

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3 In the Matter of Alma)Case No. TT-99-428,
4 Telephone Company's Filing) et al
5 to Revise its Access Service)
6 Tariff, PSC Mo. No. 2)

7 HEARING
8 October 13, 1999
9 Jefferson City, Missouri
10 Volume 3

11 BEFORE:

12 BILL HOPKINS, Presiding,
13 SENIOR REGULATORY LAW JUDGE.
14 SHEILA LUMPE, Chair
15 CONNIE MURRAY,
16 ROBERT G. SCHEMENAUER,
17 HAROLD CRUMPTON
18 M. DIANNE DRAINER, Vice-Chair
19 COMMISSIONERS.

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1 P R O C E E D I N G S

2 JUDGE HOPKINS: Let's go back on the record.

3 This is October the 13th, 1999.

4 We have a witness unavailable, Mr. Kohley,
5 K-o-h-l-e-y, and it's Mr. DeFord's witness. We've
6 talked about this off the record.

7 And, Mr. DeFord, would you please explain
8 your proposal on submitting his testimony and so
9 forth?

10 MR. DeFORD: Yes, your Honor.

11 First, I'd like to thank everyone for
12 their help and patience yesterday. Mr. Kohley will
13 be unavailable to answer questions concerning his
14 surrebuttal tes-- I guess his rebuttal testimony.

15 We would be pleased to have Mr. Kohley
16 respond to written questions that we would file on the
17 record, and I suppose we may have to have another
18 round of questions in regard to his responses if there
19 are questions from the Commission.

20 And we would expedite that depending upon, I
21 suppose, his availability. We don't really know right
22 now exactly when he will be available to answer those
23 questions. I would -- I would guess that we could
24 probably at least in the interim agree to make those
25 responses within the next ten days or two weeks.

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1 JUDGE HOPKINS: After the close of the
2 hearing?

3 MR. DeFORD: Yes.

4 JUDGE HOPKINS: I'd like to remind
5 everybody, we've got a new sound system in here, and
6 if you'll use your microphones, we get the sound up
7 here and it really helps us.

8 So are you saying then, Mr. DeFord, that we
9 should -- the other parties should submit questions to
10 you how soon after the hearing?

11 MR. DeFORD: I would guess --

12 JUDGE HOPKINS: Ten days?

13 MR. DeFORD: Ten days, a week. Whatever, I
14 mean, we can discuss that. I'm not suggesting any
15 hard day that we need the questions submitted.

16 JUDGE HOPKINS: I understand you can't give
17 us a particular time, but I'd appreciate it if you-all
18 could -- you-all meaning the parties, could let us
19 know some type of time frame as soon as possible.

20 MR. JOHNSON: What I was going to suggest
21 was submit any written questions, and I was only
22 interested in asking for factual questions of AT&T,
23 and submit them to Mr. DeFord within ten days after
24 the close of the hearing.

25 It's not necessary for my purposes that

1 Mr. Kohley sign the answers as long as AT&T does, and
2 so that would depend on Mr. Kohley's personal
3 availability, but would that make sense?

4 And that way we know we have ten days to do
5 the questions and ten days for a response, and then we
6 have a finite period to complete the record, if you
7 will.

8 MR. DeFORD: Sure. We'll agree to that.
9 That's not a problem.

10 JUDGE HOPKINS: I don't see or hear any
11 objection from anybody on that.

12 (No response.)

13 JUDGE HOPKINS: Okay. That's what we will
14 do. We need to have those, of course, submitted like
15 a regular pleading to the official file so we'll know
16 what they are too, please.

17 MR. LANE: I'm sorry. The questions
18 themselves you want submitted?

19 JUDGE HOPKINS: Yes. We want to know the
20 questions themselves, so we'll have those as if they
21 were asked in front of the Commission.

22 MR. LANE: And then AT&T will submit the
23 answers to you like a pleading, with copies to
24 everybody?

25 JUDGE HOPKINS: Right, right. Then, of

1 course, obviously the Commission may have some
2 questions. We don't know yet. We'll have to wait and
3 see.

4 I also had a pending motion here on
5 Southwestern Bell Telephone Company's motion to
6 compel. I'm going to deny that motion on the grounds
7 of Revised Statutes of Missouri 326.151, which is the
8 privilege on accountants. I'll find that the STCG
9 have complied with the data request. Okay?

10 MR. ENGLAND: Could I have the cite again,
11 please?

12 JUDGE HOPKINS: Sir?

13 MR. ENGLAND: Could I have the cite, the
14 statutory cite again, please?

15 JUDGE HOPKINS: The cite on the statute?

16 MR. ENGLAND: Yes.

17 JUDGE HOPKINS: 326.151.

18 MR. ENGLAND: Thank you.

19 JUDGE HOPKINS: We've got a copy of it here.
20 You gave me some highly confidential information,
21 Mr. England. Do you want that back?

22 MR. ENGLAND: Yes, please, but I think I've
23 only claimed privilege with respect to those four
24 paragraphs in the second letter. Am I required then
25 to reveal the remainder of that letter as well as the

1 first letter that accompanied Phase I?

2 JUDGE HOPKINS: No. I'm going to find
3 those --

4 MR. ENGLAND: Both letters?

5 JUDGE HOPKINS: -- cover letters were not
6 part of the audit.

7 MR. ENGLAND: Thank you.

8 JUDGE HOPKINS: Here is the copy.

9 We were in the middle of Ms. Meisenheimer's
10 testimony, and I apologize. I don't know who was
11 examining here.

12 MR. ENGLAND: I believe I was in the middle
13 of it, and hopefully with the intervening overnight, I
14 was able to shorten my cross-examination and maybe
15 make it a little more clear. I don't make any
16 promises, but I'll give it a shot.

17 JUDGE HOPKINS: All right, sir. You may
18 proceed.

19 CROSS-EXAMINATION (CONT'D) BY MR. ENGLAND:

20 Q. Good morning, Ms. Meisenheimer.

21 A. Good morning.

22 Q. As I said, I'm going to try to come at this
23 maybe a little different way that hopefully is a
24 little clearer.

25 In a PTC environment, is it your opinion

1 that a secondary carrier is responsible for one-plus
2 interexchange calls originating in their exchanges?

3 A. The local company?

4 Q. Correct.

5 A. No.

6 Q. And when I say responsible for, not only
7 responsible for routing but responsible for paying
8 terminating access or compensation on those calls.

9 Do you understand that?

10 A. Yes, I understand it. And, no, they are
11 not.

12 Q. Okay. In a post-PTC environment where we
13 now have intraLATA presubscription and that secondary
14 carrier has chosen not to be in the toll business
15 itself and therefore will not be carrying any toll out
16 of its exchange, would that company still be
17 responsible for any one-plus interexchange call
18 originating in its exchanges?

19 A. If there were an IXC operation in the
20 exchange, then, no, I think the IXC would bear that
21 traffic.

22 Q. Whether that IXC was an affiliate of the
23 local company or an unrelated corporate entity?

24 A. Yes.

25 MR. ENGLAND: Thank you. I have no other

1 questions.

2 JUDGE HOPKINS: All right. Thank you,
3 Mr. England.

4 Southwestern Bell Telephone?

5 CROSS-EXAMINATION BY MR. LANE:

6 Q. Good morning.

7 A. Good morning.

8 Q. In your testimony, Ms. Meisenheimer, you
9 make the claim that the Telecommunications Act doesn't
10 permit the incumbent LEC to request interconnection
11 from an indirectly connected wireless provider. Is
12 that a fair statement?

13 A. It doesn't permit them or doesn't ensure
14 that they will have the ability to negotiate with
15 those carriers?

16 If you can point me to a statement in my
17 testimony, I'll be able to answer it.

18 Q. Okay. I'm just trying to understand your
19 general position on it. Is it your view that the
20 Mid-Missouri companies here are not permitted under
21 the Telecommunications Act to request interconnection
22 with an indirectly connected wireless provider and
23 then bring that matter to the Commission for
24 arbitration if they're not able to reach agreement?

25 A. I think that they can request it. I don't

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1 think that the wireless carriers are obligated under
2 251B or C to enter into negotiations or to -- or to be
3 subject to the arbitration.

4 Q. So that if the wireless carrier chooses not
5 to respond affirmatively to an interconnection request
6 by one of the Mid-Missouri Group companies, then
7 Mid-Missouri Group couldn't bring the matter to the
8 Commission for arbitration in your view under the
9 Telecommunications Act of '96; is that right?

10 A. Well, the -- under -- under the Act and
11 subsequently the FCC orders to implement the
12 provisions of the Act, the FCC at paragraph 1005 and
13 1006 indicate that wireless carriers are not subject
14 to those specific provisions of the Act, and so, no,
15 I'm not sure that they actually could -- unless the
16 wireless carriers enter into negotiations, requested
17 negotiations, I'm not sure that they could bring it
18 for arbitration before this Commission.

19 Q. Okay. And are you aware of any court that
20 has agreed with that position that you've expressed,
21 that a State Commission doesn't have the authority to
22 arbitrate an interconnection agreement requested by an
23 incumbent LEC of an indirectly connected wireless
24 provider?

25 A. No, I'm not aware of any court.

1 Q. Would you agree with me that apart from the
2 Telecommunications Act of '96, that the Commission has
3 independent authority to handle compensation
4 arrangements between incumbent LECs and wireless
5 providers?

6 A. I'm not sure.

7 Q. You haven't studied that matter?

8 A. Well, wireless carriers are -- are regulated
9 at the interstate level, and I'm not sure of -- you
10 know, outside of what is included in the FCC's orders
11 implementing the Act, I'm not sure of what authorities
12 has been delegated to the State Commissions in terms
13 of wireless carriers.

14 Q. Prior to the passage of the 1996 Telecom
15 Act, there were wireless providers that were operating
16 in Missouri, were there not?

17 A. Yes.

18 Q. And would you agree with me that the FCC
19 made clear that the State Commissions had authority to
20 take jurisdiction over compensation arrangements
21 between incumbent LECs and those wireless providers
22 prior to the passage of the Telecommunications Act?

23 A. I'm not familiar with the extent of that.

24 Q. Assuming that the FCC had found that the
25 State Commissions had that authority, would you agree

1 that this Commission would have authority even prior
2 to the Act to engage in whatever procedures were
3 necessary to ensure reasonable compensation methods
4 were in place?

5 A. Yes. Once again, I said I'm not familiar
6 with the extent of that authority.

7 MR. LANE: That's all I have. Thank you.

8 JUDGE HOPKINS: AT&T?

9 MR. DeFORD: Thank you, your Honor.

10 CROSS-EXAMINATION BY MR. DeFORD:

11 Q. Good morning, Ms. Meisenheimer.

12 A. Good morning.

13 Q. Ms. Meisenheimer, do you believe that it's
14 in the public interest for every CLEC and wireless
15 provider to arbitrate interconnection agreements with
16 every incumbent LEC in the state?

17 A. Um, not necessarily, but I'm not sure that
18 an arbitration between each and every company will be
19 necessary.

20 Q. Would you agree that the cost to the
21 industry may be substantial if that were to occur?

22 A. If it were to occur, yes.

23 Q. Would you agree that all LECs have the duty
24 to establish cost-based rates of arbitration if
25 requested?

1 A. Yes.

2 Q. And that reciprocal compensation would also
3 be appropriate?

4 A. In arbitration?

5 Q. Yes.

6 A. At -- on an on-cost or at-cost basis?

7 Q. Yes.

8 A. Yes.

9 MR. DeFORD: Thank you. That's all I have.

10 JUDGE HOPKINS: Southwestern Bell Wireless?

11 MS. FISCHER: I have no questions.

12 JUDGE HOPKINS: Sprint PCS?

13 MR. LANE: No questions.

14 JUDGE HOPKINS: Any questions from the
15 Bench?

16 Chair Lumpe?

17 QUESTIONS BY CHAIR LUMPE:

18 Q. At the risk of being redundant here, on your
19 testimony on page 2 and page 6, where you say switched
20 access rates can apply absent approved agreements,
21 what incentive is there to have agreements?

22 A. On the part of an incumbent LEC, I think
23 that -- that the Act and the FCC's orders envision
24 that there really isn't a lot of incentive to -- in
25 some cases, where market power might exist -- to

1 establish agreements, if they were -- if the incumbent
2 wasn't compelled to do so.

3 And I think that's why the provisions of the
4 Act and the FCC's orders in implementing that put
5 requirements on the incumbent LECs to -- incumbent
6 LECs, in fact, have to negotiate in good faith.

7 So I think that the vision of that
8 interaction was going to be that CLECs and also
9 wireless carriers, if they felt that they could get a
10 more advantageous arrangement, could come in and
11 request interconnection and that the incumbent would
12 then be compelled to provide it.

13 Now, if they don't come in and request the
14 interconnection, I think -- I think that there is some
15 disadvantages on the other side, because they're not
16 obligated under the Act to respond to requests for
17 negotiation and arbitration.

18 Q. And then to clarify, if I heard you
19 correctly, the LEC can request, but there is no
20 compulsion on the other side to agree or decide they
21 want to negotiate with the LEC. In the reverse the
22 wireless has a right to request and the LEC must
23 respond?

24 A. Yes.

25 Q. So there is a little disconnect there or one

1 has more obligation than the other --

2 A. Yes.

3 Q. -- am I hearing you correctly?

4 A. Yes. And that's the reason that -- in part
5 that we support approving the tariffs, is because I
6 think that will create an incentive for the wireless
7 carriers to come in and request -- officially request
8 negotiations. And then at that point they will be
9 obligated as are the incumbent LECs to negotiate in
10 good faith.

11 Q. So the incentive that we thought we had in
12 524 didn't work. Is that the position -- and that is
13 certainly some position here, and if we were then to
14 approve this tariff, that would be the incentive that
15 would be needed to get those agreements to happen?

16 A. I think so.

17 Q. Okay. The question was raised about the
18 costs that might be -- have to be agreements with all
19 CLECs and LECs, multitudes of agreements.

20 Has it ever occurred that sort of a model
21 agreement has been reached and many people buy into?
22 Is that a possibility?

23 A. Yes, it is a possibility. And, you know, I
24 think there is a lot of potential that that could
25 happen in this case.

1 CHAIR LUMPE: Thank you, Ms. Meisenheimer.

2 That's all the questions I have.

3 JUDGE HOPKINS: Thank you.

4 Vice Chair Drainer?

5 QUESTIONS BY VICE CHAIR DRAINER:

6 Q. Good morning, Ms. Meisenheimer.

7 A. Good morning.

8 Q. How are you this morning?

9 A. I'm fine.

10 Q. Good.

11 Would you explain to me what your position
12 has been with respect to Staff's proposal, because you
13 basically stated that you agreed in part and disagreed
14 in part. So I'd like you to elaborate for me.

15 A. Well, if there is a request, then I agree
16 there will need to be a determination of what are the
17 costs of providing, or the FCC has adopted some
18 proxies that can be used on an interim basis.

19 I think also they said that if the
20 Commission finds that there is an equal flow of -- or,
21 you know, a similar flow of traffic, that bill-and-
22 keep is going to be an option to you.

23 In cases where a negotiated -- where
24 negotiation hadn't been requested, then I don't think
25 that there is a requirement that Section 252D, that

1 sets out the cost-based pricing rolls for both
2 interconnection and for reciprocal compensation apply.

3 So, you know, the Commission has had
4 negotiated agreements before it in the past, and my
5 memory is that when you were faced with those
6 negotiated agreements, you determined that you were
7 not obligated to -- to determine whether the rates
8 proposed were, in fact, cost based or not. Or you
9 didn't have to determine whether they complied with
10 that section, with the pricing section, because it was
11 not the point of arbitration.

12 Q. Okay. And then in your counsel's opening
13 statement, he mentioned that Public Counsel doesn't
14 often get involved in the cases with this type of
15 subject matter, but I'd like you to tell me, do you
16 believe so strongly that these tariffs need to be
17 approved because they are in the public interest and
18 that it goes beyond your normal concerns and that's
19 why you're here?

20 A. Um, personally I'm here for a couple of
21 reasons. One of them is certainly that I see these
22 tariffs as a method to get the ball rolling, if you
23 will. I remember reviewing some of the testimony and
24 the attachments, where there was a bill sent to
25 wireless carriers and the wireless carriers said,

1 well, we can't find anything in your tariffs that
2 these are -- you know, that this is the rate that
3 applies, and so, therefore, my impression was that
4 they said, well, we're not going to pay it.

5 And since the wireless carriers are not
6 compelled to enter into negotiations for reciprocal
7 compensation or interconnection, the secondary
8 carriers can stand on a mountain high and call out, we
9 want to negotiate but that doesn't -- that may not
10 produce a result.

11 So I think we're kind of at an impasse. And
12 by approving the tariffs, um, the wireless carriers
13 may find it advantageous to come forward and request
14 negotiations, and at that point the secondary carriers
15 will have an opportunity eventually to request
16 arbitration.

17 Q. Okay.

18 A. That's one of the reasons.

19 The other reason is, in reading some of the
20 testimony, I felt like -- I didn't agree with some of
21 the interpretation of when cost-based rates should
22 apply, and I was relatively familiar in applying the
23 rules for negotiations and the approval of agreements
24 since I had participated in some of the
25 interconnection agreements and also in the arbitration

1 proceeding.

2 And I just felt like I wanted to come in and
3 say that, you know, my interpretation in applying it
4 is different than what I -- than what I read. I
5 didn't want the Commission to not have a full picture
6 of in what cases cost-based rates are required.

7 Q. Okay. And then can you tell me representing
8 the Office of the Public Counsel why approving these
9 tariffs would be in the general public's interest?

10 A. Well, one part of it is, is that I feel like
11 the small carriers do have a responsibility to their
12 customers to recover their costs, joint and common
13 costs in particular. And that if they're not able to
14 recover compensation for the exchange of traffic,
15 whether it be directly from a wireless carrier,
16 whether it be from an interexchange carrier for
17 access, then -- then this would kind of set the ball
18 rolling, as I said before, where hopefully we'll get
19 to some kind of resolution where they -- they will be
20 able to recover some of those costs.

21 Q. So that it doesn't fall on the customers?

22 A. Right.

23 VICE CHAIR DRAINER: I guess I have no other
24 questions.

25 THE WITNESS: Okay.

1 VICE CHAIR DRAINER: It's gone.

2 JUDGE HOPKINS: Any further questions from
3 the Bench?

4 Recross based on questions from the Bench?

5 MMG?

6 MR. JOHNSON: Just a couple, please.

7 RECROSS-EXAMINATION BY MR. JOHNSON:

8 Q. Ms. Meisenheimer, on the subject of
9 incentives and costs --

10 VICE CHAIR DRAINER: Excuse me. Can I ask
11 one other question so we don't have to do a second
12 round-robin?

13 MR. JOHNSON: Absolutely.

14 VICE CHAIR DRAINER: It came back to me. I
15 apologize.

16 FURTHER QUESTIONS BY VICE CHAIR DRAINER:

17 Q. What I wanted to ask you is based on some of
18 the testimony I've seen here and from MMG's witness
19 yesterday also, there is this indication that the
20 traffic is really a relatively low number that isn't
21 being compensated and there is not a lot of evidence
22 on the record about what revenues are being lost.

23 And if you were here yesterday with MMG's
24 witness, he stated that it's kind of relatively what
25 small is, and I was just wondering -- if you can

1 answer this, please do. If you don't have any
2 information, that's fine. But I was wanting your take
3 on that.

4 Are we looking at something that can be
5 significant to our small carriers in Missouri and do
6 you have any information on that?

7 A. I believe that -- not personally except for
8 what I read in other parties' testimony -- that, in
9 fact, even though that may not -- the amount of
10 traffic may not seem significant to the wireless
11 carriers, it may be very significant to one of our
12 small LECs in terms of recovering costs. And . . .

13 Q. Well, and then as an expert witness for the
14 Office of the Public Counsel who has dealt with these
15 different cases, is it your expert impression that
16 indeed that can be significant for small carriers?

17 A. Um, based on their statement, it could be,
18 and that concerns me in terms of can they recover
19 their costs at providing service or are they going to
20 have to put that then on the backs of their local
21 exchange customers?

22 VICE CHAIR DRAINER: Okay. Thank you.

23 I have no other questions.

24 JUDGE HOPKINS: MMG?

25 MR. JOHNSON: Thank you, your Honor.

1 REXCROSS-EXAMINATION (CONT'D) BY MR. JOHNSON:

2 Q. Ms. Meisenheimer, it's my understanding that
3 since the 1996 Act, that several wireless carriers
4 have negotiated interconnection agreements with
5 Southwestern Bell. They've been approved; is that
6 right?

7 A. Well, yes.

8 Q. Well, prior to the Act these carriers
9 were already connected with Southwestern Bell and the
10 purchase out of their terminating -- their wireless
11 interconnection tariff; is that right?

12 A. I'm not sure.

13 Q. Do you know why they went ahead and
14 negotiated interconnection agreements as opposed to
15 just staying on the tariff?

16 A. I'm not sure.

17 Q. Do you know what their incentive was to do
18 that?

19 A. Well, I would -- I'm sorry. I can't say.

20 Q. Do you recall hearing any complaints about
21 the costs of establishing an interconnection agreement
22 with the carrier they're already connected with at the
23 time?

24 A. I'm not aware of any.

25 Q. Are any of these wireless carriers -- do any

1 of them have interconnection agreements not only with
2 Southwestern Bell but, say, with GTE also, or do you
3 know?

4 A. I'm not sure.

5 MR. JOHNSON: That's all I have. Thank you.

6 JUDGE HOPKINS: Thank you.

7 STCG?

8 MR. ENGLAND: No questions. Thank you.

9 JUDGE HOPKINS: Staff?

10 MS. KARDIS: No questions.

11 JUDGE HOPKINS: Southwestern Bell Telephone?

12 MR. LANE: Thank you, your Honor.

13 RECROSS-EXAMINATION BY MR. LANE:

14 Q. In response to questions from Chair Lumpe
15 concerning incentives, would you agree with me that
16 your position on creating incentives is based upon
17 your views that the small telephone companies can't
18 force the wireless providers that are indirectly
19 connected with it to negotiate and to arbitrate?

20 A. Yes. And as I mentioned earlier in response
21 to a question, I think that at paragraph 1005 and
22 1006, the FCC indicates that wireless carriers are not
23 obligated under 251B that includes the reciprocal
24 compensation requirement or 251C that includes the
25 negotiating in good faith and interconnection

1 requirements.

2 Q. Would you agree with me that the small
3 telephone companies in Missouri, that none of them
4 have requested interconnection from wireless carriers
5 to find out whether they would be willing to enter
6 into those agreements?

7 A. Um, I'm not -- I'm not sure. I know that
8 there's a difference of opinion on -- on what type of
9 interconnection or exchange of traffic would be
10 required.

11 Q. Have you seen --

12 A. I'm not sure that they flat-out said, no, we
13 don't want to talk to you ever.

14 Q. You haven't seen any requests made by any
15 member of the small -- of the Mid-Missouri Group
16 seeking interconnection agreements with wireless
17 providers, have you?

18 A. No.

19 Q. Haven't several wireless carriers written to
20 the small -- or the Mid-Missouri Group companies
21 suggesting an agreement be reached for compensation
22 for local traffic?

23 A. I'm not sure that those are -- are actual
24 requests for negotiations. I remember viewing some
25 correspondence that -- from the wireless companies

1 that said, well, we don't think the traffic is going
2 to be significant, so we'd like to enter into a
3 bill-and-keep arrangement for the completion of that
4 traffic.

5 Q. And haven't you also seen letters that said,
6 but if you don't want to enter into bill-and-keep,
7 we're willing to talk about reciprocal compensation
8 arrangements?

9 A. There -- there may have been some
10 correspondence about that. I think that some proposed
11 agreements were exchanged -- were sent to the -- or
12 sent to small companies by the wireless carriers.

13 Q. And would you agree with me that in this
14 case the evidence has been that the small telephone --
15 or the Mid-Missouri Group has made it clear to the
16 wireless carriers that they won't discuss
17 interconnection agreements with them unless those
18 carriers agree to directly connect with them?

19 A. That -- that's true for some.

20 MR. LANE: May I approach the witness?

21 JUDGE HOPKINS: Yes, sir.

22 BY MR. LANE:

23 Q. Let me show you what have been previously
24 marked and admitted as Exhibits 13 and 14.

25 Would you agree with me that Exhibit 13 is a

1 letter from Mr. Stowell of MoKan Dial to Mr. Crane of
2 Aerial Communications, in which he says that they
3 won't enter into interconnection agreements unless
4 Aerial agrees to directly interconnect its physical
5 facilities?

6 A. Um, I need to review it to make sure that
7 that's what it says.

8 Q. Sure.

9 A. Yes, it does -- it does indicate that they
10 view it as a requirement that there be a direct
11 interconnection.

12 Q. And the same is true with regard to
13 Exhibit 14, a letter from Mr. Jones of Mid-Missouri
14 Telephone to Mr. Crane of Aerial?

15 A. Yes. It does indicate that they view it as
16 requiring a direct interconnection.

17 Q. So in your view, they really haven't
18 shouted from the mountain tops that they would like to
19 reach interconnection agreements with indirectly
20 connected wireless providers, have they?

21 A. No, they have not shouted from the mountain
22 top.

23 Q. In fact, they said they wouldn't
24 interconnect or discuss agreements with them unless
25 there was direct physical connections. Right?

1 A. Well, I think that -- that may be true for
2 some carriers. However, the wireless carriers have
3 the opportunity, as I discussed with Chair Lumpe, to
4 come in and request negotiations, and they are
5 compelled to negotiate -- negotiate those agreements
6 in good faith at that point.

7 Q. In response to some questions from
8 Commissioner Drainer about whether it's in the public
9 interest to approve this particular tariff, would you
10 agree that before approval, that we would need to be
11 sure that the tariff is consistent with the FCC
12 requirements with regard to compensation between
13 wireless providers and local telephone companies?

14 A. I think it is consistent until the point at
15 which negotiation is requested.

16 Q. Would you agree with me that prior to the
17 passage of the '96 Act, that the FCC made clear that
18 the states controlled compensation arrangements but
19 that they were not permitted to impose access charge
20 tariffs on wireless providers for local traffic?

21 A. Could you repeat the question?

22 Q. Would you agree with me that prior to the
23 passage of the Act, that the FCC has made it
24 abundantly clear that state's controlled compensation
25 arrangements between wireless providers and local

1 telephone companies but that they were not permitted
2 to impose access tariff charges on those wireless
3 providers for local calls?

4 A. For interconnection within a local exchange?

5 Q. Within an MTA.

6 A. Oh, I -- I -- I don't know that I would
7 agree with that within an MTA.

8 Q. Okay. If that were a correct statement of
9 the FCC's view, would it still be your recommendation
10 to the Commission that they approve a tariff requiring
11 the imposition of access charges on wireless
12 providers?

13 A. Well, I think you would -- you would have to
14 look to the Act and determine whether the Act changed
15 the rules.

16 Q. Okay. And in your view the Act doesn't
17 apply to the wireless providers, right, so it couldn't
18 have changed the rules, could it?

19 A. I didn't say that the Act doesn't apply to
20 wireless providers. The -- certain requirements in
21 the Act do not apply to wireless providers.

22 Q. Okay. Does the Act change the rules, does
23 it permit the Commission to impose access tariffs on
24 cellular providers that are indirectly connected?

25 A. I think that if a wireless provider and an

1 incumbent LEC negotiated an arrangement where access
2 was the compensation, then in reviewing and
3 determining whether the Commission had the authority
4 to reject that agreement, that they would be limited
5 to determining that it was not in the public interest
6 and determining that it was not discriminatory against
7 some other party.

