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January 9, 2004

Secretary of PSC
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: Case No. TC-2002-57

FILED²
JAN 09 2004
Missouri Public
Service Commission

Dear Secretary:

Enclosed please find an original and eight (8) copies of the Direct Testimony of Gary Godfrey, on behalf of Northeast Missouri Rural Telephone Company in the above cited case.

Please note that this testimony contains attachments designated highly confidential as it contains reports, work papers or other documentation related to work produced by internal or external auditors or consultants. I would appreciate it if you would maintain the confidential nature of this information in accordance with the Commission's Protective Order.

Please bring this filing to the attention of the appropriate Commission personnel. Two copies of this testimony will be provided to all other parties of record. If you should have any questions or concerns, please do not hesitate to contact me.

Sincerely,


Bryan D. Lade

Enc.

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Exh. No. _____
Issue: InterMTA Traffic Volumes
Witness: Gary Godfrey
Type of Exhibit: Direct Testimony
Sponsoring Party: Complainants MITG
Case No. Tc-2002-57
Date: January 9, 2004

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

**Northeast Missouri Rural Telephone)
Company and Modern Telecommuni-)
cations Company,)
Petitioners,)
vs.)
Southwestern Bell Telephone Company,)
Southwestern Bell Wireless (Cingular),)
Voicestream Wireless (Western Wireless))
Aerial Communications, Inc., CMT)
Partners (Verizon Wireless), Sprint)
Spectrum LP, United States Cellular,)
Ameritech Mobile Communications, Inc.)
Respondents.)**

Case No. TC-2002-57

**FILED²
JAN 09 2004
Missouri Public
Service Commission**

Direct Testimony

Of

Gary Godfrey

Re Traffic Proportions

On behalf of

Northeast Missouri Rural Telephone Company

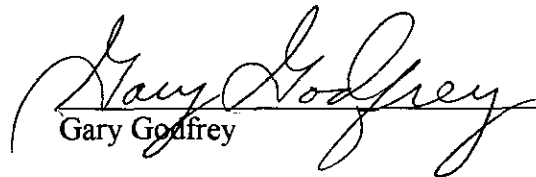
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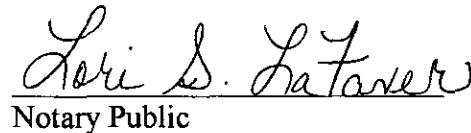
AFFIDAVIT OF GARY GODFREY

STATE OF MISSOURI)
) ss.
COUNTY OF SULLIVAN)

Gary Godfrey, of lawful age, on my oath states, that I have participated in the preparation of the foregoing direct testimony in question and answer form, consisting of _____ pages, to be presented in this case; that the answers in the foregoing testimony were given by me; that I have knowledge of the matters set forth in such answers; and that such matters are true to the best of my knowledge and belief.


Gary Godfrey

Subscribed and sworn to before me this 31st day of
December, ~~2003~~ 2003.


Notary Public

My Commission Expires 9/26/04

**Lori S. LaFaver, Notary Public
Sullivan County, State of Missouri
My Commission Expires 9/26/2004**



1 **Q. Please state your name, capacity, and business address?**

2 A. Gary Godfrey. I am Office Manager of Northeast Missouri Rural Telephone
3 Company, P. O. Box 98, Green City, Missouri 63545..

4 **Q. On whose behalf are you testifying?**

5 A. Petitioner Northeast Missouri Rural Telephone Company. Due to a merger,
6 Northeast's affiliate Modern Telecommunications has been merged into Northeast.
7 Reference to Northeast herein will include references to the traffic terminated to Modern,
8 as Northeast succeeded to Modern's claim herein.

9 **Q. Are you the same Gary Godfrey that testified in the initial hearing in this**
10 **case?**

11 A. Yes.

12 **Q. What is the purpose of this testimony?**

13 A. This testimony will set forth the information in Northeast's possession with
14 respect to the proportions of interMTA and intraMTA traffic terminating to Northeast
15 from each of the wireless company Respondents against whom Northeast's complaint
16 remains pending.

17 **Q. Please set forth the terms of the Commission Order giving rise to this phase**
18 **of this proceeding.**

19 A. The Commission's June 3, 2003 Order Reopening the Record directed that
20 evidence be adduced as to the proportion of the wireless originating traffic terminating to
21 the Petitioner companies that is interMTA and the proportion that is intraMTA.

