

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DT 07-027

KEARSARGE TELEPHONE COMPANY, WILTON TELEPHONE COMPANY, INC.,
HOLLIS TELEPHONE COMPANY, INC. AND MERRIMACK COUNTY
TELEPHONE COMPANY
PETITION FOR ALTERNATIVE FORM OF REGULATION

REBUTTAL TESTIMONY OF DANIEL L. GOULET
ON BEHALF OF MERRIMACK COUNTY TELEPHONE COMPANY AND
KEARSARGE TELEPHONE COMPANY

SEPTEMBER 9, 2009

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

2 A. My name is Daniel L. Goulet. My business address is C Squared Systems, LLC,
3 920 Candia Road, Manchester, NH 03109.

4

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

6 A. I am Director of RF Services for C Squared Systems, LLC. As Director of RF
7 Services, I am responsible for providing RF engineering services to wireless
8 carriers in support of their network design, expansion and ongoing system
9 performance. Our role in network design planning entails: determining existing
10 coverage levels, defining search areas, identifying potential wireless sites,
11 determining height requirements, and evaluating the resultant coverage footprint
12 of these new sites. We also assist carriers in obtaining the necessary federal and
13 local approvals for new cell sites. Most recently, I was responsible for the RF
14 network design plan for the Pocket Project, which launched their wireless service
15 in the Hartford and New Haven, Connecticut and Springfield, Massachusetts
16 BTA's (Basic Trading Area). The Pocket RF Design Plan consisted of some 466
17 cell sites. Attached as Exhibit A to my testimony is my résumé, which shows my
18 background and experience, as well as a listing of municipalities where I have
19 been accepted as an expert witness and provided testimony on behalf of wireless
20 carriers.

21

1 **Q. Is your company the same C Squared Systems, LLC that provided the multi-**
2 **carrier benchmarking reports marked as Exhibit E and Exhibit F to the**
3 **prefiled testimony of Michael C. Reed in this docket?**

4 A. Yes.

5
6 **Q. Were the multi-carrier benchmarking reports attached as Exhibit E and**
7 **Exhibit F to Mr. Reed's testimony prepared by you or under your**
8 **supervision?**

9 A. Yes. Exhibit E and Exhibit F attached to Mr. Reed's Supplemental Testimony
10 were prepared by me with the assistance of RF engineers directly under my
11 supervision.

12
13 **Q. Are the contents thereof true and accurate to the best of your knowledge and**
14 **belief?**

15 A. Yes.

16
17 **Q. Have you provided responses to data requests from parties in this**
18 **proceeding?**

19 A. Yes.

20
21 **Q. Have you reviewed the prefiled testimony in this proceeding entitled**
22 **"Rebuttal Testimony of Ben Johnson, Ph.D." dated July 17, 2009?**

23 A. Yes.

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Q. On page 7 of Dr. Johnson’s testimony, Dr. Johnson questions the conclusion “that the majority of the customers in the Sutton exchange and the majority of the customers in the Salisbury exchange have access to a good or a very good wireless signal”. Please respond to the issues raised by Dr. Johnson.

A. First of all, Dr, Johnson states that the maps: “...purportedly depict where signal strength is “very good” or “good”. The maps do more than “purport” to show where wireless coverage is “very good” and “good”. Dr. Johnson’s use of the word “purports” implies hypothetical or implied representation of the facts. We maintain that the maps depict the actual data collected through subscriber handsets, the outputs of which were extracted and geodetically coded using an industry-accepted mapping software tool.

Q. On page 8 of Dr. Johnson’s testimony, Dr. Johnson questions the portions of roads covered by the C Squared analysis. Please respond to the issues raised by Dr. Johnson.

A. We performed the same type of drive test in these two exchanges that we use for wireless carriers to develop and validate their network design plans. These are the kinds of analyses on which carriers rely in making the significant investments required for network coverage expansion projects.

