties agree to not litigate whether (or not) the federal income tax reductions that are part of the TCJA should be considered an exogenous event that might result in the possibility of further rate reductions.<sup>4</sup> The negotiated settlement provides for the certainty of stable rates for non-competitive services through the end of 2021, and a permanent reduction in banked revenues that might otherwise justify an increase in rates beyond 2021.

**There is No Cost Allocation Mechanism to Determine Intrastate Profits**

12. From the late 1890s through the dawn of the Internet, telecommunications networks in the United States were designed to carry voice traffic. Even where the network supported special-use circuits, data was commonly transmitted by mimicking a voice call (*i.e.*, by modulating the information) so that the data service could use the voice network.

13. The 100+ year dominance of voice services was reflected in the cost allocation procedures used to separate costs between the local and short-haul toll services regulated by state public utilities commissions and the interstate long distance services that were regulated by the FCC. Because the same network was used for both intrastate and interstate calling, an agreed allocation of costs was (historically) established using rules adopted by the FCC, but jointly developed by state and federal regulators meeting in Joint Boards.

---

<sup>4</sup> Although it is an open issue as to whether the TCJA should be considered an exogenous event, my statement assumes that to be the case. This approach is similar to (what I understand to be) the analytical framework underlying a request for a directed verdict (*i.e.*, it assumes predicate facts most adverse to a finding that the settlement is in the public interest). As a result, the public interest finding described below can only be strengthened by the uncertainty that the entire question – that is, whether these income tax reductions are in fact an exogenous event under the plan – could be resolved in favor of CenturyLink.

**Statement of Joseph Gillan  
Office of Small Business Advocate**

14. The most important cost allocation was the rule used to allocate “local loop” costs between the state and federal jurisdictions.<sup>5</sup> This network component dominated most negotiations because (a) it represented a large portion of local network costs and (b) the cost did not vary by usage. As a result, *any* allocation of the loop cost between intrastate and interstate services was somewhat arbitrary, yet financially significant.

15. Ultimately, in 1986, federal and state regulators decided to adopt a fixed allocation of loop (more specifically, outside transmission) costs between the intrastate and interstate jurisdiction such that 25% of the cost would be allocated to interstate services and 75% of the cost was allocated to intrastate service.<sup>6</sup> This “rough justice” approach was adopted when intrastate service was dominated by local exchange voice service, interstate service was dominated by traditional long distance voice service, and the Internet was still a decade (or more) in the future.

16. Importantly, the emergence of the Internet fundamentally changed the central goal of network design. Rather than design networks for the fixed capacity of individual voice calls, contemporary networks are designed to accommodate the varying capacity requirements of data traffic. As the nation’s networks are redesigned into broadband facilities, the capacity associated with voice traffic is trivial. However, the cost allocation rules between the interstate and intrastate jurisdictions have never been reformed to recognize this fundamental change.

17. In 1997 (and partially in response to the enactment of the Telecommunications Act of 1996) the FCC recognized the need to comprehensively reform the jurisdictional assignment of cost (a process called “separations”) and referred the issue to a Federal-State Joint Board.<sup>7</sup> Rather than achieve reform, however, the next 23 years of effort produced only delay and deferment.

18. In 2001, the FCC imposed an “interim” freeze of jurisdictional cost allocation factors.<sup>8</sup> This “interim” freeze has been routinely extended over the past twenty years, most recently for another six (6) years on December 17, 2018.<sup>9</sup> As a result, for the past two decades, carriers like

---

<sup>5</sup> The term “local loop” describes the connection between an individual subscriber and the first point of switching.

<sup>6</sup> See 47 C.F.R. § 36.154(a) Subcategory 1.3- “Subscriber or common lines that are jointly used for local exchange service and exchange access service for state and interstate interexchange services;” 47 C.F.R. § 36.154(c): “Effective January 1, 1986, 25 percent of the costs assigned to subcategory 1.3 shall be allocated to the interstate jurisdiction.”

<sup>7</sup> *Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, 12 FCC Red 22120, 22122-24, paras. 2-5 (1997) (1997 *Separations Reform NPRM and Referral*).

<sup>8</sup> *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Report and Order, FCC 01-162, (2001) (2001 *Separations Freeze Order*), released May 22, 2001, at 2, 9, available at: [http://www.fcc.gov/Bureaus/Common\\_Carrier/Orders/2001/fcc01162.doc](http://www.fcc.gov/Bureaus/Common_Carrier/Orders/2001/fcc01162.doc)

<sup>9</sup> *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Report and Order, FCC 08-182, (2018) released December 17, 2018.

**Statement of Joseph Gillan  
Office of Small Business Advocate**

CenturyLink have applied allocation factors based on data from calendar-year 2000 studies in a system that was never reformed to correctly align fiber loop costs with the Internet services they supported to begin with.<sup>10</sup>

19. The combined consequence of these decades-old decisions is illustrated in the Confidential Attachment to OCA Data Request 1-5 (attached here as Gillan Exhibit JPG-2). This exhibit presents the most recent results applying the FCC's Part 36 jurisdictional cost allocation rules to CenturyLink's operations in Pennsylvania.<sup>11</sup> As shown in JPG-2, the existing allocation rules produce the absurd result that the *entire* benefit of the federal income tax cut would be attributed to interstate services because intrastate services produce a negative return.<sup>12</sup> But this outcome is essentially preordained by the mismatch between the *revenue* allocation that recognizes Internet and high-speed data services as interstate (and, in the case of Broadband Internet Access Service, as an information service), and the cost allocation that arbitrarily assigns 75% of the cost of the network's most expensive component to the state jurisdiction.

20. In other words, the existing cost allocation rules—rules which are unambiguously fallacious in structure and result—cannot determine what portion, if any, of a reduction in federal income tax is jurisdictionally intrastate. Consequently, a threshold requirement to using any portion of a tax-related rate reduction to reduce intrastate rates would be the creation of a new cost allocation scheme.

21. Jurisdictional cost allocation rules are not the only predicate to rate-of-return regulation that has been abandoned in Pennsylvania (and elsewhere). CenturyLink's retail rates have not been determined by cost-based regulation for almost 15 years (if they ever were).<sup>13</sup> The CenturyLink Alternative Regulation Plan was adopted in 2005, with the rates for noncompetitive services adjusted periodically only for inflation ever since.<sup>14</sup> As a result, the linkage (if any existed in 2005) between retail rates and cost has been persistently eroded over the intervening decade and a half.

---

<sup>10</sup> As noted, local exchange networks have been transiting to a data architecture (using fiber optic transmission and packet routing) to accommodate the principal driver of network design—broadband internet services. Nevertheless, under the fixed-allocation scheme adopted in 1986, 75% of the cost of outside plant has been attributed to intrastate service, even though none of the revenue produced by broadband internet access service is jurisdictionally intrastate.

<sup>11</sup> Specifically, OCA 1-5 asked: "Please provide the most recent Part 36 cost allocation study performed by or for your company."

<sup>12</sup> See CenturyLink Response to OCA 1-5, line 26, January 7, 2019 (Confidential Exhibit JPG-2).