8 Q. We're not talking about a negotiated
9 agreement here, are we? We're talking about a tariff.

10 A. Well, if the wireless carriers have not come
11 in and requested to negotiate interconnection or a
12 reciprocal compensation arrangement for the exchange
13 of traffic within a local exchange, I'm not -- I don't
14 necessarily think that there is a problem with having
15 access.

16 I'm not sure that they should be viewed as
17 wanting to enter at the exchange as a competitor.

18 Q. This tariff as proposed would apply to
19 wireless carriers and require them to pay access
20 charges, would it not?

21 A. Yes. And in our recommendation we proposed
22 that some of the language be modified to reflect that,
23 in cases where negotiations were requested, that it
24 would no longer apply.

25 Q. Wouldn't it be better to approve one of the

1 options that the Staff has recommended in this case in
2 a wireless tariff so as to avoid any potential
3 inconsistency with FCC decisions concerning imposition
4 of access charges on wireless carriers?

5 A. If the small companies have come in with
6 tariffs that proposed to establish some kind of tariff
7 that would apply to that traffic, then perhaps.
8 That's not what we have before us. And in this
9 limited proceeding, I'm not sure that that is -- that
10 that is not an option. So . . .

11 MR. LANE: That's all I have.

12 THE WITNESS: Thank you.

13 JUDGE HOPKINS: AT&T?

14 MR. DeFORD: No questions. Thank you.

15 JUDGE HOPKINS: Southwestern Bell Wireless?

16 MS. FISCHER: No questions. Thank you.

17 JUDGE HOPKINS: Sprint PCS?

18 MS. GARDNER: I have a couple. Thank you.

19 RECROSS-EXAMINATION BY MS. GARDNER:

20 Q. Ms. Meisenheimer, when you were talking
21 about what would be significant versus perhaps
22 di minimis with Commissioner Drainer, have you done
23 any independent analysis of what traffic -- how much
24 wireless traffic there is and what dollar amounts are
25 associated with it for the smaller independent LECs?

1 A. No, I've done no independent research on
2 that.

3 Q. So the opinion that it's a significant
4 amount is based on the 300 to \$600 range found in
5 Mr. Stowell's testimony?

6 A. That was the example.

7 Q. And was that the basis then for your opinion
8 that it may be significant?

9 A. Yes.

10 Q. And is there any amount that would not be
11 significant in your mind?

12 A. Well, I think once a wireless carrier
13 requests negotiations, then, you know, if the
14 Commission finds that it's -- I'm not sure there is a
15 di minimis amount at that point if the traffic flow is
16 similar, I think that they can approve bill-and-keep.

17 Q. Well, let's say instead of it being 300 to
18 \$600 a month, it was \$100 a month. Is that still a
19 significant amount in your mind?

20 A. I -- I can't -- I can't -- I don't know at
21 that point. If it gets down to, you know, a very
22 limited amount of traffic that is flowing from the
23 wireless carriers to the -- to the small companies,
24 I'm not sure at that point why it would be important
25 to the wireless carriers to pay something other than

1 access, if they, you know, in their business decision
2 it wasn't worth coming in and asking for something
3 different.

4 Q. Do you understand that the \$300-to-600 month
5 figure that was calculated was based on \$.06 to \$.12
6 access ranges?

7 Is this your understanding of how that was
8 calculated?

9 A. I'd have to look. I'd have to look back at
10 that piece of testimony.

11 Q. It's page 19 of Mr. Stowell's surrebuttal.

12 A. Direct or surrebuttal?

13 Q. Surrebuttal, line 17, page 19.

14 A. Page 19?

15 Q. Yes.

16 A. Yes. It appears that it was based on \$.06-
17 to \$.12-per-minute amount.

18 Q. Okay. And if that were to be recalculated
19 to be based on a half-a-cent amount which is closer to
20 the FCC proxy rate, that amount would become \$25?

21 Is that a significant amount in your mind?

22 A. I'm not sure in terms of the dollar amount
23 whether it would be significant. I'm not -- although
24 I'm also not sure about what the FCC's proxy rate has
25 to do with the statement here.

1 Q. So you don't know? You don't have an
2 opinion today?

3 A. Well, I don't think there that there is any
4 obligation at this point to use the FCC proxy rate.

5 Q. Would \$25 be significant in your mind?

6 A. It might not be.

7 Q. Okay. I want to talk a little bit about the
8 incentives you discussed with Chair Lumpe.

9 Now, as I understand your testimony, the
10 trigger to get out from underneath paying the access
11 rates is a request to negotiate; is that correct?

12 A. Yes.

13 Q. And do you understand that Mr. Stowell's
14 testimony and the way the tariff is written, it's at
15 approval of an agreement. Is that different in your
16 mind than the request to negotiate?

17 A. I agree that that is -- yes, I agree that
18 there is a difference in my mind. I think that the
19 FCC established interim rates that would actually
20 apply if -- if the negotiations resulted in an
21 arbitrated agreement. And so our office proposed some
22 change in the language to accommodate for that.

23 Q. If -- if the trigger were approval of an
24 agreement and that would either be a negotiated
25 agreement or an arbitrated agreement as Mr. Stowell

1 recommends, would there be any incentive on the part
2 of the ILEC to agree early in the process or would
3 their incentive be to delay the process and continue
4 to collect access charges, in your mind?

5 A. They might. They might have an incentive to
6 delay that process. However, the wireless could have
7 come in long before now and negotiated or -- and
8 requested negotiation for an agreement.

9 Q. Do you understand that it's --

10 A. So I'm not sure that that will be
11 significant -- I'm not sure that that would have been
12 significant or a significant consideration for this
13 Commission.

14 Q. Do you understand that at Sprint PCS's
15 testimony that they have, in fact, requested
16 negotiations with all of those small ILECs in this
17 state?

18 A. No, I'm not -- I'm not sure that -- I'm not
19 sure that that's Sprint position. I -- I don't know
20 that they've requested some kind of -- that they've
21 requested arbitration at this point. And if they
22 actually have made an official request, then I would
23 think that at that point the small carriers could
24 begin considering requesting arbitration.

25 Q. I'm sorry. Was your trigger request to

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1 arbitrate or request to negotiate?

2 A. Well, the request to negotiate initiates the
3 time line for when arbitration can be requested.

4 Q. So in your mind Sprint PCS's letters that
5 have requested negotiation are not sufficient; you
6 would have to automatically go to arbitration?

7 A. No. I am -- I'm not -- I am not sure that
8 the -- that Sprint has officially requested
9 negotiations for an interconnection agreement.

10 I know that there is -- that they have
11 inquired about coming to agreement on a terminating
12 arrangement. If it's an official request for
13 negotiations, then at some point -- I think it's
14 135 days -- that there could have been a request for
15 arbitration, so that would have gotten us moving in
16 the process.

17 And there'll be, you know, new issues that
18 the Commission is going to have to deal with at that
19 point.

20 MS. GARDNER: Thank you. That's all I have.

21 JUDGE HOPKINS: Redirect by OPC?

22 MR. DANDINO: No questions, your Honor.

23 Thank you.

24 JUDGE HOPKINS: May this witness excused?

25 Thank you. You may step down.

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1 Staff's case. Call your witness, please.

2 MR. DeFORD: Your Honor, we would ask that
3 we take Mr. Maass out of order.

4 We had anticipated being able to get him out
5 of town to his next connection a bit earlier than it
6 appears now. So if we could take him out of order, I
7 think the parties would agree with that.

8 JUDGE HOPKINS: Any objection to taking
9 Mr. Maass out of order?

10 (No response.)

11 JUDGE HOPKINS: Hearing no objection, let's
12 take Mr. Maass and start with AT&T's case. And if
13 you'd call Mr. Maass.

14 (Witness sworn/affirmed.)

15 JUDGE HOPKINS: Thank you. Would you please
16 be seated and spell your first and last name for the
17 court reporter?

18 KURT C. MAASS testified as follows:

19 THE WITNESS: My name is Kurt, K-u-r-t,
20 Maass, M-a-a-s-s.

21 JUDGE HOPKINS: Direct examination,
22 Mr. DeFord?

23 You may proceed.

24 MR. DeFORD: Thank you, your Honor.

25 DIRECT EXAMINATION BY MR. DeFORD:

1 Q. Please state your name and business address
2 for the record.

3 A. My name is Kurt Maass. My business address
4 is 7277 164th Avenue Northeast, Redman, Washington
5 98052.

6 Q. Mr. Maass, by whom are you employed and in
7 what capacity?

8 A. I'm employed by AT&T Wireless Services as a
9 vice-president of external affairs.

10 Q. Did you cause to be prepared and filed
11 rebuttal and surrebuttal testimony which has been
12 marked for purposes of identification as Exhibits 7
13 and 8?

14 A. Yes.

15 Q. Do you have any corrections to that
16 testimony that you would like to make at this time?

17 A. Yes, I do.

18 On my rebuttal testimony, on Page No. 4,
19 line 10, what we need to do is to strike the word
20 "since" and in front of the numbers, right in front of
21 the decimal point, put a dollar sign. So that that
22 should properly read \$.004241 per minute.

23 Q. Do you have any other correction?

24 A. Yes. In my surrebuttal testimony, Page
25 No. 2, line 7, after the phrase, "yes, it does," I

1 need to strike the phrase that says, "Matt and Paul."
2 I would just delete this discussion.

3 Q. And whose fault would that have been? I'll
4 withdraw that question.

5 With those corrections, Mr. Maass, if I were
6 to ask you those same questions today, would your
7 answers be substantially the same?

8 A. Yes, they would.

9 Q. And would those answers be true and correct
10 to the best of your information and belief?

11 A. Yes.

12 MR. DeFORD: With that I would offer
13 Exhibits 7 and 8 and tender Mr. Maass for
14 cross-examination.

15 JUDGE HOPKINS: At the same time, why don't
16 we offer Mr. Kohley on No. 6. So I will ask if there
17 is any objection to Matt Kohley, Exhibit No. 6, Kurt
18 Maass rebuttal, No. 7, Kurt Maass surrebuttal, No. 8,
19 any objections to any of those being received into
20 evidence?

21 (No response.)

22 JUDGE HOPKINS: No objection being heard,
23 I'll receive all of those into evidence.

24 (EXHIBIT NOS. 6, 7 AND 8 WERE RECEIVED INTO
25 EVIDENCE.)

1 JUDGE HOPKINS: And we previously stated on
2 the record how we're going to do Mr. Kohley's
3 testimony.
4 Mr. DeFord -- I mean, excuse me.
5 You may proceed, Staff.
6 MS. KARDIS: No questions, your Honor.
7 JUDGE HOPKINS: Southwestern Bell Telephone?
8 MR. LANE: No questions, your Honor.
9 JUDGE HOPKINS: Southwestern Bell Wireless?
10 MS. FISCHER: No questions.
11 JUDGE HOPKINS: Sprint PCS?
12 MR. LANE: No questions.
13 JUDGE HOPKINS: OPC?
14 MR. DANDINO: No questions, your Honor.
15 JUDGE HOPKINS: STCG?
16 MR. ENGLAND: Yes, your Honor.
17 CROSS-EXAMINATION BY MR. ENGLAND:
18 Q. Good morning, Mr. Maass.
19 A. Good morning.
20 Q. At page 2 of your rebuttal testimony, I
21 believe it's on lines 15 through 17, you indicate that
22 companies such as those constituting Mid-Missouri
23 Group deliver some similar small volume of traffic to
24 AWS for termination as third-party transited traffic.
25 Do you see that?

1 A. Yes, I do.

2 Q. I'd like to ask you some questions about
3 that traffic coming from Mid-Missouri company -- or
4 Group members.

5 And I was going to use my BPS example, even
6 though BPS is not a member of the Mid-Missouri Group,
7 but I think it's similarly situated, but I've learned
8 over the evening that BPS may not be a good example
9 because one of its exchanges may be out of the MTA,
10 the St. Louis MTA.

11 So let's try New Florence Telephone Company.

12 I'm not sure if you're familiar with
13 Missouri or not, but New Florence is a single-exchange
14 company off of Highway 70 just due west of St. Louis.
15 It's in the MTA, same MTA as St. Louis. It's in the
16 same LATA as St. Louis. It's served by the New
17 Florence Telephone Company, which is a single-exchange
18 small telephone company independent of any of the
19 other parties to this case, does not have a toll
20 affiliate.

21 Do you understand all of that?

22 A. I think so.

23 Q. Okay. Now, if a customer in New Florence
24 calls an AWS customer in St. Louis, they're going to
25 have to do it via long distance. Correct?

1 A. I -- if it is a long-distance call from
2 New Florence to St. Louis, then I would -- I don't
3 know if that's true or not, but I'll take your word
4 for it.

5 Q. And the AWS customer has an NXX that is
6 associated with the St. Louis exchange, so the
7 customer New Florence, in order to call that AWS
8 customer, is going to have to dial one-plus or dial
9 around to get -- or if you'll assume that for purposes
10 of my question.

11 A. All right.

12 Q. Now, is it your opinion or AWS's opinion
13 that for purposes of reciprocal compensation,
14 New Florence is responsible for paying AWS terminating
15 compensation on that call?

16 A. On calls that originate and terminate within
17 the MTA, that is our position, yes.

18 Q. Even though that call may have been carried
19 by Southwestern Bell if it was a one-plus call prior
20 to July 22nd of this year?

21 A. Well, I don't understand the significance of
22 July 22nd.

23 Q. Okay. On July 22nd, New Florence and a
24 number of other small carriers implemented intraLATA
25 presubscription. Prior to July 22nd all one-plus

1 calls out of New Florence were directed to the primary
2 toll carrier, in this case Southwestern Bell Telephone
3 Company.

4 So prior to July 22nd, if a customer dialed
5 one-plus to get the AWS customer in St. Louis, it
6 would have been carried by Southwestern Bell Telephone
7 Company?

8 A. All right.

9 Q. But as I understand it, it's your testimony
10 that New Florence -- despite the fact that
11 Southwestern Bell carries that toll call, New Florence
12 is the one responsible for paying AWS terminating
13 compensation on that call from the New Florence
14 customer to the AWS customer?

15 A. That's correct.

16 Q. Okay. Are you today receiving any
17 compensation from New Florence for that call?

18 A. No, we're not.

19 Q. Are you today receiving any compensation
20 from Southwestern Bell Telephone Company for that
21 call?

22 A. No, we're not.

23 Q. Did you happen to see the correspondence
24 attached to the surrebuttal testimony of
25 Mr. Schoonmaker in this case?

1 A. I don't remember the attachments, no.

2 Q. Let me just show it to you to see if that
3 refreshes your memory. If not, I'll move on.

4 MR. ENGLAND: If I may, I'm going to show
5 the witness a copy of --

6 JUDGE HOPKINS: Yeah.

7 MR. ENGLAND: -- Exhibit 3 in this case, and
8 the correspondence I'm referring to is attached
9 thereto as Schedule RCS-2.

10 BY MR. ENGLAND:

11 Q. Did you have a chance to see that in your
12 preparation for this case, Mr. Maass?

13 A. Actually, Mr. England, I don't remember this
14 one.

15 Q. Okay. That's fine.

16 May I have it back?

17 If I were to tell you that Southwestern Bell
18 has represented to the small companies that it would
19 pay termination -- terminating compensation on that
20 call we've just discussed, would that surprise you?

21 A. Yes, it would.

22 Q. Because it's your belief you're not being
23 compensated for that call today; is that right?

24 A. It's my understanding.

25 Q. Okay. What if that one-plus call from

1 New Florence Telephone Company after July 22nd is
2 being carried by MCI because that customer chose MCI
3 as its intraLATA toll provider, would you expect MCI
4 to be paying you terminating compensation on that call
5 or New Florence?

6 A. It's a very good question. It -- it -- the
7 rules, the environment is changing very quickly. I
8 don't know what the answer to that would be. That's a
9 very -- a very good question. I don't know.

10 Q. Are you drawing a distinction then between
11 when we've got an intervening or intermediate third
12 party, whether that third party is a LEC like
13 Southwestern Bell or it's an interexchange carrier
14 like MCI?

15 A. I'm not necessarily saying that -- what kind
16 of intervening carrier. I'm talking about the nature
17 of the call itself.

18 The nature of the call as you've described
19 it from New Florence, and if that is then carried by
20 an interexchange carrier and it becomes in that case
21 an interexchange call, and I assume that MCI is doing
22 the billing to the customer?

23 Q. Correct.

24 A. It's like an intraLATA PIC sort of
25 situation.

1 That -- that might change the entire
2 situation on that particular kind of call, because it
3 then becomes -- in essence, you could look at it, it
4 becomes MCI's call in that case. And I don't know
5 what the answer is in that particular case.

6 Q. Is the distinction then or the distinction
7 that you're making one of who bills for the call and
8 who receives compensation from the end user for the
9 call?

10 A. That might be one consideration. And as you
11 look at the nature of what that call is, yes.

12 Q. Does it seem fair to you that if the --
13 rather -- excuse me -- that the party that carries the
14 call bills for the call and receives compensation from
15 the end user for the call ought to be the one
16 responsible for paying all carriers who participated
17 in the termination of that call, whether they be
18 wireless or landline or whatever?

19 A. That is certainly one way that -- one of the
20 considerations that you could -- you could look at as
21 you determine how the compensation arrangements are
22 supposed to occur. I don't know if that would be the
23 only consideration or the primary one. It certainly
24 would be one of them that you'd have to consider.

25 Q. Are you receiving compensation today

1 terminating compensation from any IXC for landline to
2 mobile calls within an MTA?

3 A. No.

4 Q. Not from an interexchange carrier?

5 A. That's correct.

6 Q. Okay. What about from the originating LEC?

7 A. In the case like the one you just described,
8 if you can use that one as the example, we're not
9 receiving any compensation from anybody on that call,
10 any other carriers I should say.

11 Q. Have you discussed this with the
12 interexchange -- excuse me. Assuming that that call
13 was delivered to you by an interexchange carrier, have
14 you discussed with interexchange carriers why you're
15 not being compensated for that call?

16 A. At this point, no.

17 Q. I take it then you haven't pursued any
18 collection efforts with them?

19 A. No, I have not.

20 Q. Let me switch things. The same kind of
21 example but a different question. I'm coming at it in
22 a different way.

23 If in the New Florence example you were
24 correct and New Florence is responsible for paying you
25 terminating compensation on calls originated in its

1 exchange and terminated to you in St. Louis, wouldn't
2 it seem reasonable or fair that New Florence ought to
3 be able to have control of the routing of that call
4 and ought to receive compensation from its end user
5 for that call in order to be able to pay you and any
6 other carrier participating in the termination of that
7 call?

8 A. I haven't thought about it in those terms
9 before. I suppose that -- that is something that they
10 would be interested in.

11 I haven't had a chance to think that whole
12 scenario through.

13 Q. Does it seem reasonable?

14 A. From their perspective, it probably would.

15 Q. I'm going to switch gears on you now. I'm
16 looking at wireless-originated calls, where your
17 customer originates the call.

18 Does AWS contract with any IXCs such as AT&T
19 or MCI to carry intraMTA calls?

20 A. In most cases I think that the answer would
21 be no in most cases on an intraMTA call. We'll
22 deliver that call right now to Southwestern Bell. And
23 to the extent they can deliver the call, they do. In
24 some cases they can't deliver the call because it's
25 interLATA, because the MTAs are bigger than some of

1 the LATAs.

2 So in those cases we have to get alternative
3 ways -- to have alternative ways to do that. But to
4 the extent that Southwestern Bell can deliver the
5 call, they do.

6 Q. Okay. Let's take an intraMTA call, wireless
7 originated, but a call that spans a LATA boundary.
8 And as you've pointed out, the MTA at least on the
9 eastern half of Missouri, I believe, is larger than
10 the LATAs that are there as well.

11 So we've got an intraMTA interLATA call, if
12 you will, from your customer to a landline customer.
13 And I think what you've said is you have to make other
14 arrangements to terminate that call because
15 Southwestern Bell can't.

16 A. Let me get this straight. IntraMTA call,
17 but that happens to be interLATA --

18 Q. Correct.

19 A. -- mobile originated to a landline customer.

20 Q. Yes.

21 A. Other arrangements would have to be made.
22 And it just depends on the markets, depends on
23 traffic, depends on geography, how we would do that.

24 Q. And in some instances I assume you do
25 contract with wire -- interexchange carriers, IXCs, to

1 carry that traffic. Correct?

2 A. I believe -- subject to check I believe
3 that's true.

4 Q. When you do that and that interexchange
5 carrier delivers a call to a LEC for termination, who
6 pays the LEC for terminating that call, you or the
7 IXC?

8 A. I think today in those cases where we
9 would contract with intermediate carrier to deliver
10 that traffic and the intermediate carrier delivers
11 that traffic at the other end, over -- over its
12 Feature Group D connections with the carrier at the
13 other end, I believe in those cases, that the
14 intermediary carrier pays the local carrier, unless we
15 have an arrangement with that local carrier at the
16 other end.

17 Q. So in the absence of an agreement with the
18 terminating LEC, the IXC who carried that intraMTA
19 interLATA call would pay the terminating LEC their
20 State access charges, wouldn't they?

21 A. I believe that probably would be correct,
22 yeah.

23 Q. So let me get this straight.

24 In the case of an IXC-carried wireless call,
25 you look to the IXC to be responsible for paying the

1 terminating LEC its terminating compensation. But
2 when the tables are reversed, if the call comes from
3 New Florence via an IXC to you, you still think the
4 LEC -- originating LEC is the responsible party for
5 paying you terminating compensation; is that right?

6 A. Well, there is two answers to that question.
7 First of all, how it works today, and as you stated
8 it, it is correct.

9 Q. Is that the right way to do it?

10 A. No.

11 In the intraMTA call that happens to be
12 interLATA, it is still our position that if ultimately
13 on the other end of that call it should local.

14 Now, again, it starts to get into -- you
15 start to -- it starts to confuse a lot of the roles
16 and responsibilities of different carriers and how
17 they act and how they don't.

18 If, for example, I was to deliver that call
19 to an intermediate carrier on a private-line basis and
20 have the dedicated facility, for example, and I have
21 an agreement at the other end, across that LATA
22 boundary, it would be a lot easier for the carrier on
23 the other end to recognize that traffic and to know
24 what it is, for example.

25 It's a little bit more difficult when the

1 carrier takes the call and delivers it over the
2 Feature Group D trunks. And we just have to pursue a
3 situation where --

4 JUDGE HOPKINS: Mr. Maass?

5 THE WITNESS: Yes, your Honor.

6 JUDGE HOPKINS: Could you please sit a
7 little closer to the microphone?

8 THE WITNESS: Oh, I'm sorry. Sure.

9 JUDGE HOPKINS: You've got your back to me
10 and I can't hear you.

11 THE WITNESS: See, I was having this
12 conversation with Mr. England and I kind of forgot.

13 MR. ENGLAND: Where was I?

14 What was the last answer?

15 (THE COURT REPORTER READ BACK THE LAST
16 PORTION.)

17 THE WITNESS: Okay. We had to pursue the
18 situation in that -- the case where it goes in that
19 long -- that further distance, with those parties at
20 the other end, to actually get those kind of
21 arrangements. It's -- we haven't done that yet.

22 BY MR. ENGLAND:

23 Q. Let me go back to the example of a landline
24 to mobile call, but set it up this way. It's an
25 interLATA landline call but still within the MTA.

1 One-plus goes to the PIC carrier, MCI, AT&T, whoever
2 that is, and that's delivered to you. Are you being
3 compensated for that call today?

4 A. Not by another carrier, no.

5 Q. Not by the IXC?

6 A. No.

7 Q. Again, have you pursued that with the IXCs?

8 A. Not aggressively, no.

9 Q. Well, have you pursued it informally with
10 the IXCs?

11 A. Yes, we have.

12 Q. And what has been their response?

13 A. I haven't made much progress at this point.

14 Q. Do they refuse to pay you terminating
15 compensation on that call?

16 A. Well, I'd rather not, you know, discuss our
17 business discussions.

18 Q. I'm sorry. Well, I don't necessarily want
19 to get into confidential.

20 I'm going to switch gears on you again.

21 Does AWS deliver any other traffic over its
22 direct interconnection with Southwestern Bell than its
23 own customer-originated wireless-to-landline traffic?

24 A. No.

25 Q. For example, you do not deliver the wireless
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1 traffic of any other wireless company over your
2 interconnections with Southwestern Bell?

3 A. Not that I'm aware of.

4 Q. Do you do it in any other states?

5 A. Do what?

6 Q. Deliver another wireless company's traffic
7 over your interconnection with the LEC.

8 A. I don't believe so.

9 Q. Is there anything that you're aware of
10 technologically that would prohibit you from doing so?

11 A. I'm not an engineer, so I don't -- I don't
12 know the answer to that.

13 Q. Is there any -- what, if any, constraints
14 are you aware of that would prohibit you from
15 delivering someone else's -- some other wireless
16 carrier's traffic over that connection?

17 A. I think the constraints would be the
18 provisions of the contracts that we have with the
19 incumbent -- with -- with the telephone company as to
20 what kinds of traffic and the nature of the traffic
21 that can go over those connections.

22 Q. Let me take another example.

23 I would assume that your answer would be the
24 same if I asked you about CLEC-originated traffic.
25 AWS doesn't terminate any CLEC-originated traffic over

1 its interconnections with either Southwestern Bell or
2 any other LECs that you're aware of; is that correct?

3 A. That's right.

4 Q. How about interexchange traffic?

5 A. How do you define interexchange traffic?

6 Q. Toll traffic, landline-to-landline
7 interexchange traffic that somehow gets on your
8 network and you deliver over a connection with either
9 Southwestern Bell or any other LEC with whom you have
10 familiarity in your interconnections.

11 A. That is true with a very, very minor
12 exception that would be like a call-forwarding sort of
13 situation.

14 Q. Could you explain to me how that might work?

15 A. Sure. If a landline carrier or a landline
16 customer receives a call and that -- he -- that
17 customer has the call forwarded to a wireless, to his
18 wireless phone, and to give an example, if a call came
19 from New York to St. Louis and a St. Louis landline
20 customer had it call-forwarded to his wireless phone,
21 it would bounce from the landline phone to the
22 wireless phone.

23 No, that wouldn't happen at all. No. That
24 example didn't make any sense. And there are no cases
25 where we do that, no.

1 Q. So there are no incidents that you are aware
2 of that you deliver anything but your own customer
3 wireless-originated traffic over these
4 interconnections with either Southwestern Bell or
5 other LECs with whom you have interconnection
6 agreements?

7 A. That is true.

8 Q. What type of records does AWS create for the
9 traffic originated on its network and terminated to
10 landline customers?

11 A. Each call has a call record that's
12 developed, because we keep track of that for billing
13 purposes for our own customers. And I think as a
14 general rule, we keep track of the time of day of the
15 call, the duration of the call and the number that was
16 called.

17 Q. Is it fair to say that you keep the same
18 records for a wireless-to-landline call as you might
19 keep for a wireless-to-wireless call?

20 A. I believe that's true.

21 Q. Are these what I will call originating
22 records since they're created at the originating end,
23 are they used for purposes of billing between you and
24 Southwestern Bell in your interconnection?

25 A. Well, the type of call that we just

1 talked about would -- would not apply in that
2 situation because it's a wireless-originated call.
3 The only thing I'd bill Southwestern Bell is for
4 landline-originated calls.

5 Q. I'm sorry. I meant for their billing to
6 you. Wireless-to-landline call, my understanding is
7 they're going to bill you a terminating local rate?

8 A. Correct. They bill us under the contract.
9 Yes, that's right.

10 Q. Do you pass your originating records to them
11 for purposes of them to bill you?

12 A. No.

13 Q. From what records are they issuing their
14 bill?

15 A. I don't know what records they use
16 internally, but they do issue us a bill, a very
17 regular bill on a monthly basis.