In assisting wireless carriers with their RF design plans, we first develop search areas, which involves an evaluation of existing structures and their availability for use in the current design, ground conditions for raw land builds, and existing

1 wireless tower locations. With the available information, we perform predictive
2 analyses or propagation modeling simulations based upon existing and proposed
3 facilities. Once the predictive design coverage has been approved, a drive test is
4 performed wherever feasible, to “tune” the propagation models and validate the
5 predictive coverage analyses. The type of drive test that we use provides
6 measured data, versus predictive data and is therefore widely accepted as the most
7 accurate information regarding wireless coverage. In this case, we drove the
8 majority of the Class I, Class II and Class V roads in these two exchanges. There
9 are no Class III or Class IV roads in these exchanges. We did not drive Class VI
10 roads, as they are not town maintained, are not available for development and in
11 some cases are impassable. The test that we performed was state-of-the-art for
12 these two exchanges. There should be no confusion as to what portions of the
13 roads within these exchanges were covered. In the responses FDR 1.2 and 1.3 to
14 Mr. Bailey’s follow-up data requests for “work papers” we provided spreadsheets
15 containing the data used and the results of the calculations described below
16 supporting the derivation of the drive route objective and the resultant drive route
17 statistics. A database of roads derived from US Census Tiger (Topologically
18 Integrated Geographic Encoding and Referencing system) files are the basis for
19 the calculations. The total road length by class within the given area of interest is
20 queried. The length of the roads driven (by class) is queried. The length of the
21 roads driven is divided by the total road lengths to determine the percentage of
22 roads driven. We performed the same type of drive test in these two exchanges

1 that we use for wireless carriers to develop and validate their network design
2 plans.

3

4 **Q. On page 9 of Dr. Johnson’s testimony, he states “since a primary selling**
5 **point for wireless service is the convenience it offers to consumers while they**
6 **are on the go, wireless carriers focus on providing the strongest signal along**
7 **the roads where customers most frequently travel (e.g. routes used for daily**
8 **commutes into town).” From this discussion, he states that “it is significant**
9 **that no evidence has been provided concerning how extensive the C Squared**
10 **research was, relative to the total miles of roads located in these exchanges.”**
11 **Please respond to these comments.**

12

13 A. This passage of Dr. Johnson’s testimony is reflective of the wireless industry
14 perhaps a decade ago. My interaction with wireless carrier representatives
15 provides me with first-hand knowledge of their business objectives with regard to
16 coverage. The days when wireless carriers were only targeting vehicular mobile
17 customers are long gone. The business plans of all of the wireless carriers with
18 whom I work are to deploy networks that will provide in-building residential and
19 commercial coverage that will replace landline service initially for voice and data
20 and ultimately, for broadband. With the metropolitan networks having been
21 largely built out, wireless carriers have been pushing to expand and enhance their
22 coverage into the rural areas. Dr. Johnson’s testimony that wireless carriers target
23 primarily commuter traffic is simply not correct in today’s market.

1 In the matter of the “actual miles driven”, this information was provided in our
2 response to Bailey FDR 1.3. The reported “Total Miles Driven” for each
3 exchange understates the actual miles driven, since we did not report any
4 duplicated travel, on the same road, in the opposite direction. We reported
5 mileage for one direction of travel only, occurring along the same road, with the
6 exception of I-89, a divided highway. While there may be some minor degree of
7 inaccuracy in the mapping software’s calculations for the road mileage, that
8 margin of error would likely be in the neighborhood of 1% and would be
9 insignificant considering the total miles driven for each exchange.

10

11 **Q. On pages 9 and 10 of Dr. Johnson’s testimony, he criticizes C Squared’s**
12 **analysis for measuring signal along roads rather than “away from the roads,**
13 **where most homes are located within the Salisbury and Sutton exchanges.”**
14 **Please respond to this criticism.**

15

16 A. Dr. Johnson’s statement here does not reflect industry practices regarding
17 measurement of wireless coverage in general or within areas like the Sutton and
18 Salisbury exchanges. Wireless carriers do not test for coverage by entering large
19 numbers of homes within a given area. Such an approach would obviously be
20 impractical. The carriers use propagation modeling validated by drive tests. It is
21 true that when designing network coverage plans, carriers do consider commuter
22 traffic. It is also true that they evaluate coverage along the major and secondary
23 roads. However, a significant part of the reason for that evaluation is so that they

1 can then interpolate the signal quality measured along the roads to that which is
2 needed to provide competitive service within the neighboring residences and
3 businesses.