<sup>13</sup> I have explained in other PSM filings that there is no rational cost justification for (among other common retail rate relationships) the differential between residential and business local exchange rates. See Direct Testimony of Joseph Gillan on behalf of the Office of Small Business Advocate, *OSBA v. Verizon Pennsylvania LLC*, Docket No. C-2015-2512860/R-2015-2510231 and *OSBA v. Verizon North LLC*, Docket No. C-2015-25122883/R-2015-2510233, March 1, 2016.

<sup>14</sup> *Petition for Amended Alternative Regulation and Network Modernization Plan of The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink*, Docket No. P-00981410F1000 (Order entered June 23, 2005).

**Table 1: The Disassembly of Rate-of-Return Regulation**

Event	Years since:
75% of loop costs were arbitrarily assigned to the state jurisdiction	35
Allocation of other costs "temporarily" frozen	20
Retail rates regulated using a price-cap formula unrelated to the cost of service	15

22. The question then turns to whether it would be reasonable (*i.e.*, in the public interest) to litigate a single-purpose cost allocation methodology to calculate an allocation of federal income tax liability (and, therefore, a reduction in that liability) to non-competitive, jurisdictionally intrastate, Pennsylvania services given that:

- (a) The principal driver of network investment is a service (Broadband Internet Access Service) that is not regulated by the Pennsylvania PUC;
- (b) The jurisdictional cost allocation rules currently in effect have never been adapted to an Internet-driven market and network;
- (c) There is no question that the effect of (a) and (b) above is to inflate intrastate costs; yet,
- (d) Any embedded cost allocation of loop cost would be arbitrary (to one extent or another); and
- (e) The linkage between CenturyLink's costs and its retail rates (if any ever existed) was severed 15 years ago.

23. In my view, the answer to the above is no – it is not reasonable to create a single-purpose cost allocation methodology to allocate a portion of the federal tax reduction, particularly in comparison the settlement. As a rough measure of the reasonableness of the settlement, I allocated the estimated federal tax reduction as a proportion of revenues. As the table below shows, the negotiated reduction in potential future rates under the proposed settlement (almost \$1.4 million year)<sup>15</sup> is roughly equal to a litigated outcome where the federal income tax reduction is allocated among jurisdictions (and between competitive and non-competitive services) on the basis of revenues.

<sup>15</sup> The annual reduction in future rates (\$1.4 million/year) is the sum of the eliminated cumulative banked revenues (\$0.912 million) and the midpoint of the expected 2020 banked amount (\$0.45 million).

**Table 2: Comparing the Settlement to an Assignment of Profitability that is Proportional to Revenues**

Revenue Allocation Calculation	\$ millions
Estimated Reduction in Federal Taxes <sup>16</sup>	(\$10.4)
Percentage of Revenues that are Intrastate <sup>17</sup>	45%
Percentage of Revenues that are Non-Competitive <sup>18</sup>	26%
Share of Federal Tax Reduction (proportional to revenues) <sup>19</sup>	(\$1.2)
Proposed Settlement	(\$1.4)

24. To be clear, the analysis above is not precise – but neither would be any other allocation. But, if one assumes that profit margins are roughly equal across products – and, in the absence of any meaningful cost analysis this assumption is as good as others – then it would also be reasonable to allocate federal income tax obligations in proportion to revenues.<sup>20</sup> Against this metric, the proposed settlement is not only reasonable when judged against the alternative of protracted litigation, it is reasonable in magnitude as well.

**Foregone Rate Increases are Likely to be Precluded by Alternatives in the Future**

25. The principal benefit of the settlement is the elimination of cumulative banked revenues totaling nearly \$1.4 million dollars that might otherwise be used to increase rates. From the OSBA perspective, this would mean that, for the five years 2017-2021, non-competitive voice rates in CenturyLink’s service area for business customers will have increased by only \$1.00 per month (in 2017),<sup>21</sup> with no threat of any further increase before the end of 2021.

26. As explained above, there is little practical alternative to the proposed settlement and no alternative that is not associated with protracted litigation with an uncertain outcome. Importantly, in my view, the longer that CenturyLink is prevented from increasing its retail rates, the less likely a future increase will become. This is because CenturyLink’s services face increasing pressure from wireless and broadband services, including an emerging technology

<sup>16</sup> Exhibit JPG-2 (line 22 column G)\*(35%-21%)

<sup>17</sup> Exhibit JPG-2 (line 6, column I/G)

<sup>18</sup> 2019 CenturyLink PSP Appendix C Line 1 (Non-competitive revenues)/Exhibit JPG-1 (line 6, column I)

<sup>19</sup> (Estimated Reduction in Federal Tax)\*(% intrastate)\*(% non-competitive)

<sup>20</sup> The analysis in Table 2 assumes that all relevant revenues are booked by CenturyLink in its response to OCA 1-5 (which may not be the case, if an affiliate is used to provide Internet Access service). However, if there are additional interstate revenues that were not reported in OCA 1-5 (due to corporate structure or other theories), adjusting for those revenues would only serve to increase the relative attractiveness of the proposed settlement and a finding that it is in the public interest.

<sup>21</sup> See Joint Petition for Approval of Settlement Agreement, Pennsylvania PUC Docket Nos. R-2016-2564750, P-00981410F1000 and C-2016-2568275, November 22, 2016.

(low earth orbit satellites) that holds the promise of extending broadband efficiently to even rural areas.

27. First, wireless service. Although not commonly a substitute for business local exchange services, wireless service today dominates the residential voice market. In June 2005 (when the CenturyLink Alternative Regulation Plan was approved), 7.3% of the households nationwide had *only* a wireless phone, while over 34% of the households didn't have a wireless phone *at all*.<sup>22</sup> In contrast, as of December 2018, the percentage of households with only a wireless phone had increased to 57.1%, and the percentage of households without any wireless service had declined to 5.3%.<sup>23</sup>

28. Because wireless plans are typically national in scope and pricing, local market conditions are not particularly relevant. That is, even if there are areas within the CenturyLink territory where competition is less robust, its pricing must consider the fact that the majority of its residential base enjoys the price protection of a national (not regional or local) wireless marketplace.

29. Competitive conditions in the business market (in particular, the market of small business customers in less dense areas) have generally been less than in the consumer market. However, even here new technologies are emerging that should increase competitive pressures on CenturyLink. This is particularly true for businesses that rely on broadband service, which should see the availability of low earth orbit (LEO) satellite options in the next year.

30. To fully appreciate the potential significance of LEO technology first requires a comment about the satellite broadband offerings that exist today through providers such as Hughes and ViaSat. These companies provide broadband service through satellites in geostationary orbit, which (due to orbital physics) are located 35,786 kms from earth.<sup>24</sup> Because of this distance, the roundtrip latency (*i.e.*, delay) of any signal is approximately 500-600 milliseconds, which may be acceptable for broadband service, but adversely effects a real-time service such as voice.

31. In contrast, LEO satellites orbit much closer (indeed, 98% closer) to earth. The LEO satellite constellation being deployed by SpaceX (called StarLink) orbits the earth at 550 kms, which means the delay experienced by a voice signal will be around 50 milliseconds (well within voice quality parameters of the traditional Public Switched Telephone Network). Because the satellites in this orbit are moving faster than the earth's rotation, a constellation of satellites is

---

<sup>22</sup> Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates based on data from the National Health Interview Survey, July – December 2006, National Center for Health Statistics, Centers for Disease Control. Rel. May 14, 2007.

