

Exhibit No.:  
Issues: Blocking of Traffic  
Witness: W. Jay Mitchell  
Type of Exhibit: Direct  
Sponsoring Party: Goodman, Ozark  
& Seneca Telephone Companies  
Case No.: TC-2012-0331

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

**Case No. TC-2012-0331**

**Direct Testimony of W. Jay Mitchell**

**On Behalf of Goodman Telephone Company,  
Ozark Telephone Company and Seneca 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 )

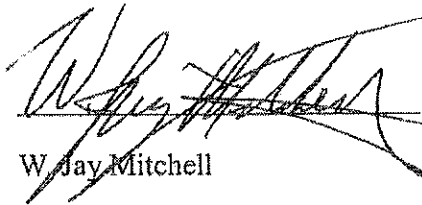
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COUNTY OF NEWTON )

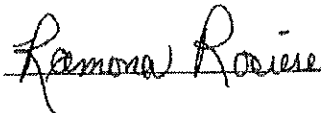
AFFIDAVIT OF W. JAY MITCHELL

W. Jay Mitchell, of lawful age, being duly sworn, deposes and states as follows:

1. My name is W. Jay Mitchell. I am employed as Vice President with Goodman Telephone Company and as President with Ozark Telephone Company and Seneca Telephone Company, and am authorized to testify on behalf of Goodman, Ozark and Seneca Telephone Companies 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.

  
W. Jay Mitchell

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2012.

 Notary Public

My Commission expires: Feb 10, 2016

RAMONA ROSIERE Notary Public - Notary Seal State of Missouri Commissioned for Newton County My Commission Expires: February 10, 2016 Commission Number: 12382857
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**DIRECT TESTIMONY  
OF  
W. JAY MITCHELL**

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

A. W. Jay Mitchell, P.O. Box 329, Seneca, Missouri 64865.

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

A. I am President of Seneca Telephone Company (Seneca) and Ozark Telephone Company (Ozark) and am Vice President of Goodman Telephone Company (Goodman) (collectively hereinafter referred to as "Companies").

Q. **Please describe the nature of your duties and responsibilities as President of Seneca and Ozark and Vice President of Goodman.**

A. I have overall responsibility for the Companies' activities including network engineering, network installation, network administration, network maintenance, accounting, customer service, local exchange service billing, carrier access service billing, human relations, public and industry relations, governmental affairs and regulatory affairs.

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

A. In 1976, I received a Bachelor of Arts Degree in Business Administration and Economics from Drury University in Springfield, Missouri. I represent the third generation of family management/ownership of the Companies and began working part-time at Seneca and Goodman in 1970. My full-time employment with Seneca and Goodman has been continuous since 1976 and, with Ozark, since its inception, in 1996. I have extensive experience in every aspect of the Companies' operations.

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

A. Yes.

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

2 A. The Companies are Missouri corporations, with their office and principal place of  
3 business located in Seneca, Missouri. The Companies are incumbent local exchange  
4 carriers providing local exchange and exchange access service in their respective serving  
5 areas. Seneca provides service to approximately 2500 access lines in and around the  
6 communities of Seneca and Tiff City, Missouri. Goodman provides service to  
7 approximately 1500 access lines in and around the communities of Goodman and  
8 Lanagan, Missouri. Ozark provides service to approximately 2200 access lines in and  
9 around the communities of Noel and Southwest City, Missouri.

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

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

15 Q. **Is Halo delivering traffic to your Companies for termination to your customers?**

16 A. Yes.

17 Q. **How do you know Halo is delivering traffic to your Companies?**

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

21 Q. **How is Halo's traffic delivered to your Companies?**

22 A. It is my understanding that Halo has a direct interconnection with AT&T at its tandem  
23 switch in Springfield, Missouri. AT&T then sends that traffic, along with other wireless,

1 CLEC and intraLATA toll traffic, over common trunk groups to our Companies. This  
2 jointly owned network of common trunks that exists between our Companies and the  
3 AT&T tandem is sometimes referred to as the "LEC-to-LEC Network" or the "Feature  
4 Group C Network".

