

FISCHER & DORITY
PROFESSIONAL CORPORATION

Attorneys at Law
Regulatory & Governmental Consultants

101 Madison, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383

James M. Fischer
Larry W. DORITY

June 11, 2002

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

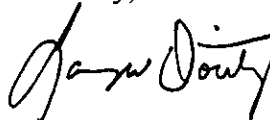
RE: Consolidated Case No. TC-2002-57

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter, please find an original and eight (8) copies of ALLTEL Communications, Inc.'s Rebuttal Testimony of Lawrence J. Krajci.

This filing has been mailed or hand-delivered this date to all counsel of record. Thank you for your attention to this matter.

Sincerely,



Larry W. DORITY

Enclosure
cc: Counsel of Record

Exhibit No. _____
Issue: Policy Issues
Witness: Lawrence J. Krajci
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: ALLTEL Communications, Inc.
Case No.: TC-2002-57
Date Testimony Prepared: June 11, 2002

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

Northeast Missouri Telephone Company)
and Modern Telecommunications Company,)
Petitioners,)
)
v.)
)
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)
Corp., and Ameritech Mobile)
Communications, Inc.)
Respondents.)

Case No. TC-2002-57, et al.

REBUTTAL TESTIMONY

Of

LAWRENCE J. KRAJCI

On Behalf Of

ALLTEL COMMUNICATIONS, INC.

**Jefferson City, Missouri
June 11, 2002**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Northeast Missouri Telephone Company)
and Modern Telecommunications Company,)
Petitioners,)

v.

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)
Corp., and Ameritech Mobile)
Communications, Inc.)
Respondents)

Case No. TC-2002-57

AFFIDAVIT OF LAWRENCE J. KRAJCI

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)


I, Lawrence J. Krajci, being duly sworn or affirmed, depose and state:

1. My name is Lawrence J. Krajci, and I am presently employed as Staff Manager – State Government Affairs for ALLTEL Communications.
2. Attached hereto and made part hereof for all purposes is my rebuttal testimony in the above captioned case.
3. I hereby swear and 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.

Lawrence J. Krajci

Lawrence J. Krajci

Subscribed and sworn or affirmed before me this 10th day of June, 2002.

My Commission Expires September 1, 2008
*Sandra Jean Wood*

Notary Public

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

2 A. My name is Lawrence J. Krajci. I am Staff Manager of State Government Affairs for
3 ALLTEL Communications, Inc. My business address is One Allied Drive, P.O. Box
4 2177, Little Rock, Arkansas, 72203.

5 **Q. Please describe your educational background and experience.**

6 A. I received a Bachelor of Science Degree from Penn State University. I've been employed
7 by ALLTEL for the past 18 years in a variety of sales, customer service, inter-company
8 relations, and regulatory positions. I am presently responsible for representing ALLTEL
9 Communications, Inc. and other ALLTEL subsidiary interests in state regulatory matters
10 in Arkansas, Missouri, Ohio, and West Virginia. I have testified on regulatory matters
11 before state public service/public utility commissions in Georgia, Missouri, New Mexico,
12 Oklahoma, Pennsylvania, and Tennessee.

13 **Q. In what case have you previously testified before this Commission?**

14 A. I testified in Case No. TO-2000-667 on behalf of ALLTEL Communications, Inc.

15 **Q. On whose behalf are you testifying in this consolidated proceeding?**

16 A. I am testifying on behalf of ALLTEL Communications, Inc., a respondent in two of the
17 complaint cases consolidated into this docket: TC-2002-167 (Chariton Valley Telephone
18 Corporation) and TC-2002-181 (Choctaw Telephone Company). ALLTEL
19 Communications, Inc. has previously filed motions to dismiss and answers to these
20 respective complaints with the Commission.

21 **Q. Please describe ALLTEL Communications, Inc.**

22 A. ALLTEL Communications, Inc. is a wholly-owned subsidiary of the ALLTEL
23 Corporation system. As a telecommunications carrier licensed by the Federal
24 Communications Commission ("FCC"), ALLTEL Communications, Inc. ("ALLTEL")

1 provides commercial mobile radio service ("CMRS") to customers throughout the state of
2 Missouri. ALLTEL is duly incorporated and existing under the laws of the State of
3 Delaware, with its principal place of business located at One Allied Drive, Little Rock,
4 Arkansas 72202.

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

6 A. My testimony addresses the complaints against ALLTEL by Chariton Valley Telephone
7 Corporation ("Chariton Valley") and Choctaw Telephone Company ("Choctaw") as set
8 forth in the direct testimony of William Biere and Don Stowell, respectively. I will also
9 address issues raised on behalf of the complainants generally by David Jones in his
10 testimony.

11 **Q. Do the complainants' testimonies raise any issues that have not been previously**
12 **addressed by the Commission?**

13 A. No. The testimonies of Messrs. Biere, Stowell, and Jones attempt merely to reopen issues
14 already resolved by the Commission. At the heart of their complaints is their continuing
15 and baseless demand that wireless carriers pay intraLATA terminating access rates for
16 intraMTA traffic that terminates on their network. The recovery of access charges for
17 minutes of intraMTA wireless traffic terminated to their exchanges would be in direct
18 violation of federal law and this Commission's decisions issued in the case captioned *In*
19 *the Matter of the Mid-Missouri Group's Filing to Revise its Access Services Tariff, P.S.C.*
20 *Mo. No. 2* ("Alma Telephone"), Case No. TT-99-428, *et al.* Chariton Valley wants to
21 apply its access rates to all wireless traffic terminated since February 5, 1998 (the
22 effective date of Southwestern Bell Telephone Company's amendment to its wireless
23 interconnection tariff). Choctaw believes it should be compensated based on its access

1 rates for the period between February 5, 1998, and February 17, 2001 (the effective date
2 of its wireless termination tariff).