<sup>23</sup> Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, July–December 2018. National Center for Health Statistics. June 2019. Pennsylvania tends to have less wireless substitution than the nation overall, although (like the nation) it continues to grow. In 2013 (the earliest year for which state-specific data is available), 41% of the households in the nation were wireless-only, while the percentage in Pennsylvania was 28.9%. By 2018, however, the percentage of wireless-only households in Pennsylvania had increased to 43.4%.

<sup>24</sup> A geostationary orbit means that the satellite orbits the earth at the same speed as the earth's rotation, thereby remaining at the same relative position above the earth.

**Statement of Joseph Gillan  
Office of Small Business Advocate**

needed to ensure that as one satellite moves beyond the horizon, others are in line to take its place.<sup>25</sup>

32. In the case of StarLink, SpaceX has announced its intention to ultimately launch thousands of satellites, but has indicated that its network will be commercially operational to offer service in North America with approximately 400-500 satellites.<sup>26</sup> Each SpaceX launch deploys 60 satellites and (as of the end of March) SpaceX had successfully accomplished six launches (approximately 360 satellites). Only a few more launches will be needed to support a commercial offering.<sup>27</sup>

33. Much remains unknown about how StarLink will be priced, marketed and delivered to consumers. There have been reports suggesting \$80 per month (with a \$100-\$300 installation cost),<sup>28</sup> and the FCC recently authorized up to a million earth terminals (customer locations).<sup>29</sup> However, it is also clear that SpaceX is far along in its own planning, given the significant investments to date in satellite production and launches. While the ultimate commercial significance of StarLink remains unknown, the technical capabilities of the network are science (not market) driven and are fully expected to provide a faster, more reliable, voice/broadband experience than available with DSL and/or satellite technology today.

34. For purposes of my public interest analysis, the important point is that any price increase delayed is likely to be a price increase denied. That is, I would expect the competitive pressures on CenturyLink in both the residential and business markets to increase in time, even in its most rural, least competitive markets. As a result, any regulatory flexibility in the future is less valuable to the company than flexibility used to increase rates today, given that competitive pressures are likely to limit potential future revenues as consumers enjoy greater alternatives.

---

<sup>25</sup> By way of an intuitive example, it is useful to think of the satellite as a high-altitude cell tower. With mobile telephony, the towers remain fixed while the users move (and the calls are transferred between towers as signals improve/deteriorate); with LEO satellites, the user is fixed and the "tower" (the satellite) moves and the call is transferred between satellites based on the relative strength/weakness of the signal.

<sup>26</sup> <https://spacenews.com/spacex-plans-to-start-offering-starlink-broadband-services-in-2020/>

<sup>27</sup> SpaceX has announced that its next StarLink launch will be April 16, 2020.

<sup>28</sup> <https://edition.cnn.com/2019/10/26/tech/spacex-starlink-elon-musk-tweet-gwynne-shotwell/index.html> and <https://www.inverse.com/innovation/spacex-starlink-price-launch-date-how-to-see-elon-musks-constellation>

<sup>29</sup> <https://www.ibtimes.com/fcc-authorizes-spacex-deploy-million-antennas-starlink-satellites-2944584>

**Statement of Joseph Gillan  
Office of Small Business Advocate**

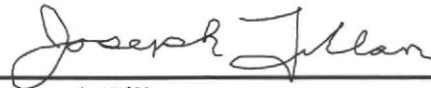
**Conclusion**

35. The settlement reached between the Office of Consumer Advocate and the Office of the Small Business Advocate with CenturyLink provides tangible benefits by eliminating the potential for increases in residential and small business rates before (at the earliest) the end of 2021.

36. Although it might be that additional rate reductions could be realized under certain assumptions, those assumptions would have to include the development and acceptance of a single-use cost allocation methodology that does not yet exist and might never be accepted by the Commission (and, if appealed, the Courts).

37. Given this set of facts, the proposed settlement is in the public interest and I recommend that the Commission approve it.

I, Joseph Gillan, declare the forgoing to be accurate and true.



---

Joseph Gillan  
Consulting Economist, Gillan Associates  
April 14, 2020

# **EXHIBIT**

**Exhibit JPG-1**

**Joseph Gillan**  
**Gillan Associates**  
**joseph@gillanassociates.com**

**Education**

B.A. Economics, University of Wyoming  
M.A. Economics, University of Wyoming

**Professional History**

*Gillan Associates, Economic Consulting (1987-Present)*

Mr. Gillan operates a private consulting practice specializing in the economic evaluation of regulatory policies and business opportunities in the telecommunications industry.

*Vice President, US Switch, Inc. (1985-1987)*

Responsible for crafting the US Switch business plan to gain government approval. US Switch pioneered the concept of "centralized equal access," which positioned independent local telephone companies to provide competitive interexchange services. While with US Switch, Mr. Gillan was responsible for contract negotiation/marketing with independent telephone companies and project management for the company's pilot project in Indiana.

*Policy Director/Market Structure - Illinois Commerce Commission (1980-1985)*

Primary staff responsibility for the policy analysis of issues created by the emergence of competition in regulated markets, in particular the telecommunications industry.

*Mountain States Telephone Company - Demand Analyst (1979)*

Responsible for conducting statistical analysis of the demand for access by residential subscribers.

**Professional Appointments**

Advisory Board	Regulatory Training Institute, National Regulatory Research Institute, 2019-Present
Senior Fellow	Institute of Public Utilities, Michigan State University, 2017 - 2020
Board of Directors	Universal Service Administrative Company 2008-Present Chairman of the Board 2020-Present Vice Chairman of the Board 2018-2020 Chairman High Cost/Low Income Committee 2018-2020 Chairman Audit Committee 2013-2018
Guest Lecturer	Northwestern University Law School 2007
Guest Lecturer	School of Laws, University of London, 2002, 2008
Instructor	Michigan State University, Regulatory Instructional Program, 2005-Present

**Professional Appointments (continued)**

Instructor	Principles of Regulation, New Mexico State University Center for Regulation
Advisory Council	New Mexico State University, Center for Regulation, 1985 – Present
Faculty	Summer Program, Public Utility Research and Training Institute, University of Wyoming, 1989-1992
Contributing Editor	<u>Telematics: The National Journal of Communications Business and Regulation</u> , 1985 - 1989
Chairman	Policy Subcommittee, NARUC Staff Subcommittee on Communications, 1984-1985
Advisory Committee	National Regulatory Research Institute, 1985
Distinguished Alumni	University of Wyoming, 1984

**Publications**

"Lessons from the CAF II Auction and the Implications for Rural Broadband Deployment and the IP Transition," *NRRI Insights*, April 2019.

"The Importance of Section 252 to Competition and the Public Interest: The Continuing State Role in the Age of IP Networks," October 2015.

"Managing the Transition to IP-Based Public Phone Networks in the United States," *6th Annual Competition in Regulated Industries Conference*, November 22, 2013, Brussels, Belgium.

"The Transition to an All-IP Network: A Primer on the Architectural Components of IP Interconnection," with David Malfara, National Regulatory Research Institute, NRRI 12-05, May 2012.

