Exh	ib	it	No	
-----	----	----	----	--

Issue: Wireless Complaint

Witness: Billy H. Pruitt, Sprint PCS
Type Of Exhibit: Rebuttal Testimony
Sponsoring Party: Sprint PCS
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,)	•
Petitioners,)	
v.) Case No. TC-2002	2-57, et al.
Southwestern Bell Telephone Company,)	
Southwestern Bell Wireless (Cingular),)	
VoiceStream Wireless (Western Wireless),)	
Aerial Communications, Inc., CMT Partners)	
(Verizon Wireless), Sprint Spectrum L.P.,)	
United States Cellular Corp., and Ameritech)	
Mobile Communications, Inc.,)	
Respondents.)	

REBUTTAL TESTIMONY

OF

BILLY H. PRUITT

Jefferson City, Missouri June 11, 2002

BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

Northeast Missouri Rural Telephone Company) And Modern Telecommunications Company, et. a	
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
AFFIDAVIT OF BILL STATE OF KANSAS)) ss: COUNTY OF JOHNSON)	Y H. PRUITT
I, BILLY H. PRUITT, being of lawful age an the following:	d duly sworn, dispose and state on my oath
1. I am presently Principal Engineer II, Carrier In	nterconnection Management for Sprint PCS.
2. I have participated in the preparation of the aranswer form to be presented in the above entitle	
3. The answers in the attached Rebuttal Testimor	ny were given by me; and,
4. I have knowledge of the matters set forth in sand correct to the best of my knowledge and be BILLY H	such answers and that such matters are true elief. J. H. J. L.
Subscribed and sworn to before me on this 10	day of June, 2002.
M. VICTORA WORKEL STATE OF KARAN NOTAR NOTAR	Lictoria Worrel Y PUBLIC

REBUTTAL TESTIMONY OF BILLY H. PRUITT

- 1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
- 2 A. My name is Billy H. Pruitt. My business address is 11880 College Blvd.,
- 3 Overland Park, KS, 66210.

20

21

- 4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
- 5 A. I am a Principal Engineer II in the Carrier Interconnection Management group at
- 6 Sprint Spectrum L.P., d/b/a Sprint PCS.
- 7 Q. WOULD YOU PLEASE OUTLINE YOUR EDUCATIONAL
- 8 BACKGROUND AND BUSINESS EXPERIENCE?
- 9 A. I joined Southwestern Bell Telephone Company in 1968 and served in multiple 10 technical positions until 1970. In 1970 I was drafted into the US Army and was trained as a Radio Relay and Carrier Attendant. Upon my return to Southwestern 11 12 Bell I again served in multiple technical positions until 1983. In 1981 I also 13 obtained a Bachelor of Arts in Political Science degree from St. Louis University. 14 In 1983 I was appointed as a Manager in the Access Services group where I 15 performed detailed cost studies and developed rates for multiple technologies 16 required to provide switched access services. In 1986 I obtained a Masters of 17 Business Administration degree from Webster University. In 1986 I was promoted to the position of Area Manager Rates and Cost Studies and managed 18 19 the work group responsible for switched access cost study and rate development

and the associated filings with state and federal regulatory bodies. In 1990 I was

appointed Area Manager Regional Sales where I developed and presented

competitive proposals for complex network services and served as the Division's regulatory liaison. I retired from Southwestern Bell in December 1998 to pursue other interests. In September 1999, I was appointed Senior Engineer in the Carrier Interconnection Management Group at Sprint PCS and was later promoted to my current position of Principal Engineer II.

Q. WHAT IS THE PURPOSE OF YOUR PRESENT TESTIMONY?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

A.

