

Exhibit No.:
Issues: Blocking of Traffic
Witness: Debbie Choate
Type of Exhibit: Direct
Sponsoring Party:
Miller Telephone Company
Case No.: TC-2012-0331

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

Case No. TC-2012-0331

Direct Testimony of Debbie Choate

On Behalf of Miller Telephone Company

June 4, 2012

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

HALO WIRELESS, INC.,)
)
Complainant,)
)
v.) Case No. TC-2012-0331
)
CRAW-KAN TELEPHONE)
COOPERATIVE, INC., et al.,)
)
Respondents.)

STATE OF MISSOURI)
) ss
COUNTY OF LAWRENCE)

AFFIDAVIT OF DEBBIE CHOATE

Debbie Choate, of lawful age, being duly sworn, deposes and states as follows:

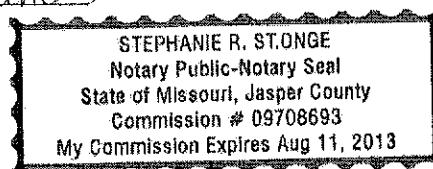
1. My name is Debbie Choate. I am employed as General Manager with Miller Telephone Company, and am authorized to testify on behalf of Miller Telephone Company in this proceeding.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Debbie Choate
Debbie Choate

Subscribed and sworn to before me this 1st day of June, 2012.

Stephanie R. Stonge Notary Public

My Commission expires: August 1, 2013



**DIRECT TESTIMONY
OF
DEBBIE CHOATE**

Q. **State your name and business address.**

A. Debbie Choate, 213 East Main Street, Miller, Missouri 65707.

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

A. I am employed by Miller Telephone Company as General Manager.

Q. **Please describe the nature of your duties and responsibilities as General Manager of Miller Telephone Company (Company).**

A. As General Manager, I oversee the day to day operations of the Company, including network administration, accounting, billing, customer service, industry relations and regulatory affairs.

Q. **Would please briefly describe your education and work experience?**

A. I am a High School graduate and I began my employment with Miller Telephone Company as a Customer Service Representative (CSR) in 1979. During my 33 year employment with the Company, I was assigned increasing areas of responsibility and in 2003, was promoted to General Manager. As a result, I have experience in most every aspect of the Company's operations.

Q. **Are you authorized to testify on behalf of the Company in this matter?**

A. Yes.

Q. **Please describe your Company and the nature of its business.**

A. The Company is a Missouri corporation, with its office and principal place of business located in Miller, Missouri. The Company is an incumbent local exchange carrier

1 providing local exchange and exchange access services to approximately 775 customers
2 in and around the communities of Miller, Missouri.

3 Q. **What is the purpose of your testimony?**

4 A. The purpose of my testimony is to explain and support the Company's request to AT&T
5 Missouri (AT&) to block the traffic terminating from Halo Wireless Inc. (Halo) in
6 accordance with the Missouri Public Service Commission's (Commission) Enhanced
7 Record Exchange (ERE) Rules.

8 Q. **Is Halo delivering traffic to your Company for termination to your customers?**

9 A. Yes.

10 Q. **How do you know Halo is delivering traffic to your Company?**

11 A. Each month we receive records from AT&T Missouri that identify the amount of traffic
12 (i.e., Minutes of Use or MOU) that transits the AT&T tandem switch and is delivered to
13 our Company for termination to our customers.

14 Q. **How is Halo's traffic delivered to your Company?**

15 A. It is my understanding that Halo has a direct interconnection with AT&T at its tandem
16 switch in Springfield, Missouri. AT&T then sends that traffic, along with other wireless,
17 CLEC and intraLATA toll traffic, over common trunk groups to our Company. This
18 jointly owned network of common trunks that exists between our Company and the
19 AT&T tandem is sometimes referred to as the "LEC-to-LEC Network" or the "Feature
20 Group C Network".

21 Q. **Did Halo or AT&T notify your Company, in advance, that Halo would be delivering**
22 **wireless traffic to it?**

1 A. No. The only way that we knew we were receiving Halo traffic was after-the-fact when
2 we began receiving records of that traffic from AT&T.

3 Q. **Has Halo ever requested permission or an agreement with your Company to**
4 **terminate its traffic on your local exchange network?**

5 A. No.

6 Q. **Once you became aware of the fact that Halo was terminating traffic to your**
7 **Company, did you request to begin negotiations with Halo to establish an agreement**
8 **for the termination of this traffic?**

9 A. Yes. Our attorneys sent correspondence to Halo requesting to begin negotiations toward
10 a traffic termination agreement. Copies of the request are attached to my testimony as
11 Exhibit 1.

12 Q. **Did Halo agree to negotiate a traffic termination agreement with your Company?**

13 A. No. It is my understanding that Halo refused to negotiate primarily because our
14 Company did not specifically "request interconnection" with Halo.

15 Q. **What compensation does your Company receive when it terminates traffic from**
16 **other carriers?**

17 A. Our Company receives either access charges (intrastate or interstate) for terminating
18 interexchange traffic or reciprocal compensation rates for terminating local wireless
19 traffic.