18 Q. They're very good about that, aren't they?

19 A. They're very good about that.

20 Q. Do you suspect that those records then,
21 that the recordings are made on their end of the
22 connection?

23 A. I would suspect so.

24 Q. For purposes of reverse traffic, landline to
25 mobile, how do you bill? Do you bill based on your

1 records or do you bill based on records given you by
2 Southwestern Bell?

3 A. We have -- we use our own records. Our own
4 records.

5 Q. So you're able to measure the traffic that
6 Southwestern Bell delivers to you over that connection
7 and bill them for it; is that correct?

8 A. In the case of calls that we have agreed
9 with South-- Southwestern that they pay us for, that
10 is correct, yes.

11 Q. And that gets to my next question. Do you
12 have a specific exclusion for calls that may have come
13 from New Florence Telephone Company over that
14 interconnection?

15 A. Yes.

16 Q. How was that referred to in the contract, do
17 you know, sir?

18 A. I don't have the contract with me, no.

19 Q. Do any LECs with which you directly
20 interconnect -- and this is probably not Southwestern
21 Bell but other LECs with which you directly
22 interconnect -- offer a terminating function in
23 addition to a transiting function where that call may
24 go to a third-party LEC?

25 A. I don't understand what you mean by -- I

1 understand the transiting part, but I don't know what
2 you mean by the terminating to the other LEC.

3 Q. We have heard testimony in other proceedings
4 that one LEC in its interconnection agreements with
5 wireless carriers billed them a blended rate which
6 recovered the directly connected LEC's terminating
7 access charges, plus the terminating access charges it
8 would have to pay in terminating that call to a third
9 party.

10 So my question is, did any of the LECs that
11 you interconnect with offer what sometimes has been
12 referred to as an end-to-end service, where they will
13 terminate that call to other LECs but be responsible
14 for paying those LECs their terminating compensation?

15 A. I don't think so.

16 Q. All of the LECs with which you interconnect
17 offer only a transit service where that call
18 eventually ends up in a third-party LEC's exchange?

19 A. That's fair to say, yes.

20 Q. Okay. If a call is placed from one of your
21 customers in Kansas City to a Southwestern Bell
22 landline customer in St. Louis, that would be not only
23 an interLATA but an interMTA call. Correct?

24 A. I don't mean to be picky, but we don't have
25 any customers in Kansas City, but if you wanted to

1 just switch that around and talk about my St. Louis
2 customer --

3 Q. Okay.

4 A. -- and build that example over again so I
5 can answer.

6 Q. Fair enough. AWS customer in St. Louis
7 calls a Southwestern Bell customer in Kansas City.
8 That would be an interLATA interMTA call. Correct?

9 A. That's right.

10 Q. Okay. How would that call be carried, do
11 you know?

12 A. Today that call is carried by an
13 interexchange carrier.

14 Q. Does AWS ever carry those calls itself?

15 A. No.

16 Q. Okay. Do you know what compensation is paid
17 to Southwestern Bell for terminating that call?

18 A. I don't have any personal knowledge of what
19 that is, no, I don't. I would assume it's access
20 charges but I don't know that for sure.

21 Q. Okay. You certainly aren't paying
22 Southwestern Bell any terminating compensation on that
23 call. Correct? That's the IXC's responsibility?

24 A. That's correct.

25 Q. Let me flip the direction of the call, not

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1 the direction of the customers, so that it's a
2 landline customer in Southwestern Bell's Kansas City
3 exchange calling your customer in St. Louis. Again, I
4 assume that would be delivered by an interexchange
5 carrier since Southwestern Bell doesn't have interLATA
6 authority. Correct?

7 A. I believe that's correct, yes.

8 Q. And that would be an interMTA call and you
9 would agree that access charges are appropriate in an
10 interMTA calling environment. Correct?

11 A. Well, there -- today there are appropriate
12 MTA calling environment. Let me back up.

13 I'm not sure I would agree -- well, let me
14 back up even further.

15 Today there is no compensation that occurs
16 on that call. I don't get anything from anybody on
17 that call besides my own customers.

18 Q. Okay. You leapt ahead of me. That was
19 going to be my next question.

20 But you would agree with me that today
21 there doesn't appear to be a dispute that landline
22 customers -- landline companies at least are entitled
23 to access charges on wireless-originated calls that
24 are interMTA?

25 A. Yes, I believe that's what the FCC rules

1 state.

2 Q. And what I've switched around is that this
3 is a landline-originated call to a wireless company
4 but it does span the MTA. It is delivered by an
5 interexchange carrier. And what you're telling me is
6 you're not being compensated for that call?

7 A. We're not being compensated by any other
8 carrier, that's correct.

9 Q. I guess that raises the next question. How
10 are you being compensated for that call?

11 A. It depends on what -- the arrangements that
12 we have with our own customers.

13 Q. So it's possible your own end-user customer
14 may be paying you for that incoming call; is that
15 right?

16 A. Well, remember, that the motion here with
17 wireless, of course, is air time. So today in this
18 country when a customer receives a call one way or
19 another, the customer -- our customer pays for that
20 call. So that today is the sole compensation that we
21 have on those kinds of calls.

22 Q. At page 5 of your rebuttal testimony, down
23 at the bottom -- are you there?

24 A. Yes.

25 Q. The answer beginning with line 18, and I'm
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1 going to paraphrase, but you basically suggest that
2 the Commission should reject the proposed tariffs and
3 instruct incumbent LECs who are not satisfied with the
4 bill-and-keep arrangement to initiate negotiations
5 pursuant to the terms of the Act and if necessary
6 arbitration can be utilized. Do you see that?

7 A. Yes, I do.

8 Q. Okay. Would these negotiations that you're
9 talking about on line 20 be interconnection
10 negotiations or something else? Again, I'm talking
11 about in direct connection, if you will.

12 A. Well, not to get too specific about the term
13 "interconnection," but there would be a negotiation to
14 establish compensation between our -- our two parties.

15 Q. And see, that's where I get confused,
16 because I don't know if there is a distinction between
17 negotiation to establish interconnection and
18 negotiation to establish compensation arrangements.
19 Do you draw a distinction?

20 A. Well, today effectively we are
21 interconnected, albeit through the services -- transit
22 services that Southwestern Bell provides. So traffic
23 is being -- is being delivered back and forth. And so
24 the real issue then becomes the compensation
25 arrangement between the parties.

1 Q. Okay. So what you're referring to about
2 negotiations there would be negotiations regarding
3 reciprocal compensation?

4 A. Correct.

5 Q. Is it your opinion that wireless carriers
6 such as AWS must negotiate with the requesting LEC in
7 that situation?

8 A. Well, that gets into a legal issue. I'm
9 not an attorney, so I can't render a legal opinion on
10 that --

11 Q. Well --

12 A. -- whether or not we're required to or not.

13 Q. All of the other witnesses have, and I think
14 if I go through your testimony, I may find some. So
15 go ahead and take a shot at it, Mr. Maass.

16 A. As I read the -- as I read the FCC's orders,
17 they discuss how wireless carriers are not subject to
18 the -- to the same requirements as incumbent LECs are
19 under 251B and C. However, in our situation, all I
20 can say is that we will never turn down anybody's
21 request to negotiate for a contract.

22 Q. My question is, if you decided for whatever
23 reason that you didn't want to negotiate, do you think
24 you have to under the Act?

25 A. I don't think so.

1 Q. Okay. Similarly, if you decided to
2 negotiate but realize that you couldn't reach an
3 agreement with the requesting LEC, do you think you're
4 required to arbitrate that dispute or that
5 disagreement pursuant to the Act?

6 A. I don't know.

7 Q. If you don't have a duty to negotiate,
8 wouldn't you agree with me you probably don't have a
9 duty to go to arbitration either?

10 A. That seems logical.

11 MR. ENGLAND: Thank you, sir. I have no
12 other questions.

13 (A recess was taken.)

14 JUDGE HOPKINS: Any cross of MMG?

15 MR. JOHNSON: From Mid-Missouri Group?

16 JUDGE HOPKINS: Yes, sir.

17 MR. JOHNSON: Thank you, your Honor.

18 CROSS-EXAMINATION BY MR. JOHNSON:

19 Q. Mr. Maass, is the name of the wireless
20 carrier AT&T Wireless Services Inc.?

21 A. Yes.

22 Q. Okay. And that's who you're employed by?

23 A. Yes.

24 Q. And in how many states does AWS operate as a
25 wireless carrier?

1 A. I think it's about 40. The only reason I
2 hesitate, we have done some acquisitions recently and
3 I haven't recounted but I think it's probably in that
4 range.

5 Q. How many interconnect -- first of all, let
6 me ask you this question: Are you familiar with
7 AT&T's CLEC operations here in the State of Missouri?

8 A. No. I really am not.

9 Q. So if I were to ask you a bunch of factual
10 questions about how they operated that I would have
11 otherwise asked Mr. Kohley, you don't feel like you
12 could give me any factual information?

13 A. I'm afraid I can't do that, no.

14 Q. How many interconnection agreements does AWS
15 have in Missouri? I'm talking about interconnection
16 agreements with the incumbents.

17 A. I understand. Well, either one or two. And
18 the only reason I'm hesitating, I don't remember if we
19 have a contract with GTE in this state or not. So
20 it's either one or two.

21 Q. You don't know whether or not you do?

22 A. I just don't recall if it applies to GTE in
23 this state or not. I just don't know.

24 Q. And I was looking at Ms. Hollingsworth's
25 testimony. She showed that you did your

1 interconnection agreement with Southwestern Bell and
2 it was approved on July 16, 1997. Does that sound
3 about right?

4 A. I think that's about right, yeah.

5 Q. Was your interconnection agreement -- and I
6 talk about yours -- was AWS's interconnection
7 agreement negotiated with Bell separately from the
8 AT&T interconnection agreement or was that part of the
9 same negotiations?

10 A. It was negotiated separately.

11 Q. Okay. Is it possible that you do have a
12 separate interconnection agreement with GTE in
13 Missouri?

14 A. It is possible. I just don't remember at
15 this point if we do or not.

16 Q. If you did one with GTE, would it have been
17 done after or before the one that you did with
18 Southwestern Bell?

19 A. Most likely after.

20 Q. And why is that?

21 A. I think probably the only reason is -- it
22 would be after is that the majority of our traffic in
23 Missouri would be with Southwestern Bell, and just,
24 you know, you have to prioritize your business
25 arrangements, and I suspect we did GT-- Southwestern

1 Bell first.

2 Q. Now, were you already directly physically
3 interconnected with Southwestern Bell before you did
4 the interconnection agreement with them?

5 A. Yes.

6 Q. Okay. That goes back to prior to the
7 enactment of the 1996 Telecom Act, your direct
8 connection with Bell?

9 A. Yeah, that's right.

10 Q. Okay. At that point in time that you had an
11 interconnection agreement with Southwestern Bell,
12 weren't you also then indirectly connected with GTE?

13 A. With GTE?

14 Q. Yes, sir. When you became directly
15 connected with Bell, you were indirectly connected
16 with GTE. Is that --

17 A. Well, again, I don't remember if we have a
18 contract with GTE in the state or not. Most likely we
19 would be directly connected with GTE if we had a
20 contract with them, and we've had a contract with GTE
21 in many states for many years.

22 Q. Why under your position in this docket that
23 you're entitled to compensation without a direct
24 connection and your concern about your negotiating
25 costs, why would you never approach GTE for an

1 interconnection agreement?

2 A. Because we connect with them directly in
3 many cases. In many states.

4 Q. Were you connected with them before
5 enactment of the Telecom Act?

6 A. With GTE?

7 Q. In Missouri, yes.

8 A. I just -- I don't know if we are not or not.

9 Q. Would you agree with me that in your
10 position it would not be necessary to negotiate more
11 than one interconnection agreement in any state?

12 A. No, I would not agree with that at all.

13 Q. So would you agree with me that once you
14 become directly connected with the dominant incumbent
15 LEC in the State, you automatically become indirectly
16 connected with all of the other incumbents in that
17 state?

18 A. No, that is not true. I would be connected
19 indirectly with carriers within that LATA before I had
20 connection with Southwestern Bell. But there is many
21 reasons why you want to have an interconnection or why
22 you want to connect with a carrier.

23 There is -- traffic reasons are a very
24 important one. Volumes of traffic. Engineers will
25 tell you that they would like to instead of loss of

1 traffic over conduit facilities, they'll want to have
2 direct connections when traffic volumes warrant. So
3 there is a lot of reasons that you'd want to have
4 arrangements with telephone companies.

5 Q. And when you say traffic volumes warrant it,
6 does that mean that by directly interconnecting with
7 them you can negotiate rates that are less than what
8 you're currently paying?

9 A. Those two things do not follow, no.

10 Q. Okay. Do you have an interconnection
11 agreement with Sprint in Missouri? And I'm talking
12 about the incumbent LEC, Sprint.

13 A. I think we do. That would be subject to
14 check, but I believe that we do.

15 Q. Do you have an interconnection agreement in
16 Missouri with AllTel, the incumbent LEC?

17 A. Subject to check, I don't think so.

18 Q. Okay. Are there any other incumbent LECs in
19 Missouri besides Southwestern Bell, possibly GTE and
20 Sprint that you have interconnection agreements with?

21 A. Subject to check, I don't think so.

22 Q. How many LATAs are in Missouri?

23 A. Well, subject to -- yeah, subject to going
24 back and checking, I believe it was four or five. I
25 don't recall. My map is a little bit hard to read.

1 Q. Would you agree with me that Bell has a
2 presence in every LATA in Missouri?

3 A. I don't know that to be a fact.

4 Q. Do you interconnect with Southwestern Bell
5 in every LATA in Missouri or just some of the LATAs in
6 Missouri?

7 A. I think just some. I don't think we connect
8 with all of them.

9 Q. I think we've established -- or I'm
10 suspecting maybe that you are interconnected with
11 Southwestern Bell in St. Louis or what we call the
12 St. Louis LATA?

13 A. That's correct.

14 Q. And it was kind of my impression that you
15 may not be directly interconnected with Southwestern
16 Bell in the Kansas City market area or the Kansas City
17 LATA, or do you know for sure?

18 A. Well, we as AWS, AT&T Wireless Services,
19 are not connected directly with Southwestern Bell in
20 Kansas City because -- this gets into ownership of
21 partnerships and that sort of thing -- but the Kansas
22 City operation is a partnership which is controlled by
23 another company.

24 Q. Who is that?

25 A. That would be Air Touch. So we are not --

1 AT&T Wireless Services per se doesn't have a presence
2 in Kansas City LATA, no.

3 Q. Does Air Touch have an interconnection
4 agreement with Southwestern Bell?

5 A. I would assume so.

6 Q. Does AWS have presence or interconnection
7 with Southwestern Bell in Springfield?

8 A. Yes.

9 Q. So you do operate in that LATA under your
10 own name?

11 A. Yes.

12 Q. And these interconnections that you have
13 with Southwestern Bell in Springfield and St. Louis,
14 they were both covered in the same interconnection
15 agreement?

16 A. Yes, that's true.

17 Q. And in the St. Louis LATA -- let's focus
18 there -- you have an interconnection agreement with
19 Southwestern Bell. Right?

20 A. Correct.

21 Q. And GTE does also have significant amount of
22 exchanges there, the red exchanges out in western
23 county and St. Charles County in St. Louis; is that
24 right?

25 A. What was your question? I'm sorry.

1 Q. Do you agree with me that GTE has some
2 properties also in the St. Louis LATA?

3 A. Yeah, based on this map I'm looking at, that
4 appears to be the case.

5 Q. Do you know if that is true or not?

6 A. Based on that map, that's what it says.

7 JUDGE HOPKINS: Mr. Johnson, for the record,
8 would you please identify that map? I know it's the
9 MTIA map.

10 MR. JOHNSON: Yes, sir, your Honor. I
11 believe this is a Missouri Telecommunications Industry
12 Association map of Missouri, and I think it's dated
13 July 1997, and it depicts Bell exchanges, I believe,
14 in blue and GTE in red, and I was describing to him
15 the cluster of red exchanges immediately to the west
16 of St. Louis.

17 JUDGE HOPKINS: Thank you.

18 BY MR. JOHNSON:

19 Q. Would you agree with me, sir, that
20 when you became directly interconnected with
21 Southwestern Bell in St. Louis, you also became
22 indirectly interconnected with those GTE exchanges
23 just west of St. Louis?

24 A. That sounds reasonable.

25 Q. But it's my understanding that you didn't

1 just ask GTE to sign termination agreements or
2 reciprocal compensation around an indirect
3 interconnection, you went ahead and did a direct
4 physical interconnection agreement with GTE?

5 A. Again, subject to check, as we said before,
6 I believe that's correct.

7 Q. Your interconnection agreement that you
8 have with Southwestern Bell, does it have a provision
9 in it that says you're not supposed to be sending
10 traffic to third-party LECs prior to having a traffic
11 arrangements with them.

12 A. I'd have to check the -- the contract.

13 Q. You don't know if it says that or not?

14 A. I don't know if it says those words or not.

15 Q. I'm assuming that this date was accurate,
16 the date that that agreement was approved. July 16,
17 1997.

18 Do you know whether or not you have, in
19 fact, been sending traffic to the small companies, the
20 nonSouthwestern Bell, nonGTE, nonSprint incumbent LECs
21 in Missouri since July of 1997?

22 A. I believe that's true.

23 Q. When did you first become aware that -- or
24 have you ever become aware that you had an obligation
25 in that contract not to do that until you've made

1 arrangement with us for termination of that traffic?

2 A. I haven't agreed that the contract says what
3 you just stated. I'd have to look at it.

4 Q. Okay. So if Southwestern Bell's witness has
5 described if there is an obligation such as that in
6 your agreement, you're not necessarily going to agree
7 to that without reviewing your agreement?

8 A. That's correct.

9 Q. And you have a copy of your agreement with
10 you here today?

11 A. I thought I did, Mr. Johnson, but I can't --
12 I don't locate it here.

13 Q. Did AT&T Wireless Services ever request or
14 make a request to us for some sort of arrangement to
15 terminate that traffic?

16 A. "Us" being?

17 Q. AWS. With my clients, the small companies
18 in Missouri.

19 A. No, we have not.

20 Q. So for over two and a half -- for over two
21 years you've been sending traffic our way without
22 making any arrangements to pay for it at all?

23 A. That's true.

24 Q. Why did you do that?

25 A. Largely I think it's -- it's an issue of --

1 of, you know, like everything else, it's time and
2 money. But the traffic volumes are very, very small
3 and I would argue that if -- even by the independent
4 standards of traffic is very, very small. Based on
5 the bills that we have been receiving in the last
6 couple of months, we're talking about just in the
7 hundreds of minutes a month, but to answer your
8 question, we just haven't had the time to do that yet.
9 That's it.

10 Q. In your testimony there was some number, I
11 think it was 5,000 minutes a month. And I don't know
12 where that number came up, but all of a sudden it's
13 cast in stone in this docket, and I was going to ask
14 you about that number.

15 Was that an average -- what number does that
16 represent?

17 A. In my rebuttal testimony on page 3, line 5,
18 I quote that the 5,000 minutes per month. And that
19 number was -- was based on bills that I have seen from
20 your clients up to this point. All of the bills that
21 we've received have been -- have been less than that.
22 So just to make the math easier in my own head, I just
23 picked the 5,000.

24 Q. That \$5,000, is that per company or per
25 exchange?

1 A. That is 5,000 minutes. Not dollars.

2 Q. Okay. I'm sorry. Did I say \$5,000?

3 A. Yeah.

4 Q. Freudian slip.

5 Money has nothing to do with this case, you
6 know.

7 5,000 minutes per month. It says per use
8 per month. But that should be per month. Right?

9 A. That's correct.

10 Q. Is that per independent company or per
11 independent company exchange?

12 A. Based on the bills that I've seen so far,
13 it's per independent company. And again, the 5,000 is
14 more than I received from any of the companies.

15 Q. Let me ask you this question, Mr. Maass:
16 For traffic that -- and I'm kind of switching
17 directions here a little bit with you, following up on
18 maybe a topic Mr. England raised.

19 For traffic that your customers initiate
20 and terminates on Southwestern Bell's landline
21 customers --

22 A. Yes.

23 Q. -- for that traffic that crosses an MTA
24 boundary, that is interMTA but intraLATA, does
25 Southwestern Bell charge you access?

1 A. I'm sorry. Could you say that again? I got
2 confused on your inters and intras there.

3 Q. This is for a call that one of your
4 customers makes to a Southwestern Bell customer. So
5 it's mobile or cellular originated, landline
6 terminated, and it crosses an MTA boundary.

7 Does Southwestern Bell charge you access for
8 that call?

9 A. So just to clarify, you're asking me about a
10 mobilely originated call that crosses an MTA boundary?

11 Q. Yes, sir.

12 A. I don't believe Southwestern Bell carries
13 any calls for us of that nature.

14 Q. Is it possible in Missouri that -- it's my
15 understanding that Southwestern Bell can only carry
16 calls for you that are intraLATA; is that right?

17 A. That's right.

18 Q. And isn't it true that in Missouri there
19 are -- the MTA boundary line basically carves Missouri
20 in the middle, so we have the Kansas City MTA and the
21 St. Louis MTA.

22 Do you know where the MTA boundary is in
23 Missouri, sir?

24 A. Generally speaking, yes.

25 Q. And isn't it true that in each of the three

1 major Missouri LATAs, you can have intraLATA calls
2 that also cross the MTA boundary?

3 A. I'm not aware of any of those circumstances,
4 intraLATA calls that cross the MTA boundary.

5 Q. I want you to assume for me, sir, just as an
6 example that a call from Joplin, Missouri,
7 Springfield, crosses an MTA boundary.

8 A. Okay.

9 Q. You are in the Springfield LATA?

10 A. That's correct.

11 Q. And Joplin is in the Springfield LATA?

12 A. I think that's correct, yes.

13 Q. And I would imagine that AWS is involved in
14 one end of a call from Joplin to Springfield?

15 A. Where we operate in Springfield, yes.

16 Q. And do you know whether or not Joplin is in
17 a different MTA than Springfield?

18 A. It appears to be in the Kansas City MTA.

19 Q. So can we agree that a call from between
20 Joplin and Springfield would be intraLATA but
21 interMTA; is that right?

22 A. Yes, I think you're right.

23 Q. And as I understand the FCC's determination,
24 access is the appropriate form of compensation for
25 that call?

1 A. For interMTA calls, that's correct. Yes,
2 sir.

3 Q. Do you know whether or not Bell is charging
4 you access for an interMTA call that is originated by
5 your caller?

6 A. The call would be originated by my -- well,
7 my customers in Springfield and terminated to a
8 landline in Joplin; is that the situation?

9 Q. Yes, sir. That is one example, yes, sir.

10 A. Yeah, I don't know if they are or not. I
11 think under -- I think under our contract they --
12 we have pricing for intraMTA calls. I just do not
13 know -- I don't recall seeing a bill for that kind of
14 a call.

15 Q. You indicated that your own recording
16 systems or your call records are generated for every
17 call that is made and you have time and duration and
18 you also include in the recording the called number?

19 A. I believe that's correct, yes.

20 Q. Are your systems -- are your internal
21 systems set up to distinguish an interMTA call from an
22 intraMTA call?

23 A. I could find out from the data that is on
24 the call records if that was or not by doing some
25 additional analysis, but today I'm not set up to have

1 reports that are generated in that nature.

2 Q. So today you don't know whether or not your
3 system distinguishes between interMTA calls and
4 intraMTA calls?

5 A. Well, again, the data is there so that --
6 that you could find that answer if you want to. But
7 today do they distinguish from it? I don't believe
8 so.

9 Q. Are your recording billing and compensation
10 systems that you exchange with Southwestern Bell today
11 set up to distinguish interMTA calls from intraMTA
12 calls?

13 A. Well, my recording systems for
14 wireless-originated calls are not set up in that way,
15 because Southwestern Bell does the recording and the
16 billing on wireless-originated calls.

17 Q. Let me ask you this: When Southwestern Bell
18 transits a call for you as opposed to terminating it
19 to their own customer and they transit to one of the
20 small company's customers but the completion point of
21 the call would make it an interMTA call --

22 A. Would make it a what?

23 Q. An interMTA call.

24 A. All right.

25 Q. -- do they charge you a different transiting

1 rate for interMTA-directed calls than they do for
2 intraMTA-directed calls?

3 A. I would have to check the contract, but I
4 believe there is one transit rate.

5 Q. Okay. And the CTUSRs that Southwestern Bell
6 supplies to my clients, do you know whether they're
7 based on your recordings or whether they're based on
8 Southwestern Bell's traffic recordings?

9 A. They are not based on ours, so I have to
10 assume they're based on Southwestern's.

11 Q. If Southwestern Bell said that the only
12 information they have is what your recordings tell
13 them, that would be wrong?

14 A. I'm not aware that we are exchanging those
15 records with Southwestern Bell.

16 Q. Would you agree that if any records -- if we
17 can't make our own -- if we can't make our own records
18 at the terminating end of the call to identify the
19 jurisdiction of the call, that in order to know when
20 access would apply and reciprocal compensation would
21 apply, we would need to be able to distinguish an
22 interMTA call from an intraMTA call?

23 A. That would be reasonable, yes.

24 Q. And do you know whether or not Southwestern
25 Bell's currently supplying us that level of

1 information in their CTUSR reports?

2 A. I don't know that.

3 Q. On page 3 of your rebuttal testimony,
4 Mr. Maass, you make the statement that it's a common
5 practice for carriers simply to exchange traffic on a
6 bill-and-keep basis.

7 A. I'm sorry. I can't find that. Where is
8 that?

9 Q. I'm in your rebuttal testimony beginning at
10 line 5.

11 A. Yes.

12 Q. Are you saying there that it's only common
13 practice to do bill-and-keep when it's relatively
14 di minimis amounts of traffic?

15 A. I'm -- I'm not saying that's only when you
16 do bill-and-keep.

17 Q. But you're not doing bill-and-keep under
18 your interconnection agreements with Southwestern
19 Bell; is that correct?

20 A. That's correct.

21 Q. Are you then bill-and-keep under any
22 interconnection agreements in Missouri?

23 A. No.

24 Q. On page 4, line 5 of your rebuttal
25 testimony, you cite ILEC access charges in a range of

1 between \$.06.05 and \$.31.2 per minute.

2 A. I see that.

3 Q. And what was your source of those numbers?

4 A. I believe it was research that we did on
5 tariffs.

6 Q. Are those intraLATA rates or interLATA
7 rates?

8 A. I believe it was intra.

9 Q. Okay. Some of these calls would be
10 interLATA, would they not?

11 A. Some of the intraMTA calls could be intra --
12 interLATA, that's correct.

13 Q. Let me ask you this question: If you're
14 wanting to transit all of your traffic through Bell to
15 us, how can you build a compensation arrangement with
16 us that encompasses traffic that Southwestern Bell
17 can't deliver because it crosses the LATA boundary?

18 A. I'm sorry. Could you ask that question
19 again?

20 Q. It's my understanding that you want to use
21 your indirect connection with us that you have through
22 Southwestern Bell to base all of your compensation
23 around; is that fair?

24 A. To the extent that Southwestern Bell can
25 deliver the call, that's correct.

1 Q. But you have traffic in Missouri that
2 Southwestern Bell cannot terminate for you. Is that
3 because it crosses the LATA boundary; is that right?

4 A. They cannot -- well, it's correct that they
5 cannot carry traffic themselves across the LATA
6 boundary. That is correct.

7 Q. So for that traffic that they can't carry,
8 how are we going to establish a compensation
9 arrangement for that?

10 A. Well, there are several ways that it be can
11 be done. First of all, I do have connections with
12 Southwestern Bell in several of the LATAs, as we've
13 discussed. It's conceivable that I could carry the
14 call somehow myself down to the other LATA or up to
15 the other LATA and ask Southwestern Bell to deliver it
16 in that respect and connect it that way, I suppose,
17 because it's an intraMTA call. That would be one way.