The purpose of my testimony is to respond to testimony filed in this proceeding by other parties. In responding I will address the two separate claims that are in dispute in this case. The first claim arises out of the allegation that Sprint PCS has not paid claimants amounts due under an effective wireless termination tariff. With respect to this claim, Sprint PCS does not believe that there are any issues in dispute and all amounts that have been properly billed have been paid. The second claim arises out of allegations that Sprint PCS has not paid intrastate access charges on local calls that were delivered either before the wireless termination tariff took effect or have been delivered to companies that do not have a wireless termination tariff. With respect to this claim, both federal law and previous decisions of this Commission prevent claimants from charging access for such calls.

TRAFFIC DELIVERED UNDER A WIRELESS TERMINATION TARIFF

MISSOURI Q. **INDEPENDENT TELEPHONE GROUP** 20 ("MITG") WITNESSES **GLASCO ALMA FOR TELEPHONE** COMPANY, 21 STOWELL FOR MOKAN AND CHOCTAW TELEPHONE COMPANY, 22 AND JONES FOR MID-MISSOURI TELEPHONE CLAIM THAT SPRINT 23

1		PCS HAS NOT PAID THE MITG COMPANIES FOR TRAFFIC
2		DELIVERED UNDER THEIR WIRELESS TERMINATION TARIFFS. IS
3		THIS CORRECT?
4	A.	No. Sprint PCS has paid all invoices received from the MITG members with
5		wireless termination tariffs for traffic billed after the effective date of those tariffs.
6		While Sprint PCS does not believe that the tariffs are lawful, Sprint PCS has been
7		paying these charges subject to a final ruling by the Missouri Court of Appeals,
8		Western District, Case No. WD60928. Sprint PCS is unaware of any charges
9		arising under the wireless termination tariffs that it has not paid. Further, as Sprint
10		PCS has repeatedly told the MITG members, Sprint PCS will pay any outstanding
11		charges properly billed under those specific wireless termination tariffs.
12		Therefore, Sprint PCS does not believe that there is any dispute between the
13		parties that would support a complaint before this Commission.
14	TRAF	FIC NOT SUBJECT TO A WIRELESS TERMINATION AGREEMENT
15	Q.	HAS SPRINT PCS PAID THE INVOICES RENDERED BY THE MITG
16		COMPANIES FOR INTRAMTA WIRELESS TERMINATING TRAFFIC
17		NOT SUJECT TO A WIRELESS TERMINATION TARIFF?
18	A.	Because the MITG companies billed this traffic under their switched access
19		tariffs, Sprint PCS declined to pay the invoices. Sprint PCS did respond with
20		requests to enter into interconnection and reciprocal compensation agreements.
21	Q.	WHAT IS THE SPRINT PCS POSITION WITH REGARD TO THE MITG
22		COMPANIES IMPOSING ACCESS CHARGES ON INTRAMTA
23		TELECOMMUNICATIONS TRAFFIC?

I understand that it is unlawful to impose access charges on CMRS intraMTA traffic. As I look at the FCC directives, the FCC made it clear that under the 1996 amendments to the Telecommunications Act, a LEC is not allowed to impose access charges upon CMRS provider traffic, stating:

"CMRS providers' license areas are established under federal rules, and in many cases are larger than the local exchange service areas that state commissions have established for incumbent LECs' local service areas. We reiterate that traffic between an incumbent LEC and a CMRS network that originates and terminates within the same MTA (defined based on the parties' locations at the beginning of the call) is subject to transport and termination rates under section 251(b)(5), rather than interstate or intrastate access charges." First Report and Order at 1043.

12 13 14

15

18

19 20

21

22

23

2425

26

27

28

29 30

31

32

33

34 35

36

37

38

5

6 7

8 9

10

11

Q. HAS THE FCC ISSUED ANY SUBSEQUENT ORDERS THAT SUPPORT

THE SPRINT PCS POSITION?

