

Exhibit No.:
Issues: Wireless Complaints
Witness: John R. Idoux, III
Sponsoring Party: Sprint PCS
Type of Exhibit: Rebuttal Testimony
Case No.: TC-2002-57 et al.
Date Testimony Prepared: June 11, 2002

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

Northeast Missouri Rural Telephone Company)
And Modern Telecommunications Company, et. al.)
)
Petitioners,)
) Case No. TC-2002-57 et al
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.)

REBUTTAL TESTIMONY

OF

JOHN R. IDOUX, III

ON BEHALF OF

SPRINT COMMUNICATIONS COMPANY L.P.

June 11, 2002



1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 **A.**My name is John R. Idoux III. I am Senior Manager - External Affairs, for
4 Sprint-United Management Company. My business address is 6450 Sprint
5 Parkway, Overland Park, KS 66251.

6
7 **Q. Please summarize your educational and professional background.**

8 **A.**I hold Bachelor of Science degrees in Business Administration and Accounting
9 from the University of Kansas in Lawrence, Kansas.

10
11 I began my career with Sprint Corporation in 1988. I held positions of increasing
12 responsibility in the corporate audit department responsible for operational,
13 financial, and regulatory assessment in the following areas: regulatory
14 accounting, end-user and carrier billing, cost allocation, and customer service
15 operations. In 1992, I moved to Sprint's Carrier Services department and held
16 positions of increasing responsibility in carrier account management responsible
17 for Sprint's relationship with AT&T and MCI in the following areas: billing and
18 collection agreements, access pricing, carrier billing, and network products and
19 services. In November 1996, I was promoted to Manager -- Carrier Systems and
20 had the responsibility for coordinating the system and interface changes required
21 by Sprint's local division to implement the Federal Communications
22 Commission's rules on electronic access to operations support systems.
23 Substantial system modifications were required for billing, ordering,

1 provisioning, pre-ordering, trouble administration, and other areas to
2 accommodate regulatory requirements, industry guidelines, and customer
3 requests.

4
5 In October 1998, I was promoted to Senior Manager - State Regulatory,
6 responsible for monitoring state regulatory proceedings that potentially impact the
7 interests of Sprint; executing state specific intrastate regulatory plans and
8 policies; and coordinating with all affected Sprint entities to assure the
9 Company's views are effectively communicated and advocated before state
10 commissions. In April, 2001, I assumed my current position of Senior Manager –
11 External Affairs, responsible for implementing Sprint's intrastate regulatory
12 objectives and policies in Kansas and Missouri.

13
14 **Q. Have you testified before any regulatory commissions?**

15 **A.** Yes. I have provided testimony in Missouri, Kansas, Wisconsin and Ohio on
16 UNE and general policy related issues as well as testified in Nevada,
17 Pennsylvania, and South Carolina on competitive policy issues.

18
19 **Q. On whose behalf are you testifying?**

20 **A.** I am testifying on behalf of respondent Sprint Missouri, Inc (hereafter referred to
21 as "Sprint Missouri"), a incumbent local exchange carrier (ILEC). Sprint witness
22 Mr. Billy H. Pruitt offers separate rebuttal testimony on behalf of Sprint Spectrum
23 L.P. d/b/a Sprint PCS (hereinafter "SprintPCS"), which was also named as a
24 respondent.

1

2 **II. PURPOSE**

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

4 **A.** The purpose of my testimony is to rebut statements made by petitioners Mr.
5 David Jones and Mr. Donald Stowell. Furthermore, my Rebuttal Testimony
6 points out that the solutions and relief sought by petitioners are inappropriate,
7 contrary to the Telecommunications Act of 1996, and inconsistent with prior
8 Commission orders.

9

10 **Q. Please summarize the petitioners' claim.**

11 **A.** Simply stated, the petitioners claim they are not receiving appropriate
12 compensation for terminating wireless-originated calls and are seeking
13 compensation either under a wireless termination tariff or under an access tariff.
14 There are, however, multiple aspects to the petitioners' claim for relief.
15 Specifically, the petitioners' seek from the Commission the following four items:

- 16 1) affirmation that petitioners are entitled to termination compensation
17 for wireless-originated traffic;
- 18 2) a ruling that access charges apply for termination service for wireless-
19 originated calls when no interconnection agreement or other Commission
20 approved compensation scheme is available;
- 21 3) a ruling that Sprint Missouri and Southwestern Bell Telephone
22 Company ("SWBT") have secondary liability and are thus financially
23 responsible when wireless carriers do not pay petitioners bills; and