18 Another way in cases where we don't have any
19 connections with anybody in that LATA and traffic
20 needed to be terminated, the options would be a direct
21 connection with your client or giving that call to an
22 interexchange carrier, I suppose.

23 Q. So there are other options besides the
24 indirect relationship that you're wanting to establish
25 through Southwestern Bell?

1 A. There are other technical options, that's
2 right.

3 Q. Okay. Back to bill-and-keep for just a
4 second. Would you agree with me that a big reason why
5 bill-and-keep works for the situation it does work is
6 because there is a balanced exchange of traffic?

7 A. That's one of the reasons that makes
8 bill-and-keep work. It's not the only one.

9 Q. What is your experience currently in
10 Missouri? What percentage of calls are coming from
11 wireless carriers to landline phones as opposed to
12 coming from landline phones back to wireless?

13 What is your current experience with the
14 balance of traffic?

15 A. In Missouri today, there are more calls that
16 are originated by wireless than are terminated to
17 wireless.

18 Q. And what's the ratio?

19 A. It would vary market to market, but
20 historically it's been -- over the, you know, the last
21 decade, it's been about a 75/25 ratio, but those tend
22 to be converging over the last couple of years.

23 Q. And so for me to put that in my own words,
24 typically there has been out of every four calls that
25 went back and forth between landline and cell phones,

1 three of those four would have been initiated by a
2 cell phone?

3 A. Historically, that's correct.

4 Q. And it's also true as I understand it that
5 those balances are changing and there is an
6 ever-increasing proportion of those calls that are
7 going landline back to cell phone?

8 A. That's right.

9 Q. Okay.

10 MR. JOHNSON: That's all I have.

11 JUDGE HOPKINS: Thank you, Mr. Johnson.

12 I have a couple of questions.

13 QUESTIONS BY JUDGE HOPKINS:

14 Q. Mr. Maass, if you'll look on your rebuttal
15 testimony. Do you have that?

16 A. Yes.

17 Q. If you'd go to page 2, and then on page 2 of
18 your rebuttal testimony at line 8, the question is do
19 you agree with Mr. Stowell's assertion that wireless
20 carriers such as AWS terminate traffic to Mid-Missouri
21 Group companies, and your answer was, yes, AWS admits
22 that some relatively small volume of traffic was
23 terminated.

24 Do you have any numbers on what you're
25 calling relatively small volume of traffic?

1 A. Well, what I have is based on the bills that
2 we've received up to this point, and that's what I'm
3 basing that statement on, yes.

4 And would you like a number, some numbers
5 for example?

6 Q. Do you have some kind of numbers, I assume,
7 to keep those minutes of use?

8 A. Yes, yes. They range -- the ones I've seen
9 range from, like, 120 minutes a month up to in the
10 range of 2,500 minutes per month.

11 Q. And then on line 13 of that page 2 of your
12 rebuttal, it says, do incumbent local exchange
13 companies such as those represented by Mr. Stowell
14 terminate traffic to AWS, and your answer is, yes,
15 companies such as those constituting the Mid-Missouri
16 Group deliver some similar small volume of traffic to
17 AWS for termination as third-party transited traffic.

18 Do you have evidence to support that answer?
19 Where did you get that answer?

20 A. I got that answer from a system that we have
21 developed internally to record traffic that comes into
22 our system. And it's based on the originating carrier
23 number that is -- that piece of information is on the
24 call records that we receive, and we record that when
25 calls come in to us. And that's where I get that

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1 information.

2 Q. Is that information documented or do you
3 have that with you or --

4 A. I don't think I have those particular
5 reports with me, but that was the basis of where I got
6 that.

7 Q. Would those be available to the Commission
8 if we asked for them?

9 A. I don't see why not.

10 Q. Okay.

11 JUDGE HOPKINS: Recross based on questions
12 from the Bench?

13 Staff?

14 MS. KARDIS: No questions.

15 JUDGE HOPKINS: Southwestern Bell Telephone?

16 MR. LANE: No questions.

17 JUDGE HOPKINS: Southwestern Bell Wireless?

18 MS. FISCHER: No questions.

19 JUDGE HOPKINS: Sprint PCS?

20 MR. LANE: No questions.

21 JUDGE HOPKINS: OPC?

22 MR. DANDINO: No questions.

23 JUDGE HOPKINS: STCG?

24 MR. ENGLAND: Yes, sir.

25 RECROSS-EXAMINATION BY MR. ENGLAND:

1 Q. Mr. Maass, based on that last answer, too,
2 regarding your internal system, do you record traffic
3 coming into based on originating number, would that
4 also tell you what carrier delivered it to you at that
5 direct connection?

6 A. I don't think it does.

7 Q. So if the call had -- getting back to my
8 example with the earlier -- if the call had a New
9 Florence NXX delivered to your customer or to your
10 system there in St. Louis, you could tell from the
11 originating number that it was a New Florence number
12 but you don't know how it got to you; is that right?

13 A. I think that's correct, yes.

14 MR. ENGLAND: Okay. Thanks.

15 JUDGE HOPKINS: MMG?

16 MR. JOHNSON: Yes. Just let me follow that
17 up too.

18 CROSS-EXAMINATION BY MR. JOHNSON:

19 Q. The incoming traffic that your internal
20 systems are recording is identified by originating
21 carrier number. That is traffic is coming to you over
22 Southwestern Bell's connection with you?

23 A. I believe so.

24 Q. Do you have the same system set up for
25 traffic that is coming to you from an IXC?

1 A. I don't know if we run that traffic through
2 the same system or not.

3 Q. So you know that the traffic is getting to
4 you from the carrier you have the interconnection
5 agreement with, you believe South-- we know
6 Southwestern Bell, and perhaps you have that set up
7 for GTE as well; is that right?

8 A. I think so. That's correct.

9 Q. Do you know who puts the originating carrier
10 number in the stream of information that is coming to
11 you?

12 A. No, I don't.

13 Q. Is this coming in the SS7 type of
14 information?

15 A. I don't -- I don't know how that is
16 collected.

17 Q. You don't know how the signaling is done on
18 that?

19 A. No, I don't.

20 Q. Is this information that is coming with the
21 call or is it some other piece of paper information
22 someone else is supplying you?

23 A. My -- my general understanding is that that
24 is information that comes in on the call record elec--
25 you know, when the call actually comes in.

1 Q. The call record is something that comes to
2 you from Southwestern Bell?

3 A. That would be right.

4 JUDGE HOPKINS: All right. Redirect by
5 AT&T?

6 MR. DeFORD: I think just one, your Honor.
7 Thanks.

8 REDIRECT EXAMINATION BY MR. DeFORD:

9 Q. Mr. Maass, I think you said in response to a
10 question from Mr. Johnson that subject to check you
11 believe that AWS had an interconnection agreement with
12 GTE; is that correct?

13 A. Yes.

14 Q. Would you be surprised to learn upon
15 checking that no such agreement exists? I know you're
16 responsible for a number of jurisdictions.

17 A. At this point I wouldn't be surprised at
18 much of anything, but I would not be surprised, no.

19 Q. Would you be willing to supplement the
20 record to indicate whether or not such an agreement
21 does, in fact, exist?

22 A. Yes.

23 MR. DeFORD: Thank you.

24 JUDGE HOPKINS: Okay. May this witness be
25 excused?

1 You may step down.

2 Staff case. Mr. Clark?

3 (Witness sworn/affirmed.)

4 JUDGE HOPKINS: Thank you.

5 Ms. Kardis?

6 ANTHONY S. CLARK testified as follows:

7 DIRECT EXAMINATION BY MS. KARDIS:

8 Q. Would you state please state your name and
9 business address?

10 A. Anthony Steven Clark, 301 West High Street,
11 Jefferson City, Missouri, 65101.

12 Q. And by whom are you employed and in what
13 capacity?

14 A. I'm an economist on the Staff of the
15 Missouri Public Service Commission, Telecommunications
16 Department.

17 Q. Are you the same Anthony Clark that has
18 caused to be prepared and filed in this docket a
19 document entitled rebuttal testimony of Anthony S.
20 Clark that has been marked for purposes of
21 identification as Exhibit No. 5?

22 A. Yes, I am.

23 Q. With respect to this document, do you have
24 any changes or corrections that need to be made at
25 this time?

1 A. No.

2 Q. If I were to ask you the questions that
3 appear in your rebuttal testimony, would your answers
4 here today under oath be the same?

5 A. Yes.

6 Q. And are those answers true and correct to
7 the best of your knowledge, information and belief?

8 A. Yes.

9 MS. KARDIS: At this time I'd like to offer
10 Exhibit 5 into evidence, as well as tender the witness
11 for cross-examination.

12 JUDGE HOPKINS: Thank you.

13 Any objection to Exhibit No. 5, Anthony
14 Clark rebuttal, being received into evidence?

15 (No response.)

16 JUDGE HOPKINS: Hearing no objection, I will
17 receive it into evidence.

18 (EXHIBIT NO. 5 WAS RECEIVED INTO EVIDENCE.)

19 JUDGE HOPKINS: Cross-examination,
20 Southwestern Bell?

21 MR. LANE: No questions, your Honor.

22 JUDGE HOPKINS: AT&T?

23 MR. DeFORD: Thank you, your Honor.

24 CROSS-EXAMINATION BY MR. DeFORD:

25 Q. Mr. Clark, I believe you suggest charging a
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1 default rate of approximately \$.02 per minute?

2 A. Yes. That is one of the proposals and
3 that's my -- that's my recommendation, yes.

4 Q. How did you arrive at \$.02?

5 A. Um, the \$.02 -- it basically comes from
6 looking at the -- the rates that are in the approved
7 interconnection agreements. Those range from a half a
8 penny up to over to -- I think \$.01.3, or something
9 like that, depending on the agreement.

10 It also accounts for the fact that none of
11 those agreements involve any of the smallest companies
12 in Missouri, and it recognizes that there are some
13 differences in cost characteristics between those
14 companies.

15 Q. Would you consider that \$.02 figure to be a
16 cost-based rate?

17 A. I believe that if we went through the whole
18 proceeding and looked at cost studies, we'd probably
19 come up with a rate not far from the \$.02. The way I
20 arrived at it was not that way.

21 Q. So you don't know whether that would be cost
22 based or not?

23 A. I believe it wouldn't be tremendously far
24 from that, but I did not get the \$.02 from looking at
25 the cost studies, no.

1 JUDGE HOPKINS: Excuse me. This is on
2 page 16 of his rebuttal testimony; is that correct?
3 You're talking about the \$.02?

4 MR. DeFORD: Sure.

5 THE WITNESS: You're asking me?

6 JUDGE HOPKINS: Is that on page 16, line 23?

7 THE WITNESS: It starts on page 10 and 11,
8 and, yes, it's repeated on page 16.

9 JUDGE HOPKINS: All right. Thank you.

10 BY MR. DeFORD:

11 Q. Would you consider the FCC default proxies
12 to be appropriate?

13 A. No.

14 Q. Why not?

15 A. Um, I present those because I think they
16 should be kind of a bottom end of the range for
17 consideration. That's why I presented those.

18 And also in my opinion the Commission isn't
19 bound to that like many parties here believe. If it's
20 found that from a legal standpoint the Commission is
21 bound to that, then it's in the record. I've put it
22 in the record for that purpose.

23 I don't believe it's appropriate for a
24 couple of reasons. First of all, as you can tell from
25 my testimony, the attachment, Schedule 1, the rates

1 that the wireless carriers are coming into agreement
2 upon with the other LECs in Missouri are higher than
3 those default rates.

4 So I wouldn't recommend the Commission
5 impose those default proxies on the smaller companies
6 who likely have higher costs.

7 Q. Do you know what the rate that AT&T agreed
8 to with Southwestern Bell is, approximately?

9 A. It's probably something like four-tenths of
10 a cent maybe up to a penny or nine-tenths of a cent,
11 something like that.

12 Q. So very close to the FCC proxy rates, would
13 it not?

14 A. Close to double, depending on the type of --
15 the type of interconnection.

16 Q. Do you believe it's in the public interest
17 for the wireless providers and all of the CLECs to
18 engage in negotiations and ultimately arbitrations
19 with all of the ILECs in Missouri?

20 A. I don't think that's for me to determine. I
21 mean, that's --

22 Q. Would you agree with me that there would be
23 substantial costs to the industry if that were to
24 occur?

25 A. Yes. And that's exactly why I've opposed a

1 rate for the Commission to declare as the default
2 rate.

3 MR. DeFORD: Thank you. That's all I have.

4 JUDGE HOPKINS: Southwestern Bell Wireless?

5 MS. FISCHER: No questions.

6 JUDGE HOPKINS: Sprint PCS?

7 MR. LANE: No questions.

8 JUDGE HOPKINS: OPC?

9 MR. DANDINO: Yes, your Honor.

10 CROSS-EXAMINATION BY MR. DANDINO:

11 Q. Mr. Clark, should the -- if the wireless
12 companies would request all of the LECs in the state
13 of Missouri to negotiate, would it necessarily end up
14 that every one of them would result in an arbitration?

15 A. No, I wouldn't say that is necessarily the
16 case. Probably it would be done in groups, maybe the
17 Small Telephone Company Group and the Mid-Missouri
18 Group, or maybe even all together. And whether or not
19 it would result in arbitration, that remains to be
20 seen.

21 Q. Hasn't Southwestern Bell -- or wireless
22 companies requested interconnection agreements with
23 Southwestern Bell which were eventually arrived at by
24 negotiations?

25 A. Yes.

1 Q. And about how many wireless companies have
2 entered interconnection agreements with Southwestern
3 Bell?

4 A. I don't know the exact number. I think
5 that's in Ms. Hollingsworth's testimony, so it's on
6 the record. But a good handful, I guess.

7 Q. Okay. And entering into interconnection
8 agreements between the wireless and the Southwestern
9 Bell, that would also incur costs to Southwestern Bell
10 and to the wireless company. Right?

11 A. Entering into the agreements or --

12 Q. Yes.

13 A. Entering into negotiation, entering into
14 agreements.

15 Q. But that didn't stand in the way of these
16 companies entering into interconnection agreements,
17 did it?

18 A. No.

19 Q. Do you know if the wireless companies or
20 Southwestern Bell requested the negotiation to enter
21 into those interconnection agreements?

22 A. I don't know. I could guess but I don't
23 know the answer to that.

24 Q. I should probably ask Ms. Hollingsworth.

25 A. Yeah.

1 MR. DANDINO: Okay. That's all I have, your
2 Honor. Thank you.

3 JUDGE HOPKINS: Thank you.

4 MMG?

5 MR. JOHNSON: Thank you, your Honor.

6 CROSS-EXAMINATION BY MR. JOHNSON:

7 Q. Mr. Clark, would you agree with me that the
8 fundamental issue in this case is whether direct
9 physical interconnection is required for purposes of
10 interconnection agreements or reciprocal compensation
11 agreements?

12 A. Um, that's one of the fundamental issues,
13 yes.

14 Q. As I'm understanding the wireless carriers
15 and the CLECs' theory, once they have that first
16 direct interconnection agreement, then everybody that
17 their directly connect with has an obligation to
18 negotiate reciprocal compensation without a direct
19 interconnection. There would not need to be more than
20 one interconnection per state, would there?

21 A. I don't -- I don't agree with that.

22 Q. Would you once they became connected with
23 Southwestern Bell, they become indirectly
24 interconnected with every other incumbent LEC in
25 Missouri?

1 A. Maybe not necessarily every single one.

2 Q. I'm not saying they would do that
3 conceptually. They wouldn't have to under their
4 theory negotiate another agreement or go into connect
5 with anybody else, would they?

6 A. That is not my interpretation of what is
7 required of them.

8 Q. Well, what is your interpretation of what is
9 required of them under that theory?

10 A. Well, my interpretation is that they should
11 have their own separate agreements as well, though
12 it's an indirect interconnection.

13 Q. Well, that's what I'm saying. They could --
14 under their theory they get agreements with everybody
15 but they only have to connect with one, directly
16 connect with one. Is that right or wrong?

17 A. That's true.

18 Q. Okay. Would you agree with me that
19 Section 251(c)(2) of the Act is the part that speaks
20 specifically about interconnection agreements?

21 A. Could you read that part to me? I believe
22 that's right.

23 Q. I don't want to do that.

24 These witnesses can be so demanding
25 sometimes.

1 Q. Okay. I've got it right here.

2 Q. Good for you.

3 And I'm just trying to get to simplify this.

4 But is that the section -- the subsection of 251 that
5 specifically deals with interconnection agreements?

6 A. 251(c)(2)?

7 Q. Yes, sir.

8 A. Yes.

9 Q. And would you agree with me that the
10 language that speaks about the technically feasible
11 points within the carrier's network, that for purposes
12 of this subsection, 251(c)(2), we are speaking about a
13 direct physical interconnection between two carriers?

14 A. Not necessarily.

15 Q. Okay. I just read that to talk about the
16 requesting carrier and the incumbent local exchange
17 carriers. Are there any other carriers they're
18 talking about in this section?

19 A. Um, even with an indirect interconnection --
20 this is my answer. Even with an indirect
21 interconnection, there has to be some point of
22 interconnection between those carriers, the indirectly
23 interconnected ones.

24 Q. But the duty to provide for the facility and
25 equipment of the requesting carrier at any technically

1 feasible point within the carrier's network, doesn't
2 that talk about a direct connection between the CLEC
3 or wireless facilities and the incumbent LECs network?

4 A. And my answer is not necessarily. I mean,
5 this may be a legal question, but part of what should
6 be considered is that transport piece, that's an
7 unbundled network element. Common transport is an
8 ending. And so a carrier purchasing that unit for all
9 intents and purposes, that's their network while using
10 that unit.

11 Q. On Page 6 of your rebuttal testimony, you
12 cited the bottom of page 5 and the top of page -- you
13 cited us to Section 252(d)(2)?

14 A. Yes.

15 Q. And there isn't a rule -- this is the
16 language from the Act itself?

17 A. Yes.

18 Q. Okay. And this is that part of the Act that
19 speaks about what pricing standards the Missouri
20 Public Service Commission is supposed to follow in
21 approving reciprocal compensation agreements?

22 A. Yes.

23 Q. Okay. And I just want to ask you a couple
24 of questions.

25 For purposes of compliance by an incumbent
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1 local exchange carrier, do you believe the word "an"
2 is singular and talks about one incumbent?

3 A. I guess it could be any way you read it.

4 Q. What does the word "an" mean? Does it mean
5 one or does it mean three?

6 A. It means one.

7 Q. And then on down it talks about the mutual
8 and reciprocal recovery by each carrier, and it talks
9 about costs for calls that originate on the network
10 facilities of the other carrier.

11 Would you agree with me that those three
12 words, the other carrier, talks about one company?

13 A. The other carrier is one company, yes.

14 Q. So would you agree with me that one
15 reasonable interpretation of this section is that it's
16 talking about mutual and reciprocal recovery between
17 two companies or two carriers?

18 A. That's -- that's your interpretation. I
19 mean, I could interpret it as the two being indirectly
20 interconnected as well. And that's -- that's my
21 interpretation. It's not a legal one.

22 Q. If I'm indirectly connected with AT&T
23 Wireless -- strike that. That wasn't a good question.

24 Would you agree with me that the FCC's rule
25 defining transport for purposes of reciprocal

1 compensation specifically talks about two carriers, an
2 interconnection point between two carriers?

3 A. I don't have it here in front of me, but I
4 know that my interpretation was not the same as yours
5 when I look at that, so . . .

6 Q. Did you review Mr. Schoonmaker's surrebuttal
7 testimony?

8 A. Yes.

9 Q. And did you check his citation to the FCC
10 rule?

11 A. Yes, I had read that rule before.

12 Q. And you don't believe that traffic between a
13 LEC and a telecommunications carrier is speaking about
14 two carriers? To me a means one and A&T means two?

15 A. It's speaking about two carriers, but why
16 couldn't -- it would be the two that indirectly
17 connected. It's just a difference in interpretation.
18 That's all I'm saying is I don't agree with your
19 interpretation.

20 Q. Okay. Let me ask you this, sir: This
21 indirect interconnection currently exists as far as my
22 clients are concerned?

23 A. Yes.

24 Q. This traffic is coming to us?

25 A. That appears to be the case.

1 Q. Okay. And have you looked at any of the
2 information that Southwestern Bell is providing to us
3 identifying the amounts and types of that traffic that
4 we're getting over that indirect interconnection?

5 A. No. I've seen some prototypes of the CTUSR.
6 That's been a while. But I haven't seen any actual
7 reports.

8 Q. Do you know that at the terminating end of
9 this connection that we have with Southwestern Bell,
10 we don't -- we can't record enough information to
11 identify the origination point and the jurisdiction of
12 a call?

13 A. Um, I wasn't aware of that until this
14 hearing.

15 Q. Do you think we should be in a position to
16 be able to police or enforce our compensation rights
17 for the traffic that comes over that connection?

18 A. You're asking me about you can't tell
19 whether it's enter or intraMTA. You can tell the
20 carrier is originating the call.

21 Q. How can you tell that, sir?

22 A. Um, my --

23 Q. My first question is do you think we should
24 be in a position to know or be able to police and make
25 sure that the appropriate types of traffic, No. 1, is

1 coming, and No. 2, that we're getting paid the
2 appropriate compensation, whatever it may be, for that
3 particular type of traffic?

4 A. We should be able to have the information
5 that you need to do that, you know, within reason.

6 Q. Okay. Do you think we should be able to
7 distinguish interMTA from intraMTA calls?

8 A. That would be ideal, but I know that a lot
9 of the wireless interconnection agreements, if not all
10 of them, have an interMTA factor, or they assume a
11 certain percent is interMTA, and that might be one
12 possible way to handle that piece of it.

13 I don't know the extent to that which factor
14 is relied upon, but I know that it's in a lot of the
15 contracts.

16 Q. Do you know whether or not Southwestern Bell
17 is providing those with us if with that factor
18 information today?

19 A. It's in the tariff. It's public
20 information.

21 Q. It's in Bell's tariff what that is for?

22 A. It's in the interconnection agreement.

23 Q. Are we supposed to as strangers to that
24 interconnect agreement --

25 A. No. That's -- I'm just suggesting that is

1 one possible way to handle it between yourselves and
2 the wireless carriers. That's how other LECs have
3 apparently handled it.

4 Q. And what is that factor, sir?

5 A. Um, I don't know. It could vary from
6 agreement to agreements, but that's . . .

7 Q. Does it vary depending on who Southwestern
8 Bell interconnects with, the CLEC or the wireless
9 carrier?

10 A. I don't know.

11 Q. Do you know whether or not we receive
12 interstate calls sometimes over that common trunk
13 group we share with Southwestern Bell?

14 A. I'm not sure.

15 Q. Do you know whether sometimes interLATA
16 calls are terminated over that common trunk group that
17 we have with Southwestern Bell?

18 A. Possibly. I'm not sure.

19 Q. Well, we got interstate, interLATA,
20 interMTA, interMTA, all four of those things are
21 factors you need to know in order to apply whatever
22 the appropriate compensation rate might be? Is that
23 possible?

24 A. Yes.

25 Q. When these interconnection agreements

1 between Southwestern Bell and the wireless carriers
2 were first presented, I believe that was some time in
3 1997?

4 A. Yes.

5 Q. It's my recollection that Staff specifically
6 asked in the Ameritech deal that traffic destined for
7 small company exchanges not be prevented from
8 terminated?

9 A. Not be blocked, right.

10 Q. Not be blocked.

11 Were you here with Staff at that particular
12 point in time?

13 A. Yes.

14 Q. And as I recall -- and I think it's attached
15 to Ms. Hollingsworth's testimony that Ameritech
16 promised Commissioner Drainer -- that they would go
17 out and make arrangements with us for the termination
18 of that traffic?

19 A. I wasn't present for that, but I believe
20 that probably is the case.

21 Q. Have you read that?

22 A. Yeah.

23 Q. Do you know whether or not they ever did
24 that?

25 A. I believe they haven't done that.

1 Q. Can you tell me what, if anything, that you
2 know of that Southwestern Bell has done to make sure
3 that these wireless companies and CLECs have not sent
4 any traffic to us before they've got an arrangement or
5 a contract with us for the termination of that
6 traffic?

7 A. Other than having that statement in their
8 interconnection agreements and in the tariff as well,
9 I'm not -- I'm not aware of anything.

10 MR. JOHNSON: That's all I have.

11 JUDGE HOPKINS: There are no questions from
12 the Bench.

13 MR. ENGLAND: Your Honor, I do have cross.

14 JUDGE HOPKINS: I'm sorry. STGC? I beg
15 your pardon.

16 MR. ENGLAND: I'd like to have an exhibit
17 marked, please.

18 JUDGE HOPKINS: Go ahead.

19 (EXHIBIT NO. 16 WAS MARKED FOR
20 IDENTIFICATION BY THE COURT REPORTER.)

21 MR. ENGLAND: Your Honor, what I've asked to
22 have marked as an exhibit are selected pages from
23 Southwestern Bell's intrastate access tariff, PSC Mo,
24 No. 36, Section 3, Sheets 13, 83 and 85, and then a
25 complete copy of its wireless interconnection tariff

1 which is dominated PSC Mo - No. 40. I requested that
2 they be certified as true copies by the Secretary of
3 Commission. And that's the certificate on the front
4 sheet, and I've given the original to the reporter.

5 JUDGE HOPKINS: All right.

6 MR. ENGLAND: These are tariff sheets on
7 file and approved by the Missouri Public Service
8 Commission, and I'd ask that that exhibit be admitted
9 into evidence. I have a series of questions to ask
10 about it.

11 JUDGE HOPKINS: Any objection to Exhibit
12 No. 16 being entered into evidence?

13 (No response.)

14 JUDGE HOPKINS: Hearing no objection, I will
15 receive that into evidence.

16 (EXHIBIT NO. 16 WAS MARKED FOR
17 IDENTIFICATION BY THE COURT REPORTER.)

18 MR. ENGLAND: Thank you.

19 CROSS-EXAMINATION BY MR. ENGLAND:

20 Q. Good morning, Mr. Clark.

21 A. Hello.

22 Q. At pages 12 through 14 roughly of your
23 testimony I believe you discuss the Southwestern Bell
24 wireless interconnection tariff. Do you see that?

25 A. Yes.

1 Q. And the rates that you quote in your
2 testimony I believe are on page 13?

3 A. Yes.

4 Q. Would you agree that they are for calling
5 within the local calling scope?

6 A. Yes.

7 Q. And I believe those rates, if you'll turn
8 your attention to Exhibit 16, are set forth on
9 Sheet 16.02; is that correct?

10 JUDGE HOPKINS: Which number is that,
11 Mr. England?

12 MR. ENGLAND: 16.02 at the bottom, and I
13 believe it reads on over to the top of the next --

14 THE WITNESS: Yes.

15 MR. ENGLAND: -- 16.03.

16 BY MR. ENGLAND:

17 Q. That's where you got those rates, is that
18 correct, Mr. Clark?

19 A. Yes.

20 Q. Okay. Now, also on 16.03 you'll see that
21 there is a rate -- or there are rates, if you will,
22 for outside the local calling scope; is that right?

23 A. Yes.

24 Q. Would you agree with me that the rates
25 specified for outside the local calling scope on

307

1 Sheet 16.03 are identical to Southwestern Bell's
2 intrastate access rates for switched access?

3 A. I believe that's true.

4 Q. And if you don't believe me, those are why I
5 have the first three pages attached to that exhibit.

6 A. No, I believe that's true.

7 Q. Okay. What is your understanding of the,
8 quote, local calling scope, end quote, as it is used
9 in SWBT's tariff?

10 A. My understanding is it's the MTA as defined
11 by the FCC.

12 Q. I gathered that from your testimony. But
13 I'll be honest with you, I've reviewed the entire
14 tariff and can find no reference to MTA, particularly
15 as it relates to the local calling scope. Can you
16 point that to me, please?