16 A. Yes. In an FCC Order released April 27, 2001 the FCC further expanded on its
17 previous pronouncements by stating;

47. We note that the exchange of traffic between LECs and commercial mobile radio service (CMRS) providers is subject to a slightly different analysis. In the Local Competition Order, the Commission noted its jurisdiction to regulate LEC-CMRS interconnection under section 332 of the Act but decided, at its option, to apply sections 251 and 252 to the LEC-CMRS interconnection. At that time, the Commission declined to delineate the precise contours of or the relationship between its jurisdiction over LEC-CMRS interconnection under sections 252 and 332, but it made clear that it was not rejecting section 332 as an independent basis for jurisdiction. The Commission went on to conclude that section 251(b)(5) obligations extend to traffic transmitted between LECs and CMRS providers, because the latter are telecommunications carriers. The Commission also held that reciprocal compensation, rather than interstate or intrastate access charges, applies to LEC-CMRS traffic that originates and terminates within the same Major Trading Area (MTA). In so holding, the Commission expressly relied on its "authority under section 251(g) to preserve the current interstate access charge regime" to ensure that interstate access charges would be assessed only for traffic "currently subject to interstate access charges," although the Commission's section 332 jurisdiction could serve as an alternative basis to reach this result. Thus the analysis we adopt in this Order, that section 251(g) limits the

scope of section 251(b)(5), does not affect either the application of the latter section to LEC-CMRS interconnection or our jurisdiction over LEC-CMRS interconnection under section 332. (Emphasis added.)

4 5

Q. WHY DO YOU BELIEVE THAT THE QUOTED SECTION OF THIS

6 SUBSEQUENT DECISION IS NOTEWORTHY?

A. Paragraph 47 of the <u>ISP Remand Order</u> is noteworthy for two reasons. First, the FCC expressly concludes that the §251(g) analysis "does not affect" CMRS interconnection. Second, the FCC reaffirms the application of the "intra-MTA rule" established in the Order -- that CMRS calls that originate and terminate within a single MTA as determined at the initiation of the call are within the scope of §251(b)(5) for reciprocal compensation purposes and access charges do not apply.

14 Q. HAVE ANY STATE REGULATORY COMMISSIONS REJECTED THE 15 MITG VIEW OF THE FCC RULES?

A. Yes, the MITG viewpoint has been specifically rejected at the state level. The 16 17 Missouri PSC in its Report and Order in the Alma case dated January 27, 2000, concluded as a matter of law that "CMRS traffic to and from a wireless network 18 that originates and terminates within the same MTA is local traffic, regardless of 19 the number of carriers involved." The Missouri Commission further concluded 20 that "local traffic is not subject to switched access charges." The Missouri PSC's 21 22 decision was subsequently upheld by the PSC after appeal and remand by the Missouri Court of Appeals. 23

Q. DID THE IOWA UTILITIES BOARD ALSO COME TO A SIMILAR CONCLUSION?

1	A.	Yes. The Iowa Board rejected the application of access charges to indirect CMRS			
2		traffic by stating in its November 26, 2001 Proposed Decision and Order that the			
3		"FCC has deemed intraMTA traffic local, therefore access charges to not apply".			
4		See Pruitt Schedule A. It reinforced its rejection of the billing of access charges			
5		for this traffic by stating in its Order Affirming the Proposed Decision and Order			
6		that the "Board rejects the ITA and INS arguments regarding the application of			
7		access charges to intraMTA CMRS traffic and affirms the proposed decision and			
8		order on this point." See Pruitt Schedule B.			
9	Q.	DOES WITNESS JONES TESTIMONY AT P. 12, L. 14-18, PROPERLY			
10		CHARACTERIZE THE SPRINT PCS/AT&T ACCESS DISPUTE			
11		CURRENTLY BEING CONSIDERED BY THE FCC?			
12	A.	No. The issue before the FCC is whether a wireless carrier is entitled to			
13		compensation of any form for terminating traffic delivered to its wireless network			
14		by an interexchange carrier ("IXC"). In the FCC docket, Sprint PCS is simply			
15		attempting to receive compensation for the traffic that terminates on its network.			
16		When traffic is delivered to Sprint PCS from an IXC, Sprint PCS has no means of			
17		determining if such traffic is inter or intraMTA or the identity of the originating			
18		carrier.			
19	Q.	HOW DOES THE ISSUE IN MISSOURI DIFFER FROM THE ISSUE IN			
20		THE FCC DOCKET?			
21	A.	The issue in this Missouri case is whether intraMTA telecommunications traffic			
22		originating on Sprint PCS' network delivered by a tandem LEC, under a local			
23		interconnection agreement, to a subtending independent LEC is subject to access			