The Next Step for Next Generation Technology: Interconnecting Managed Packet Networks to Preserve Voice Service Quality and Competition," 2008, [http://www.freetocompete.com/files/gillan\\_nextstep-nxtgen\\_2008.pdf](http://www.freetocompete.com/files/gillan_nextstep-nxtgen_2008.pdf)

"The Local Exchange: Regulatory Responses to Advance Diversity," with Peter Rohrbach, Public Utilities Fortnightly, July 15, 1994.

"Reconcentration: A Consequence of Local Exchange Competition?" with Peter Rohrbach, Public Utilities Fortnightly, July 1, 1994.

"Diversity or Reconcentration: Competition's Latent Effect," with Peter Rohrbach, Public Utilities Fortnightly, June 15, 1994.

"Consumer Sovereignty: A Proposed Approach to IntraLATA Competition," Public Utilities Fortnightly, August 16, 1990.

**Publications (continued)**

"Regulating the Small Telephone Business: Lessons from a Paradox," Telematics: The National Journal of Communications, Business and Regulation, October 1987.

"Market Structure Consequences of IntraLATA Compensation Plans," Telematics: The National Journal of Communications, Business and Regulation, June 1986.

"Universal Telephone Service and Competition on the Rural Scene," Public Utilities Fortnightly, May 15, 1986.

"Strategies for Deregulation: Federal and State Policies," with Sanford Levin, Proceedings, Rutgers University Advanced Workshop in Public Utility Economics, May 1985.

"Charting the Course to Competition: A Blueprint for State Telecommunications Policy," Telematics: The National Journal of Communications Business, and Regulation, with David Rudd, March, 1985.

"Detariffing and Competition: Options for State Commissions," Proceedings of the Sixteenth Annual Conference of Institute of Public Utilities, Michigan State University, December 1984.

**International Assignments**

*Transitioning Universal Service Support to Broadband in the United States: Providing Incumbents a Right-of-First-Refusal or Competitive Bidding*, submitted to the Canadian Radio-television and Telecommunications Commission on behalf of Bell Canada, TNC 2015-134.

*Telecom Policy and Regulation for Next Generation Networks*, instructor with Dr. Mark Jamison, Public Utility Research Center, University of Florida, for the Office of the Communications Authority, Hong Kong, China, February 2013.

*The Federal Universal Service System in the United States: A History of Spiraling Contribution*, Report submitted to the Canadian Radio-television and Telecommunications Commission on behalf of Bell Canada.

*The Appropriate Pricing Standard for Wholesale Loops*, with George Hariton, Telecommunications Issues and Analysis, Report submitted to the Canadian Radio-television and Telecommunications Commission on behalf of Bell Canada.

*Forcing a Square Peg into a Round Hole: Applying the Universal Service Cost Model in the Cayman Islands*, Analysis Presented to the Government of the Cayman Islands on behalf of Cable and Wireless.

*Recovering Contribution: Lessons from the United States' Experience*, Report submitted to the Canadian Radio-television and Telecommunications Commission on behalf of CallNet.

**Listing of Expert Testimony – Court Proceedings**

*Bedford County Emergency Communications District et. al. vs. Level 3 Communications, LLC*, (Docket No. 1:14-cv-376) (United States District Court, Eastern District of Tennessee at Chattanooga) (911 Assessment)

*Hamilton County Emergency Communications District vs. CenturyTel Acquisitions* (Docket No. 1:14-cv-311) and *Bradley County Emergency Communications District vs. CenturyTel Acquisitions* (Docket No. 1:14-cv-312) (United States District Court, Eastern District of Tennessee at Chattanooga) (911 Assessment)

*Blount County Emergency Communications District et al vs. AT&T Corp.* (Docket No. 1:14-cv-370) and *Blount County Emergency Communications District et al vs. Teleport Communications America, LLC*, (Docket No. 1:14-cv-371) (United States District Court, Eastern District of Tennessee at Chattanooga) (911 Assessment)

*Local Access, LLC vs. Peerless Network, Inc.* (Case No.: 6:17-CV-00236-PGB-TBS) (United States District Court for the Middle District of Florida, Orlando Division) (Damages)

*Hamilton County Emergency Communications District, et. al. vs. Bellsouth Telecommunications, LLC, d/b/a AT&T Tennessee* (United States District Court, Eastern District of Tennessee at Chattanooga) (Methodology to Estimate Business Lines for 911 Assessment)

*Indiana Statewide 911 Board v. Virgin Mobile, USA, L.P., TracFone Wireless, Inc., I-Wireless, LLC, and Budget Prepay, Inc.*, (Case No. 1:15-cv-01105-SEB-DKL), United States District Court, Southern District of Indiana, Indianapolis, Indiana) (Economics of wireless provision of Lifeline service)

*James Valley Telephone Cooperative et. al. v. South Dakota Networks* (06Civ15-000134, South Dakota Circuit Court, Fifth Circuit, Brown County South Dakota) (Federal rules and orders relating to centralized equal access service)

*Fortis Advisors LLC, as Effective Time Holders Agent vs. Shoretel, Inc.*, (Arbitration JAMS REF. No. 1110016198) (FUSF contribution requirements for bundles)

*Hamilton County Emergency Communications District, et. al. vs. Bellsouth Telecommunications, LLC, d/b/a AT&T Tennessee* (United States District Court, Eastern District of Tennessee at Chattanooga) (Structure of Telecommunications Industry)

*Dina Hataishi, individually and as class representative vs. First American Home Buyers Protection Corporation and The First American Corporation* (Case No. BC420436, Superior Court of The State of California For the County of Los Angeles) (Geographic precision of telephone numbers)

*Nicholas Anagnostellis, on behalf of himself and all others similarly situated, vs. Pitney Bowes Inc. et. al.*, (Case No. CV12-0239-PSG, United States District Court for the Central District of California) (Geographic precision of telephone numbers)

*The Metropolitan Gov't of Nashville and Davidson County, Tenn. v. XO Tennessee, Inc., et al.*, (Docket Nos. 02-679-IV & 02-749-IV, Chancery Ct. for Davidson City, Tenn.) (Proper payment for the use of Public Rights of Way)

*ACD Telecom, Inc., v. Michigan Bell Telephone Company, d/b/a SBC Michigan*, (Civil Action No. 04-689-CK Circuit Court for the County of Ingham Michigan) (Breach of Contract/Industry Terminology)

**Listing of Expert Testimony – Court Proceedings (continued)**

*Trinsic, Inc. et al., v. Thermo Credit, LLC*, (Bankruptcy Case No. 07-10324-MAM-7 United States Bankruptcy Court, Southern District of Alabama, Southern Division) (Industry Structure/Federal Policy/Local Entry Strategies)

*MCI L.L.C. dba Verizon Business vs. Vorst Paving, Inc.*, (Civil Action NO. CV: 106-064 District Court for the Southern District of Georgia) (Damages Claim)

*United States of America v. SBC Communications Inc. and AT&T Corp.* (Civil Action No. 1:05CV02102 District Court for the District of Columbia) (Inadequacy of Proposed Final Judgment Settling SBC Merger with AT&T)

*United States of America v. Verizon Communications Inc. and MCI Inc.* (Civil Action No. 1:05CV02103 District Court for the District of Columbia) (Inadequacy of Proposed Final Judgment Settling Verizon Merger with MCI)