17 A. No.

18 Q. So the tariff is silent in your opinion as
19 to what the local calling scope is?

20 A. I don't know that. I'd have to review it
21 extensively to find out for sure. But I'll accept
22 that that's the case.

23 Q. Okay. Let me turn your attention to
24 Sheet 9, PSC Mo. No. 40, Section 4.2 entitled calling
25 scope and rate center.

1 Do you see section A at the bottom?

2 A. Yes.

3 Q. It says any calling scope available to
4 landline customers is available to the carrier subject
5 to the provisions of paragraph 4.1.D. proceeding. Do
6 you see that?

7 A. Uh-huh.

8 Q. The use of the word "carrier" there is the
9 wireless carrier. Correct?

10 A. I believe so.

11 Q. Okay. So it says any calling scope
12 available to the landline customers is available and
13 I'll insert the word to the wireless carrier.
14 Correct?

15 A. I believe so.

16 Q. Okay. Now, let's look at the Type 2A
17 connection, which is Section 4.2B. And that's a
18 tandem connection as I understand it?

19 A. Yes.

20 Q. I'm still at the bottom of Sheet 9, tandem,
21 paren, Type 2, end paren, interconnections require the
22 carrier to designate an end office to determine the
23 tandem interoffice service's local calling scope and
24 rate center. Do you see that?

25 A. Yes.

1 Q. And then it goes on to say, the rate --
2 excuse me -- the carrier may have only one rate center
3 designated, per tandem office. Do you see that?

4 A. Yes.

5 Q. My understanding in dialing with Type 2A
6 connections is that a wireless carrier can designate
7 one end office off of a tandem for purposes of local
8 calling. Is that your understanding?

9 A. Based on this tariff, that's what I would
10 say, based -- if the carrier is purchasing the service
11 out of the -- under the tariff exclusively. That is
12 what you're asking me?

13 Q. Yes.

14 A. I would agree with this.

15 Q. Okay. We're not talking an MTA. We're
16 talking an end office, correct, landline end office?

17 A. That's what it appears.

18 Q. Okay. On the next page, Sheet 10,
19 Section 4.2.C, talks about the calling scopes for
20 Type 1, Type 2B and other line-side interconnections.
21 Do you see that?

22 And it says -- first of all, do you see it?

23 A. I see where it's referring to the
24 interconnections, and I'm looking for the calling
25 scope.

1 Q. Okay. I just want to read to you what C
2 says. It says, Type 1, Type 2B and line-side
3 interconnections may only be to end offices that serve
4 telephone subscribers within the wireless carrier
5 service area of the carrier's system.

6 Down further, 4.4.A, do you see this?

7 A. Uh-huh.

8 Q. Calls completed via the Type 2B
9 interconnection circuits are terminated in or
10 originated by directory numbers, (DNs) served only by
11 that specific SWBT end office. Do you see that?

12 A. Yes.

13 Q. Again, my understanding of a Type 1, Type 2B
14 connection, Type 1 or a Type 2B connection is that it
15 is a line-side connection that only gets you the
16 end -- end office calling scope of the landline
17 company pursuant to this tariff. Is that your
18 understanding?

19 A. I'm not sure if that's the case for a Type
20 1.

21 Q. Let me turn your attention to Sheet 14,
22 6.2.B. Do you see that?

23 A. Yes.

24 Q. The terminating usage charges for wireless
25 carrier originating traffic interchanged with the

1 telephone company and destined to points within the
2 local calling scope of the wireless carrier's end
3 office, paren, Type 1, end paren, or the designated
4 end office rate center, paren, 2A, end paren, shall be
5 as specified in Paragraph 7.1.A and 7.1.B following.

6 Do you see that?

7 A. Yes.

8 Q. And the reference to those rates are the
9 ones we discussed previously, I believe, on Sheet
10 16.02 and 16.03?

11 A. Yes.

12 Q. Section C on Sheet 14, you see there is
13 terminating usage charges for wireless carrier
14 originated traffic interchanged with the telephone
15 company and destined to points outside the local
16 calling scope of the wireless carrier's end office,
17 Type 1, or the designated end office rate center,
18 paren, Type 2A, end paren, shall be as specified in
19 paragraph 7.1.D of this tariff. And those are I
20 believe outside the local calling scope rates that
21 we've talked about on Sheet 16.03?

22 A. Yes.

23 Q. Okay. Now, on Sheet 15 -- you've got to
24 flip a few to get to 15 -- Section 6.5.E, the middle
25 of the page roughly, we're talking about a Type 2B

1 connection now.

2 It says, the terminating usage charges for
3 wireless carrier-originated traffic interchanged with
4 the telephone company at Type 2B end offices within
5 the local calling scope are defined in paragraph
6 7.1.C., following. Terminating usage charges at
7 Type 2B end offices outside the local calling scope
8 are defined in paragraph 6.2.C, preceding.

9 Again, are these rates we've been talking
10 about?

11 A. Yes.

12 Q. Mr. Clark, here is my question. The way I
13 read Southwestern Bell's tariff and the provision that
14 I've just highlighted for you, I believe that calling
15 within the local calling area refers to landline local
16 calling area, not MTA, and similarly, when they talk
17 about calling outside of the local calling area, we're
18 talking about outside of the landline local calling
19 area, not the MTA. Would you agree that that may be a
20 reasonable interpretation of these tariffs?

21 A. In my opinion it might be interpreted that
22 way; however, I believe these same questions should be
23 directed to Ms. Hollingsworth. She's probably the
24 true expert on this particular tariff.

25 Q. I intend to. But you're the one that raised

1 it in your testimony and have assumed for purposes of
2 your testimony that these rates apply for calling
3 within the MTA. Correct?

4 A. That was an assumption I had, and I still
5 don't know that that's not the way it's actually done.

6 Q. I understand. I don't think you've conceded
7 that.

8 But my point is, if your assumption is wrong
9 and local calling under this tariff is not MTA wide
10 but more restricted based on landline calling scopes,
11 then would you agree with me that for calling outside
12 the landline local calling area for wireless
13 originated calls, Southwestern Bell at least pursuant
14 to this tariff charges access rates for the
15 termination of that call?

16 A. Again, if that's the way it's really done,
17 and I'm not sure that is what is actually done in
18 practice. I've heard statements in previous cases
19 that very little traffic actually is served under this
20 tariff. You know, I believe at least '98 percent or
21 maybe more of the traffic is served under the wireless
22 interconnection agreements. So I can't say that that
23 is what is really occurring.

24 Q. Again, if your assumption is wrong, my
25 assumption is correct, and Bell's tariff applies

1 access charges for calling outside the landline local
2 calling area --

3 A. Then somebody should complain.

4 Q. Well, that's really no different than what
5 the Mid-Missouri Group is trying to do with their
6 tariff restrictions here, is it? They're trying to
7 apply access charges for wireless originating calls
8 that terminate beyond the landline local calling area.

9 A. If -- if you're correct, I'd say that's
10 true. However, I'm not saying that that justifies
11 another, wrong basically.

12 Q. And to the extent that Southwestern Bell's
13 wireless interconnection tariff is ambiguous, that is
14 no reason to reject it, is it?

15 A. To reject Southwestern Bell's tariff?

16 Q. Yes.

17 A. It could be rejected on those grounds.

18 Q. Let me get back to your statement that very
19 few carriers purchase out of the interconnection
20 tariff.

21 A. That's -- that's my understanding, my
22 recollection from previous cases.

23 Q. I understand that.

24 But my question to you is, is it not -- it's
25 not that surprising that carriers would not purchase

1 out of the interconnection tariff?

2 A. No. The rates are higher.

3 Q. Because they're subject to access rates when
4 they get outside of the local calling scope of the
5 landline companies. Right?

6 A. Even the local rates in here are higher.

7 Q. Right. There is an incentive built into
8 Southwestern Bell's tariff to drive carriers into
9 interconnection negotiations with them, is there not,
10 based on this rate structure?

11 A. The incentive exists. I don't know if that
12 is what necessarily caused them to do that. They
13 might have taken action based on, you know, the FCC
14 order, the Act.

15 Q. At least -- at the very least there an
16 economic incentive --

17 A. Yes.

18 Q. -- to negotiate lower rates than what appear
19 on this tariff?

20 A. Yes, sir.

21 MR. ENGLAND: Thank you, sir. I have no
22 other questions.

23 JUDGE HOPKINS: Okay. We'll recess until
24 one o'clock and then we'll begin with the redirect.

25 Thank you very much.

1 (The noon recess was taken.)

2 JUDGE HOPKINS: Let me make something clear.

3 We talked about Matt Kohley's testimony today and how
4 you-all were going to get questions and answers.

5 Do you want to make sure that the questions
6 on his testimony are just that, on his testimony, and
7 then the answers, make sure it's somebody that says
8 that they have adopted his testimony.

9 MR. DeFORD: Sure, I can do that.

10 JUDGE HOPKINS: I think we were at the
11 redirect by Staff on Mr. Clark.

12 MS. KARDIS: Thank you, your Honor.

13 REDIRECT EXAMINATION BY MS. KARDIS:

14 Q. Mr. Johnson asked you if the core issue in
15 this case was whether direct interconnections were
16 required for companies to be subject to reciprocal
17 compensation agreements.

18 Isn't the core issue in this case really
19 about whether or not the Mid-Missouri Group's proposed
20 tariffs should be approved or rejected?

21 A. Yes, that's the core issue.

22 Q. Does Staff's proposal have anything to do
23 with reciprocal compensation agreements?

24 A. Not really. The only place I reference that
25 in my testimony is when I'm citing the -- the Federal

1 language, I guess, about the top of page 6.

2 After that every time I refer to the rate I
3 talk about a rate for the transport and termination of
4 intraMCA wireless traffic. I don't call it reciprocal
5 comp because this is not a proceeding about a
6 reciprocal compensation agreement. It's about a
7 tariff filing and that's not really reciprocal.

8 Q. Mr. England cited some language from
9 Southwestern Bell's wireless carrier interconnection
10 tariff whose rates you quoted in your rebuttal
11 testimony; is that correct?

12 A. Yes.

13 Q. What is the reason you included that
14 reference to Southwestern Bell's tariff in your
15 testimony?

16 A. Um, I wanted to make the Commission aware --
17 I'm sure they're aware that the tariff is there, but
18 remind them and put it on the record that there is
19 such a tariff for such a service in existence. I
20 thought it would be fair to include that and also the
21 rates that are in that tariff.

22 If Mr. England's theory is correct and there
23 is some discrepancy between the local calling scopes
24 in that tariff and the Federal law, I'd say that is
25 probably -- probably at the time that the tariff was

1 initially approved, it was a lawful tariff.

2 If he's correct and that's the case, then
3 that -- I would say that wouldn't be lawful to approve
4 that today, in today's environment.

5 Q. The \$.02 rate you proposed didn't come from
6 Southwestern Bell's tariff, did it?

7 A. No.

8 Q. Mr. DeFord asked you about when you believed
9 the FCC proxy rates were appropriate in this case. In
10 your view when are the FCC proxy rates appropriate?

11 A. I believe it's one of the options available
12 to the Commission in an arbitration proceeding. And
13 I'm basing that on a piece from the FCC order; it's
14 paragraph 1060.

15 And this is where the first reference I find
16 to these three options that several other parties
17 mentioned in testimony. It says, thus, in arbitration
18 proceedings state must -- states must set the price
19 for end-office termination of traffic by, and then it
20 gives the three options: the economic cost study, the
21 proxy rates or the bill-and-keep.

22 And so that's -- and so I believe that in an
23 arbitration proceeding, that would be one of the
24 options available to the Commission. And again, this
25 is not an arbitration proceeding.

1 Q. Okay. But still, even though this is not an
2 arbitration proceeding, you don't believe it would be
3 appropriate for the Commission to decide that switched
4 access rates are appropriate for the transport and
5 termination of intraMTA wireless traffic?

6 A. No, I think that's clearly against the
7 Federal Rules to imply switched access to that
8 traffic.

9 MS. KARDIS: Okay.

10 JUDGE HOPKINS: May this witness be excused?
11 Thank you.

12 We're down to the Sprint PCS case. Call
13 your witness, please.

14 MS. GARDNER: James Propst.

15 JUDGE HOPKINS: Raise your right hand.

16 (Witness sworn/affirmed.)

17 JUDGE HOPKINS: Mr. Propst, please be seated
18 and spell your first and last name for the reporter.

19 THE WITNESS: James, J-a-m-e-s, Propst,
20 P-r-o-p-s-t.

21 JUDGE HOPKINS: Thank you.

22 You may proceed.

23 JAMES B. PROPST testified as follows:

24 DIRECT EXAMINATION BY MS. GARDNER:

25 Q. Mr. Propst, are you the same James B. Propst
 320

1 that previously filed what's been marked as Exhibit
2 No. 9, rebuttal testimony, and Exhibit No. 10,
3 surrebuttal testimony?

4 A. Yes, I am.

5 Q. Do you have any changes or corrections to
6 either Exhibit 9 or Exhibit 10?

7 A. Yes, I do have one minor change to my
8 rebuttal testimony.

9 On the first page on line 5, I identify
10 myself as a senior engineer at Carrier Interconnection
11 Management Group.

12 Since the filing of that testimony I
13 have accepted a new job in Sprint PCS and now my
14 title is different and it's Manager, Enhanced 911
15 Implementation.

16 Q. Is that the only correction to the exhibit?

17 A. Yes, it is.

18 Q. If I ask you the same questions today, would
19 your answers be the same?

20 A. Yes, they would.

21 Q. And are they true and correct to the best of
22 your information, knowledge and belief?

23 A. Yes, they are.

24 MS. GARDNER: At this point I would
25 offer into evidence Exhibits No. 9 and 10 and tender

1 Mr. Propst for cross-examination.

2 JUDGE HOPKINS: All right. Are there any
3 objections to James Propst's rebuttal testimony,
4 Exhibit No. 9 or James Propst's surrebuttal testimony,
5 Exhibit No. 10?

6 (No response.)

7 JUDGE HOPKINS: Hearing no objection, I will
8 receive both of those into evidence.

9 (EXHIBIT NOS. 9 AND 10 WERE RECEIVED INTO
10 EVIDENCE.)

11 JUDGE HOPKINS: Cross-examination, Staff?

12 MS. KARDIS: No questions, your Honor.

13 JUDGE HOPKINS: Southwestern Bell?

14 MR. LANE: No questions, your Honor.

15 JUDGE HOPKINS: AT&T?

16 MR. DeFORD: No questions. Thank you.

17 JUDGE HOPKINS: Southwestern Bell Wireless?

18 MS. FISCHER: No questions.

19 JUDGE HOPKINS: OPC?

20 MR. DANDINO: Yes, your Honor. Thank you.

21 CROSS-EXAMINATION BY MR. DANDINO:

22 Q. Good afternoon, Mr. Propst.

23 A. Good afternoon.

24 Q. Has Sprint PCS made an official request to
25 negotiate interconnection agreements with the six

1 member telephone companies of the Mid-Missouri Group?

2 A. The definition of official request, I feel
3 that we have made a reasonable business request to
4 these companies to establish the required business
5 arrangements to identify this traffic, yes, sir.

6 Q. Do you consider that an official request
7 such as to trigger a negotiation under the Federal
8 Telecommunications Act?

9 A. Yes, I do.

10 Q. Okay. And what steps has Sprint taken to
11 compel those six local exchange companies to proceed
12 with the negotiation?

13 A. We have attempted to continue to negotiate
14 with these companies, the ones that are willing to
15 negotiate with us on a business arrangement to
16 identify this traffic.

17 Other small independents in Missouri have
18 also taken the same position as the ones that are
19 represented in this case, and in response to that and
20 the business situation at the time, we have filed a
21 request at the Commission -- at the FCC for
22 clarification of the specific issues that are being
23 raised and that's the issues associated with indirect
24 traffic.

25 Q. So you consider that you've made a request,

1 the negotiations are ongoing, or are they at an
2 impasse now?

3 A. They're at an impasse right now.

4 Q. So Sprint has gone to the FCC for what type
5 of relief?

6 A. We -- we are attempting to identify the
7 responsibilities associated with indirect traffic in
8 the FCC intent. There has been a lot of issues raised
9 and questions raised on what the intent of that
10 specific language in the FCC orders and rules really
11 meant to the small independent.

12 And we made the business decision to look at
13 it from the standpoint of where did we need to go to
14 get that clarification. And we felt that going to the
15 FCC was the appropriate place to go and get that
16 clarification needed.

17 Q. You could have filed a request for
18 arbitration of the difference of opinion with this
19 Commission?

20 A. That is true.

21 MR. DANDINO: That's all I have, your Honor.

22 Thank you, sir.

23 JUDGE HOPKINS: STCG?

24 MR. ENGLAND: Thank you.

25 CROSS-EXAMINATION BY MR. ENGLAND:

1 Q. Good afternoon, Mr. Propst.

2 A. Good afternoon.

3 Q. At I believe it's your rebuttal testimony --
4 I forgot what page it is -- maybe you can help me.

5 In your testimony you stated that you've
6 attempted to enter into formal interconnection
7 agreements with the small LECs?

8 A. Yes, sir.

9 Q. But later in the answer I've got line
10 numbers. I just don't have page numbers.

11 I believe it's the bottom of page 2. The
12 question contains the reference to the formal
13 interconnection agreements. Do you see that?

14 A. Yes.

15 Q. But later in the answer there on line 23 and
16 carrying over to the top of the page, you indicate
17 that you requested that the small LECs enter into a
18 reciprocal compensation agreement with Sprint PCS.

19 Do you see that?

20 A. Yes, sir.

21 Q. And I guess the question I have of you is a
22 similar one that I had of Mr. Maass with AWS this
23 morning.

24 Do you draw a distinction between an
25 interconnection agreement and an agreement for

325

1 reciprocal compensation?

2 A. I -- I do not. When I look at the
3 agreements required to implement the communications
4 act, I look at them as business arrangements between
5 us and a different -- another telecommunications
6 carrier.

7 Therefore, whenever I'm looking at these
8 agreements, I look -- I'm looking at them as business
9 arrangements, reference to them as interconnection
10 agreements or reciprocal compensation agreements or
11 whatever are just a definition associated with the
12 business arrangements that we need to establish
13 between our companies.

14 Q. So when you use the term "interconnection
15 agreement" or "reciprocal compensation agreement" in
16 your prepared testimony or here in your testimony
17 today, you're speaking of one and the same?

18 A. Yes, sir.

19 Q. All right. Now, and this follows up,
20 I believe, on some questions you just received from
21 Mr. Dandino with the Public Counsel's Office.

22 You indicate in your testimony later on
23 page 4, lines 5 through 6, that your requests were
24 refused, and I believe you indicate that there was a
25 complaint or an informal complaint filed with the FCC

1 against some of these companies.

2 But if I understand you correctly, you
3 did not file any type of complaint or enforcement
4 proceeding with the Missouri Public Service
5 Commission; is that correct?

6 A. That's correct.

7 Q. Would you agree with me that the Missouri
8 Public Service Commission has the jurisdiction over
9 the types of agreements and the issues that we have
10 between Sprint PCS and the small companies?

11 A. I would agree to a point that the Commission
12 in Missouri does have the rights established by the
13 rules and regulations implementing the
14 Telecommunication Act of 1996 to perform that
15 arbitration process to resolve complaints that are
16 presented to them during the arbitration process.

17 Q. Well, let me be more specific. If we refuse
18 to negotiate -- excuse me. If the small companies
19 refuse to negotiate with Sprint PCS, isn't that an
20 action that you could bring to the State Commission
21 for redress?

22 A. Yes, it is.

23 Q. And if we reach -- if we negotiate with you
24 but are unable to reach agreement, would you agree
25 with me that you also have the opportunity to request

1 arbitration of those disputed items --

2 A. Yes, I do.

3 Q. -- before the State Commission?

4 A. Yes.

5 Q. Okay. Now, let me flip it. Is it your
6 opinion that a wireless carrier such as Sprint PCS
7 must negotiate with a LEC where there is no direct
8 connection, and if the wireless carrier refuses to
9 negotiate, the LEC can force the wireless carrier to
10 do so before the State Commission?

11 A. You're asking me for a legal opinion and I
12 am not a lawyer, so I'm not going to address it from
13 that standpoint.

14 I will address it from the standpoint of
15 Sprint PCS as a business established in the wireless
16 communications industry. A Sprint PCS -- a request to
17 Sprint PCS would have been responded to in a business
18 environment and we would have entered the appropriate
19 negotiations with the company that requested it.

20 Q. Okay. But I guess the question I have of
21 you is the one I had of Mr. Maass earlier, and that
22 is, for whatever reason you determined you don't want
23 to negotiate, do you believe the State Commission can
24 require you to do so?

25 A. Yes. I think all telecommunications

1 carriers have the same rights. Whether they're
2 specifically defined in the rules and regulations, I
3 don't know. But I think that the Commission has the
4 right to step in and intervene in any conflict between
5 telecommunications carriers.

6 Q. Okay. Similarly, if we agree to negotiate
7 but reach an impasse with respect to one or more
8 issues, do you think that the State Commission has the
9 jurisdiction to arbitrate that issue and make that
10 arbitration binding on the wireless carriers as well
11 as on the LEC?

12 A. Again, not to suggest that this is a correct
13 legal opinion, but as a business opinion, yes, sir, I
14 do.

15 Q. Okay. You've made, I think, a comment,
16 perhaps some testimony to the effect that you thought
17 a number of the issues that were being addressed in
18 this proceeding were also being addressed at the FCC;
19 is that correct?

20 A. From a business base, yes, I do believe
21 that.

22 Q. Would you agree with me that the primary
23 issue between Sprint PCS and some of the small
24 telephone companies, at least as it has been brought
25 to the FCC, involves the obligations of the small

1 companies to be responsible for reciprocal
2 compensation to wireless carriers for traffic
3 originated by the small companies?

4 A. And if the traffic is intraMTA, it is Sprint
5 PCS's position that the originating company does have
6 the obligation to associate it with the FCC rules.

7 That does not necessarily mean that the
8 compensation has to come directly from that company.
9 If they have an arrangement in place with a
10 third-party transit provider, be it another LEC, be it
11 an IXC, and that business arrangement that they have
12 with that third-party transit provider includes the
13 compensation of the terminating traffic with us, that
14 would be the type of situations that we would address
15 in our business negotiations with those companies to
16 make sure that there was not a situation where there
17 is double recovery or where -- or we are recovering
18 traffic or the revenue from the incorrect company.

19 Q. Okay. I'm not sure that that was my
20 question. My question was that with respect to the
21 issue between Sprint PCS and the small companies
22 before the FCC, it is primarily directed at
23 landline-originated wireless-terminated calls within
24 an MTA and what are the obligations of the originating
25 LEC with respect to reciprocal compensation?

1 Would you agree?

2 A. I -- yes, I do agree. And I believe that
3 was my response.

4 Q. Okay. Following up on that response -- and
5 are you familiar with some of the geography here in
6 the state, sir?

7 A. I'm not a geography expert but I've driven
8 through Missouri.

9 Q. Okay. I want to use the New Florence
10 Telephone Company, which I believe is one of these
11 white-colored exchanges on the MTA map.

12 A. All right.

13 Q. It's an exchange roughly north of Interstate
14 70 due west of St. Louis, Missouri. It's served by
15 the New Florence Telephone Company --

16 A. Okay.

17 Q. -- which I believe is one of the -- I know
18 it's one of the members of the Small Telephone Company
19 Group, but I also believe it's one of the companies
20 that has been named in your informal complaint with
21 the FCC.

22 If a call from New Florence to a Sprint
23 PCS customer in St. Louis involves a one-plus call,
24 long-distance call, it's my understanding and I think
25 you just mentioned a minute ago it's your belief that

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1 New Florence is responsible for reciprocal
2 compensation to Sprint PCS for that call; is that
3 correct?

4 A. Your definition of a one-plus long-distance
5 call I think is -- from a business perspective is
6 really immaterial in the discussion.

7 The -- the issue is, is the call originated
8 and terminated within the same MTA? If so, the
9 originating party has the responsibility for the
10 compensation of the terminating traffic.

11 How they accomplish that compensation, be it
12 through themselves or through a third party, is not in
13 debate.

14 Q. Well, assume for purposes of my questioning
15 that it requires a one-plus call to get from
16 New Florence to your customer in St. Louis.

17 Can you do that, sir?

18 A. I would say then that becomes a New Florence
19 business decision on how they want to route that
20 traffic. If the most efficient technically and
21 economical means for them to route that traffic from
22 New Florence to us in St. Louis is to utilize their
23 existing agreements or their existing arrangements
24 which require one-plus dialing, that is their business
25 decision.

1 That's the decision we need to address
2 in our negotiations with that company to have the
3 appropriate business arrangements between our
4 companies.

5 Q. If New Florence is going to take
6 responsibility for that one-plus call, sir, would you
7 agree with me it's also a matter of concern to this
8 Commission because it involves an interexchange call,
9 from one exchange, New Florence, to another exchange
10 in St. Louis?

11 A. I think -- and again, without offering a
12 legal opinion but based on a business interpretation
13 of the FCC rules, the rule -- the FCC has established
14 their rights to establish the rules and regulations
15 for CMRS providers.

16 Within those rules, again from a business
17 understanding, they have granted certain rights and
18 privileges to the State Commission, and I cannot
19 specifically address your question from a legal
20 perspective.

21 Q. Okay. Well, I guess my question, just from
22 a business perspective, is, do you imagine that the
23 Missouri Public Service Commission has some
24 involvement in landline calling from the New Florence
25 exchange regardless of where that call goes as long as

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1 it terminates within the state?

2 A. If the traffic is designated as local
3 traffic, which the FCC has done in this particular
4 situation, then it is my understanding that the
5 Commission does have responsibilities and obligations
6 for local traffic, yes, sir.

7 Q. Okay. What if the customer in New Florence
8 has chosen as his one-plus presubscribed intraLATA
9 carrier MCI and MCI carries that call from
10 New Florence to your facilities in St. Louis or your
11 network in St. Louis, do you still believe it's
12 New Florence's obligation to pay terminating
13 compensation?

14 A. As I stated previously, I believe that the
15 New Florence business decision on how to route that
16 traffic is a decision that they have in making their
17 own business decisions on how they're going to handle
18 traffic that is subject to local reciprocal
19 compensation.

20 If their decision is to route that traffic
21 by an arrangement with an IXC, it still does not
22 relieve them of my understanding of the business
23 responsibility they have to make decisions on how
24 traffic that is subject to local reciprocal
25 compensation is routed.

1 Q. Okay. Let me ask you the question then with
2 respect to Southwestern Bell exchange and with whom
3 you have an interconnection agreement as I understand;
4 is that correct?

5 A. That's correct.

6 Q. A Southwestern Bell customer in Cape
7 Girardeau, Missouri calls a Sprint PCS customer in
8 St. Louis but that customer of Southwestern Bell has
9 now after July 22nd decided it wants or he or she
10 wants all of their intraLATA one-plus calls to be
11 carried by MCI, is it still your opinion that
12 Southwestern Bell Telephone Company is responsible for
13 paying you reciprocal compensation on that call
14 carried by MCI?

15 A. Based on the business arrangements that are
16 in place, yes, sir, I do. The manner in which the end
17 user that originates the call compensates the parties
18 for that particular call is not an issue.

19 The issue that we're talking about is whose
20 responsibility is it for reciprocal compensation of
21 traffic that originates and terminates within the same
22 MTA and is, therefore, subject to local reciprocal
23 compensation.

24 Q. Are you being paid or compensated by
25 Southwestern Bell today for calls emanating in their

1 exchanges but being carried by other intraLATA toll
2 providers and terminating to your facilities within
3 the MTA?