5	Q.	DOES SPRINT PCS RECEIVE INTRAMTA LAND-TO-MOBILE
4		traffic as long as the charges are consistent with the governing law.
3		providers. Further, Sprint PCS is willing to pay compensation to terminate this
2		Bell, Sprint Missouri Inc, and other tandem LECs are simply local transit
1		charges. An IXC is not involved in these calls. For this traffic, Southwestern

- TRAFFIC FROM IXCS AND WHAT COMPENSATION IS SPRINT PCS
 RECEIVING FROM THE IXCS OR THE LECS FOR THIS TRAFFIC?
- While Sprint PCS objects to LECs handing off intraMTA telecommunications traffic subject to reciprocal compensation to an IXC, in today's environment this does happen. As such, Sprint PCS is likely receiving intraMTA traffic from an IXC. Currently, Sprint PCS receives no compensation for such traffic in almost all cases. Neither the IXC nor the LEC acknowledges an obligation to pay Sprint PCS to terminate this traffic. By improperly handing intraMTA traffic to an IXC, the LEC is avoiding its reciprocal compensation obligations.
- WITNESS JONES AT P. 12, L. 21-22 CLAIMS THAT 'NONE OF THE 15 Q. 16 **DISPUTED** TRAFFIC IN **THESE COMPLAINTS** HAS BEEN 17 ESTABLISHED TO BE INTRA-MTA TRAFFIC". WHAT IS YOUR 18 **RESPONSE?**
- I believe that Witness Jones is trying to obfuscate the issue. The traffic under discussion in these complaints deals with mobile-to-land traffic terminating to the MITG member companies. Because of the way Sprint PCS routes its traffic, the traffic terminated to the MITG companies through the Southwestern Bell transiting service will be exclusively intraMTA traffic.

Q. HOW DOES SPRINT PCS ROUTE INTRAMTA TRAFFIC?

- 2 A. When a call originates from a cell site within a given MTA and is terminated to a
- 3 LEC within that same MTA, the call obviously is subject to reciprocal
- 4 compensation. In this Scenario the call is routed from the Mobile Switching
- 5 Center ("MSC") to the appropriate LEC switch for delivery to the end user
- 6 customer or to a third party LEC. See Pruitt Schedule C.
- 7 Q. HOW DOES SPRINT PCS ROUTE TRAFFIC ORIGINATED BY ITS
- 8 CUSTOMERS IN ONE MTA TO A LEC CUSTOMER IN ANOTHER
- 9 **MTA?**

1

- When a call originates from a cell site in one MTA and terminates in another
- MTA to a LEC customer, the call is routed from the MSC to a long distance
- providers switch site, and then is delivered to the terminating LEC in the other
- MTA either directly or through an access tandem provider. These calls are billed
- as terminating switched access by the terminating LEC to the IXC and are not
- calls subject to reciprocal compensation in the other MTA. See Pruitt Schedule D.
- Therefore, there is a clear distinction in how Sprint PCS routes and delivers
- intraMTA calls versus interMTA calls. The calls subject to this complaint are
- intraMTA calls and thus are subject to reciprocal compensation.
- 19 Q. IN HIS TESTIMONY WITNESS JONES DISCUSSES THE
- 20 COMMISSION'S DECEMBER 23, 1997 REPORT AND ORDER IN
- 21 SWBT'S FILING TO REVISE ITS WIRELESS CARRIER
- 22 INTERCONNECTION SERVICE TARIFF, PSC MO. NO. 40, TT-97-524.
- 23 IS THIS CASE RELEVANT?

l	A.	No. Sprint PCS has never ordered service from the Southwestern Bell wireless
2		carrier interconnection service tariff. All interconnection between SWBT and
3		Sprint PCS has been pursuant to an interconnection agreement negotiated under
4		§251 and §252 of the Act. Therefore, any terms and conditions outlined in the
5		tariff do not apply to traffic exchanged via the interconnection agreements. There
6		is no language in the current interconnection agreement that would require Sprint
7		PCS to have an interconnection agreement with an independent LEC prior to
8		transiting traffic through Southwestern Bell.