20 Q. **How are your Company's access charges and reciprocal compensation rates set?**

21 A. Our access charges are contained in tariffs that are filed with and approved by the FCC
22 (for interstate traffic) and the Missouri Public Service Commission (for intrastate traffic).
23 Our reciprocal compensation rates are set forth in the traffic termination agreements we

1 have with wireless carriers and which are filed with and approved by the Missouri Public
2 Service Commission.

3 Q. **Have you invoiced Halo for the traffic it is terminating to you?**

4 A. Yes. While we do not agree that Halo's traffic is wireless, we have sent invoices to Halo
5 each month for the traffic it terminates to our Company based upon our reciprocal
6 compensation rates for "local" wireless traffic. Copies of those invoices are attached as
7 "PROPRIETARY" Exhibit 2.

8 Q. **Has Halo paid any of your invoices?**

9 A. No, Halo has not paid for any of the traffic it has delivered to our Company.

10 Q. **Are you receiving traffic from other wireless carriers via the LEC-to-LEC
11 Network?**

12 A. Yes, we receive wireless traffic from most, if not all, of the national wireless carriers such
13 as AT&T Mobility, Verizon Wireless, Sprint/Nextel, T-Mobile and US Cellular.

14 Q. **Do you have traffic termination agreements with those carriers for the termination
15 of their wireless traffic?**

16 A. Yes, we have traffic termination agreements with those carriers and those agreements
17 have been filed with and approved by the Commission. A Summary of those agreements
18 and the case numbers in which they were approved by the Commission is set forth on
19 Exhibit 3 attached hereto.

20 Q. **Did any of the other wireless carriers who terminate traffic to your Company refuse
21 to negotiate a traffic termination agreement?**

22 A. No.

1 **Q. Did any of the other wireless carriers insist on your Company requesting**
2 **interconnection before beginning negotiations?**

3 A. No.

4 **Q. Do those agreements with the other wireless carriers provide for your Company to**
5 **be paid for the traffic that is terminated to your Company?**

6 A. Yes. The agreements generally provide that local or intraMTA wireless traffic will be
7 billed at reciprocal compensation rates and that any non-local or interMTA traffic will be
8 billed at our Company's access rates.

9 **Q. How were the reciprocal compensation rates established for your Company?**

10 A. For most of the wireless carriers, our reciprocal compensation rates were established in
11 the context of an arbitration case between our Company and Cingular Wireless and T-
12 Mobile (MoPSC Cases No.TO-2006-0147 and TO-2006-0151). In one instance, the
13 reciprocal compensation rate was negotiated between our Company and the wireless
14 carrier.

15 **Q. Have the other wireless carriers paid your invoices?**

16 A. Yes.

17 **Q. Did you offer to make these reciprocal compensation rates available to Halo for the**
18 **local or intraMTA wireless traffic it terminated to you?**

19 A. Yes. Our attorneys forwarded copies of a traffic termination agreement with Cingular
20 and T-Mobile to Halo and offered to use the rates, terms and conditions contained in
21 those Agreements as a starting point for purposes of negotiations. Please see Exhibit 4
22 attached to this testimony.

1 Q. **You mentioned earlier that you don't agree that the traffic Halo is terminating to**
2 **you is wireless traffic. On what do you base that position?**

3 A. The amount of traffic Halo is terminating to our Company is fairly substantial relative to
4 the amount of wireless traffic we receive from other, national wireless carriers. Given the
5 fact that we have never heard of Halo Wireless, nor have we seen any advertisements or
6 marketing material offering Halo's wireless services in our area, I was skeptical that Halo
7 would be terminating that much wireless traffic to our Company. In addition, we learned
8 from industry meetings and discussions that other local exchange carriers were
9 questioning the nature of Halo's traffic.

10 Q. **Do you have any evidence that Halo's traffic is not wireless?**

11 A. Yes. We requested information from AT&T regarding any traffic studies it has
12 performed on Halo traffic terminating to our Company. Based upon the information we
13 received from AT&T, we learned that only 2 to 13% of the amount of Halo traffic
14 terminating to us was local or intraMTA wireless traffic (and I understand that this was
15 actually wireless traffic that was originated by customers of other wireless carriers). The
16 rest of Halo's traffic was either interMTA wireless traffic or landline interexchange
17 traffic. The information AT&T has provided us is included in "PROPRIETARY"
18 Exhibit 5 attached to this testimony.

19 Q. **Are you able to tell whether Halo is providing your Company with originating**
20 **Caller Identification when it terminates traffic to your Company?**

21 A. No.

1 Q. **Given the fact that Halo has not been willing to pay for the traffic it terminates to**
2 **your Company and that AT&T's traffic studies reveal that a substantial portion of**
3 **this traffic is actually traffic subject to access charges, what did you do?**

4 A. We authorized our attorneys to pursue blocking of Halo's traffic coming over the LEC-
5 to-LEC network in accordance with the Commission's ERE Rules. Copies of the
6 correspondence that was sent to AT&T and Halo are attached as Exhibit 6.

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

8 A. Yes.