4 A. I have not looked specifically at accounting
5 records, and so I cannot answer that.

6 Q. Okay. Are you being paid at all today --
7 let's take the New Florence example again -- for
8 any calls from small telephone companies such as
9 New Florence terminating to your facilities that may
10 have been carried by Southwestern Bell Telephone
11 Company?

12 A. Would you repeat that again, please?

13 Q. Yes. Are you being compensated today for
14 any calls coming from small telephone companies within
15 the MTA terminated to your facilities by Southwestern
16 Bell Telephone company?

17 A. No, sir, we are not.

18 Q. Okay. And I'd ask you the same question too
19 that I asked Mr. Maass.

20 Are you familiar with the correspondence
21 that is attached to Mr. Schoonmaker's surrebuttal
22 testimony and I believe actually went to one of your
23 counsel?

24 A. Yes, sir.

25 Q. And did that not represent or appear to you

1 to represent that Southwestern Bell would pay you
2 terminating compensation for those calls?

3 A. That specific correspondence was not
4 addressed to Sprint PCS. It was addressed to --
5 evidently -- I don't have it in front of me so I'm not
6 sure who it was addressed to. But it did state that
7 in there that they would have the responsibility or
8 would assume the responsibility.

9 However, in our negotiations with
10 Southwestern Bell for the interconnection agreement,
11 that was not brought up, and our original attempt to
12 establish the appropriate business arrangements with
13 the small telephone companies, that was not brought up
14 as an issue and a reason for us to address that
15 situation in our business arrangements between us and
16 those companies.

17 Q. Since that issue or letter, representation,
18 whatever you want to call, was brought to the
19 attention of your counsel, have you had discussions
20 with Southwestern Bell to find out whether or not
21 you're being compensated for those calls?

22 A. I know that we are not being compensated for
23 those calls, and we have had conversations with
24 Southwestern Bell to see if we could establish the
25 appropriate relationship and understanding between us

1 and the independent or -- or small ILECs to address
2 the requirements.

3 Q. And these discussions have occurred since I
4 sent that letter to Mr. McKee?

5 A. Yes, sir.

6 Q. All right. What is Southwestern Bell's
7 response?

8 A. We're still in the process of negotiating.

9 Q. If Southwestern Bell agrees to compensate
10 you for those calls and you're still holding
11 New Florence, for example, responsible for those
12 calls, there is a possibility you'd get paid twice,
13 isn't there?

14 A. I will repeat what I said earlier.

15 If New Florence has a business relationship
16 with Southwestern Bell to provide the transit of that
17 traffic from their exchanges to my customer, and if
18 that business arrangement that New Florence has with
19 Southwestern Bell includes an arrangement where
20 Southwestern Bell would do the compensation on behalf
21 of New Florence, those are the issues that should be
22 identified and defined in our business relationship
23 between Sprint PCS and New Florence, so Sprint PCS
24 knows who is going to be doing the compensation.

25 Q. My question, sir, was, if you're also going

1 to hold New Florence responsible for that call and
2 Southwestern Bell is compensating you for it, there is
3 a possibility of double recovery, isn't there?

4 A. I apparently am not making myself clear, so
5 let me try it again.

6 If New Florence's arrangement with
7 Southwestern Bell includes the position that
8 Southwestern Bell will do the compensation to Sprint
9 PCS on behalf of New Florence, that does not relieve
10 New Florence of the responsibilities for entering
11 the reciprocal com-- reciprocal compensation
12 interconnection connection with Sprint PCS.

13 It shifts in our negotiation of the business
14 arrangement who the appropriate party is that is going
15 to be paying that. It does not in my business
16 decision eliminate New Florence's responsibility.

17 Q. Well, let me see if I can paraphrase what I
18 believe to be your response.

19 If Southwestern Bell has undertaken to
20 pay you for that call, you're not going to hold
21 New Florence additionally responsible for that call;
22 is that right?

23 A. I will not double collect or attempt to
24 double collect if the appropriate arrangements are
25 identified for me and are included in the business

1 arrangements between me and New Florence.

2 Q. Now, if that call from New Florence is
3 delivered to you via an IXC such as MCI, was it your
4 testimony a minute ago that you were not receiving any
5 compensation from any interexchange carriers?

6 A. No, I did not make that statement.

7 Q. Are you receiving any compensation from
8 interexchange carriers for calls carried from small
9 telephone company exchanges and delivered to Sprint
10 PCS within the MTA?

11 A. Sprint PCS has negotiated many compensation
12 arrangements with several of the IXCs. Due to the
13 unfortunate limitations within the LEC billing
14 structure and the LEC revenue -- or record-reporting
15 structure at this point in time -- or maybe I should
16 change that from the LEC to the telecommunications
17 industry -- lack of proper assistance to identify the
18 originating traffic associated with an IXC call coming
19 in to Sprint PCS.

20 The agreement that we have negotiated with
21 the IXCs includes them paying Sprint PCS for all
22 traffic that comes in to us based on our agreed-to
23 amount, because we are unable at this point in time --
24 Sprint PCS is unable at the point in time to identify
25 the originating end office associated with that call

1 because we do not receive that information.

2 Q. So you are receiving compensation from IXCs
3 for traffic originated in the exchanges of small
4 telephone companies and terminated to Sprint PCS
5 within an MTA. Correct?

6 A. If that traffic exists and it's with one of
7 the IXCs that we have been successful in negotiating
8 arrangements with, yes, I am getting compensated.

9 Q. You are not, however, paying any
10 compensation in the reverse direction to any of the
11 small telephone companies that make up the Small
12 Telephone Company Group here, are you?

13 A. Sprint PCS has been aggressive in attempting
14 to work with these companies to establish the
15 appropriate business relationships to support that.
16 We have not in any way, shape or form denied the fact
17 that if bill -- bill-and-keep work was not acceptable,
18 we have not attempted to deny or ignore our
19 responsibilities to pay terminating ac-- terminating
20 compensation based on an appropriate approved business
21 arrangement with that company.

22 Q. But that's not my question, sir. My
23 question is, you haven't today paid anybody that is at
24 least part of the group that represents the Small
25 Telephone Company Group here today. Correct?

1 A. As of this time I have no appropriate
2 business arrangements in place with those companies
3 and I have therefore not paid any of those companies.

4 Q. What efforts has Sprint PCS pursued other
5 than what you've just described to get paid by either
6 Southwestern Bell or IXCs for traffic terminated to it
7 from small company exchanges within the MTA?

8 A. Because of the push-back that we've been
9 receiving from the small independent telephone
10 companies and their refusal in my definition of the
11 business structure to negotiate an appropriate
12 arrangement, we have not specifically pursued any
13 negotiations, anything that I would specifically
14 address as being geared strictly towards receiving
15 revenue from the small company groups in Missouri.

16 Q. Is it safe to say you haven't pursued any
17 complaint cases or other formal proceedings before the
18 State Commission or the FCC regarding your failure to
19 be paid by interexchange carriers for Southwestern
20 Bell for intraMTA traffic coming to you from small
21 telephone companies?

22 A. As I've said earlier, I do not believe that
23 in the business implementation of the FCC rules and
24 regulations, supporting the Telecommunications Act of
25 '96, that the IXCs or the transit provider has that

1 responsibility unless it's identified by the
2 originating company as being their business decision
3 to enter a business arrangement with a transit
4 provider to pay the terminating company.

5 I have not been advised by any of these
6 companies that that is the specific arrangements that
7 they have made with their transit service provider.

8 Q. Is that a yes or a no, sir? Do you recall
9 my question?

10 A. I have not addressed any complaints, legal
11 activity towards the IXCs or the transiting LEC to
12 attempt to recover revenue that has been generated by
13 an end user of one of the small incumbent telephone
14 companies.

15 Q. What if that end user's revenue went to the
16 IXC or to Southwestern Bell Telephone Company? Does
17 that make any difference to you?

18 A. When I've read the FCC rules and associated
19 with this particular process, I have seen absolutely
20 nothing that would indicate to me how the end user
21 pays for the call is even part of the equation.

22 The question is, whose responsibility is it
23 to compensate for the origination and termination of
24 traffic and how that end user is billed is a business
25 decision based on the originating company's business

1 case.

2 Q. So is that a yes or a no, sir?

3 You're unconcerned about who receives the
4 revenue from the end user for the call?

5 A. I think it's immaterial. And so, therefore,
6 I guess if I think it's immaterial, then, yes, I do
7 not believe it's an issue.

8 Q. Reverse the direction on the flow of
9 traffic. Now we're talking about wireless
10 originating.

11 Does Sprint PCS contract with any IXCs such
12 as AT&T or Sprint long distance to carry intraMTA
13 calls?

14 A. The arrangements that Sprint has when they
15 terminate traffic that is originated on their network
16 is really proprietary in structure because they are
17 business relationships between us and other companies,
18 but to give you a general answer to your question
19 instead of ignoring it, we have made business
20 arrangements with nonLECs to provide third-party
21 transit services that we require to complete our
22 calls.

23 Q. And in those circumstances, who is
24 responsible for paying the ultimate terminating
25 compensation to the end office company, Sprint PCS or

1 those entities, nonLEC entities that you've just
2 described?

3 A. Based on the business arrangements that we
4 negotiate with those companies, it could vary.
5 Currently the majority of the business arrangements
6 we have in place with those companies, we are
7 compensating those companies for use of their
8 facilities, and because, again, of the inadequacy of
9 the record exchange and the systems that are supposed
10 to be record and compensation exchange in the
11 telecommunications industry, we have made the business
12 decision that we would let those companies compensate
13 the terminating company based on the appropriate
14 charges that are out there right now, which
15 unfortunately are the access charges, yes, sir.

16 Q. So in some instances Sprint has contracted
17 with the nonLEC entity to not only transit the traffic
18 but pay for its termination where it terminates to
19 another LEC; is that right?

20 A. In certain circumstances Sprint PCS has made
21 that business decision, yes.

22 Q. And that business relationship is between
23 you and the nonLEC entity. Correct?

24 A. The business relationship is between us and
25 the nonLEC entity, but it identifies in that the

1 responsibilities of Sprint PC-- Sprint PCS has for
2 compensating the terminating.

3 Q. But the terminating company is not a party
4 to those agreements, is it?

5 A. No, they are not.

6 Q. And to the extent those terminating
7 companies are members of the Small Telephone Company
8 Group here in Missouri, you have no agreements with
9 them assuring them that that's how they're going to be
10 compensated for these calls that you transit and
11 terminate through these nonLEC entities. Correct?

12 A. As I said earlier, that is correct. They
13 have not stepped up to the plate to negotiate the
14 appropriate business relationships between us, Sprint
15 PCS and the small telephone companies to identify the
16 appropriate business arrangements to identify and
17 compensate for that type of traffic.

18 Q. Does Sprint PCS deliver any other traffic
19 over its direct interconnection with Southwestern Bell
20 Telephone Company other than its own customer
21 originated wireless traffic?

22 A. Sprint PCS does have some roaming agreements
23 in place with other wireless carriers, and if a
24 customer from another wireless carrier is in our
25 market area and we have an appropriate roaming

1 agreement with that company, we will complete calls
2 that are originated by that roamer.

3 Q. That is the only exception?

4 A. Yes, it is.

5 Q. So there would be no other wireless company
6 originated traffic that you may terminate over your
7 direct connection with Southwestern Bell Telephone
8 Company?

9 A. That's correct.

10 Q. There would be no landline interexchange
11 traffic that you might terminate or transmit over that
12 direct connection with Southwestern Bell Telephone
13 Company?

14 A. That's correct.

15 Q. There will not be any CLEC competitive local
16 exchange carrier traffic terminated over your network
17 to Southwestern Bell Telephone Company?

18 A. That's correct.

19 Q. What type of records does Sprint PCS create
20 for traffic originating on its network and terminated
21 to landline customers, Mr. Propst?

22 A. Are you familiar with the term CDR?

23 Q. No, I'm not.

24 A. Within the telecommunication industry, the
25 switch creates what we refer to as a CDR, which

1 is a call detail record. That call detail record
2 contains information about the timing of the call,
3 when it was originated, where it was originated from,
4 the terminating number it was going to.

5 We do make a record of all of the traffic
6 through our switch that is originated from our switch
7 in that CDR format.

8 Q. And I take it then you make no distinction
9 in creating those records between a call that is
10 terminated to a, we'll say, third-party LEC as opposed
11 to terminated to the LEC with whom you have direct
12 interconnection. You create the same record
13 regardless of where your --

14 A. Yes, we create the same record.

15 Q. Okay. Are these records made available to
16 the landline companies or the LECs with whom you
17 interconnect?

18 A. They have not been made available.

19 Q. For billing purposes then, when the LEC
20 charges you for traffic, you terminate it over these
21 direct connections, are you billed based on their
22 records or records that you supply to them?

23 A. Since we do not make the records available
24 to them, we are billed based on the records they have
25 or they accumulate.

1 Q. For purposes of the reverse, when they
2 terminate traffic to you, what do you bill from, your
3 records or records provided to you by the LEC?

4 A. Our records.

5 Q. So you create a terminating record as well
6 when landline traffic terminates to your network?

7 A. That's correct.

8 Q. And I assume -- is that something different
9 than a CDR?

10 A. It is still in the CDR format.

11 Q. What information do you record at the
12 terminating end, sir?

13 A. It depends on where the -- unfortunately it
14 depends on where the call originated from.

15 If it originates and we receive from the
16 LEC that is terminating or from the carrier that is
17 terminating that traffic to us, the originating
18 number, we do record that number in our CDR records.

19 Unfortunately, again, due to the existing
20 technology within the telecommunications industry and
21 the uncertainty and the lack of a lot of this record
22 exchange that identifies the originating company, we
23 are not always able to capture the originating NXX
24 associated with that call.

25 Q. So what do you get? Just a --

1 A. We get a record that basically has a blank
2 in the originating field.

3 Q. And just gives you basically --

4 A. Time. Time.

5 Q. And length of call?

6 A. Yes.

7 Q. Let me try another example similar to the
8 one I was asking Mr. Maass about earlier.

9 And do you have presence in both the Kansas
10 City and Springfield metropolitan areas? I'm sorry.
11 Not Springfield. St. Louis/Kansas City?

12 A. St. Louis and Kansas City, yes.

13 Q. So if a call was made from a Sprint PCS
14 customer in Kansas City to a Southwestern Bell
15 landline customer in St. Louis, you'd agree with me
16 that that is an interMTA and interLATA call?

17 A. Yes, I would.

18 Q. Okay. How would that call be carried that's
19 originated from your network and delivered to
20 Southwestern Bell in St. Louis?

21 A. It could be carried a number of ways
22 depending on the network topology that we have in
23 place supporting the traffic between St. Louis and
24 Kansas City.

25 One way would be for Sprint PCS's Kansas
 350

1 City switch to route that to a long-distance carrier
2 who would carry it over their network to their POP in
3 St. Louis and terminate it by the Feature Group D
4 access structure they have with that LEC in St. Louis.

5 Q. In that case would you imagine the
6 Southwestern Bell Telephone company is paid
7 terminating access charges by the IXC?

8 A. I would bet on it, yes, sir.

9 Q. Would you agree with me that, generally
10 speaking, interMTA traffic is subject to access
11 charges when it terminates on a landline network?

12 A. InterMTA traffic by the rules as I read them
13 is totally subject to the access charge structure,
14 yes, sir.

15 Q. Okay. You mentioned other ways of
16 delivering traffic to St. Louis. What are other ways?
17 And I don't mean to get into proprietary agreements,
18 but if you can give me sort of a general description.

19 A. Sprint PCS could choose to contract with a
20 facility provider, provision a leased line between its
21 two switches, which is often referred to as
22 intermachine trunking. It could go out and create its
23 own microwave connectivity between the two switches
24 and switches -- or traffic goes -- that goes between
25 the two switches over their own facility.

1 So a number of ways.

2 Q. Does Sprint have its own facilities --
3 excuse me -- Sprint PSC have its own interexchange
4 facilities for the carrying of that traffic?

5 A. Not at this point in time.

6 Q. There's a question that came about earlier
7 based on some testimony. Maybe now is a good time to
8 ask you.

9 Are any of your indirect interconnections
10 with small ILECs in Missouri accomplished through the
11 purchase of unbundled network elements?

12 A. Sprint PCS at this point in time does not
13 use unbundled network elements. So, no, sir, none of
14 our interconnection agreements are established through
15 the use of unbundled network elements.

16 Q. Let me get back to my example and reverse
17 the call from the Southwestern Bell landline customer
18 to a Sprint PCS customer in Kansas City.

19 Are you with me?

20 A. Southwestern Bell landline customer in
21 St. Louis to Kansas City PC, yes, sir.

22 Q. Yes. Now, my understanding is that
23 since that is interLATA it would be carried by an
24 interexchange carrier because Southwestern Bell can't
25 carry it. Is that your understanding?

1 A. That's my understanding.

2 Q. Okay. Now, that's delivered to you, we'll
3 say, by an interexchange carrier. Do you receive
4 access charges for that interMTA call from the IXC?

5 A. As I stated earlier, Sprint PCS has been
6 successful in negotiating some compensation
7 arrangements with the IXCs, with some of the IXCs.

8 If that call was transited to Sprint PCS via
9 one of the IXCs that it has established those business
10 relationships with, we would be compensated for that
11 traffic. If it was transited to Sprint PCS over one
12 of the IXCs that we have been unsuccessful in reaching
13 a negotiated business arrangement with, we are not
14 being compensated.

15 So it depends on the IXC and the
16 relationships Sprint PCS has with that IXC.

17 Q. Given that it's an interMTA call, carried by
18 an IXC, why wouldn't an IXC be responsible for paying
19 you some sort of terminating compensation?

20 A. We believe they are, but unfortunately some
21 of them don't believe they are.

22 Q. What efforts have you undertaken to pursue
23 them to get that resolved? And again, I'm talking
24 now about interMTA calls.

25 A. You know, again, we have established a

1 number of proprietary negotiations going on with these
2 carriers that are currently still underway and the
3 ones that we have not reached the agreements with.

4 So we are attempting to negotiate a solution
5 to those issues.

6 Q. But you haven't pursued any formal
7 collection processes such as a complaint or a lawsuit,
8 have you?

9 A. Sprint PCS's attempt to implement the
10 Telecommunications Act has been based on business
11 decisions, and we have attempted as much as possible
12 to keep the negotiations in the business environment
13 and out of the legal regulatory world.

14 So we are not a great company to go forward
15 and file complaints if we still feel that we have an
16 acceptable business discussion going on that we might
17 reach solution. So, no, sir, we have not yet filed
18 any complaints before a regulatory body to try to
19 force the IXCs to compensate us.

20 MR. ENGLAND: Excuse me just a second. I
21 think I'm about done.

22 (OFF THE RECORD.)

23 BY MR. ENGLAND:

24 Q. Let me get back to the Kansas City to
25 St. Louis call for example. Your customer in

1 Kansas City -- or Southwestern Bell's customer in
2 St. Louis.

3 A. Okay.

4 Q. And in the situation where you lease
5 facilities -- I think that was one of your options to
6 get the call to St. Louis --

7 A. Yes, sir.

8 Q. -- and deliver it directly to Southwestern
9 Bell in St. Louis?

10 A. Yes, sir.

11 Q. How do you report that call to Southwestern
12 Bell? As an interMTA call?

13 A. If you read most of the interconnection
14 agreements that are out, you will again notice that
15 because of the lack of effective exchange of records
16 between the telecommunications exchange providers,
17 we have been unable to systematically identify on a
18 call-by-call basis that sort of traffic.

19 So our interconnection agreements with
20 Southwestern Bell in this particular example contains
21 what we refer to as a percent local usage factor that
22 is used to adjust the total exchange of traffic to
23 identify a portion of that traffic as being subject to
24 access charges.

25 It is a negotiated factor based on the best

1 available information that we have at that point in
2 time.

3 Q. And so I guess then as I understand your
4 answer is, in that environment you were unable to tell
5 the jurisdiction of the call?

6 A. There are a number of elements, yes, sir,
7 and since we are unable to identify specifically, we
8 have negotiated and agreed to a business arrangement
9 to ensure that Southwestern Bell is obtaining the
10 appropriate jurisdictional compensation for that call.

11 MR. ENGLAND: Thank you, sir. I have no
12 questions.

13 JUDGE HOPKINS: MMG?

14 MR. JOHNSON: Thank you.

15 CROSS-EXAMINATION BY MR. JOHNSON:

16 Q. Is it Mr. Propst or Mr. Propst?

17 A. I pronounce it Propst but I answer to just
18 about anybody.

19 Q. Straighten me out if I start pronouncing it
20 wrong, Mr. Propst

21 As I understood your earlier testimony, you
22 stated that since there are no business arrangements
23 in place to pay the small companies, you haven't paid
24 them yet?

25 A. That's correct.

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1 Q. Okay. Is Sprint PCS in sufficient control
2 of its own facilities to make sure that no one else
3 can terminate calls on your facilities without first
4 having made an agreed business relationship?

5 A. Absolutely not. We feel that that would be
6 a totally inappropriate business position to take and
7 say, let's block a call that an end user is attempting
8 to make.

9 If a consumer is attempting to make a
10 call, let's complete the call, let's fight out the
11 compensation issues outside of the environment that
12 has an impact directly on the end user consumer.

13 Q. So is Southwestern Bell terminating calls to
14 you that you're not getting paid for?

15 A. I hope not, but they may be.

16 Q. Let me ask you another question. Sprint
17 Spectrum and Sprint PCS is the same entity for
18 purposes of this proceeding?

19 A. Yes, sir.

20 Q. And looking at Southwestern Bell's
21 testimony, the interconnection agreement between
22 Sprint PCS and Southwestern Bell became, I think,
23 approved on October 15, 1997. Does that sound right?

24 A. That sounds about right.

25 Q. Okay. And how many interconnection

1 agreements does Sprint PCS have with Southwestern
2 Bell, just the one?

3 A. We have State-specific interconnection
4 agreements with Southwestern Bell, so in effect we had
5 five with Southwestern Bell, one of them for each of
6 their operating states.

7 Q. And does the one agreement with Southwestern
8 Bell cover the entire state?

9 A. Yes, sir.

10 Q. Does Sprint PCS operate in all areas of
11 Missouri, all of the LATAs?

12 A. Sprint PCS has licenses to operate in the
13 entire state of Missouri. I'm not sure at this point
14 in time if we have billed out into the Springfield
15 area. So I know we are billed out in the Kansas City
16 and St. Louis area, but I'm not sure about the
17 Springfield LATA.

18 Q. The interconnection agreement that you have
19 with Southwestern Bell does involve a direct physical
20 interconnection, does it not?

21 A. The interconnection agreement we have
22 with Southwestern Bell identifies both the direct
23 interconnection and indirect interconnection business
24 requirements.

25 Q. And in how many different locations in

1 Missouri do you directly physically interconnect with
2 Southwestern Bell?

3 A. I don't know. I didn't count them. We have
4 St. Louis and Kansas City, and I know -- and I'm not
5 sure about any other ones.

6 Q. Is there ever more than one interconnection
7 points in any particular LATA?

8 A. Depending on the traffic, yes, sir, we have
9 a number of locations that I have a little bit more
10 familiarity with where we do have multiple
11 interconnections.

12 Kansas City, as an example, is a split LATA,
13 has some service in Missouri and some in Kansas City
14 (sic). And within the Kansas City MTA, we have at a
15 minimum an interconnection -- a direct interconnection
16 with Southwestern Bell in both the Kansas side of the
17 LATA and the Missouri side of the LATA.

18 Q. Did Sprint PCS request the
19 interconnection --

20 A. Yes.

21 Q. -- agreement from Southwestern Bell?

22 A. Yes.

23 Q. Southwestern Bell didn't request it from
24 you?

25 A. That is correct.

1 Q. Have you ever received a request from an
2 incumbent local exchange company to do an
3 interconnection agreement?

4 A. No.

5 Q. Do you have any other interconnection
6 agreements in Missouri with incumbent LECs besides
7 Southwestern Bell?

8 A. Yes, we do.

9 Q. Who?

10 A. I've identified these on page 1 of my
11 rebuttal testimony, so I'll just read from there.
12 It's on line 16 and 17 and 18.

13 It's Southwestern Bell, Sprint Missouri
14 Incorporated, GTE, New London Telephone Company,
15 Orchard Farm Telephone Company, Stoutline Telephone
16 Company and Peace Valley Telephone Company.

17 Q. Do you directly interconnect with Sprint
18 Missouri?

19 A. Yes.

20 Q. Do you directly interconnect with GTE?

21 A. Do you know if they serve Columbia?

22 Q. Yes, sir, they do.

23 A. If they serve Columbia, yes, sir, we are
24 directly interconnected with them.

25 MR. JOHNSON: I guess I shouldn't testify.

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1 But it's my --

2 MR. LANE: Why stop now?

3 THE WITNESS: I guess I could have turned
4 and looked at the map.

5 BY MR. JOHNSON:

6 Q. If you would look at the map and Columbia is
7 red, that would indicate they do.

8 A. Yeah. Yes, we are connected -- direct
9 connected to GTE.

10 Q. Are you directly interconnected with
11 New London?

12 A. No.

13 Q. Orchard Farms?

14 A. No.

15 Q. Stoutland?

16 A. No.

17 Q. Peace Valley?

18 A. No.

19 Q. I was looking at some of these schedules
20 attached to your rebuttal testimony, Mr. Propst, and I
21 was wanting to go to No. 7, Schedule 7.

22 I think it's 7.

23 I'm sorry.

24 A. That's okay. I'm having a hard time finding
25 the numbers here.

1 Q. Schedule 5, JP5, sir.

2 A. I have it.

3 Q. And this is a draft agreement; is that
4 correct?

5 A. Yes, sir.

6 Q. And this is an indirect interconnection
7 agreement draft?

8 A. Yes, sir.

9 Q. This is something that Sprint PCS has
10 drafted in-house?

11 A. Yes, sir.

12 Q. And is this something that you have proposed
13 to some of the small companies?

14 A. Yes, sir.

15 Q. And as I understand it, this draft is for
16 reciprocal compensation over an indirect
17 interconnection?

18 A. It is to establish the business relationship
19 between us and the appropriate small ILEC to identify
20 the compensation requirements associated with indirect
21 interconnection.

22 Q. When I look at page 9 of this draft
23 agreement, am I correct that Article 4 is entitled
24 transport and termination of traffic?

25 A. Yes, sir.

1 Q. But then as I look at Section 4.3.1, I see
2 where it discusses termination but I don't see where
3 it discusses transport at all? Do you see where it
4 does?

5 A. I -- when I look down at indirect
6 interconnection and in 4.4 it's talking about transit
7 charges. So it may not use the term "transport," but
8 by reference in this proposal it's identified as
9 transit.

10 Q. Okay. When I look at Index B, the rates and
11 charges, I only see a termination rate.

12 Is that all you see?

13 A. Yes, sir.

14 Q. The first letter that you sent to the small
15 companies -- or I believe it's the first letter is
16 that attached -- and I'm talking about the first
17 letter after you entered into the interconnection
18 agreement with Southwestern Bell.

19 Is that the letter you attached to
20 Schedule JP1?

21 A. This was the first letter that we sent to
22 all of the small ILECs in Missouri. Prior to this
23 there was letters sent out to, I believe, nine
24 companies that were not part of the Mid-Missouri
25 Group. And so, therefore, they were not referenced in

1 this particular testimony.

2 Q. So even though you've just attached this
3 one letter to Mr. Stowell at MoKan Dial, this was
4 reflective of a more generic letter that was sent out
5 to more companies?

6 A. This particular letter with the exception of
7 the names was sent out to all identified small ILECs
8 in the state of Missouri.