9 Q. IN HIS TESTIMONY WITNESS JONES ASSERTS THAT THE ONLY 10 OPTION AVAILABLE TO THE LECS WAS THE BILLING OF ACCESS 11 CHARGES WHICH THE WIRELESS CARRIERS HAVE NOT PAID. 12 WHAT IS YOUR RESPONSE?

A. Sprint PCS does not agree that access charges were the only option available to 13 the MITG companies. Moreover, the application of access charges to CMRS 14 intraMTA traffic is contrary to federal law. As stated earlier in this rebuttal 15 testimony, the FCC's First Report and Order at 1043 states that "traffic between a 16 LEC and a CMRS network that originates and terminates within the same MTA 17 18 (defined based on the parties' locations at the beginning of the call) is subject to 19 transport and termination rates under section 251(b)(5) rather than interstate or intrastate access charges". This prohibition on access charges is further codified 20 at 47 C.F.R. § 51.515(a) of the FCC's rules which reads: 21

§ 51.515(a) Application of access charges.

22

23

24

(a) Neither the interstate access charges described in Part 69 of this chapter nor comparable intrastate access charges shall be assessed by an

2		or exchange access services.
4		Given that the MITG companies rendered bills seeking to impose unlawful access
5		charges on CMRS providers, the CMRS providers refused to pay. Had the
6		Missouri LECs billed a rate appropriate under the law, as described below, the
7		CMRS providers, and specifically Sprint PCS, would have responded
8		accordingly. Sprint PCS has always been willing to pay charges that are
9		permitted under the law.
10	Q.	WITNESS JONES IN HIS DIRECT TESTIMONY AT P. 15, L. 2-3 STATES
11		THAT "IF THERE IS NO INTERCONNECTION AGREEMENT, AND
12		THERE IS NO OTHER AGREEMENT OR OTHER TARIFF
13		APPLICABLE, THE ACCESS TARIFF SHOULD BE APPLIED." WHAT
14		IS YOUR RESPONSE?
15	A.	Witness Jones is incorrect. 47 C.F.R. § 51.705 defines the only rates that are
16		appropriate for transport and termination in a reciprocal compensation regime.
17		This rule requires that each incumbent LEC must produce one of the following
18		types of rates:
19		§ 51.705 Incumbent LECs' rates for transport and termination.
20		(a) An Incumbent LEC's rates for transport and termination of local
21		telecommunications traffic shall be established, at the election of the
22		state commission, on the basis of:
23		(1) The forward-looking economic costs of such offerings, using a
24		cost study pursuant to §§ 51.505 and 51.511;
25		(2) Default proxies, as provided in § 51.707 ¹ ; or
26		(3) A bill-and-keep arrangement, as provided in § 51.713.

^{1.} The Eighth Circuit vacated the proxy rates in <u>Iowa Utilities Board v. FCC</u>, 219 F.3d 744, 757 (8^{th} Cir.2000), but left the remainder of this rule intact.

Each of the MITG companies is also free to negotiate a mutually acceptable rate with each wireless company. Absent an interconnection agreement, a state ordered rate, or a negotiated rate the only option under the FCC rules is to have a bill-and-keep arrangement. A reading of § 51.705 and an understanding of the MITG companies attempts to bill illegal access charges clearly demonstrates that a bill and keep scenario is the only methodology under which the wireless carriers could logically operate. This is the case regardless of whether or not the MITG companies believe they could bill illegal access charges. Clearly the MITG companies can not bill access charges under the current law.