1 4) a ruling that Sprint Missouri and SWBT should be required to
2 disconnect wireless carriers facilities when wireless carriers do not pay
3 petitioners bills.
4

5 **Q. Please summarize Sprint Missouri's position.**

6 **A. I will provide a brief position on each of the above four claims for relief:**

7 1) Sprint Missouri agrees the petitioners are due compensation for providing
8 termination service for wireless-originated calls;

9 2) Sprint Missouri disagrees that access charges apply for intraMTA wireless-to-
10 landline calls; rather, the FCC has specifically ruled that local compensation
11 mechanisms apply;

12 3) Sprint Missouri disagrees that Sprint Missouri and SWBT have secondary
13 liability and are thus financially responsible when wireless carriers do not pay
14 petitioners' bills. The Commission has previously ruled on this issue and
15 clearly rejected the secondary liability concept; and

16 4) Sprint Missouri disagrees that Sprint Missouri and SWBT should be required
17 to disconnect wireless carriers when the wireless carrier does not pay a
18 petitioner's bill. Not only is this contrary to sound public policy but, in this
19 situation, it clearly violates the Telecommunications Act of 1996.
20

21 I provide further discussion below.
22

23 **Q. Before that discussion, can you provide an illustration of the type of traffic**
24 **that is subject to this complaint.**

1 **A.** Yes. Assume a SprintPCS wireless customer is within the Tebbetts, MO
2 exchange (a Kingdom Telephone Company exchange) and places a wireless call
3 to a landline end-user in Tebbetts. From a network perspective, the wireless-
4 originated call travels from the end-user's physical location to a nearby
5 SprintPCS tower. SprintPCS does not have a direct network connection with
6 Kingdom's Tebbetts exchange; therefore, SprintPCS cannot directly route the call
7 to Tebbetts' central office for completion to the landline customer. SprintPCS
8 does, however, have a direct network connection with Sprint Missouri's Jefferson
9 City exchange and Sprint Missouri has a direct connection between Jefferson City
10 and Kingdom's Tebbetts exchange. To complete the call, SprintPCS routes the
11 call to Sprint Missouri's Jefferson City tandem central office and Sprint Missouri
12 instantaneously routes the call to Tebbetts' central office for completion. This
13 "indirect" network connection provided through Sprint Missouri's Jefferson City
14 tandem office is referred to as "transit" service and is provided by Sprint Missouri
15 for SprintPCS (and other wireless carriers).

16
17 Under this scenario, the petitioners' first claim is that the terminating company is
18 entitled to receive termination compensation. Sprint agrees. Second, the
19 petitioners' claim that since Sprint Missouri handled the call, the terminating
20 company should apply access charges. Sprint disagrees in that this is obviously
21 an intraMTA call and intraMTA calls use local reciprocal compensation
22 principles. Third, the petitioners' claim that since Sprint Missouri routed the call
23 to Tebbetts, Sprint Missouri should be financially liable. Once again, Sprint
24 disagrees in that the wireless carrier is the financially responsible party

1 irrespective of the fact that an indirect or transit network was utilized in
2 completion of the call. Finally, the petitioners seek a Commission ruling that
3 Sprint Missouri disconnect or block all wireless traffic of SprintPCS to prevent
4 these type of calls. Clearly, blocking or disconnection in this situation is poor
5 public policy.

6
7 **Q. How is your testimony organized?**

8 **A. I will address each of the four issues I summarized above. Specifically, I will**
9 **address the following:**

10 Issue #1 – Are terminating companies due compensation?

11 Issue #2 – What is the appropriate compensation mechanism for
12 intraMTA calls?

13 Issue #3 – Who is financially liable for termination compensation?

14 Issue #4 – Should wireless carriers be disconnected or blocked?

15
16 **Issue #1 – Are Terminating Companies Due Compensation?**

17 **Q. Mr. Jones claims that the petitioners have not been compensated for**
18 **wireless-originated calls. Should the petitioners be compensated for**
19 **terminating wireless-originated traffic?**

20 **A. Yes. Local exchange carriers (LECs) that provide termination service on their**
21 **network for wireless-originated traffic should receive compensation based upon**
22 **the jurisdiction of the traffic and the applicable compensation mechanism for that**
23 **jurisdiction. Wireless-originated traffic originating and terminating within the**
24 **same FCC defined major trading area (MTA) is defined as intraMTA. Wireless-**

1 originated traffic that originates in one MTA but terminates in another MTA, the
2 call is defined as interMTA.