9 Q. In the paragraph, the last paragraph on the
10 first page of this letter it says, Pursuant to our
11 agreements with Bell and GTE and our understanding of
12 the current requirements of the FCC, Sprint PCS must
13 reach some form of agreement with MoKan Dial.

14 Where did you get that? I mean, was that
15 something specifically that was in your
16 interconnection agreement with Southwestern Bell?

17 A. Our interconnection agreement with
18 Southwestern Bell identifies the fact that transit
19 traffic is supported by that agreement. And again,
20 our understanding of -- from a business perspective of
21 the FCC rules say, yes, sir, there is specific
22 reference in our Southwestern Bell agreement to
23 address transit traffic.

24 Q. And at the time you wrote this letter in
25 November of 1997, when you used the word "must," did

1 you mean that you had to reach the agreement before
2 you sent traffic to them?

3 A. No.

4 Q. In Sprint PCS's experience, what is the
5 ratio of calls that go from cell phone to landline as
6 compared to going from landline to cell phone?

7 A. The experience we have had is that that is a
8 market-by-market number. The most consistent
9 representation at this particular point in time is
10 that about 37 and a half percent landline originated
11 and -- what does that leave, 62 and a half percent
12 wire-- wire-- wireless originated.

13 Q. Let me kind of change directions on you.
14 You might be able to teach me a few things here.

15 A. I'll try.

16 Q. I would appreciate that.

17 I'm talking about Sprint PCS's relationship
18 with its customers. When you sign someone up on a
19 mobile phone, you're not required to let them choose
20 their primary interexchange carriers for interLATA and
21 intraLATA calls; is that correct?

22 A. That's correct, we are not.

23 Q. So whereas my clients have to let people
24 pick an intraLATA toll carrier and an interLATA toll
25 carrier, your company is not -- as a wireless CMRS

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1 provider is not required to do that?

2 A. We are not required to provide intra -- or
3 toll presubscription, that's correct.

4 Q. If you want to, can you?

5 A. Yes, sir.

6 Q. Does Sprint PCS provide that choice to their
7 customers?

8 A. No, sir.

9 Q. So for calls, toll calls that your customers
10 do make, who is their carrier?

11 A. Sprint PCS.

12 Q. And do you contract with any underlying
13 carriers to carry that toll?

14 A. Yes, sir.

15 Q. And who all do you contract with to carry
16 that?

17 A. I don't know. I'm not sure that that's
18 relevant.

19 Q. You're telling me you don't know?

20 A. I don't know. No, sir, I do not.

21 Q. Do you know if it's one carrier or more than
22 one?

23 A. I do not know.

24 Q. Do you know if it's one of the major three
25 interexchange carriers in the country?

1 A. I do not know.

2 Q. Do you know if it's an affiliate of Sprint
3 PCS?

4 A. I do not know.

5 Q. Okay. And it's my understanding from your
6 earlier testimony that at the time you completed your
7 interconnection agreement with Southwestern Bell and
8 had it approved, you had not been informed by
9 Southwestern Bell that they were going to be
10 responsible for terminating compensation because it
11 originated in the small companies exchanges?

12 A. That is correct.

13 Q. Do you receive sufficient information from
14 Southwestern Bell on calls that they terminate to you
15 that allows you to distinguish between interMTA calls
16 and intraMTA calls, or do you totally rely on these
17 factors?

18 A. At this point in time, as I explained
19 earlier, we have to rely on the factors.

20 Q. Is Southwestern Bell telling you that
21 they're incapable of delivering to you the originating
22 NXX?

23 A. I don't -- I have not had that specific
24 statement made to me by Southwestern Bell, no, sir.

25 Q. If you knew the originating NXX, you would
 367

1 be able to identify the originating exchange, would
2 you not?

3 A. That's correct.

4 Q. If you knew the originating exchange, you
5 would know whether or not that exchange was in the
6 same MTA as the call terminated or whether it was
7 outside of that MTA, would you not?

8 A. That's correct.

9 MR. JOHNSON: That's all of the questions I
10 have.

11 JUDGE HOPKINS: All right. Let's take about
12 a five-minute break here.

13 (A recess was taken.)

14 JUDGE HOPKINS: Okay. We're back on the
15 record. There are no questions from the Bench.

16 Redirect by Sprint?

17 MS. GARDNER: Thank you.

18 REDIRECT EXAMINATION BY MS. GARDNER:

19 Q. Mr. Propst, I just have a couple of
20 questions. You went over with Mr. Johnson the
21 interconnection agreement that was attached as -- I
22 think it was JP5. Yeah, JP5.

23 Do you recall that?

24 A. Yes, ma'am.

25 Q. Is that an executed interconnection

1 agreement or is it a sample interconnection agreement
2 or what is that?

3 A. This was a draft agreement that was designed
4 to get discussions started between us and the
5 telephone companies to establish the appropriate
6 business arrangements.

7 Q. And Appendix B to that agreement, is that a
8 completed Appendix B or is that just a sample?

9 A. It's just a sample.

10 Q. So if you actually entered into negotiations
11 and came to terms with different services and
12 different rates, would you expect them to be listed
13 there?

14 A. Yes, I would.

15 Q. Okay. You discussed with Mr. England, I
16 believe, the primary issue at the FCC, and could you
17 tell me what you believe the issues are at FCC in the
18 informal complaint?

19 A. The primary issue is to clarify the
20 responsibilities associated with originating and
21 terminating traffic by indirect interconnection,
22 responsibilities for the originating company, the
23 terminating company and the transit provider.

24 Q. So it goes both directions?

25 A. Yes, absolutely.

1 Q. And then lastly you discussed with
2 Mr. Johnson the concept of interLATA and intraLATA.
3 Does that concept mean anything in the wireless
4 environment?

5 A. No, it does not. Our marketing plans and
6 structure is based on the MTA structure. And so,
7 therefore, when we put our marketing plans together
8 and address the marketing decisions that need to be
9 made based on the MTA and we do not from a marketing
10 perspective pay any attention to the LATAs.

11 We do, unfortunately, have to pay attention
12 to the LATAs from a network topology standpoint of how
13 we design and build our network. But it does not
14 enter into the end user customer product that is
15 marketed.

16 Q. For that matter, is toll the same in the
17 wireless environment as the landline environment?

18 A. My definition of toll -- and I believe it's
19 what we look at it in the wireless environment also,
20 is that, you know, that is what the end user ends up
21 paying for the specific call.

22 So my answer to your question would be, it
23 is probably not the same in the wireless environment
24 as it's viewed in the landline environment.

25 MS. GARDNER: Thank you. That's all I have.

1 JUDGE HOPKINS: May this witness be excused?

2 You may step down.

3 THE WITNESS: Thank you.

4 JUDGE HOPKINS: Southwestern Bell Telephone
5 case. Ms. Hollingsworth.

6 Raise your right hand and be sworn.

7 (Witness sworn/affirmed.)

8 JUDGE HOPKINS: Miss Hollingsworth, please
9 be seated and spell your first and last name for the
10 reporter.

11 THE WITNESS: Sure. It's D-e-b-r-a,
12 Hollingsworth, H-o-l-l-i-n-g-s-w-o-r-t-h.

13 JUDGE HOPKINS: Mr. Lane?

14 DEBRA HOLLINGSWORTH testified as follows:

15 DIRECT EXAMINATION BY MR. LANE:

16 Q. Would you state by whom you're employed and
17 in what capacity, Ms. Hollingsworth?

18 A. I'm employed by Southwestern Bell Telephone
19 Company as area manager rate administration.

20 Q. And where are you located?

21 A. One Bell Center, Room 36Q4, St. Louis,
22 Missouri, 63101.

23 Q. And, Ms. Hollingsworth, did you prepare
24 rebuttal testimony that has been prefiled in this case
25 and has been marked in this proceeding as Exhibit 11?

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1 A. Yes, I did.

2 Q. And do you have any changes to make to that
3 testimony?

4 A. No, I do not.

5 Q. If I were to ask you the same questions as
6 are contained in the rebuttal testimony, would your
7 answers be the same?

8 A. Yes, they would.

9 Q. And are they true and correct to the best of
10 your knowledge and belief?

11 A. Yes.

12 MR. LANE: Your Honor, we offer Exhibit 11
13 and tender Ms. Hollingsworth for cross-examination.

14 JUDGE HOPKINS: Does anyone have any
15 objection to Exhibit No. 11, Debra Hollingsworth's
16 rebuttal testimony, being entered in evidence?

17 (No response.)

18 JUDGE HOPKINS: Hearing no objection, I will
19 receive that into evidence.

20 (EXHIBIT NO. 11 WAS RECEIVED INTO EVIDENCE.)

21 JUDGE HOPKINS: Cross-examination?

22 Staff would go first.

23 MR. POSTON: No questions.

24 JUDGE HOPKINS: AT&T?

25 MR. DeFORD: No questions. Thank you.

1 JUDGE HOPKINS: Southwestern Bell Wireless?

2 MS. FISCHER: No questions.

3 JUDGE HOPKINS: Sprint?

4 MR. LANE: No questions.

5 JUDGE HOPKINS: OPC?

6 MR. DANDINO: Yes, your Honor. Thank you.

7 CROSS-EXAMINATION BY MR. DANDINO:

8 Q. Good afternoon, Ms. Hollingsworth.

9 A. Good afternoon.

10 Q. On page 6 of your rebuttal testimony there's
11 a chart, I guess, at 12 of wireless companies. Are
12 these all of the wireless companies that Southwestern
13 Bell has interconnection agreements with in the state
14 of Missouri?

15 A. Yes, sir.

16 Q. Now, how many of those did Southwestern Bell
17 initiate the negotiations?

18 A. None of them. They negotiated them. They
19 came to us.

20 Q. Okay. And do you know how many
21 interconnection agreements Southwestern Bell has with
22 CLECs in the state of Missouri?

23 A. No, I don't know that number right off the
24 top of my head. But I know the Missouri Public
25 Service Commission has all of those listed on their

1 web site. I would say it's probably, if I had to take
2 a good guess, around 100.

3 Q. Okay.

4 A. Uh-huh.

5 Q. And do you know how many of those cases or
6 do you know -- how many of those cases do you know if
7 Southwestern Bell initiated the negotiations for those
8 interconnection agreements?

9 A. I'm not familiar with that, but I believe
10 probably the CLEC came to us to negotiate an
11 interconnection agreement in most of those cases.

12 Q. Okay. And Southwestern Bell doesn't have an
13 obligation to go out and start the negotiations for
14 interconnection agreements; is that right?

15 A. You know, I don't think we have that
16 obligation necessarily, but I think we could possibly.
17 Under the Act if that is something we wanted to do, we
18 could possibly go out and ask for interconnection.

19 Q. Sure.

20 Now, if you would ask a wireless company to
21 enter into an interconnection agreement such as, well,
22 AT&T Wireless and they said they refused to negotiate,
23 what would be your remedies?

24 A. I believe we could come before the
25 Commission and file a petition for arbitration.

1 Q. And the Commission -- okay. Is Southwestern
2 Bell making any effort to, let's say, recruit other
3 wireless companies or CLECs to enter into
4 interconnection agreements with them?

5 A. Not that I'm aware of, but that's not an
6 area I necessarily deal in. So not that I'm aware of.

7 Q. You're not shouting from any mountain tops?

8 A. Not that I'm aware of.

9 MR. DANDINO: That's all I have, your Honor.
10 Thank you.

11 THE WITNESS: Thank you.

12 JUDGE HOPKINS: STCG?

13 MR. ENGLAND: Thank you.

14 CROSS-EXAMINATION BY MR. ENGLAND:

15 Q. Good afternoon, Ms. Hollingsworth.

16 A. Good afternoon.

17 Q. We meet again.

18 A. Yeah.

19 Q. I want to ask you some questions about your
20 tariff, but before we do that I want to hopefully get
21 some answers that I think maybe we can agree on.

22 A. Okay.

23 Q. We'll see.

24 A. All right.

25 Q. Would you agree with me that at least that

1 it's your position that intrastate access charges do
2 not apply to wireless-originated traffic terminated
3 within -- originated and terminated within an MTA?

4 A. Yes. I would agree with that.

5 Q. And conversely, or maybe the next question
6 would be, would you agree with me that access charges
7 would apply where the call is interMTA?

8 A. Yes.

9 Q. Okay. Now, do you have a copy of that
10 tariff that I put into the record --

11 A. Yes.

12 Q. -- Exhibit 16?

13 Do you have that, Ms. Hollingsworth?

14 A. Yes, I do.

15 Q. Am I correct in understanding that your
16 rates for -- and we're talking about the tariff?

17 A. The wireless tariff. Right?

18 Q. The wireless tariff.

19 A. Okay.

20 Q. -- for terminating wireless-originated
21 traffic within a local calling scope are set forth, I
22 believe, in sheet 1602 and 1603?

23 A. That's correct.

24 Q. And the rates for terminating, again,
25 wireless-originated traffic outside a local calling

1 scope are those set forth on 1603?

2 A. That's correct.

3 Q. And I'm also correct in understanding that
4 your outside the local calling scope rates are
5 basically identical to your access rates?

6 A. Um, yes. These are rates that are wireless
7 interconnection service tariff rates, but they do
8 correspond to, I believe, the tariff that you pulled
9 out, this access tariff.

10 Q. Okay. Now, the question I had for
11 Mr. Clark, and maybe you can clear up for me is, how
12 do you define local calling scope in your wireless
13 interconnection tariff?

14 A. I believe it's -- let me find the page and
15 I'll read it here.

16 I believe it's on sheet 9, 4.2, calling
17 scope and rate center.

18 Q. Hold on just a second.

19 A. Sure.

20 Q. Give me a few seconds.

21 Okay. I'm with you. Thank you.

22 A. It's defined here and it's defined based
23 upon the type of interconnection that is purchased out
24 of this tariff. If it's a Type 2A, it requires the
25 carrier to designate an end office to determine the

1 tandem interconnection office, the local calling scope
2 and rate center.

3 The carrier may only have one rate center
4 designated per tandem office. These types of
5 interconnections are available only when the following
6 conditions are met. And it has the designated end
7 office is subtending an office of the tandem and the
8 designated end office is within the wireless carrier
9 service area of that carrier system.

10 Type 1, Type 2B and line-side
11 interconnections may only be to end offices that serve
12 telephone subscribers within the wireless carrier
13 service area of the carrier system. Local terminating
14 usage rates will apply based on the point of
15 interconnection where the call is delivered to
16 Southwestern Bell.

17 Q. Okay. And maybe we need to take these types
18 of interconnections individually, beginning, I
19 believe, with Type A. I think you and I had a lengthy
20 discussion about these interconnections in another
21 proceeding. But correct me if I'm wrong, my
22 understanding with the Type 2A interconnection under
23 the tariff --

24 A. Uh-huh.

25 Q. -- is that the wireless company gets to

1 designate one end office subtend-- that they connect
2 at the tandem but they can designate one exchange or
3 end office off of that tandem as the local calling
4 scope for purposes of their interconnection. Correct?

5 A. Right. The rate center.

6 Q. Right. Now sticking with the 2A, if they
7 were to deliver traffic to you at the tandem destined
8 for one of the other offices other than the designated
9 office -- are you with me?

10 A. Right. Other than the office they selected?

11 Q. Correct.

12 Would that be within the local calling scope
13 or outside of the local calling scope?

14 A. Outside of the local calling scope.

15 Q. And then the outside the local calling scope
16 terminating rates would apply?

17 A. Right.

18 Q. Okay. Making it a little more specific, in
19 the St. Louis LATA -- I assume that there's a tandem
20 in St. Louis?

21 A. Right.

22 Q. -- a wireless carrier would designate
23 one of the, I guess, end offices or exchanges off of
24 St. Louis as its local calling scope?

25 A. Uh-huh.

1 Q. Do you know what would be an appropriate one
2 for them to designate? One with a lot of --

3 A. Let's say, like, maybe Kirkwood.

4 Q. So they would designate Kirkwood as their
5 local calling area. But if they delivered a call to
6 you via that 2A in St. Louis but the call actually
7 went to -- let me find another one of your exchanges,
8 Fenton -- and I'm assuming Fenton homes are on that
9 tandem as well?

10 A. I would guess. I'm not certain.

11 Q. Well, that's my point. I was trying to
12 pick another office off of that tandem -- they would
13 be assessed the outside the local calling scope
14 terminating rates. Correct?

15 A. Rights.

16 Q. Okay. Even though Fenton is within the MTA?

17 A. That's right.

18 Q. Okay. So the local calling scope is defined
19 by your wireless interconnection tariff as much
20 narrower than an MTA?

21 A. That's right.

22 Q. Okay.

23 A. And the reason that that is, this tariff and
24 the rates and charges that are in here were negotiated
25 with wireless carriers in the late '80s and that's

1 what the rates were agreed upon by the wireless
2 carriers and Southwestern Bell. And so then we came
3 and put this into a tariff at that time. So that's
4 why that arrangement exists today.

5 It was negotiated with the carriers. These
6 rates were agreed upon and they were formalized after
7 that negotiation period in a wireless carrier
8 interconnection service tariff.

9 Q. Okay. Is it fair to say that over time as
10 your intrastate access rates have changed, you have
11 correspondingly changed your outside the calling scope
12 local calling scope rates for purposes of the wireless
13 interconnection tariff?

14 A. You know, I'd have to go back and look at
15 what we filed in the past to see what has happened.
16 Um, I know -- let me look on here and see whether this
17 page was changed.

18 Well, some things on this page were changed
19 in '98 but that particular section was not. So I'd
20 have to go back and see.

21 Q. Okay. Regardless of whether this was agreed
22 to by the wireless industry or not, am I correct in
23 summarizing or concluding that at least for purposes
24 of wireless interconnection pursuant to your tariff,
25 calls terminated by a wireless carrier outside the

1 local calling scope as defined by the tariff but
2 within the MTA are, in fact, being charged intrastate
3 access rates?

4 A. No, I would disagree. These rates that are
5 in here are wireless carrier interconnection service
6 rates that were negotiated with wireless carriers.

7 Q. Okay. They are also identical to your
8 intrastate access rates, are they not?

9 A. They are.

10 Q. Okay. Would you have an objection to the
11 Mid-Missouri Group filing a tariff that instead of
12 saying that their access rates apply to wireless
13 traffic terminating in their exchanges that comes from
14 your -- that we just set out the rates and we mirror
15 or mimic our intrastate access rates?

16 A. If you sat down and talked to the wireless
17 carriers and negotiated and that's what you agreed
18 upon, I would think you could file a tariff like that
19 or at least have agreements with those wireless
20 carriers if they agreed upon those rates.

21 Q. And it's your belief that these rates
22 contained in this March 15, 1998 tariff, these
23 specific rates were negotiated with wireless carriers?

24 A. Yes.

25 Q. When did those negotiations take place?

1 A. Um, I believe in the late '80s.

2 Q. Surely the rates have changed since then,
3 have they not?

4 A. You know, I'd have to go back and check the
5 sheets. They could have. I don't know.

6 Q. Your access rates have changed since that
7 time, haven't they?

8 A. Um, it depends on when this tariff was
9 filed. I know that some access rates changed in '89,
10 and -- I don't know. I believe this tariff was filed
11 probably early '90.

12 Q. Well, it's more than mere coincidence that
13 the rates here are identical to your access rates.
14 Would you not agree with that?

15 A. Well, I would think that was something that
16 we talked about when we were in those negotiations and
17 we looked at rates and this is what we agreed upon.

18 Q. Okay. Let me switch gears on you for a
19 minute, please.

20 A. Okay.

21 Q. Is Southwestern Bell Telephone Company
22 compensating any wireless carrier for one-plus traffic
23 originated in secondary carrier exchanges under the
24 primary toll carrier plan and for which SWBT is the
25 PTC and those calls -- I'm assuming those calls

1 terminate to the wireless carrier?

2 A. Okay. You're -- let me rephrase this and
3 see if I've got it.

4 Q. It was a little awkward.

5 A. That's all right. You're wanting to know if
6 we're compensating a wireless carrier for calls that
7 originate, say, in an independent company exchange
8 where we were or are right now a PTC?

9 Q. Correct.

10 A. Yes. We believe we are.

11 Q. So contrary to the testimony we've heard
12 earlier today from at least from two wireless
13 witnesses, you believe you are compensating them for
14 that traffic?

15 A. Yes.

16 Q. What are you paying them, do you know?

17 A. No, I don't right off the top of my head. I
18 don't know.

19 Q. I mean, when I say pay, do you know if it's
20 access charges --

21 A. Oh, no.

22 Q. -- or is it local compensation or --

23 A. It would be a rate that we agreed upon, a
24 local compensation rate --

25 Q. Okay.

1 A. -- or a factor. One of the two. And I
2 would think it would depend upon which interconnection
3 agreement we looked at.

4 Q. Okay. So you believe you were acting
5 consistent with representations made by Ms. Dunlop in
6 that letter --

7 A. Yes.

8 Q. -- that's attached to Mr. Schoonmaker's
9 testimony?

10 A. Yes, sir, I do.

11 Q. Now I want to talk about the period of time
12 when you exit markets as the PTC, which I understand
13 if you haven't done already, you will by October 20th?

14 A. Correct.

15 Q. And in those secondary carrier exchanges, I
16 want you to assume that the secondary carriers have
17 remained as only access providers, not toll providers.
18 They've implemented intraLATA presubscription and
19 presumably carriers have come and participated and
20 customers have chosen their one-plus intraLATA
21 carrier.

22 A. Okay.

23 Q. Can you assume that scenario?

24 A. Sure.

25 Q. Would it be your opinion that the secondary

1 carrier, the small local exchange company, would be
2 responsible for paying terminating compensation on
3 one-plus calls that originated in their exchange,
4 carried by an IXC and delivered to a wireless carrier,
5 say, within the MTA in St. Louis?

6 A. No. I believe the IXC would be.

7 Q. Okay. And maybe that gets me to my next
8 question: If, for example, a customer in one of your
9 exchanges -- where I understand you have now
10 implemented intraLATA presubscription?

11 A. Yes, sir.

12 Q. -- has chosen MCI as their intraLATA
13 one-plus carrier, and they make a one-plus call to
14 a wireless carrier customer in St. Louis and that's
15 within the MTA, is it your understanding you're
16 obliged to be -- or you're responsible for the
17 reciprocal compensation of the wireless carrier on
18 that call or it's the IXC that is responsible?

19 A. I believe it's the IXC, because once that
20 call is carried by the IXC, they would directly
21 terminate it to the wireless carrier. We would never
22 see that call.

23 Q. Okay. To you it's not your call, is it?

24 A. No.

25 Q. Is that example that we've just been

1 talking about specifically addressed in any of your
2 interconnection agreements?

3 A. Not that I'm aware of.

4 Q. Has it come up in any discussions with
5 wireless carriers?

6 A. Not that I'm aware of. The only thing I
7 know that is addressed in one of our interconnection
8 agreements is the PTC issue that we talked about
9 earlier.

10 Q. And you believe you are compensating for
11 those calls for so long as you are the PTC?

12 A. Yes.

13 Q. If you know, if an IXC delivers traffic to
14 Southwestern Bell at its tandem and some of that
15 traffic is intraMTA wireless-originated traffic, do
16 you, Southwestern Bell, treat that traffic differently
17 than any other exchange access traffic?

18 A. Okay. Give me that scenario again too.

19 Q. Sure. If an IXC delivers traffic to your
20 tandem and a portion of that traffic that they're
21 delivering to you is wireless-originated intraMTA
22 traffic, do you treat that traffic any differently
23 from the other what I'll call typical interexchange
24 traffic that you get from the IXC?

25 A. No. Because it was an IXC that carried the

1 call.

2 Q. So even if that wireless-originated call was
3 within the MTA, when it's delivered to you by an IXC,
4 you believe access charges apply?

5 A. I believe that's what is happening.

6 Q. That wouldn't be any different if that IXC
7 were delivering traffic to a small company, would it?

8 A. No.

9 Q. And who pays you your access on that
10 traffic, the IXC who delivered it to you at the tandem
11 or the wireless carrier who gave it to the IXC in the
12 first place?

13 A. I would say the IXC pays us tandem
14 switching.

15 Q. Does Southwestern Bell have at this point in
16 time any indirect interconnection agreements with any
17 wireless carrier?

18 A. Not that I'm aware of.

19 Q. Let me give you a hypothetical then. Let's
20 assume a wireless carrier decides to interconnect
21 directly with Fidelity Telephone Company in Sullivan,
22 Missouri.

23 A. Okay.

24 Q. And Fidelity is a PTC today, a toll
25 provider, has its own facilities to some degree. And

1 Fidelity transits that call to you for termination,
2 absent an interconnection agreement or reciprocal
3 compensation agreement with the wireless carrier, what
4 do you think you're entitled to in the way of
5 compensation when Fidelity delivers that call to you
6 for termination?

7 A. I would think we would have to go back to
8 whatever wireless carrier originated that call, and
9 perhaps Fidelity could give us some information and
10 let us know what that was and we could go back to them
11 and ask them for termination.

12 Q. Okay. And I want you to assume that it's an
13 intraMTA call for purposes of my question.

14 A. Okay.

15 Q. What type of compensation do you think
16 you're entitled to from the wireless carrier once you
17 sit down and negotiate with them?

18 A. Probably, um, close to one of the scenarios
19 that Mr. Clark laid out, one of the terminating rates.
20 Probably something close to what we have negotiated
21 with other carriers in our -- in our interconnection
22 agreement.

23 Q. Okay. I guess I refer to that as local
24 compensation or local-type compensation as opposed to
25 access compensation. Is that what you're saying?

1 A. Right. It wouldn't be access.

2 Q. Do you know if MTA or the concept of MTAs
3 existed prior to the Telecommunications Act of 1996?

4 A. Let me look.

5 MR. ENGLAND: That's okay,
6 Ms. Hollingsworth. It's not that important. I
7 appreciate it.

8 I have no other questions. Thank you.

9 THE WITNESS: Yes.

10 JUDGE HOPKINS: MMG?

11 MR. JOHNSON: Thank you, your Honor.

12 CROSS-EXAMINATION BY MR. JOHNSON:

13 Q. Ms. Hollingsworth, in this case we
14 CLECs -- I'm sorry -- the wireless providers have
15 stated their position that it would be inappropriate
16 for any company to charge access on an intraMTA call?

17 A. Yes.

18 Q. And you guys have agreed with that?

19 A. Yes.

20 Q. But the Exhibit No. 16, the Southwestern
21 Bell's wireless interconnection tariff, Sheet No.
22 16.03, the fourth revised sheet, that was filed on
23 February 13, 1998.

24 A. Um --

25 Q. Is that right?

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1 A. Well, I believe what it looks like to me on
2 this sheet, what was changed and filed on that day was
3 Section 7.2, there at the bottom, was talking about
4 facility terminations Type 2B service. That was filed
5 on February 13, '98.

6 Q. That date is about two years after the
7 Telecommunications Act of '96 was passed?

8 A. That's correct.

9 Q. And even two years after that you were
10 filing a tariff that defined the local calling scope
11 as something other than the MTA, were you not?

12 A. That particular -- outside the local calling
13 scope and those rates, those had been established back
14 through negotiations from the late '80s and put into
15 our tariff, I believe, in the early '90s. So . . .

16 Q. But I thought you just agreed with
17 Mr. England that the local calling scope that is
18 contained in this tariff is not the same thing as the
19 metropolitan trading area?

20 A. Right, it is not.

21 Q. And that these rates, although they're
22 not called access, they are still Southwestern Bell
23 switched-access rates?

24 A. On this particular page there are wireless
25 carrier interconnection service rates, but they do

1 correspond with what is in our access tariff.

2 Q. Do you recall what month it was when
3 Southwestern Bell and the small companies first got
4 the CTUSR process up and going on a routine monthly
5 basis?

