1 STATE OF MICHIGAN

2 BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

3

4

In the matter of the application of)
5 Southwest Michigan Communications, Inc.) Case No. U-14804
for the issuance of a temporary and) Evidentiary Hearing
6 permanent license to provide basic)
local exchange service.)
7 _____)

8 CORRECTED TRANSCRIPT
VOLUME 1

9

Proceedings held in the above-entitled matter
10 before Mark D. Eyster, Administrative Law Judge, at the
Michigan Public Service Commission, 6545 Mercantile Way,
11 Lansing, Michigan on Tuesday, May 9, 2006 at 9:00 a.m.

12 APPEARANCES:

13 On behalf of Southwest Michigan Communications, Inc.:
Mr. Michael C. Rampe (P58189)
14 Miller, Canfield, Paddock and Stone
One Michigan Avenue, Suite 900
15 Lansing, MI 48933
(517) 483-4941

16

On behalf of the Commission Staff:
17 Mr. Thomas E. McClear (P25585)
Assistant Attorney General
18 6545 Mercantile Way, Suite 15
Lansing, MI 48911
19 (517) 241-6680

20 Reported by:
Lorea Spicer, CSR 7172
21 Certified Shorthand Reporter
(313) 963-5410

22

23

24

25

I N D E X

	PAGE
WITNESSES	
Mr. Joe Snyder (Testimony bound-in)	6

EXHIBITS		MRKD	OFRD	ADMTD
A-1	Articles of Incorporation	5	5	13
A-2	Confidential Financial Information	5	5	13
A-3	Management Biographical Information	5	5	13
A-4	Small and Minority-Owned Business Participation Plan	5	5	13

1 Lansing, Michigan
2 Tuesday, May 9, 2006
3 At approximately 9:00 a.m.
4 - - -
5 JUDGE EYSTER: We're on the record in Case No.
6 U-14804. This is an application by Southwest Michigan
7 Communications, Inc. to provide basic local exchange service
8 for -- well, I'm not going to go through the entire
9 territory. This hearing is being held in front of
10 Administrative Law Judge, Mark D. Eyster. Today is the date
11 and time set for an evidentiary hearing and today's date is
12 May 9th. Could I have the appearances of counsel please.
13 MR. RAMPE: Good morning, your Honor, Michael Rampe
14 of Miller Canfield Paddock and Stone on behalf of the
15 Applicant, Southwest Michigan Communications, Inc.
16 MR. MCCLEAR: Good morning, your Honor, Thomas E.
17 McClear, on behalf of the Staff of the Michigan Public
18 Service Commission.
19 JUDGE EYSTER: Mr. Rampe.
20 MR. RAMPE: Thank you, your Honor. Well, I thought
21 I would start first by addressing the issue of notice. On
22 April 17th of 2006 the Commission's Executive Secretary
23 directed the company to issue notice of it's application and
24 notice of today's hearing and to state in the notice that
25 today's hearing would be taking place, and then to

1 interventions, if any, would be due on May 5th. On April 21,
2 2006 the company issued a Notice of Hearing to all Michigan
3 counties, the Michigan Attorney General and all registered
4 telecommunication providers and filed proof of service with
5 the Commission on May 4th.
6 JUDGE EYSTER: Mr. McClear, any concerns about the
7 service?
8 MR. MCCLEAR: No, your Honor. Staff was provided a
9 copy and has examined it. We have no concerns.
10 JUDGE EYSTER: Mr. Rampe?
11 MR. RAMPE: Okay, your Honor. I have with me this
12 morning the Affidavit of Joe Snyder, who is the General
13 Manager of the Applicant, along with Mr. Snyder's prefiled
14 testimony and exhibits. Mr. Snyder's Affidavit attests that
15 if he were here today you would be sponsoring into the record
16 his testimony and his exhibits as they were prefiled, with
17 the only change being that Exhibit JS-2, which has been
18 marked now Exhibit A-2 is being sponsored as it was filed in
19 it's revised form on April 4th. Just to clarify, Exhibit A-2
20 was revised and filed on April 4th in order to add a page
21 four to that exhibit. As filed originally the exhibit
22 consisted of three pages, but after some discussions with
23 Staff we revised the exhibit to add a fourth page.
24 I am requesting this morning that pursuant to Mr.
25 Snyder's Affidavit that the testimony be bound into the