*T & S Distributors, LLC, ACD Telecom, Inc, Telnet Worldwide, Inc et al. v. Michigan Bell Telephone Company* (Civil Action No. 04-689-CK Ingham Circuit Court, State of Michigan) (Enforcement of contract; Industry definitions of local exchange service and end user)

*Dwayne P. Smith, Trustee v. Lucent Technologies* (Civil Action No. 02-0481 Eastern District of Louisiana) (Entry and CLEC Performance)

*BellSouth Intellectual Property v. eXpeTel Communications* (Civil Action No. 3:02CV134WS Southern District of Miss.) (Service definition, industry structure and Telecom Act of 1996)

*CSX Transportation Inc. v. Qwest International, Inc.* (Case No. 99-412-Civ-J-21C Middle District of Florida) (industry structure and wholesale contract arrangements)

*Winn v. Simon* (No. 95-18101 Hennepin Cty. Dist. Ct.) (risk factors affecting small long distance companies)

*American Sharecom, Inc. v. LDB Int'l Corp.* (No. 92-17922, Hennepin County District Court) (risk factors affecting small interexchange carriers)

*World Com, Inc. et al. v. Automated Communications, Inc. et al.* (No. 3:93-CV-463WS, S.D. Miss.) (damages)

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

State	Docket/Case	Topic	Sponsor(s)
Georgia	Case No. 32235	Georgia Universal Access Fund	Cable Association
Pennsylvania	R-2017-2632523 C-2017-2633476	Rates for Business Local Exchange Service	Office of Small Business Advocate
New York	Case No. 15-C-0029	New Services Test	Payphone Assc.
Michigan	Case No. U-18456	Resale Restrictions	Granite Telecom

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
Nebraska	NUSF-100/PI-193	Contribution Reform	Charter
Pennsylvania	C-2016-2534366 R-2016-2524592	Business Rates	Office of Small Business Advocate
Kentucky	Case No. 2015-00283	IP Interconnection	CompSouth
Pennsylvania	A-2016-2535279	Competitive Impact of Verizon-XO Merger	Office of Small Business Advocate
California	Investigation 15-11-007	Competitive Metrics/Regulation	Cox
Texas	Docket No. 45280	Wireless Backhaul - ROW Fees	ExteNet
Pennsylvania	C-2015-2512860 C-2015-2512883	Business Rates	Office of Small Business Advocate
California	Application 15-03-005	IP Interconnection and §252	CALTEL
Maine	Docket No. 2013-00340	State USF	Time Warner
Massachusetts	DTC 13-6	§252 Filing Obligations	CLEC Coalition
Texas	Docket No. 41097	USF Reform	Reform Coalition
Georgia	Docket No. 35068	Cost Allocation of Loops Providing Broadband and USF	Georgia Cable Association.
California	C.11-09-07	Application of Access to VoIP	Cox Telcom
California	C.11-05-012	Application of Access to VoIP	Cox Telcom
Texas	Docket No. 39028	Resale of Promotions	Nexus
North Carolina	P-100, Sub 167	Access Reform	NC Cable Assc. and CompSouth
Kentucky	Case No. 2010-00398	Access Reform	KY Cable Assc. and CompSouth
Ohio	Case 10-2387-TP-COI	Access Reform	Ohio Cable Assc.
Missouri	TC-2011-0132	Resale of Promotions	Nexus
Alabama	Docket 31317	Resale of Promotions	Reseller Coalition
North Carolina	Docket P-836, Sub 5	Resale of Promotions	Reseller Coalition
South Carolina	Docket 2010-14-C	Resale of Promotions	Reseller Coalition
Louisiana	Docket U-31364	Resale of Promotions	Reseller Coalition
Louisiana	Docket No. U-31107	ETC/Study Area Redefinition	Cox Telcom
Georgia	Docket No. 32235	USF Implementation	CompSouth
South Carolina	Docket 2009-326-C	USF and Deregulation	SCTA/CompSouth

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
New Mexico	Case No. 07-00316-UT	Prison Payphone Rates	PCS Inc.
Montana	Docket 2005.6.105	Use of USF Support	PSC Staff
Colorado	Docket No. 07A-211T	UNE Price Cap	CBeyond
California	Rulemaking 08-01-005	Copper Retirement	CalTel
Texas	Docket No. 34723	Universal Service Reform	Reform Coalition
Missouri	Case TO-2006-0360	Wire Center Classification	CLEC Coalition
FCC	WC Docket 06-172	E911 as Measure of Local Comp	CLEC Coalition
Georgia	Docket 14361-U	Time Value of Money	CLEC Coalition
Kentucky	Case No. 2006-000316	271 Pricing – Loop and Switch	Southeast Tel
New York	Case No. 06-C-0897	Verizon Pricing Flexibility	CompTel/XO
Tennessee	Docket 06-00093	AT&T-BellSouth Acquisition	CLEC Coalition
Mississippi	No. 2006-UA-164	AT&T-BellSouth Acquisition	NuVox/TWTC
Kentucky	Case No. 2006-00136	AT&T-BellSouth Acquisition	NuVox/Xspedius
Indiana	Cause No. 42986	Wire Center Impairment List	COVAD/NuVox
Ohio	05-1393-TP-UNC	Wire Center Impairment List	CLEC Coalition
Illinois	Docket 06-0029	Wire Center Impairment List	CLEC Coalition
Illinois	Docket 06-0027	AT&T Illinois Deregulation	Data Net Systems
Oklahoma	Cause PUD 20060034	Wire Center Impairment List	CLEC Coalition
Kansas	06-SWBT-743-COM	Wire Center Impairment List	CLEC Coalition
Arkansas	Docket 05-140-C	Wire Center Impairment List	CLEC Coalition
Georgia	Docket 19341-U (II)	Establishing Section 271 Rates	CompSouth
Texas	Docket 31303	Wire Center Impairment List	CLEC Coalition
Washington	Docket UT-050814	Verizon-MCI Merger	Covad
California	Application 05-04-020	Verizon-MCI Merger	Cox
California	Application 05-04-020	Verizon-MCI Merger	Covad/CalTel
Oklahoma	Cause 200400695	Supersedes Bond	Cox
Florida	Docket 041269-TP	TRRO Implementation	CompSouth
Mississippi	Docket 2005-AD-139	TRRO Implementation	CompSouth
South Carolina	Docket 2004-316-C	TRRO Implementation	CompSouth
Kentucky	Case No. 2004-00427	TRRO Implementation	CompSouth