1 **Q. Would you restate the traffic volumes for this four year period for which**
2 **evidence was adduced at the prior hearing?**

3 A. Yes. Northeast CTUSR reports provided by SWBT showed the following
4 amounts of uncompensated traffic originated by the following Respondent Wireless

5 Carriers:

6 Cingular: 2,382,655

7 US Cellular: 3,428,796

8 Sprint PCS: 5,757

9 T-Mobile: 113,368

10 Total 5,930,576

11

12 **Q. Can you quantify the amount of money potentially at stake for Northeast?**

13 A. Yes, but I would have to utilize some rate in making this quantification. At
14 Northeast's Missouri terminating access rates these uncompensated minutes represent
15 approximately \$800,000. This amount does not include traffic terminated in 2002 and
16 2003. The traffic volumes are growing and Northeast now has much more
17 uncompensated wireless traffic.

18 **Q. Please set forth the wireless carrier traffic for whom Northeast's Complaint**
19 **has not been resolved?**

20 A. Northeast's Complaint against Cingular, US Cellular, Sprint PCS, and the T-
21 Mobile entities have not been resolved. There are other wireless carriers sending traffic
22 for whom Northeast bills but is not paid. However, this occurred after the filing of the

1 complaint herein, and they were not named as Respondents by Northeast. They will have
2 to be addressed later.

3 **Q. Has the FCC provided direction with respect to how interMTA and**
4 **intraMTA traffic is to be determined?**

5 A. Yes. In its August 8, 1996 Interconnection Order, the FCC provided guidance to
6 the industry in determining how interMTA traffic could be determined for purposes of
7 reciprocal compensation. In paragraph 1044 of that Order, the FCC set forth 3 methods
8 for determining interMTA and intraMTA traffic proportions, which I will refer to as the
9 “first method”, “second method”, and “third method”:

10 **First Method:** calculated or extrapolated factors from traffic studies and samples
11 are included in agreements as to the proportions of interMTA and intraMTA traffic,
12 obviating the need to record or assume traffic origination points;

13 **Second Method:** location of the initial cell cite when a call begins is recorded
14 and used to identify the call origination point to determine if the call was interMTA or
15 intraMTA;

16 **Third Method:** the point of interconnection between the wireless carrier and
17 LEC is utilized as the call origination point to determine if the call was interMTA or
18 intraMTA.

19 **Q. Do you believe the FCC contemplated that, whatever method was agreed to,**
20 **it would be contained in an approved agreement?**

1 A. Yes, I believe the FCC was providing guidance to the industry as to what type of
2 methodology would be acceptable or useful in consummating a reciprocal compensation
3 agreement itself, leaving it to the parties to select the method that would best suit them.

4 **Q. Does Northeast have any approved agreements with wireless carriers**
5 **containing any of these three methods?**

6 A. No. The traffic at issue was received by Northeast after February 5, 1998, in the
7 absence of any such agreement.

8 **Q. If there had been agreements, do you believe this case would be necessary?**

9 A. No. If agreements had been reached, it would in all likelihood contain one of the
10 three methods the FCC identified.

11 **Q. As there are no such agreements, whose responsibility do you believe it**
12 **should have been to record and retain the necessary call information from which the**
13 **Second Method interMTA and intraMTA traffic proportions could be determined?**

14 A. SWBT and the wireless carriers knew, or should have known, they were sending
15 this traffic to Northeast. They knew that Northeast would be entitled to compensation for
16 this traffic. They knew it was terminating without an interconnection agreement. They
17 knew there was no agreement with Northeast as to how to determine interMTA and
18 intraMTA traffic proportions. Given this knowledge, it seems to me that they should
19 have known there could be a compensation dispute. Given this, they should have made
20 arrangements to preserve information that would distinguish interMTA and intraMTA
21 traffic volumes.

22 **Q. Have they?**

1 A. Apparently not. In their responses to data requests they indicate they did not
2 preserve this information.

3 **Q. Can you explain the Major Trading Areas, or MTAs?**

4 A. Yes. MTA is an acronym for Major Trading Area. The FCC established the
5 MTA as the boundary for “local” reciprocal compensation, assuming an Interconnection
6 Agreement implementing reciprocal compensation between an ILEC and CMRS provider
7 was consummated.

8 **Q. Could you describe how the MTA boundaries impact Northeast?**

9 A. Yes. Schedule 1 is a map of Missouri, with MTA boundaries depicted.
10 Northeast has fourteen exchanges serving approximately 8800 access lines. All of these
11 fourteen exchanges are within the Kansas City LATA 524. All of the wireless traffic
12 delivered by SWBT to Northeast is delivered over SWBT’s facilities within the Kansas
13 City LATA. Twelve of Northeast’s exchanges are located within the St. Louis MTA.
14 One of Northeast’s exchanges is located within the Des Moines MTA. One Northeast
15 exchange, Winigan, is located in both the Kansas City MTA and the St. Louis MTA.
16 Thirty-one (31) Winigan access lines are in the Kansas City MTA, and two-hundred-two
17 (202) Winigan access lines are in the St. Louis MTA.