4

5 **Q. On page 10 of Dr. Johnson’s testimony, he states that “all other things being**
6 **equal, one would expect the signal strength to be greater along roads than at**
7 **the end of driveways, or inside buildings, away from the roads.” Please state**
8 **whether you agree or disagree with this statement and provide your reasons.**

9 A. This statement provides no useful information to the Commission. It is
10 impossible to say what he means by “all other things being equal”, and his stated
11 expectation is not valid. The areas being tested are rural, with structures largely
12 being wooden rather than made of concrete or metal. An aerial view of the roads
13 driven indicates that the majority of the roads are closely bordered by trees. In an
14 area such as that under study, the primary factors contributing to signal loss are
15 blockage by terrain and trees. In the majority of area terrain variations within a
16 few hundred feet of the road are minimal, therefore when extrapolating signal
17 losses it is reasonable to assume that tree cover is the primary factor. Given that
18 the tree cover surrounding the houses is not generally closer than those near the
19 vehicle when collecting data, it is reasonable to assume that the signal on
20 properties near the road are close to those measured on the road. However, in
21 consideration of Dr. Johnson’s argument, we ran predictive analyses on the sites
22 serving the Sutton and Salisbury exchanges, based upon published information for
23 each site. The propagation analysis for Sutton shows that <BEGIN

1 **CONFIDENTIAL** % >**END CONFIDENTIAL** of the customers have a
2 receive signal strength (RSSI) of greater than -85dBm. For the Salisbury
3 exchange the predictive analysis shows that <**BEGIN CONFIDENTIAL**
4 >**END CONFIDENTIAL** of the customers have a receive signal strength of
5 greater than -85 dBm.. The results are depicted on Exhibits B through E to this
6 testimony. As you can see from the exhibits, (two views for each exchange) we
7 used a conservative approach in the propagation, utilizing only sites intended to
8 serve the target areas and discounting tier II sites that may be providing residual
9 and thus potentially unreliable coverage. This is evidenced by the fact that the
10 benchmark data shows consistently stronger signals than the propagation. Even
11 with a conservative model applied at least <**BEGIN CONFIDENTIAL**
12 >**END CONFIDENTIAL** of the customers in each exchange are covered.

13

14 **Q. Please refer to pages 10-12 of Dr. Johnson’s testimony. Please describe**
15 **propagation models and the usefulness thereof for purposes of the analysis**
16 **requested by the Petitioners in this case.**

17 A. Propagation models indeed are useful tools. We have such models and employ
18 them in our work virtually every day. Exhibits B through E to this testimony are
19 examples of propagation modeling. Propagation models simulate likely wireless
20 telephone coverage based upon available inputs, including tower height, tower
21 configuration, signal output, signal direction, topography and other factors. While
22 widely accepted in the industry as a valuable tool for network design, it is
23 considered a “first step” in quantifying coverage and is primarily used as a tool by

1 RF Design engineers in defining search areas and evaluating potential candidates.
2 Once a final candidate has been accepted by the engineer, wherever practical, a
3 drive test is conducted prior to final approval of that candidate. The final
4 approval of the site is most often based upon the results of the measured drive
5 test. This measured data is also used to fine-tune propagation models which can
6 be used to evaluate sites where drive tests may not be feasible due to access
7 restrictions. Wireless carriers generally validate the propagation modeling by
8 performing the kind of drive test that we performed for the TDS Companies in
9 this case. Benchmarking is also used by carriers in established markets for
10 competitive analyses and ongoing system performance on their networks. In no
11 cases are these tests conducted by seeking permission to access private residences,
12 rather they are conducted by driving the major roads using subscriber equipment.