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
Alabama	Docket No. 29543	TRRO Implementation	CompSouth
Louisiana	Docket No. U-28356	TRRO Implementation	CompSouth
North Carolina	Docket P-55, Sub 1549	TRRO Implementation	CompSouth
Tennessee	Docket No. 04-00381	TRRO Implementation	CompSouth
Georgia	Docket No. 19341-U	TRRO Implementation	CompSouth
California	Application 05-02-027	SBC-AT&T Merger	Cox
California	Application 05-02-027	SBC-AT&T Merger	CalTel
Oklahoma	Cause 200400695	SBC Deregulation	Cox
Kansas	05-SWBT-907-PDR	SBC Deregulation	Cox-WorldNet
Wisconsin	6720-TI-196	SBC Deregulation	CUB
Oklahoma	Cause 200400042	Status of Local Competition	Cox
Michigan	Case U-14323	SBC Deregulation	Talk America
Oklahoma	Cause RM 200400014	Regulatory Flexibility for SBC	CLEC Coalition
New Mexico	Case No. 3567	Regulation of Wireless Carriers	Wireless Coalition
North Carolina	Docket P-19 Sub 277	Alternative Regulation	CompSouth
North Carolina	Docket P-55 Sub 1013	Alternative Regulation	CompSouth
Mississippi	Docket 2003-AD-714	Switching Impairment	CompSouth
Kentucky	Case No. 2003-00379	Switching Impairment	CompSouth
Texas	Docket 28607	Switching Impairment	CLEC Coalition
Massachusetts	D.T.E 03-60	Switching Impairment	CLEC Coalition
Louisiana	Docket U-27571	Switching Impairment	CompSouth
New Jersey	Docket TO03090705	Switching Impairment	CLEC Coalition
Kansas	03-GIMT-1063-GIT	Switching Impairment	CLEC Coalition
South Carolina	Docket 2003-326-C	Switching Impairment	CompSouth
Alabama	Docket 29054	Switching Impairment	CompSouth
Illinois	Docket No. 03-0595	Switching Impairment	AT&T
Indiana	Cause No. 42500	Switching Impairment	AT&T
Pennsylvania	Case I-00030099	Switching Impairment	CLEC Coalition
Tennessee	Docket No. 03-00491	Switching Impairment	CompSouth
North Carolina	P-100, Sub 133Q	Switching Impairment	CompSouth

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
Georgia	Docket No. 17749-U	Switching Impairment	CompSouth
Missouri	Case TW-2004-0149	Switching Impairment	CLEC Coalition
Michigan	Case No. U-13796	Switching Impairment	CLEC Coalition
Florida	Docket No. 030851-TP	Switching Impairment	FCCA
Ohio	Case 03-2040-TP-COI	Switching Impairment	AT&T/ATX
Wisconsin	05-TI-908	Switching Impairment	AT&T
Washington	UT-023003	Local Switching Rate Structure	AT&T/MCI
Arizona	T-00000A-00-0194	UNE Cost Proceeding	AT&T/WCOM
Illinois	Docket 02-0864	UNE Cost Proceeding	AT&T
North Carolina	P-55, Sub 1013 P-7, Sub 825 P-19, Sub 277	Price Cap Proceedings	CLEC Coalition
Kansas	02-GIMT-555-GIT	Price Deregulation	Birch/AT&T
Texas	Docket No. 24542	Cost Case	AT&T
North Carolina	Docket P-100, Sub 133d	UNE Cost Proceeding	CLEC Coalition
Georgia	Docket No. 11901-U	DSL Tying Arrangement	WorldCom
Tennessee	Docket No. 02-00207	UNE Availability/Unbundling	CLEC Coalition
Utah	Docket No. 01-049-85	Local Switching Costs/Price	AT&T
Tennessee	Docket No. 97-00309	Section 271 Compliance	CLEC Coalition
Illinois	Docket No. 01-0662	Section 271 Compliance	AT&T
Georgia	Docket No. 14361-U	UNE Availability/Unbundling	CLEC Coalition
Florida	Docket 020507-TL	Unlawful DSL Bundling	CLEC Coalition
Tennessee	Docket No. 02-00207	UNE Availability/Unbundling	CLEC Coalition
Georgia	Docket No. 14361-U	UNE Costs and Economics	AT&T/WorldCom
Florida	Docket 990649-TP	UNE Cost and Price Squeeze	AT&T/WorldCom
Minnesota	P-421/CI-01-1375	Local Switching Costs/Price	AT&T
Florida	Docket 000075-TP	Intercarrier Compensation	WorldCom
Texas	Docket No. 24542	Unbundling and Competition	CLEC Coalition
Illinois	Docket 00-0732	Certification	Talk America
Indiana	Cause No. 41998	Structural Separation	CLEC Coalition
Illinois	Docket 01-0614	State Law Implementation	CLEC Coalition

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

State	Docket/Case	Topic	Sponsor(s)
Florida	Docket 96-0768	Section 271 Application	SECCA
Kentucky	Docket 2001-105	Section 271 Application	SECCA
FCC	CC Docket 01-277	Section 271 for GA and LA	AT&T
Illinois	Docket 00-0700	Shared Transport/UNE-P	CLEC Coalition
North Carolina	Docket P-55 Sub 1022	Section 271 Application	SECCA
Georgia	Docket 6863-U	Section 271 Application	SECCA
Alabama	Docket 25835	Section 271 Application	SECCA
Michigan	Case No. U-12622	Shared Transport/UNEs	AT&T
Ohio	Case 00-942-TP-COI	Section 271 Application	AT&T
Alabama	Docket No. 25835	Structural Separation	SECCA
Alabama	Docket No. 27821	UNE Cost Proceeding	ITC^Deltacom
Louisiana	Docket U-22252	Section 271 Application	SECCA
Mississippi	Docket 97-AD-321	Section 271 Application	SECCA
South Carolina	Docket 2001-209-C	Section 271 Application	SECCA
Colorado	Docket 99A-577T	UNE Cost Proceeding	AT&T
Arizona	Case T-00000A-00-0194	UNE Cost Proceeding	AT&T
Washington	Docket UT-003013	Line Splitting and Combinations	AT&T
Ohio	Case 00-1368-TP-ATA Case 96-922-TP-UNE	Shared Transport	AT&T/PACE
North Carolina	P-100 Sub 133j	Standard Collocation Offering	CLEC Coalition
Florida	Docket 990649-TP	UNE Cost Proceeding	CLEC Coalition
Michigan	Case No. U-12320	UNE Combinations/Section 271	AT&T
Florida	Docket 00-00731	Section 251 Arbitration	AT&T
Georgia	Docket 5825-U	Universal Service Fund	CLEC Coalition
South Carolina	97-239-C	Universal Service Fund	CLEC Coalition
Texas	PUC Docket 22289/95	ETC Designation	Western Wireless
Washington	Docket UT-003013	UNE Costs and Local Competition	AT&T
New York	Docket 98-C-1357	UNE Cost Proceeding	Z-Tel
Colorado	Docket 00K-255T	ETC Designation	Western Wireless
Kansas	99-GCCZ-156-ETC	ETC Designation	Western Wireless