1 record and that the exhibits as they have been marked by the
2 court reporter be admitted into evidence. The Applicant is
3 requesting confidential treatment of Exhibit A-2.
4 For the record, I would just state that just to
5 clarify what the exhibits are, what was prefiled as Exhibit
6 JS-2 has been marked by the court reporter as Exhibit A. Let
7 me start over again. What was filed as Exhibit JS-1 and
8 marked by the court reporter as Exhibit A-1 is the company's
9 Articles of Incorporation. What was filed as confidential
10 Exhibit JS-2 is marked as Exhibit A-2, consisting of the
11 Applicant's financial information. What was filed as Exhibit
12 JS-3 and marked now as Exhibit A-3 contains biographical
13 information of key employees of the company. And finally,
14 prefiled Exhibit JS-4 has been marked as Exhibit A-4 and
15 consists of the company's small and minority own business
16 participation plan.
17 JUDGE EYSTER: Any objections to the motion Mr.
18 McClear?
19 MR. MCCLEAR: None, your Honor.
20 JUDGE EYSTER: The prefiled testimony will be bound
21 into the record.
22 ---
23
24
25

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of	)	
SOUTHWEST MICHIGAN	)	
COMMUNICATIONS, INC.	)	
for the issuance of a temporary and	)	Case No. U-14804
permanent license to provide basic local	)	
exchange service.	)	
	)	

TESTIMONY OF JOE SNYDER
ON BEHALF OF SOUTHWEST MICHIGAN COMMUNICATIONS, INC.

Q. Please state your name, business address and telephone number.

A. My name is Joe Snyder. My business address is 101 W. Kalamazoo Street, Bloomingdale, Michigan, 49026. My business telephone number is 269-521-7300.

Q. What is your position with Southwest Michigan Communications, Inc. (SWMC)?

A. I am the General Manager of SWMC.

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

A. The purpose of my testimony is to provide support for SWMC's Application to provide basic local exchange services in the Adamsville, Allegan, Bangor, Cassopolis, Constantine, Covert, Decatur, Dowagiac, Edwardsburg, Fennville, Ganges, Gobles, Grand Junction, Hamilton, Hartford, Lawton, Marcellus, Mattawan, Paw Paw, Saugatuck, Sister Lakes, Schoolcraft, South Haven, Three Rivers, Union, Vandalia, and White Pigeon exchanges currently served by Verizon North Inc., and the Bridgman, Baroda, Glenn, Lacota, Lawrence, Pullman, and Sawyer exchanges currently served by Contel of the South, Inc., d/b/a Verizon North Systems. My testimony specifically addresses SWMC's managerial, technical, and financial competence to provide telecommunications services for which authority is requested, and its compliance with the rules and policies of this Commission.

Q. Are you sponsoring any exhibits?

A. Yes, I am sponsoring Exhibits A-__ (JS-1) through A-__ (JS-4).

Q. Were these exhibits prepared by you or at your direction?

A. Yes.

Q. Please describe the authority that SWMC seeks from the Commission.

A. SWMC seeks temporary and permanent authority to provide basic local exchange service in the exchanges I identified above.

Q. Is SWMC legally authorized to do business in Michigan?

A. Yes. SWMC is registered through the Michigan Department of Consumer and Industry Services as a corporation. Exhibit A-___ (JS-1) consists of SWMC's Articles of Incorporation.

Q. Please describe your professional experience.

A. I began my career in telecommunications in 1986 after I graduated with my Bachelor's Degree in Accounting from Truman State University. I was originally hired as the company accountant for Citizens Mutual Telephone Company in Bloomfield, Iowa, where my responsibilities included oversight of payroll, accounts payable, RUS loan documents, budget preparation, and all financial statements for the company.

In 1987, I was promoted to office manager and took on the additional responsibilities of management oversight of the customer service department, management-level customer contact, the customer billing systems, customer provisioning, and new product development. Under my direction the company successfully introduced the new products of cellular service, long distance resale, prepaid calling cards, voice mail, caller identification, and digital subscriber line service. I worked at Citizens Mutual Telephone Company until 2002, at which time I accepted the position of Operations Manager for Bloomingdale Telephone Company. I have since been promoted to General Manager of Bloomingdale Telephone Company.

Q. Please describe the types of services that SWMC will offer in Michigan.

A. SWMC would provide basic local exchange service, among other services, in the exchanges I identified above.

Q. When will SWMC commence providing service within the requested service areas?

A. SWMC intends to begin providing service no later than one year from receipt of its license.

Q. Please explain SWMC's reasons for requesting a temporary license.

A. SWMC needs a temporary license in order to commence providing service as soon as possible and to begin negotiating interconnection agreements. Accordingly, SWMC is requesting issuance of a temporary license so that it may make all necessary preparations.

