Exhibit No.:

Issues: Reciprocal Compensation

Interconnection

Witness: James D. Propst

Type of Ex.: Surrebuttal Testimony

Sponsor: Sprint Spectrum L.P. Case No.: TT-99-428, et al.

## IN THE MATTER OF THE MID-MISSOURI GROUP'S FILING TO REVISE ITS ACCESS SERVICE TARIFF P.S.C. MO. NO. 2

**SURREBUTTAL TESTIMONY** 

OF

JAMES D. PROPST

FILED<sup>2</sup>
0CT 4 1999

Service Commission

October 4, 1999

SURREBUTTAL TESTIMONY OF JAMES D. PROPST ON BEHALF OF SPRINT SPECTRUM L.P. CASE NO. TT-99-428, ET AL.

- Q. Please state your name and address.
- A. James D. Propst, 11300 Corporate Avenue, Lenexa, KS 66219-1374
- Q. Are you the same James D. Propst that previously filed Rebuttal Testimony in this proceeding?
- A. Yes.

- Q. What is the purpose of your Surrebuttal Testimony?
- A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony of Mr. Anthony S. Clark.
- Q. On pages 6 and 7 of his Rebuttal Testimony, Mr. Clark proposes two options to modify the Access tariffs subject to this proceeding. What is your assessment of Option 1?
- A. Mr. Clark is correct when he states that the rates assessed CMRS carriers for the termination of intra-MTA traffic should be cost based. He is incorrect; however, when he states that insertion of a cost based rate into an access tariff will make the tariff compliant with the federal rules. The federal rules require ILECs to negotiate reciprocal compensation arrangements with CMRS providers. Imposing a unilateral tariff, with no acknowledgment of the ILECs reciprocal compensation obligations, would not satisfy the federal rules. The ILECs have already demonstrated an unwillingness to negotiate these agreements. If they are permitted to file a unilateral tariff, there will no longer be any incentive for them to negotiate an agreement with CMRS providers.
- Q. Mr. Clark proposes an Option 2a, 2b, 2c and 2d at pages 8-11 of his testimony. What is your assessment of these alternative proposals?

SURREBUTTAL TESTIMONY OF JAMES D. PROPST ON BEHALF OF SPRINT SPECTRUM L.P. CASE NO. TT-99-428, ET AL.

- A. The FCC has set forth the pricing options for the transport and termination of local traffic. Under the FCC rules "[a]n incumbent LEC's rates for transport and termination of local telecommunications traffic shall be established, at the election of the state commission, on the basis of: (1) The forward-looking economic costs of such offerings, using a cost study pursuant to §§51.505 and 51.511; (2) Default proxies, as provided in 51.707; or (3) A bill-and-keep arrangement, as provided in §51.713." See 47 C.F.R. §51.705(a). To the extent Mr. Clark's options do not conform to the federal rule, they cannot be adopted by the Commission. Specifically, options 2b, 2c and 2d cannot be approved because they exceed the maximum amount that can be used as a default proxy under §51.707(b)(1). 51.701(b)(1) provides that "If a state commission establishes rates for transport and termination of local telecommunications traffic on the basis of default proxies, such rates must meet the following requirements: (1) Termination. The incumbent LEC's rates for the termination of local telecommunications traffic shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 (\$0.002) per minute . . . . "
- Q. Does this conclude your Surrebuttal Testimony?
- A. Yes.

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the Mid-Missouri Group's Filing to Revise its Access Service Tariff, P.S.C. Mo. No. 2.	) Case No. TT-99-428, et al.
<u>AFFIDAV</u>	TT OF JAMES D. PROPST
STATE OF MISSOURI ) ) ss.	
COUNTY OF JACKSON )	
preparation of the foregoing surrebut consisting of 2 pages, to be prese testimony were given to me; that I h	ge, on my oath states, that I have participated in the ttal testimony in question and answer form, ented in this case; that the answers in the foregoing ave knowledge of the matters set forth in such true to the best of my knowledge and belief.
	James D. Propst
Subscribed and sworn to bef	fore me this 1st day of October, 1999.
	Michelle R. Slaggie Notary Public
My Commission Expires:	

MICHELLE R SLAGGIE
Notary Public - Notary Seal
STATE OF MISSOURI
PLATTE COUNTY
MY COMMISSION EXP. MAR. 8,2003