A.

10 Q. IN HIS TESTIMONY MR. JONES DISCUSSES THE HISTORY OF
11 NEGOTIATIONS WITH THE WIRELESS CARRIERS. AT PAGE 13. L.
12 8-13 WITNESS JONES STATES THAT WIRELESS CARRIERS "WOULD
13 REQUEST THAT WE SIGN THEIR INDIRECT INTERCONNECTION
14 AGREEMENT, AT THEIR TERMS, AND WITH THEIR RATES. WHAT
15 IS YOUR RESPONSE?

In a November 12, 1997 letter to Witness Jones, Sprint PCS requested an interconnection arrangement with Mid-Missouri. See Pruitt Schedule E. Mid-Missouri denied this request in a response dated January 15, 1998 stating that "the current configuration falls under an access regime." Witness Jones then went on to say that "unless Sprint wants to establish a direct physical interconnection with Mid-Missouri, there will be no basis upon which to establish reciprocal compensation." See Pruitt Schedule F. Subsequently Mid-Missouri attempted to bill Sprint PCS terminating switched access charges. In a letter to Witness Jones

dated September 2, 1999, Sprint PCS again proposed an interconnection 1 agreement with Mid-Missouri and indicated it would entertain "a fair and 2 3 equitable rate." See Pruitt Schedule G. In a letter dated September 13, 1999 (see 4 Pruitt Schedule H) Witness Jones again rebuffed the efforts of Sprint PCS and 5 demanded the payment of the illegally billed access charges. correspondence shows, it was Witness Jones who rebuffed the efforts of Sprint 6 7 PCS. Further, attached at Schedule I-1 through I-20 is additional correspondence 8 between Sprint PCS and the MITG members that reflect that Mid-Missouri's 9 response is representative of the response Sprint has received from the other 10 members. As reflected in this correspondence, some of the companies also raised 11 the rural exemption in response to a request for interconnection and others 12 proposed rates that far exceed their access rates. 13 Clearly, Sprint PCS has made repeated efforts to secure an interconnection 14 agreement with the MITG members. The MITG members, on the other hand, 15 have refused to entertain reasonable requests for interconnection and refused to 16 acknowledge the clear legal precedent governing the traffic at issue in this 17 proceeding. 18 Q. **HAS SPRINT PCS** BEEN SUCCESSFUL IN SECURING 19 INTERCONNECTION AGREEMENTS WITH OTHER LECS? 20 Α. Sprint PCS has interconnection agreements with the following LECs in 21 Missouri. I have also provided the type of connection and the current end office 22 termination rate:

Indirect

Indirect

\$0.01

\$0.0089

23

24

Alltel

CenturyTel

1		GTE/Verizon	Direct	\$0.001		
2		Sprint Local	Direct			
3		SWBT	Direct	\$0.004891		
		TDS-Orchard Farm		\$0.004		
4			Indirect	\$0.019655		
5		TDS-New London	Indirect	\$0.01954		
6		TDS-Stoutland	Indirect	\$0.01476		
7						
8	Q.	WHAT RATE LEVEL WOULD SPRINT PCS BE WILLING TO ACCEPT				
9 10		IN ANY FUTURE INTERCOMMITG COMPANIES?	NNECTION AGREE	EMENTS WITH THE		
10		MITG COMPANIES:				
11	A.	Sprint PCS would prefer that any rate included in an interconnection agreement				
12		be based on a valid TELRIC cost study. However, as demonstrated by the rates in				
13		the current interconnection agreements displayed above, Sprint PCS is always				
14		willing to negotiate a fair and reasonable rate. If the rates proposed by the MITG				
15		LECs fell somewhere within this range of rates it is likely that Sprint PCS would				
16		find them acceptable.				
17	Q.	DOES THIS CONCLUDE YOUR REB	UTTAL TESTIMONY?			
18	A.	Yes it does.				