18 **Q. Have the CTUSRs sent you by SWBT since February 5, 1998 contained**
19 **sufficient information to allow you to determine interMTA and intraMTA traffic**
20 **proportions utilizing the Second Method?**

21 A. No. The CTUSR reports to Northeast which wireless carriers’ traffic terminates
22 to the different Northeast exchanges. The CTUSR does not inform Northeast of where

1 the calls originate. Therefore the CTUSR does not provide sufficient information for
2 Northeast billings to differentiate interMTA from intraMTA traffic.

3 **Q. Did SWBT tell the Commission the CTUSR would be adequate for billing**
4 **purposes?**

5 A. Yes. In TT-97-524, SWBT told the Commission in a reply brief, that the CTUSR
6 “should provide the ILECs with sufficient information to render a bill.”¹

7 **Q. What position has this left you in?**

8 A. In order to comply with the Order Reopening the Record, Northeast has had to
9 attempt to develop information as to the proportions of interMTA and intraMTA traffic.

10 **Q. Have you developed information as to the proportions of interMTA and**
11 **intraMTA traffic from other sources?**

12 A. Yes. We have utilized our best efforts at performing the Second Method for
13 Cingular, US Cellular, Sprint PCS, and the T-Mobile entities.

14 **Q. Were you able to perform the First Method?**

15 A. No. The first method requires an exchange of traffic information from which a
16 factor can be developed. Although we requested it from SWBT, Cingular, US Cellular,
17 Sprint PCS, and the T-Mobile entities, they did not have this information.

18 **Q. Were you able to do the Third Method?**

19 A. We were not able to confidently do the Third Method, so we decided not to. If a
20 wireless carrier only had one known interconnection point with SWBT, we could have
21 used that point as the origination point for all calls, and we could have used the

¹ Reply brief of Southwestern Bell Telephone Company. Case No. TT-97-524. pp. 12-13.

1 information provided by the CTUSRs as the termination point for all calls. This would
2 have allowed us to use the Third Method to develop interMTA and intraMTA
3 proportions. However, as we don't specifically know that each wireless carrier has only
4 one interconnection point, we decided not to use this method.

5 **Q. Were you able to do the Second Method?**

6 A. This Method was the only method left. The traffic period in evidence is between
7 February 5, 1998 and December 31, 2001. We selected the most recent quarter from this
8 period to analyze, the months of October, November, and December, 2001. All of the
9 traffic at issue was being delivered by SWBT to the intraLATA toll network. Although
10 Northeast is not provided the originating cell tower location information for each call,
11 Northeast does record the calling party's telephone number, including the NPA/NXX.

12 For each call originated by a particular wireless carrier, we identified the
13 geographical area in which that NPA/NXX was assigned. We then used the location of
14 that NPA/NXX as a surrogate for the caller's location when the call was made. This
15 provides an originating MTA location. The testimony of Joe Knipp explains this process
16 in more detail. For each call we also had the number and location of the Northeast
17 customer to whom the call terminated, so we had the terminating MTA. With this
18 information we determined which calls were interMTA and which calls were intraMTA.

19 **Q. What proportions of interMTA and intraMTA traffic originated by**
20 **Cingular, US Cellular, Sprint PCS, and the T-Mobile entities does your Second**
21 **Method analysis show?**

1 A. For Cingular this method showed that 60% of Cingular traffic originated and
2 terminated in different MTAs. In other words, 60% of Cingular traffic was interMTA,
3 and 40% was intraMTA.

4 For Sprint PCS this method showed that 37% of Sprint PCS traffic originated and
5 terminated in different MTAs. In other words, 37% of Sprint PCS traffic was interMTA,
6 and 63% was intraMTA.

7 For T-Mobile this method showed that that 100% of T-Mobile traffic originated
8 and terminated in different MTAs. In other words, 100% of T-Mobile traffic was
9 interMTA, and 0% was intraMTA.

10 **Q. Can you produce the results of these analyses in more detail?**

11 A. Yes. The analysis for Cingular is attached hereto as Schedule 2 HC. The
12 analysis for Sprint PCS is attached hereto as Schedule 3HC. The analysis for T-Mobile is
13 attached hereto as Schedule 4 HC.