5 Q. **Did Halo or AT&T notify your Companies, in advance, that Halo would be**  
6 **delivering wireless traffic to them?**

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

9 Q. **Has Halo ever requested permission or an agreement with your Companies to**  
10 **terminate its traffic on your local exchange network?**

11 A. No.

12 Q. **Once you became aware of the fact that Halo was terminating traffic to your**  
13 **Companies, did you request to begin negotiations with Halo to establish an**  
14 **agreement for the termination of this traffic?**

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

18 Q. **Did Halo agree to negotiate a traffic termination agreement with your Companies?**

19 A. No. It is my understanding that Halo refused to negotiate primarily because our  
20 Companies did not specifically "request interconnection" with Halo.

21 Q. **What compensation do your Companies receive when they terminate traffic from**  
22 **other carriers?**

1 A. Our Companies receive either access charges (intrastate or interstate) for terminating  
2 interexchange traffic or reciprocal compensation rates for terminating local wireless  
3 traffic.

4 **Q. How are your Companies' access charges and reciprocal compensation rates set?**

5 A. Our Companies' access charges are contained in tariffs that are filed with and approved  
6 by the FCC (for interstate traffic) and the Missouri Public Service Commission (for  
7 intrastate traffic). Our Companies' reciprocal compensation rates are set forth in the  
8 traffic termination agreements they have with wireless carriers and which are filed with  
9 and approved by the Missouri Public Service Commission.

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

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

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

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

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

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

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

1 A. Yes, we have traffic termination agreements with those carriers and those agreements  
2 have been filed with and approved by the Commission. A Summary of those agreements  
3 and the case numbers in which they were approved by the Commission are set forth on  
4 Exhibit 3 attached hereto.

5 Q. **Did any of the other wireless carriers who terminate traffic to your Companies**  
6 **refuse to negotiate a traffic termination agreement?**

7 A. No.

8 Q. **Did any of the other wireless carriers insist on your Companies requesting**  
9 **interconnection before beginning negotiations?**

10 A. No.

11 Q. **Do those agreements with the other wireless carriers provide for your Companies to**  
12 **be paid for the traffic that is terminated to your Companies?**

13 A. Yes. The agreements generally provide that local or intraMTA wireless traffic will be  
14 billed at reciprocal compensation rates and that any non-local or interMTA traffic will be  
15 billed at the Companies' access rates.

16 Q. **How were the reciprocal compensation rates established for your Companies?**

17 A. For most of the wireless carriers, our reciprocal compensation rates were established in  
18 the context of an arbitration case between our Companies and Cingular Wireless and T-  
19 Mobile (MoPSC Cases No. TO-2006-0147 and TO-2006-0151). In a couple of instances,  
20 the reciprocal compensation rates were negotiated between our Companies and the  
21 wireless carrier.

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

23 A. Yes.



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

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

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

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

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

17 A. Yes. We requested information from AT&T regarding any traffic studies it has  
18 performed on Halo traffic terminating to our Companies. Based upon the information we  
19 received from AT&T, we learned that only 15 to 52% (Seneca), 19 to 30% (Goodman),  
20 and 18 to 34% (Ozark) of the amount of Halo traffic terminating to our Companies was  
21 local or intraMTA wireless traffic (and I understand that this was actually wireless traffic  
22 that was originated by customers of other wireless carriers). The rest of Halo's traffic  
23 was either interMTA wireless traffic or landline interexchange traffic. The information

1 AT&T has provided us is included in "PROPRIETARY" Exhibit 5 attached to this  
2 testimony.

3 Q. **Are you able to tell whether Halo is providing your Companies with originating**  
4 **Caller Identification when it terminates traffic to your Companies?**

5 A. No. Because Halo's traffic is comingled with other wireless traffic, CLEC traffic and  
6 intraLATA toll traffic that comes to our Companies over these common trunks, it is not  
7 possible to identify a Halo call when it hits our local switch.

8 Q. **Do the AT&T records of Halo's terminating traffic provide originating Caller**  
9 **Identification?**

10 A. No, the AT&T records simply provide a "billing number" which is assigned to Halo, but  
11 it does not identify or reveal the telephone number of the party placing the call.

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

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

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

19 A. Yes.