3

4 **Q. Do MTA boundaries have anything to do with traditional exchange**
5 **boundaries?**

6 **A.** No. Traditional ILEC exchange boundaries have no bearing on whether the call
7 is intraMTA or interMTA. In many situations, a wireless-to-landline call will be
8 intraMTA whereas if the same call were placed landline-to-landline, it would be
9 toll. My illustration above used a wireless-to-landline call originating and
10 terminating in the same exchange, Tebbetts. If the wireless call originated in
11 Jefferson City and ended in Tebbetts, the exact same principles would apply
12 because Tebbetts and Jefferson City are in the same MTA. The fact that a
13 landline-to-landline call from Jefferson City to Tebbetts would be an intraLATA
14 toll (long distance) call has no relevance in the fact that a wireless-to-landline call
15 is intraMTA.

16

17 **Issue #2 – What is the Appropriate Compensation Mechanism for IntraMTA Calls?**

18 **Q. What are the petitioners seeking regarding the rate to apply to wireless-**
19 **originated calls for which it provides termination service?**

20 **A.** Absent a Commission-approved interconnection agreement or a Commission-
21 approved wireless termination rate, petitioners seek to apply access charges to all
22 wireless-originated calls, irrespective of the appropriate jurisdiction.

23

24 **Q. What is the applicable compensation mechanism for intraMTA calls?**

1 **A.** The FCC has specifically ruled that intraMTA calls are not subject to access
2 charges; rather, intraMTA calls are subject to local reciprocal compensation
3 principles¹. Access is not an option for intraMTA calls.

4
5 **Q.** **On page 11 of his Direct Testimony, Mr. Jones argues that the traffic is**
6 **delivered by on IXC and, therefore, the IXC is responsible to pay access**
7 **rates. Please respond.**

8 **A.** The traffic in dispute is intraMTA and the fact that Sprint Missouri and/or SWBT
9 performs transiting service is irrelevant. When providing transit service, Sprint
10 Missouri and SWBT carry wireless calls between traditional ILEC exchanges;
11 however, this is irrelevant to the fact that the calls in dispute are intraMTA
12 wireless-originated calls. Sprint Missouri and SWBT also carry non-wireless calls
13 between traditional ILEC exchanges and in many other cases access charges do
14 not apply. For instance, when Sprint Missouri or SWBT carry MCA calls
15 between traditional ILEC exchanges, access is not applied. When Sprint Missouri
16 and/or SWBT carry two-way EAS calls between traditional ILEC exchanges,
17 access is not applied. Compensation principles are based upon the jurisdictional
18 nature of the traffic not the type of carrier who touched the call last.

19
20 **Q.** **On page 15 of his Direct Testimony, Mr. Jones argues the Commission has**
21 **previously ruled that termination of cellular traffic must be paid under**
22 **access tariffs. Please respond.**

¹ For specific FCC referenced, please refer to Sprint witness Mr. Billy Pruitt's rebuttal testimony.

1 **A.** While the Commission did make such a ruling in Sprint United complaint, Case
2 No. TC-96-112, that ruling is not relevant to this complaint for two reasons. First,
3 the traffic in dispute in Case No. TC-96-112 was prior to the passage of the
4 Telecommunications Act of 1996. The Act and following FCC rules specifically
5 identified the traffic in dispute as intraMTA subject to reciprocal compensation.
6 Second, the ruling in Case No. TC-96-112 was specific to SWBT's tariff offering
7 where it purported to offer end-to-end termination service. In this situation,
8 SWBT was assessing the wireless carrier for termination service when Sprint
9 United was providing the actual termination service. SWBT subsequently
10 changed its tariff and Sprint does not charge access to terminate wireless calls
11 transitting through SWBT's tandem.

12
13 **Q.** **Why do carriers use indirect connection (i.e. transit service) rather than**
14 **direct connection?**

15 **A.** Sprint Missouri has 80 exchanges in Missouri; however, Sprint Missouri does not
16 have a direct connection with every wireless carrier in every exchange. To
17 establish a direct network connection with just the seven wireless carriers made
18 party to this complaint would require 560 interconnections. To take this one step
19 further, there are approximately 700 ILEC exchanges in Missouri which would
20 require more than 4,900 direct interconnections for the seven wireless carriers in
21 this complaint if direct interconnection with every exchange were the only viable
22 option. Obviously, it would be grossly inefficient and cost-prohibitive to require
23 such a network configuration and contrary to the Telecommunications Act of
24 1996. Section 251(a)(1) of the Act requires all carriers to interconnect directly

1 or indirectly with the facilities and equipment of other telecommunications
2 carriers. The FCC has found that indirect interconnections with carriers' networks
3 are economically attractive. Consequently, carriers of all types indirectly connect
4 via the use of other carriers networks where it does not make economic sense to
5 directly connect.