14 **Q. Please describe any potential for inaccuracies that exist with respect to this**
15 **surrogate Second Methodology?**

16 A. Our information does not allow us to know the actual location of the mobile caller
17 when the call was made. Our study assumed that the call was made from the MTA which
18 included the "home area" of the caller represented by his or her NPA/NXX. Intuitively
19 we believed it safe to conclude that most wireless calls are made from the caller's home
20 MTA.

21 We know that some wireless calls will be made while the customer is not in his
22 home MTA. Therefore there are two types of errors that will be contained in our Second

1 Method. First, it may identify an intraMTA call that was actually an interMTA call.
2 Second, and conversely, it may identify an interMTA call that was actually an intraMTA
3 call. These errors would tend to be offsetting, but I can't quantify the precise potential
4 for each type of error.

5 **Q. Were there any anomalies with respect to any of this traffic that require**
6 **further explanation?**

7 A. Yes. We discovered that almost all US Cellular traffic did not have the true
8 phone number of the US Cellular customer placing the call. Instead it had a 660-263-
9 0073 number. This is a SWBT Moberly exchange number. When we attempted to call
10 this number we discovered it was not a working number.

11 We then sent data requests to SWBT and US Cellular to attempt to find the reason
12 for this. Based upon the answers to those data requests, it appears that SWBT believes
13 US Cellular has a Type 1 interconnection at the SWBT Moberly end office that could
14 serve up to 21,000 US Cellular customers in the Moberly area. SWBT apparently
15 believes the calls originate from a wireless carrier trunk that uses multi-frequency
16 signaling, not SS7 signaling. SWBT assigns the 660-263-0073 number as a trunk group
17 screening number.

18 But it appears US Cellular believes it has both a type 1 end office interconnection
19 combined in some fashion with a Type 2 tandem connection and trunks between SWBT's
20 Moberly and Kirksville access tandems. US Cellular is apparently using this
21 combination of facilities to route its traffic from many different service areas in which US

1 Cellular has up to 540,000 potential customer numbers. US Cellular stated that the 660-
2 263-0073 number was assigned because it is the "trunk group ANI".

3 **Q. What concerns did these data responses cause?**

4 A. We cannot tell how this traffic is routed before it is delivered. The explanation of
5 why the 660-263-0073 number was assigned does not make sense. Multi-frequency
6 trunks pass ANI. ANI should provide the originating caller's number. It appears from
7 US Cellular's response that some proportion of this traffic is carried by interexchange
8 carriers other than SWBT. Such traffic would be subject to access regardless of whether
9 it was interMTA or intraMTA in jurisdiction.

10 The bottom line is we are deprived of the caller's number, which precludes us
11 from utilizing the Second Method to present evidence in compliance with the
12 Commission's Order reopening the record.

13 **Q. What are you asking the Commission to do with respect to US Cellular**
14 **traffic?**

15 A. I ask that the Commission to presume that all US Cellular traffic is interMTA
16 traffic, unless and until US Cellular provides call detail information sufficient to
17 determine interMTA versus intraMTA jurisdiction.

18 **Q. Please set forth the interMTA and intraMTA traffic proportions you are**
19 **asking the Commission to find?**

20 A. Northeast asks the Commission to find that the proportion of interMTA traffic
21 originated by Cingular and terminated to Northeast between February 5, 1998 and
22 December 31, 2001 was sixty per cent (60%), and the proportion of intraMTA traffic

1 originated by Cingular and terminated to Northeast during that same period was forty per
2 cent (40%).

3 Northeast asks the Commission to find that the proportion of interMTA traffic
4 originated by US Cellular and terminated to Northeast between February 5, 1998 and
5 December 31, 2001 was one-hundred per cent (100%), and the proportion of intraMTA
6 traffic originated by US Cellular and terminated to Northeast during that same period was
7 zero per cent (0%), unless US Cellular can provide call detail showing sufficient
8 information to establish that a call or calls is not interMTA in jurisdiction.

9 Northeast asks the Commission to find that the proportion of interMTA traffic
10 originated by Sprint PCS and terminated to Northeast between February 5, 1998 and
11 December 31, 2001 was thirty-seven per cent (37%), and the proportion of intraMTA
12 traffic originated by Sprint PCS and terminated to Northeast during that same period was
13 sixty-three per cent (63%).

14 Northeast asks the Commission to find that the proportion of interMTA traffic
15 originated by T-Mobile and terminated to Northeast between February 5, 1998 and
16 December 31, 2001 was one hundred per cent (100%), and the proportion of intraMTA
17 traffic originated by T-Mobile and terminated to Northeast during that same period was
18 zero per cent (0%).