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
New Mexico	98-484-TC	ETC Designation	Western Wireless
Illinois	Docket 99-0535	Cost of Service Rules	AT&T/MCI
Colorado	Docket 00-B-103T	U S WEST Arbitration	ICG Comm.
North Dakota	PU-1564-98-428	ETC Designation	Western Wireless
Illinois	Docket 98-0396	Shared Transport Pricing	AT&T/Z-Tel
Florida	Docket 981834-TP	Collocation Reform	CLEC Coalition
Pennsylvania	M-00001353	Structural Separation of Verizon	CompTel/ATX
Illinois	Docket 98-0860	Competitive Classification of Ameritech's Business Services	CompTel/ AT&T
Georgia	Docket 6865-U	Complaint re: Combinations	MCIWorldcom
Virginia	Case No. PUC 990100	GTE/Bell Atlantic Merger	AT&T
Florida	Docket 990649-TP	UNE Cost and Pricing	CLEC Coalition
Nebraska	Application C-1960/PI-25	IP Telephony and Access Charges	ICG Communications
Georgia	Docket 10692-U	Pricing of UNE Combinations	CLEC Coalition
Colorado	Docket 99F-141T	IP Telephony and Access	Qwest
California	Case A. 98-12-005	GTE/Bell Atlantic Merger	AT&T/MCI
Indiana	Case No. 41255	SBC/Ameritech Merger	AT&T
Illinois	Docket 98-0866	GTE/Bell Atlantic Merger	AT&T
Ohio	Case 98-1398-TP-AMT	GTE/Bell Atlantic Merger	AT&T
Tennessee	Docket 98-00879	BellSouth BSE	SECCA
Missouri	Case TO-99-227	§ 271 Review: SBC	AT&T
Colorado	Docket 97A-540T	Stipulated Price Cap Plan/USF	CLEC Coalition
Illinois	ICC Docket 98-0555	SBC/Ameritech Merger	AT&T
Ohio	Case 98-1082-TP-AMT	SBC/Ameritech Merger	AT&T
Florida	Docket 98-1121-TP	UNE Combinations	MCI WorldCom
Georgia	6801-U	§ 251 Arbitration: BellSouth	AT&T
Florida	92-0260-TL	Rate Stabilization Plan	FIXCA
South Carolina	Docket 96-375	§ 251 Arbitration: BellSouth	AT&T
Kentucky	Docket 96-482	§ 251 Arbitration: BellSouth	AT&T
Wisconsin	05-TI-172/5845-NC-101	Rural Exemption	TDS Metro

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
Louisiana	U-22145	§ 251 Arbitration: BellSouth	AT&T
Mississippi	96-AD-0559	§ 251 Arbitration: BellSouth	AT&T
North Carolina	P-140-S-050	§ 251 Arbitration: BellSouth	AT&T
Tennessee	96-01152	§ 251 Arbitration: BellSouth	AT&T
Arizona		§ 251 Arbitration: US West	AT&T Wireless
Florida	96-0883-TP	§ 251 Arbitration: BellSouth	AT&T
Montana	D96.11.200	§ 251 Arbitration: US West	AT&T
North Dakota	PU-453-96-497	§ 251 Arbitration: US West	AT&T
Texas	Docket 16226	§ 251 Arbitration: SBC	AT&T/MCI
Alabama	Docket 25703	§ 251 Arbitration: BellSouth	AT&T
Alabama	Docket 25704	§ 251 Arbitration: GTE	AT&T
Florida	96-0847-TP	§ 251 Arbitration: GTE	AT&T
Kentucky	Docket 96-478	§ 251 Arbitration: GTE	AT&T
North Carolina	P-140-S-51	§ 251 Arbitration: GTE	AT&T
Texas	Docket 16630	§ 251 Arbitration: SBC	LoneStar Net
South Carolina	Docket 96-358	§ 251 Arbitration: GTE	AT&T
Texas	Docket 16251	§ 271 Review: SBC	AT&T
Oklahoma	97-0000560	§ 271 Review: SBC	AT&T
Kansas	97-SWBT-411-GIT	§ 271 Review: SBC	AT&T
Alabama	Docket 25835	§ 271 Review: BellSouth	AT&T
Florida	96-0786-TL	§ 271 Review: BellSouth	FCCA
Georgia	Docket 6863-U	§ 271 Review: BellSouth	AT&T
Kentucky	Docket 96-608	§ 271 Review: BellSouth	AT&T
Louisiana	Docket 22252	§ 271 Review: BellSouth	AT&T
Texas	Docket 16226	UNE Cost	AT&T/MCI
Colorado	97K-237T	Access Charges	AT&T
Mississippi	97-AD-321	§ 271 Review: BellSouth	AT&T
North Carolina	P-55 Sub 1022	§ 271 Review: BellSouth	AT&T
South Carolina	97-101-C	§ 271 Review: BellSouth	AT&T
Tennessee	97-00309	§ 271 Review: BellSouth	AT&T

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

State	Docket/Case	Topic	Sponsor(s)
Tennessee	96-00067	Wholesale Discount	AT&T
Tennessee	97-00888	Universal Service	AT&T
Texas	Docket 15711	GTE Certification as CLEC	AT&T
Kentucky	97-147	BellSouth BSE Certification	SECCA
Florida	97-1056-TX	BellSouth BSE Certification	FCCA
North Carolina	P691 Sub O	BellSouth BSE Certification	SECCA
Florida	98-0696-TP	Universal Service	FCCA
New York	97-C-271	§ 271 Review: Bell Atlantic	CompTel
Montana	D97.5.87	§ 271 Review: US West	AT&T
New Mexico	97-106-TC	§ 271 Review: US West	AT&T/CompTel
Nebraska	C-1830	§ 271 Review: US West	AT&T
Alabama	Docket 25980	Universal Service	AT&T
Kentucky	Admin 360	Universal Service	AT&T
North Carolina	P100-S133B	Universal Service	AT&T
North Carolina	P100-S133G	Universal Service	AT&T
Illinois	95-0458/0531	Combined Network Elements	WorldCom
Illinois	96-0486/0569	Network Element Cost/Tariff	WorldCom
Illinois	96-0404	§ 271 Review: Ameritech	CompTel
Florida	97-1140-TP	Combining Network Elements	AT&T/MCI
Pennsylvania	A-310203-F0002	Local Competition	CompTel
Georgia	6415-U/6527-U	Local Competition	CompTel
Illinois	98-NOI-1	Structural Separation	CompTel/Qwest
New York	98-C-690	Combining Network Elements	CompTel
Texas	Docket 17579	§ 251 Arbitration: SBC (2nd)	AT&T/MCI
Texas	Docket 16300	§ 251 Arbitration: GTE	AT&T
Florida	Docket 920260-TL	Price Cap Plan	IXC Coalition
Louisiana	Docket U22020	Resale Cost Study	AT&T/LDDS
California	Docket R.93-04-003	Rulemaking on Open Network Architecture	LDDS/WorldCom
Tennessee	Docket 96-00067	Avoidable Cost/Resale Discount	AT&T

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

State	Docket/Case	Topic	Sponsor(s)
Georgia	Docket 6537-U	Unbundled Loop Pricing	CompTel
Georgia	Docket 6352	Rules for Network Unbundling	AT&T
Pennsylvania	Docket A-310203F0002	Introducing Local Competition	CompTel
Florida	Docket 95-0984-TP	Interconnection Terms and Prices	AT&T
Kentucky	Case No. 365	Local Competition/Universal Service	WorldCom
Mississippi	Docket 95-UA-358	Introducing Local Competition	AT&T/WorldCom
Florida	Docket 95-0984-TP	Interconnection Terms and Prices	AT&T
Illinois	Docket 95-0458	Wholesale Local Services	WorldCom
California	Dockets R.95-04-043/044	Local Competition	WorldCom
Florida	Docket 95-0696-TP	Universal Service and Carrier of Last Resort Obligations	IXC Coalition
Georgia	Docket 5755-U	Access Reform	AT&T
South Carolina	Docket 95-720-C	Price Regulation	ACSI
Michigan	Case No. U-10860	Interconnection Agreement	WorldCom
Mississippi	Docket 95-US-313	Price Regulation Plan	WorldCom/AT&T
Missouri	Case TR-95-241	Expanded Local Calling	MCI
Washington	Docket UT-941464	Interconnection Complaint	IXC Coalition
Maryland	Case No. 8584 – Phase II	Introducing Local Competition	WorldCom
Massachusetts	DPU 94-185	Introducing IntraLATA and Local Competition	WorldCom
Wisconsin	Docket 6720-TI-111	IntraLATA Equal Access	Schneider Com.
North Carolina	Docket P-100, Sub 126	Expanded Local Calling	LDDS
Georgia	Docket 5319-U	IntraLATA Equal Access	MCI/LDDS
Mississippi	Docket 94-UA-536	Price/Incentive Regulation	LDDS
Georgia	Docket 5258-U	Price Regulation Plan	LDDS
Florida	Docket 93-0330-TP	IntraLATA Equal Access	IXC Coalition
Alabama	Docket 23260	Access Transport Rate Structure	LDDS
New Mexico	Docket 94-204-TC	Access Transport Rate Structure	LDDS
Kentucky	Docket 91-121	Alternative Regulation Proposal	IXC Coalition