6
7 **Q. What rate does Sprint Missouri charge to terminate intraMTA calls initiated**
8 **by wireless providers?**

9 **A.** Sprint Missouri's interconnection agreements have three possible components for
10 terminating compensation: 1) end office switching at \$0.004891 per minute of
11 use, 2) tandem switching at \$0.003009 per minute of use, and 3) common
12 transport at \$0.005285 per minute of use.²

13
14 **Issue #3 – Who is Financially Liable for intraMTA Termination Compensation?**

15 **Q. What are the petitioners seeking regarding the financially responsible**
16 **company for wireless-originated calls?**

17 **A.** The petitioners seek to hold the LEC performing transit service financially
18 responsible for wireless-originated calls terminating to one of the petitioners.

19
20 **Q. Should Sprint Missouri, as a transit provider, be financially liable to**
21 **compensate subtending companies for wireless-originated traffic?**

22 **A.** No. The Commission has already addressed this issue and has made a ruling. In
23 Case No. TO-99-593, the STCG and the MITG advocated positions that would

² From Sprint Missouri, Inc. and Verizon Wireless interconnection agreement, effective 05/01/2001

1 shift the burden of compensation to the transiting companies. The Commission
2 clearly rejected what the petitioners are seeking is this complaint:

3 “ The Commission will not, as the STCG and the MITG advocate, simply
4 shift to an upstream carrier the responsibility for unidentified traffic and
5 traffic for which the terminating company does not have compensation
6 agreements.”³
7

8 **Q. Does Sprint Missouri, Inc. receive compensation from the wireless carrier for**
9 **calls it provides transit service for but not termination service?**

10 **A.** When Sprint Missouri provides transit service for wireless-originated calls
11 terminated to a petitioner, Sprint Missouri only receives compensation for the
12 services it provided – transit service. Sprint Missouri is only entitled to receive
13 compensation for termination services from the wireless carrier when it actually
14 performs termination service.
15

16

17

Issue #4 – Should Wireless Carriers be Disconnected or Blocked?

18 **Q. What are the petitioners seeking regarding disconnecting or blocking**
19 **wireless carriers?**

20 **A.** The petitioners seek to have Sprint Missouri and SWBT physically block and/or
21 disconnect the wireless carrier to prevent wireless calls from using the indirect
22 connection to their networks, unless there is an interconnection agreement
23 between the wireless carrier and petitioner carrier.
24

³ Order Directing Implementation, Denying Motion To Consolidate, And Granting Intervention, Case No. TO-99-593, effective December 23, 2001.

1 **Q. Is the petitioners' request to disconnect or block reasonable or appropriate?**

2 **A.** No. Not only does the Telecommunications Act of 1996 require all
3 telecommunications companies to allow direct or indirect network connection, not
4 doing so would be contrary to sound public policy goals. Using my original
5 illustration where a SprintPCS caller physically located in Tibetts placed a
6 wireless call to a landline user in Tebbetts, blocking would require the SprintPCS
7 caller to place an interMTA (toll) call for what obviously is an intraMTA (local)
8 call.

9

10 **III CONCLUSION**

11 **Q. As an ILEC with rural exchanges, does Sprint Missouri have the same**
12 **situation as the petitioners in certain areas of the state?**

13 **A.** Yes. Many of Sprint Missouri's exchanges are served by a SWBT tandem switch
14 which means SWBT provides transit services (i.e. the wireless carrier routes the
15 call first to SWBT where SWBT routes the call onto Sprint Missouri for
16 completion). Indeed, Sprint Missouri is similarly situated to the petitioners in this
17 case. With respect to this traffic, Sprint Missouri is entitled to receive
18 compensation for termination service and Sprint Missouri has entered into
19 reciprocal compensation agreements with the wireless carriers. Sprint Missouri
20 assess the wireless carrier a mutually agreed upon termination rate. Sprint
21 Missouri does not assess access charges nor does Sprint Missouri assess SWBT
22 for termination service.

23

24 **Q. What is your recommendation.**

1 **A.** First and foremost, the Commission should reject the petitioners' claim that
2 access charges apply to intraMTA traffic. As I have clearly demonstrated above,
3 the local reciprocal compensation mechanisms apply. Second, the Commission
4 should once again reject the petitioners' claim that Sprint and SWBT have
5 secondary liability.

6

7 **Q.** **Does this conclude your Rebuttal Testimony?**

8 **A.** Yes.