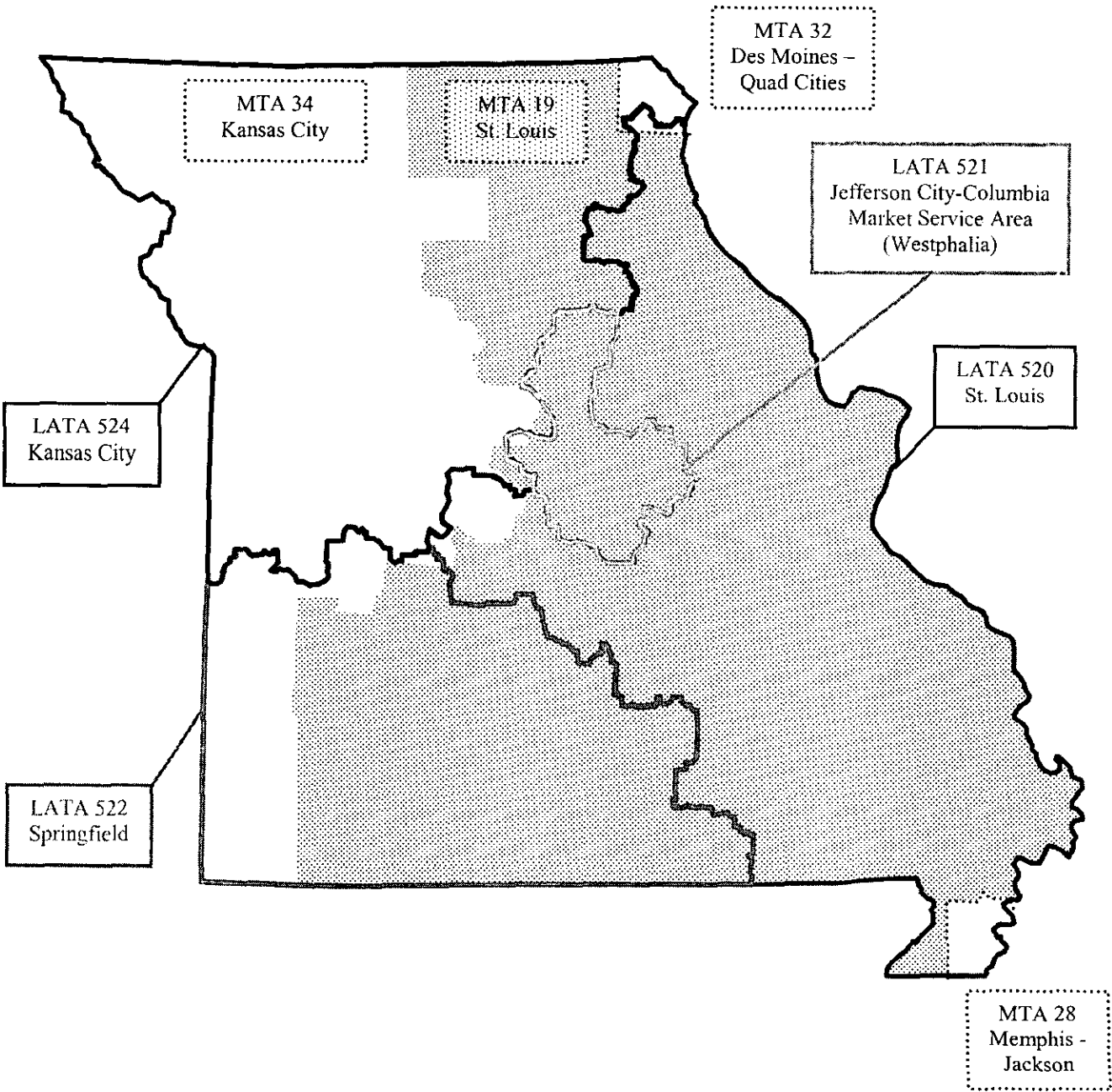
19 **Q. Does this conclude your direct testimony?**

20 A. Yes.

SCHEDULE 1

Missouri Telephone LATA Boundaries and CMRS MTAs

Missouri Telephone LATA Boundaries
with CMRS MTAs



SCHEDULE 2

HIGHLY CONFIDENTIAL

(Schedule is attached under separate cover)

SCHEDULE 3

HIGHLY CONFIDENTIAL

(Schedule is attached under separate cover)

SCHEDULE 4

HIGHLY CONFIDENTIAL

(Schedule is attached under separate cover)