13
14 **Q. Please refer to the quotation provided on lines 4-15 on page 11 of the**
15 **testimony of Dr. Johnson. Is the quoted article one with which you are**
16 **acquainted in the literature relating to wireless coverage?**

17 A. This quote was taken from excerpts of an article published in 1996. While I have
18 reviewed this particular article, I find it of limited usefulness as it relates to the
19 issues we are addressing. The statements are very general and are true as far as
20 they go, and propagation models take these factors into account. However,
21 typically in final decision making by wireless carriers regarding coverage
22 decisions, the propagation models are validated by drive tests. Additionally, I
23 refer to my answer above regarding differences in signal strength when in close

1 proximity to drive test data. Regardless, we have submitted propagation maps to
2 address Dr. Johnson's concerns.

3

4 **Q. Dr. Johnson maintains that wireless service is not competitive with wireline**
5 **service because “wireless and wireline services have been, and continue to be,**
6 **primarily complementary services, rather than close competitive**
7 **alternatives.” Please comment on this position based on your experience.**

8 A. This statement does not square with my experience. The goal of every wireless
9 carrier with which I work is to provide as good or better service than the landline
10 and eventually to replace the landline. In assisting the wireless carriers in their
11 zoning and permitting process, the affidavits submitted state that the carrier is
12 seeking to provide a competitive alternative wireless service to landline service.
13 The carriers are no longer just targeting the major cities and metropolitan areas
14 but have been expanding their network plans to include rural markets. Their goal
15 is to provide “in-building” coverage that will enable them to provide a
16 competitive service package which would include voice, data, and broadband
17 services.

18 Much of Dr. Johnson's statements on page 14 and 15 seem to stem from his
19 personal views, with no substantiating evidence or studies.

20 For example, on page 14, at lines 19-22, Dr. Johnson states that, “Some
21 consumers may stop purchasing TDS' service when they obtain a mobile phone,
22 but even these consumers don't necessarily consider these services to be ‘close
23 substitutes' nor do they necessarily think they are functionally equivalent.” He

1 did not reference any study that substantiates this conclusion, and I am not aware
2 of any. In fact, the functionality of a mobile handset exceeds that of a landline
3 telephone. Significant mobility, text messaging, e-mail, easy storage of telephone
4 numbers and simple transmittal of photos taken by a mobile handset are examples
5 of functionality of a mobile phone not available with a basic landline phone.

6 Dr. Johnson also states that wireless and wireline have been and continue to be
7 complementary services, yet at the end of 2008 more than 20% of households
8 nationally had only wireless phones, an increase of 2.7 percent from the first half
9 of 2008. *See*, Blumberg, Stephen J., “Wireless Substitution: Early Release of
10 Estimates from the National Health Interview Survey, July-December, 2008”
11 [<http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless200905.htm>] .

12
13 Dr. Johnson states that mobile service cannot be considered competitive unless
14 consumers switch back and forth between wireless and wireline services. If
15 wireless continues to provide services beyond those of a wireline service it is
16 unlikely that consumers will switch back and forth between a superior wireless
17 service and a landline service. This is evidenced by the growing number of
18 households that rely only on wireless phones.

19
20 **Q. Please refer to page 21 of Dr. Johnson’s testimony, lines 15-18, where he**
21 **states, “while there has been a downward trend in wireless pricing, there is**
22 **no evidence to suggest that wireless and TDS wireline services are currently**
23 **competing in the same market, or that wireless services provide a cost-**

1 **effective substitute for wireline basic local service for most TDS customers.”**

2 **Please respond to this statement based on your experience.**

3 A. As I have stated above, the objective of wireless companies is to replace landline
4 telephone service. It is this objective that is primarily driving the very significant
5 investment that wireless carriers have been making in rural markets. Just as an
6 example, I am personally involved in numerous hearings in support of wireless
7 carriers seeking to expand their coverage in towns within the Merrimack County
8 Telephone Company service area. Moreover, the fact that 20% of homes
9 nationally have no landline service (see the CDC article cited above) shows that
10 consumers are opting for wireless service instead of landline and that the two
11 could be considered to be competing for the same market.