Q. Does SWMC have adequate capital to provide the proposed services in Michigan?

A. Yes. SWMC possesses the financial qualifications required of applicants for the license requested herein. SWMC has access to the capital necessary to fulfill any obligations it may undertake with respect to the operation and maintenance of the services specified in this Application. Confidential Exhibit A-__ (JS-2) provides more detail in this regard. I must add that SWMC is a wholly-owned subsidiary of Bloomingdale Telephone Company, which will provide financial backing to SWMC.

Q. Does SWMC have sufficient managerial and technical resources to provide the proposed services?

A. Yes. Exhibit A-__ (JS-3) consists of biographical information on myself, Mr. Robert Remington (our President), and Daniel Key (our plant manager). As the exhibit shows, SWMC will have the benefit of highly experienced personnel, all of whom are already involved in Bloomingdale Telephone Company's operations. Additionally, SWMC will have the benefit of other experienced individuals who are also employees of Bloomingdale Telephone

Company, which has been successfully providing telecommunications services and products since 1908. Thus, SWMC is technically qualified to provide local exchange and broadband services in the state of Michigan.

Q. If the Commission grants the requested license, will SWMC abide by the rules, regulations, policies, and orders of the Commission, and the laws of the state of Michigan, in its provision of services?

A. Yes. SWMC plans to offer high-quality telecommunication services. SWMC will implement the procedures necessary to prevent any prohibited practices and will comply with the Commission's rules on quality of service and billing standards.

Q. Please describe the public interest benefits associated with SWMC's proposed offering of local services in Michigan.

A. The Commission has determined that it is in the public interest to promote competition in the provision of telecommunication services. The law was designed to promote increased competition in the telecommunications market. Moreover, the Commission has already determined that the grant of applications for competing licenses to provide basic local exchange services is in the public interest. The grant of SWMC's Application will further the public interest by expanding the availability to Michigan consumers of technologically advanced telecommunication facilities and services. SWMC's services will benefit the public directly, through the use of the high-quality

1 and reliable services, and indirectly, because SWMC's presence will expand
2 the market and will increase the incentives for other telecommunications
3 providers to operate more efficiently, offer more innovative services, reduce
4 their prices, and improve their quality of service. Grant of this Application is,
5 therefore, in the public interest because it will enhance the service options
6 available to Michigan citizens.
7
8 **Q. Is SWMC prepared to file tariffs prior to providing service?**
9 A. Yes. SWMC will file a tariff similar in content to either the generic tariff
10 exhibited on the Commission's website, or to Bloomingdale Telephone
11 Company's tariff, prior to the provisioning of regulated local exchange service.
12
13 **Q. Does SWMC have a Small and Minority-Owned Business**
14 **Participation Plan?**
15 A. Yes. SWMC's Small and Minority-owned Business Participation Plan is
16 attached as Exhibit A-__ (JS-4).
17
18 **Q. Does this conclude your testimony?**
19 A. Yes.
20 LALIB:139274.1\000000-00000 03/01/06

1 JUDGE EYSTER: The Proposed Exhibits A-1 through
2 A-4 will be admitted into evidence and A-2 will be treated as
3 confidential.
4 Anything else, Mr. Rampe?
5 MR. RAMPE: No. I would offer on behalf of the
6 company to stipulate to a waiver of Section 81.
7 MR. MCCLEAR: We would so waive, your Honor.
8 JUDGE EYSTER: The parties have stipulated to a
9 Section of 81. Anything else?
10 MR. RAMPE: I would only add your Honor that I did
11 not receive any Notice of Intervention and I does not appear
12 that anybody is here to intervention.
13 ` JUDGE EYSTER: It does not appear that way. Mr.
14 McClear, anything else.
15 MR. MCCLEAR: Nothing, your Honor.
16 JUDGE EYSTER: We're off the record. Thank you
17 very much.
18
19
20
21
22
23
24
25

C E R T I F I C A T E

STATE OF MICHIGAN)

COUNTY OF INGHAM)

I certify that this transcript, consisting of 14 pages, is a complete, true and correct transcript of the proceedings and testimony taken in this case on May 9, 2006.

Signature Not Verified

Lorea A. Spicer

Digitally signed by Lorea A. Spicer
DN: cn=Lorea A. Spicer, o=New Century Court Reporting, c=US
Date: 2006.06.30 16:11:55 -05'00'

6-30-06

Date

Lorea A. Spicer, CSR 7172
New Century Court Reporting
1131 First National Building
Detroit Michigan 48226