3 **Q. What is the current status of payments by ALLTEL to the complainants?**

4 A. ALLTEL is, in fact, presently compensating Choctaw for traffic that ALLTEL terminates
5 to Choctaw's end users. Such compensation is pursuant to, and at the rate level contained
6 in, Choctaw's Commission-approved wireless terminating tariff (the "Mark Twain Case,"
7 Case No. TT-2001-139 *et al.*). Although the appropriateness of that tariff, as opposed to
8 an interconnection agreement, is the subject of a pending appeal, ALLTEL is continuing
9 to pay Choctaw's wireless termination tariff rates on the monthly invoices for traffic
10 terminated since the tariff's effective date.

11 **Q. In the absence of an interconnection agreement or a wireless termination tariff,
12 what should serve as the basis of compensation?**

13 A. Section 251(b)(5) of the Telecommunications Act of 1996 provides that all local
14 exchange carriers have a duty to establish reciprocal compensation arrangements for the
15 transport and termination of telecommunications traffic. Pursuant to 47 C.F.R. §
16 20.11(b), "(l)ocal exchange carriers and commercial mobile service providers shall
17 comply with principles of reciprocal compensation." For traffic that is roughly in
18 balance¹, a "bill and keep" arrangement is the appropriate manner of compensation.
19 There is no indication that traffic levels between ALLTEL and the complainants should
20 not be considered roughly in balance. Because no tariff or interconnection agreement was
21 in effect for Choctaw prior to February 17, 2001, and no tariff or interconnection
22 agreement is in effect to this date for Chariton Valley, the default arrangement is bill and
23 keep.

¹ 47 C.F.R. § 51.713(c)

1 **Q. Do you agree with Mr. Biere's testimony that ALLTEL owes Chariton Valley**
2 **\$911.70?**

3 A. No. Mr. Biere specifically states in his testimony that the billing amount is based on the
4 application of Chariton Valley's intrastate access rates to ALLTEL wireless intraMTA
5 traffic terminated to Chariton Valley customers. (Biere Direct Testimony, p. 4, lines 3-5,
6 9-11.) Additionally, through an administrative oversight, ALLTEL inadvertently paid
7 invoices totaling \$7,078.26 from Chariton Valley and has requested a refund of those
8 payments. Because Chariton Valley has neither an interconnection agreement with
9 ALLTEL, nor an approved wireless termination tariff, there is no authority under which
10 any invoices should have been rendered or paid.

11 **Q. Mr. Stowell asserts in his testimony that ALLTEL owes Choctaw \$12,020.68. Do**
12 **you agree with his assertion?**

13 A. No, I do not. Of that amount, \$935.49 was an invoice amount billed according to
14 Choctaw's wireless termination tariff. ALLTEL paid that invoice on March 25, 2002,
15 and is currently paying Choctaw's invoices billed according to its wireless termination
16 tariff. The remaining amount of \$11,085.19 was billed for traffic terminated prior to the
17 effective date of Choctaw's wireless termination tariff, utilizing Choctaw's access tariff
18 rates. As noted above, this Commission has specifically rejected the imposition of access
19 tariff rates on such traffic.

20 **Q. In his testimony, David Jones makes reference to a controversy between ALLTEL**
21 **and Cingular concerning traffic originated by ALLTEL customers and delivered for**
22 **termination by Cingular to MITG companies. Are you aware of this controversy?**

23 A. No. I am not aware of any dispute or controversy, nor has Cingular requested any
24 additional payments from ALLTEL for traffic that was delivered by Cingular.

1 **Q. Is ALLTEL willing to enter into negotiations with the complainants for the purpose**
2 **of establishing interconnection agreements?**

3 A. Yes. ALLTEL is certainly willing to enter into negotiations for interconnection
4 agreements with the complainants. ALLTEL has negotiated more than 100
5 interconnection agreements with local exchange carriers in twenty (20) states, including
6 Missouri. However, it is my understanding that the threshold demand made by each of
7 the complaining companies in negotiations is that wireless carriers establish a direct
8 connection (Jones Direct, p. 13, line 16) as a condition for obtaining an interconnection
9 agreement. The cost of establishing direct interconnection to most small local exchange
10 companies is economically prohibitive, inconsistent with network design and not required
11 by the Telecommunications Act of 1996. Yet, even after gaining Commission approval
12 of wireless termination tariffs, those members of the MITG group that filed tariffs sent a
13 clear signal to the Commission and wireless carriers regarding their future intentions on
14 negotiating reciprocal compensation agreements with indirect interconnection:

15 The Filing Companies have every right to negotiate terms that *they believe*
16 meet the requirements of the Act, a *direct* interconnection pursuant to
17 which *the wireless carrier will physically interconnect* so the parties can
18 negotiate provisions for the mutual transport and termination of traffic.
19 (Emphasis added.) (Suggestions of Alma, Choctaw and MoKan in
20 Opposition to the Application for Rehearing, Par. 6, Case No. TT-2001-
21 139, *et al.*)
22

23 **Q. What action by the Commission is ALLTEL requesting in this proceeding?**

24 A. As noted above, the complainants have not raised any new issues in this proceeding.
25 Their specific allegations as to any payments due from ALLTEL are without merit, and
26 ALLTEL should be dismissed from this proceeding.

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

28 A. Yes.