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

<b>State</b>	<b>Docket/Case</b>	<b>Topic</b>	<b>Sponsor(s)</b>
Texas	Docket 12784	Access Transport Rate Structure	IXC Coalition
Illinois	Docket 94-0096	Customer's First Proposal	LDDS
Louisiana	Docket U-17949-D	Alternative Regulation	IXC Coalition
New York	Case No. 93-C-0103	Rochester Plan-Wholesale/Retail	LDDS
Illinois	Dockets 94-0043/46	Access Transport Rate Structure	IXC Coalition
Florida	Docket 92-1074-TP	Expanded Interconnection	Intermedia
Louisiana	Docket U-20800	Access Transport Rate Structure	LDDS
Tennessee	Docket 93-008865	Access Transport Rate Structure	LDDS
Ohio	Docket 93-487-TP-ALT	Alternative Regulation	Allnet/LCI/LDDS
Mississippi	Docket 93-UN-0843	Access Transport Rate Structure	LDDS
South Carolina	Docket 93-756-C	Access Transport Rate Structure	IXC Coalition
Georgia	Docket 4817-U	Access Transport Rate Structure	IXC Coalition
Louisiana	Docket U-20710	Imputation Standards	LDDS
Ohio	Case 93-230-TP-ALT	Alternative Regulation	MCI/Allnet/LCI
New Mexico	Docket 93-218-TC	Expanded Local Calling	LDDS
Illinois	Docket 92-0048	Alternative Regulation	LDDS
Mississippi	Docket 93-UN-0038	Banded Rates for Toll Service	LDDS
Florida	Docket 92-1074-TP	Expanded Interconnection	Florida Coalition
Louisiana	Docket U-20237	Preferential Toll Pricing	IXC Coalition
South Carolina	Docket 93-176-C	Expanded Local Calling	LDDS & MCI
Mississippi	Case 89-UN-5453	Rate Stabilization Plan	LDDS & ATC
Illinois	Docket 92-0398	Local Interconnection	CLEC Coalition
Louisiana	Docket U-19993	Payphone Compensation	MCI
Maryland	Docket 8525	Payphone Compensation	MCI
South Carolina	Docket 92-572-C	Payphone Compensation	MCI
Georgia	Docket 4206-U	Payphone Compensation	MCI
Delaware	Docket 91-47	Application for Rate Increase	MCI
Florida	Docket 88-0069-TL	Comprehensive Price Review	Florida Coalition
Mississippi	Case 92-UA-100	Expanded Local Calling	LDDS & ATC
Florida	Docket 92-0188-TL	GTE Rate Case	MCI & FIXCA

**Summary of Expert Testimony and Affidavits – US Regulatory Proceedings**

State	Docket/Case	Topic	Sponsor(s)
Wisconsin	Docket 05-TI-119	IntraLATA Competition	MCI & Schneider
Florida	Docket 92-0399-TP	Payphone Compensation	MCI & FIXCA
California	Docket I,87-11-033	Alternative Regulation	Intellical
Florida	Docket 88-0068-TL	Rate Stabilization	Public Counsel and Large Users
New York	Case 28425, Phase III	Access Transport Rate Structure	Empire Altel
Wisconsin	Docket 05-TR-103	Intrastate Access Charges	MCI & CompTel
Mississippi	Docket 90-UA-0280	IntraLATA Competition	Intellicall
Louisiana	Docket U-17949	IntraLATA Competition	Cable & Wireless
Florida	Docket 88-0069-TL	Rate Stabilization	Florida Coalition
Wisconsin	Docket 05-TR-103	Intrastate Access Charges	Wisconsin IXCs
Florida	Docket 89-0813-TP	Alternative Access Providers	Florida Coalition
Alaska	Docket R-90-1	Intrastate Toll Competition	Telephone Utilities of Alaska
Minnesota	Docket P-3007/NA-89-76	Centralized Equal Access	MCI & Telecom*USA
Florida	Docket 88-0812-TP	IntraLATA Toll Competition	Florida Coalition
Wisconsin	Docket 05-TR-102	Intrastate Access Charges	Wisconsin IXCs
Wisconsin	Docket 6655-NC-100	Centralized Equal Access	Wisconsin IXCs
Florida	Docket 88-0069-TL	Rate Stabilization	Florida Coalition
Wisconsin	Docket 05-NC-100	IntraLATA Toll Competition	Wisconsin IXCs
Florida	Docket 87-0347-TI	AT&T Regulatory Relief	Florida Coalition
Illinois	Docket 83-0142	Intrastate Access Charges	Illinois Consolidated
Texas	Docket 8218	WATS Prorate Credit	TEXALTEL
Iowa	Case RPU 88-2	Centralized Equal Access	MCI/Teleconnect
Florida	Docket 87-1254-TL	Regulatory Flexibility for LECs	Microtel
Wisconsin	Docket 05-TR-5, Part B	IntraLATA Competition and Access Charges	Wisconsin State Telephone Assc.
Florida	Docket 86-0984, Phase II	Intrastate Loop Cost Recovery	Florida Coalition

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

The United Telephone Company of Pennsylvania LLC :  
d/b/a CenturyLink 2018 Annual Price Stability : R-2018-3004019  
Index/Service Price Index Report Filing :

The United Telephone Company of Pennsylvania LLC :  
d/b/a CenturyLink 2019 Annual Price Stability : R-2019-3012238  
Index/Service Price Index Report Filing :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Joel H. Cheskis  
The Honorable Benjamin J. Myers  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[jcheskis@pa.gov](mailto:jcheskis@pa.gov)  
[benmyers@pa.gov](mailto:benmyers@pa.gov)

Zsuzsanna E. Benedek, Esquire  
The United Telephone Company of  
Pennsylvania LLC; d/b/a CenturyLink  
240 North Third Street, Suite 300  
Harrisburg, PA 17101  
[sue.benedek@centurylink.com](mailto:sue.benedek@centurylink.com)

Barrett C. Sheridan, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor  
Harrisburg, PA 17101  
[BSheridan@paoca.org](mailto:BSheridan@paoca.org)

DATE: April 14, 2020

/s/ Steven C. Gray

---

Steven C. Gray  
Senior Supervising  
Assistant Small Business Advocate  
Attorney ID No. 77538