12
13 **Q. Please refer to pages 23 and 24 of Dr. Johnson’s testimony where he discusses**
14 **the comparative quality of wireline and wireless calls. Do you have a**
15 **comment on these statements?**

16 A. This testimony provides a very dated view of wireless service. Both wireline and
17 wireless are engineered for some level of blocking. Wireless systems are
18 generally engineered for blocking at a level of two percent (2%) or less and in fact
19 areas such as Sutton and Salisbury rarely experience congestion. Cross-talk was a
20 problem with analog service and has not been an issue for at least 10 years, with
21 carriers having transitioned to digital networks. Dr. Johnson’s preference for use
22 of his wireline phone appears to reflect personal preference rather than any
23 science or study of consumer behavior, particularly if the choice is between using

1 wireless minutes already purchased versus making a toll call. My preference is
2 the opposite.

3 According to the CDC articles cited above, one of every seven American homes
4 (14.5%) received all or almost all calls on wireless telephones, despite having a
5 landline telephone in the home. If one considers that approximately 20% of
6 homes have only wireless service, it is clear that consumers do find the quality of
7 wireless voice calls acceptable.

8

9 **Q. Please refer to page 25 of Dr. Johnson's testimony. Please comment on Dr.**
10 **Johnson's statements regarding atmospheric conditions.**

11 A. Dr. Johnson's assertion that atmospheric conditions may affect the signal strength
12 of wireless carriers is incorrect. Atmospheric effects are relevant only for very
13 long distances and/or very high frequencies. The frequencies used by the cellular
14 carriers at the distances between the coverage area and the surrounding cells are
15 not significantly affected by atmospheric conditions.

16

17 **Q. Have you reviewed the direct prefiled testimony of Stephen R. Eckberg dated**
18 **July 17, 2009 submitted on behalf of the New Hampshire Office of Consumer**
19 **Advocate?**

20 A. Yes.

21

22 **Q. Please comment on Mr. Eckberg's discussion of the C Squared analysis and**
23 **its implication regarding the usefulness of CoverageRight data.**

1 A. Unfortunately, Mr. Eckberg’s testimony is not correct, although the
2 misunderstanding may well be the result of a mistake made in the original C
3 Squared exhibits to Mr. Reed’s testimony. In Exhibits C and D to Mr. Reed’s
4 testimony, the drive routes are depicted on the first page. These depictions were
5 of the planned drive route, which was based on maps that were available. Upon
6 traveling to the exchanges and actually observing the routes, we determined that
7 there were a number of Class VI roads that would not be driven for purposes of
8 the test because (i) they are not town maintained, (ii) no development is permitted
9 and (iii) in some instances they were not drivable. The correct drive routes are
10 shown on page 4 of Exhibits E and F. Therefore, the areas depicted on the maps
11 provided by Mr. Eckberg are areas that were not driven. They are not areas that
12 were driven and produced no signal. To the extent that Mr. Eckberg then uses
13 this conclusion as the basis to question the CoverageRight maps, I believe that he
14 is mistaken in that regard and that the results that we obtained from the drive tests
15 generally were consistent with the CoverageRight maps.

16

17 **Q. Please comment on Mr. Eckberg’s comments regarding the change between**
18 **planned drive route and actual drive route.**

19 A. As noted above, the change from the planned drive route to the actual drive route
20 reflected conditions on the ground, namely the presence of Class VI roads which,
21 given the nature of our assignment, we did not drive on our drive test.

22

1 **Q. Please comment on Mr. Eckberg's statements regarding the availability of**
2 **data with respect to wireless service availability within the home.**

3 A. With regard to in-home coverage, I would refer to my response to Dr. Johnson's
4 testimony set forth above and the predictive analysis exhibits. In general, the type
5 of drive test that we performed in this case is typical for testing wireless coverage,
6 including in-home coverage.

7

8 **Q. Does this conclude your testimony?**

9 A. Yes.

10

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12