6 A. I remember we brought the CTUSR to the
7 hearing in October of 1997, and that was actual data
8 that we had collected, I believe, from July and
9 August. And we all looked at that and talked about
10 the process and what we needed and what would work,
11 and I believe that was kind of the first one, if you
12 will. And then after that, you probably started
13 getting them about, I would guess, toward the end of
14 each month, you would get a CTUSR right around the end
15 of the month.

16 Q. Do you recall that that started happening on
17 a regular monthly basis in the summer of 1998?

18 A. No. I would have thought earlier. Probably
19 late '97, early '98.

20 Q. Okay.

21 As I understand from the questions and
22 answers that have circulated since the CTUSRs have
23 been delivered, that there are some wireless carriers
24 who interconnect and deliver traffic to Southwestern
25 Bell pursuant to the interconnection agreement that

1 don't just terminate traffic that they originate but
2 they may also be terminating traffic that other
3 wireless carriers originate; is that correct?

4 A. You mean, like, in a resale situation they
5 may contract with another --

6 Q. Yes, ma'am.

7 A. Right. I believe that has happened.

8 Q. And is it correct that Southwestern Bell
9 Wireless is one of the companies that does terminate
10 other carriers' traffic besides its own?

11 A. You know, I'm not totally familiar with
12 that, if that is one of the companies, but I know that
13 does occur.

14 Q. When that happens -- and let's suppose for
15 sake of discussions Southwestern Bell Wireless
16 terminates traffic for AllTel Mobile?

17 A. Okay.

18 Q. Under the terms of your interconnection
19 agreement, who pays Southwestern Bell for the AllTel
20 Mobile originated traffic? Is it Southwestern Bell
21 Wireless or is it AllTel Mobile?

22 A. I believe it would be Southwestern Bell
23 Wireless.

24 Q. And do you know how Southwestern Bell
25 Wireless would, in turn, charge AllTel Mobile for

1 handling that traffic and delivering it to you for
2 termination?

3 A. No. That would be between wireless and
4 AllTel. They would negotiate and work that out.

5 Q. Okay. For that traffic that one
6 wireless carrier delivers to you on behalf of
7 another wireless carrier, do you have a way at the
8 point of entry into Southwestern Bell's system of
9 facilities of distinguishing between Southwestern
10 Bell Wireless-originated minutes and an AllTel
11 Mobile-originated minute?

12 A. Let me flip over to a copy of the CTUSR I
13 have. I believe it shows the originating carrier.
14 And I believe in the example you're giving it would
15 show up probably as Southwestern Bell Wireless since
16 they were the one actually delivering the traffic to
17 us.

18 Q. I know that you show it to us as all being
19 Southwestern Bell Wireless.

20 A. Right.

21 Q. But my question to you is, is Southwestern
22 Bell capable of distinguishing how many minutes are
23 Southwestern Bell Wireless originated as opposed to
24 how many AllTel Mobile originated?

25 A. No. Because we -- we wouldn't know about

1 their negotiation or their agreement. That would be
2 between those two companies. I don't believe we would
3 have that information. We would just know that
4 wireless terminated or transited our network and
5 terminated it somewhere else or terminated it on our
6 network.

7 Q. In that situation, those wireless carriers
8 don't deliver to you an originating carrier number, an
9 OCN?

10 A. No. I believe what they give us is a CIC
11 code and the name of the company and the name of the
12 company, the name of the carrier. So in this case it
13 would show up as Southwestern Bell Wireless.

14 Q. And the CIC code might be the name of the
15 carrier that delivered it to you as opposed to the CIC
16 code for the name of the carrier who originated the
17 minute?

18 A. It could be.

19 Q. Okay. I'm going to come downstream now to
20 after that traffic, the cellular-originated traffic,
21 enters Bell's network, you charge a different charge
22 to the wireless carrier for terminating a call to one
23 of your own landline customers than you charge for
24 transiting the call to one of the small company end
25 offices; is that right?

1 A. Right. We have a transiting charge that is
2 in our interconnection agreements and our tariff that
3 is charged to a company that just transits our network
4 and terminates the call elsewhere.

5 Q. And so you do -- Southwestern Bell does have
6 to be able to distinguish between a minute that is
7 destined to terminate for one of your customers as
8 opposed to a minute that is destined to terminate for
9 a Mid-Missouri Group customer?

10 A. Differentiate? What do you mean?

11 Q. You said you charge a different rate for the
12 different minutes.

13 A. If it's transiting or terminating?

14 Q. Yes, ma'am.

15 A. Right.

16 Q. You do have a different rate for transiting
17 and a different rate for terminating?

18 A. That's right.

19 Q. So in order to know how to correctly charge
20 the wireless carrier, you have to be able to
21 distinguish those two different types of minutes?

22 A. That's true.

23 Q. So I imagine that you -- somehow when you
24 record the calls that are coming into your network,
25 you distinguish between a terminating NXX that is

1 assigned to a small company as opposed to one of
2 Southwestern Bell's own terminating NXXs?

3 A. Possibly. I'm not in the -- the billing and
4 records process, but I'm sure there is something like
5 that set up.

6 Q. But as I understood the earlier testimony,
7 Southwestern Bell, you do this recording yourself; is
8 that correct?

9 A. Right. Through CABS for originating traffic
10 from a wireless carrier through our network.

11 Q. You don't rely on what the wireless carrier
12 tells you about the destination of the traffic for
13 purposes of billing that wireless carrier, do you?

14 A. Not that I know of, but again, I'm not the
15 billing expert person.

16 Q. What about for CLECs? Is the process
17 basically the same?

18 Are you charging CLECs different for a
19 transiting minute than you are charging them for a
20 terminating minute?

21 A. Probably so. We'd have to look at the
22 interconnection agreements and see in each company's
23 case what they're being charged. And in that case, if
24 they send traffic to us, you know, we've talked to
25 them about records and if they're the originating

1 carrier and they're going to send traffic to us, we
2 rely on them to send us that information.

3 We don't have it otherwise. If they don't
4 send it to us, we don't have it.

5 Q. Do you receive -- I know you have
6 interconnection agreements with the CLECs for local --
7 traffic that you two define as local in your
8 interconnection agreement process.

9 A. Right.

10 Q. Do those agreements also cover what I think
11 yesterday we referred to as CLEC toll?

12 A. You know, I don't know. I'd have to look at
13 those agreements and see. I'm not certain that they
14 do. I'd have to check it out.

15 Q. Do you know whether or not in those
16 agreements that you do provide them a transiting
17 function for CLEC toll that is destined for small
18 company exchanges?

19 A. Not really. I'd have to look at those
20 agreements.

21 Q. On the CLEC agreements for CLEC toll that
22 terminates to a Southwestern Bell customer, do you
23 charge them access?

24 A. I'm not certain about that.

25 Q. I was, in looking at your rebuttal

1 testimony, Ms. Hollingsworth, page -- I think it's
2 page 8, in that last question there, they ask -- the
3 question was whether you were aware of any wireless
4 carriers that have contacted the MMG companies
5 regarding interconnection, but your answer was framed
6 in terms of they requested to discuss terminating
7 arrangements.

8 In your mind were you asking (sic) the
9 question asked, is there a difference between an
10 interconnection arrangement and a terminating
11 arrangement?

12 A. Let me look here. I was looking at the
13 various correspondence that the wireless carriers have
14 sent. Let's see what they say.

15 I believe in the letters that I looked at,
16 it did talk about interconnection and terminating
17 arrangements, terminating compensation, so I guess
18 kind of one and the same is what I was referring to
19 here.

20 Q. Well, I think part of the confusion may stem
21 from the Act itself. In your mind if we talk about
22 interconnection agreement, termination, reciprocal
23 compensation, are we talking about the same thing?

24 A. Uh-huh.

25 Q. Okay. Now, does Southwestern Bell have any

1 reciprocal compensation arrangements that don't
2 involve a direct connection with the requesting
3 carrier?

4 A. Not that I'm aware of.

5 Q. On page 9 of your rebuttal testimony, you
6 reference your interconnection agreement with AT&T,
7 that says that AT&T will not send to Southwestern Bell
8 local traffic --

9 A. Uh-huh.

10 Q. -- that is destined for the network of a
11 third party unless AT&T has the authority to exchange
12 traffic with that party?

13 A. Yes.

14 Q. Does Southwestern Bell do anything to
15 enforce or make sure that AT&T honors a commitment
16 like that?

17 A. Well, we certainly put this language in our
18 interconnection agreement and this -- in fact, that
19 particular interconnection agreement, you know, was --
20 there was a hearing before the Commission on that.

21 So I think that that's a lot of enforcement
22 right there that it's in the interconnection agreement
23 and it was stated before the Commission. But other
24 than that, I am -- you know, it's between us and AT&T
25 and we've talked about what needs to be done.

1 And I think they understand that and they
2 know what their obligation is. And then it's up to
3 them to negotiate with the other independent local
4 exchange companies however they see fit. That
5 wouldn't involve us.

6 Q. But after you put this in the agreement
7 and after it's approved, have you done anything
8 independent about that to make sure that they're
9 living up to that commitment?

10 A. No. We believe they would live up to that
11 commitment.

12 Q. I was noticing somewhere else that in your
13 interconnection agreement with Sprint Spectrum or
14 Sprint PCS -- oh, where is that?

15 Well, that's all right. I'll withdraw the
16 question.

17 On page 11 of your testimony,
18 Ms. Hollingsworth, you make the statement at line 23
19 that the Commission in TT-97-524 and TO-99-254 has
20 reaffirmed a standard industry practice under which
21 the originating carrier is responsible for
22 compensating all other carriers?

23 A. Uh-huh.

24 Q. Okay. Has that always been the standard
25 industry practice in the interLATA toll market in

1 Missouri?

2 A. Well, I'm not certain about that, but I do
3 know in both of these cases it was reaffirmed that the
4 originating carrier is responsible for compensating
5 all other carriers for the use of the facilities.

6 Q. When you use the words "standard industry
7 practice," what were you attempting to mean or to
8 suggest there?

9 When you talk about the industry, are we
10 talking about the interstate as well as the intrastate
11 industry?

12 A. No. I was talking about what we're talking
13 about here, the wireless. Well, in Missouri.

14 Q. Okay. So when you were talking about the
15 industry, you were only discussing at that point in
16 your testimony the exchange of traffic between
17 wireless and wire line industries?

18 A. Well, I was looking at both the order in
19 97-524 and the order in 99-254 and what the Commission
20 said in those orders.

21 Q. Okay. Now, TT-97-524, what case was that?

22 A. That was the wireless service
23 interconnection tariff case.

24 Q. And TO-99-254, which case was that?

25 A. That was, I believe, PTC.

1 Q. Okay. So TO-99-254 was the PTC plan case?

2 A. Right.

3 Q. Well, the PTC plan has got about seven days
4 to go --

5 A. Right.

6 Q. -- in some exchanges?

7 A. Right.

8 Q. Let me ask you this question: If a call, a
9 one-plus call goes from a Southwestern Bell customer,
10 let's say, in -- oh, let me get this right or I'll
11 screw up the example.

12 That originates in the Kansas City LATA,
13 terminates to the Kingdom Telephone Company Exchange
14 where Kingdom is served by Sprint as the tandem
15 provider.

16 A. Uh-huh.

17 Q. Isn't it correct that even though that's an
18 originating Southwestern Bell toll minute, that Sprint
19 would pay the terminating compensation to Kingdom?

20 A. I believe that would probably meet -- be
21 meet-point billing. I'm guessing that's what you're
22 saying.

23 Q. Is it correct that Sprint pays the access to
24 the terminating carrier in that situation?

25 A. In that case, the call originates in Kansas

1 City from one of our customers and they dial it
2 one-plus and you say Sprint carries the call?

3 Q. It doesn't have to be Kansas City. Just
4 originates in the same LATA that Kingdom Exchange is
5 at?

6 A. In the same LATA that Kingdom -- so it's
7 within the LATA?

8 Q. Yes, it's an intraLATA call originating from
9 a Southwestern Bell customer, but it terminates to a
10 small company that is served by Sprint as its PTC.

11 A. Okay. So Sprint would be the PTC, so they
12 would be collecting the toll. They would be the
13 originating carrier.

14 Q. No. The traffic route would be Southwestern
15 Bell would originate the call from its own customer,
16 but because it doesn't directly connect with Kingdom
17 it hands it off to Sprint, who, in turn, terminates it
18 there to Kingdom.

19 A. I would still say Sprint would be the
20 originating carrier on that because they're actually
21 going to be collecting the toll from the Southwestern
22 Bell end user.

23 Q. Okay. And does Sprint pay Southwestern Bell
24 originating access then for that call?

25 A. I would think. I'm not sure under the PTC

1 plan how that would work, but I think they would
2 probably under PTC. I'm not sure how that would
3 happen.

4 Q. And Sprint would keep the toll revenue?

5 A. Yeah. Under PTC I believe they would.

6 Q. Even though the call was made by a
7 Southwestern Bell customer?

8 A. Right. They carry the call though. They
9 were the originating carrier.

10 MR. JOHNSON: That's all I have.

11 JUDGE HOPKINS: No questions from the Bench.
12 Redirect by Southwestern Bell?

13 MR. LANE: Thank you, your Honor.

14 REDIRECT EXAMINATION BY MR. LANE:

15 Q. Ms. Hollingsworth, Mr. Dandino on behalf of
16 the Office of Public Counsel asked some questions
17 about your views of whether Southwestern Bell could
18 request interconnection from wireless companies or
19 CLECs and seek arbitration.

20 Are you aware of any situations outside of
21 Missouri where Southwestern Bell has sought
22 arbitration with any CLEC?

23 A. Yes. We have sought arbitration in Arkansas
24 with Brooks and also in California with Brooks for
25 terminating compensation for calls that are destined

1 for inter-- internet service provider traffic.

2 Q. Now in Arkansas that was Southwestern Bell
3 Telephone Company?

4 A. That's right.

5 Q. And who was it seeking arbitration out in
6 California?

7 A. It would have been Pacific Telephone
8 Company.

9 Q. Take a look, if you would, at Exhibit 16 on
10 second revised sheet 9. And I want to make sure I
11 track with you on the local calling scope questions
12 that Mr. England was asking you.

13 A. Okay.

14 Q. Under Section 4.2A and B on the tandem
15 2A connection, the tandem car-- or the wireless
16 carrier selects the end office to determine the tandem
17 interconnection service's local calling scope and rate
18 center. Do you see that?

19 A. Yes.

20 Q. Let me give an example.

21 In the St. Louis exchange, is Chestnut a
22 central office in the St. Louis exchange?

23 A. Yes.

24 Q. And what's the local calling scope for
25 customers served out of the Chestnut exchange in

1 St. Louis?

2 A. They can basically call almost anywhere in
3 the St. Louis metropolitan area. It's pretty wide.

4 Q. Under the MCA plan, are they covered in both
5 the principle zone St. Louis plus --

6 A. 1 and 2.

7 Q. -- Tiers 1 and 2?

8 A. That's correct.

9 Q. And so any local call that terminates for a
10 wireless carrier through that Chestnut office that
11 goes anywhere within the principle zone or Tiers 1 and
12 2, that comes under the local interconnection rate of
13 this wireless interconnection tariff?

14 A. Yes.

15 Q. Under the local calling scope?

16 A. Yes.

17 Q. Do you know what approximate percent of
18 traffic is today carried under the wireless
19 interconnection service tariff and what percentage of
20 wireless-originated traffic is carried under the
21 wireless interconnection agreements that you've
22 outlined in your testimony?

23 A. Yes. About 5 percent is under the wireless
24 services carrier interconnection tariff and 95 percent
25 is through interconnection agreement.

1 Q. Do you recall when the FCC issued its order
2 concerning the MTA being the point or the place to
3 determine whether a call is local or nonlocal in terms
4 of terminating from or to a wireless company?

5 A. I believe that was in August of 1996, if I
6 recall.

7 Q. That was interpreting and applying the
8 Telecommunications Act at that point?

9 A. That's correct.

10 Q. Prior to that time the FCC didn't determine
11 what the local calling scope was for wireless
12 carriers?

13 A. That's right, they did not.

14 Q. And your interconnection negotiations or the
15 company's interconnection negotiations with wireless
16 carriers set the calling scope and set the rates and
17 then those were approved in the tariff by the
18 Commission?

19 A. Yes.

20 Q. And then after the FCC's order came out in
21 August of '96, did you then enter into -- did the
22 company then enter into interconnection agreements
23 with the various wireless carriers?

24 A. Yes, we did.

25 MR. ENGLAND: Objection. Form of the

1 question. Counsel is leading the witness. This is
2 redirect.

3 BY MR. LANE:

4 Q. And do those wireless interconnection
5 agreements, do they cover what is considered a local
6 call?

7 JUDGE HOPKINS: Just a minute, Mr. Lane.
8 You're withdrawing your question?

9 MR. LANE: Well, I don't know. It was asked
10 and answered. I guess if he wants to move to strike
11 it, I'll try again. But right now it's a little late.
12 She answered the question.

13 I'm not going to lead her again, Trip. How
14 about that?

15 MR. ENGLAND: If that's the effect of my
16 objection, then that's fine.

17 JUDGE HOPKINS: All right.

18 MR. ENGLAND: I'm happy.

19 (OFF THE RECORD.)

20 BY MR. LANE:

21 Q. Wireless interconnection agreements that you
22 have today, do those govern the local calling scope
23 for purposes of determining when local reciprocal
24 compensation is due?

25 A. Yes, they do.

1 Q. And do they track the FCC's August of 1996
2 decision or interpretation of the Act with regard to
3 when reciprocal local compensation is paid?

4 A. Yes.

5 MR. LANE: That's all I have. Thank you.

6 JUDGE HOPKINS: Thank you. May this witness
7 be excused?

8 (No response.)

9 JUDGE HOPKINS: Thank you. You may step
10 down.

11 Southwestern Bell Wireless case.

12 MS. FISCHER: Mr. Dreon.

13 (Witness sworn/affirmed.)

14 STEVE DREON testified as follows:

15 JUDGE HOPKINS: Please be seated and spell
16 your first and last name for the reporter.

17 THE WITNESS: Steve, S-t-e-v-e, Dreon,
18 D-r-e-o-n.

19 JUDGE HOPKINS: Direct examination.

20 Ms. Fischer?

21 DIRECT EXAMINATION BY MS. FISCHER:

22 Q. Mr. agree I don't know, could you please
23 state your business address for the record?

24 A. 892 Woods Mill Road, Ballwin, Missouri,
25 63101.

1 Q. And by whom are you employed and in what
2 capacity?

3 A. Southwestern Bell Wireless. I'm the
4 regional manager of network operations.

5 Q. Mr. Dreon, have you caused to be prepared
6 and filed rebuttal testimony which has been marked for
7 purposes of identification for this proceeding as
8 Exhibit No. 12?

9 A. Yes.

10 Q. All right. Do you have any additions or
11 changes or corrections to that testimony?

12 A. No, I do not.

13 Q. If I were to ask you the same questions that
14 are set forth in this testimony, would your answers be
15 the same today?

16 A. Yes, they would.

17 Q. Are those answers true and correct to the
18 best of your information and belief?

19 A. Yes.

20 MS. FISCHER: Thank you, your Honor.

21 I offer into evidence Exhibit No. 12 and
22 tender Mr. Dreon for cross-examination.

23 JUDGE HOPKINS: Any objection to Exhibit
24 No. 12, Steve Dreon rebuttal?

25 (No response.)

1 JUDGE HOPKINS: Hearing no objection, I'll
2 receive it into evidence.

3 (EXHIBIT NO. 12 WAS RECEIVED INTO EVIDENCE.)

4 JUDGE HOPKINS: Cross-examination of Staff?

5 MR. POSTON: No questions. Thank you.

6 JUDGE HOPKINS: Southwestern Bell Telephone?

7 MR. LANE: No questions.

8 JUDGE HOPKINS: AT&T?

9 MR. DeFORD: No questions. Thank you.

10 JUDGE HOPKINS: Sprint PCS?

11 MR. DeFORD: Ms. Gardner has authorized me
12 to say no questions on her behalf.

13 JUDGE HOPKINS: OPC?

14 MR. DANDINO: I have no questions, your
15 Honor.

16 JUDGE HOPKINS: STCG?

17 MR. ENGLAND: Yes, sir. I'm sorry.

18 CROSS-EXAMINATION BY MR. ENGLAND:

19 Q. Afternoon, Mr. Dreon.

20 A. Good afternoon.

21 Q. Since we haven't met before and maybe you've
22 already gathered from the cross-examination that has
23 taken place, I represent Small Local Exchange
24 Companies, not those that have filed a tariff but are
25 similarly situated to Mid-Missouri Group companies.

1 At page 2 of your testimony at lines 5
2 through 8, you testify that counsel for the
3 Mid-Missouri Group indicated in a letter to counsel
4 for Southwestern Bell Wireless that Mid-Missouri Group
5 of telephone companies do not originate calls that
6 terminate to Southwestern Bell Wireless; therefore,
7 symmetrical and reciprocal compensation is not
8 appropriate. Do you see that?

9 A. Yes.

10 Q. Now, I'm not sure that you ever addressed
11 the issue any further, but I want to ask you
12 essentially some of the questions that I've asked the
13 other wireless witnesses that were here before you.

14 Are you familiar with Missouri generally?

15 A. Yes.

16 Q. Taking my example of the New Florence
17 Telephone Company, the single exchange small
18 independent telephone company located at I-70 due west
19 of St. Louis, when a customer in that exchange places
20 a one-plus call to the Southwestern Bell mobile or --
21 excuse me -- Southwestern Bell Wireless customer in
22 St. Louis, is it your belief that New Florence
23 Telephone Company has an obligation under the
24 reciprocal compensation requirements to pay
25 Southwestern Bell Wireless terminating compensation

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1 for that call?

2 A. Well, again, I'll answer that as a business
3 person with Southwestern Bell Wireless, not a legal
4 answer.

5 Q. Okay.

6 A. I believe that we should negotiate a
7 business arrangement which calls for reciprocal
8 compensation for that type of call.

9 Q. And you think that New Florence Telephone
10 Company should be responsible for paying you for
11 terminating that call?

12 A. If the business arrangement calls for the
13 payment from -- from that LEC, then, yes. The -- we
14 want to enter a business arrangement with that LEC as
15 well as other LECs as far as payment.

16 Q. I guess I need for you to assume something
17 else, New Florence takes the pass for purposes of your
18 business discussions, that it is not responsible for
19 that call and should not have to pay reciprocal
20 compensation for the termination of that call to you?

21 MR. LANE: Let me interpose an objection if
22 I could. And maybe just the question is vague.

23 Is your question that New Florence actually
24 carried the call all of the way and handed it off to
25 Southwestern Bell Wireless? Is that -- I'm not sure

1 what your question has been here on that point.

2 MR. ENGLAND: Okay. And you're probably
3 right.

4 BY MR. ENGLAND:

5 Q. I guess a further assumption, that LATA
6 one-plus call is either handled by Southwestern Bell
7 Telephone Company or an interexchange carrier. Does
8 that change your answer or alter your answer in any
9 respect?

10 A. I'll answer from the originating party would
11 be responsible for compensation the terminating party.

12 Q. Okay. Who would be the originating party on
13 a one-plus call from New Florence to St. Louis that
14 was carried by Southwestern Bell Telephone Company,
15 billed pursuant to Southwestern Bell intrastate
16 tariffs to the end user making the call, and, of
17 course, the revenues, therefore, from going to
18 Southwestern Bell Telephone Company, who would be
19 responsible for that originating call?

20 A. From a business view, I would assume the --
21 the small independent LEC that originated the call in
22 your example.

23 Q. Even though they essentially didn't provide
24 the call or provision the call?

25 A. I believe they are still responsible from a

1 business view for compensation to the terminating
2 parties and however they decided to carry or track it.

3 Q. So essentially it sounds like your testimony
4 is the same as Mr. Propst with Sprint PCS?

5 A. In regards to this specific example?

6 Q. Yes.

7 A. It sounds like we're very similar.

8 Q. What if that call leaving New Florence
9 Telephone Company customer dials one-plus but they've
10 now presubscribed, their intraLATA calling to MCI, is
11 it still your belief that New Florence Telephone
12 Company should be responsible for the call and for
13 paying you terminating compensation?

14 A. I believe it's still the same as the first
15 example. So whether or not their traffic is being
16 routed through an interexchange carrier or directly
17 they're still responsible to compensate the
18 terminating parties through some type of arrangement.

19 Q. How about a call from a Southwestern Bell
20 landline customer in Cape Girardeau down here in
21 the southeast part of the state to your customer in
22 St. Louis, but that Southwestern Bell landline
23 customer has asked to be presubscribed to MCI, so that
24 one-plus call from him to you in St. Louis is carried
25 by MCI.

1 You hold Southwestern Bell Telephone Company
2 responsible for reciprocal compensation on that call;
3 is that correct?

4 A. I believe that's correct.

5 Q. Okay. So it makes no difference to you
6 whether the entity transiting that call, if you will,
7 is an LEC or an IXC, it only matters who the
8 originating LEC is, where the call is placed?

9 A. I believe that's correct.

10 Q. Okay. I'm going to switch gears on you a
11 little bit. Does Southwestern Bell Wireless receive
12 today terminating compensation from either
13 Southwestern Bell or an IXC for traffic originated in
14 small company exchanges?

15 And we'll go back to that New Florence
16 example if you'd like. Are you receiving compensation
17 for calls from New Florence to Southwestern Bell
18 mobile -- excuse me -- Southwestern Bell Wireless?

19 A. Yes, we are.

20 Q. And who are you receiving compensation from?

21 A. In that example, it would be Southwestern
22 Bell Telephone.

23 Q. Okay. Are you receiving -- take New
24 Florence out of the picture. Are you receiving any
25 compensation today from interexchange carriers who

1 might be carrying calls from the small company
2 exchanges within the MTA and terminating them to you
3 in St. Louis?

4 A. No, we're not.

5 Q. Why not?

6 A. Specifically, with the network
7 infrastructure we are not in any arrangements with
8 interexchange carriers. So our traffic is delivered
9 through Southwestern Bell Telephone or anyone else we
10 have an arrangement or agreement with. And we
11 currently don't have any agreement with the IXCs.

12 Q. You mean a customer in New Florence, for
13 example, couldn't use MCI to reach your customer in
14 St. Louis?

15 A. They could use MCI, but again, to wireless,
16 that traffic is delivered by Southwestern Bell
17 Telephone.

18 Q. So you have no direct connection from any
19 interexchange carrier to your network for the delivery
20 of landline-originated traffic?

21 A. That's correct.

22 Q. So in my example of a New Florence customer
23 choosing MCI as a one-plus intraLATA toll provider, if
24 they called one of your customers in St. Louis dialing
25 one-plus, that call would be handled by MCI,

1 terminated to Southwestern Bell Telephone Company, the
2 LEC, who then terminates it to you; is that right?

3 A. That's correct.

4 Q. And do you get compensation from
5 Southwestern Bell Telephone Company, the LEC, for that
6 call?

7 A. Yes, we do.

8 Q. So whether that call from New Florence today
9 is carried by the PTC or by an IXC, you're getting
10 compensated for all of those one-plus calls; is that
11 right?

12 A. Our agreement is -- is with Southwestern
13 Bell Telephone and that is who is delivering that type
14 of traffic to us.

15 Q. And if I -- I don't want to mischaracterize
16 your testimony, but what I think I hear you saying is
17 that they're paying you for every call they terminate
18 to you whether it comes in on their facilities as the
19 primary toll carrier or it comes through IXC
20 facilities?

21 A. I don't know that I'd say every call. The
22 interconnection agreement we have with them is factor
23 based.

24 Q. Okay. You'd apply -- but after you apply
25 the factors, you're getting paid for all of the

1 traffic you're supposed to be getting paid for?

2 A. That's correct.

3 Q. So what is your beef with small companies
4 then? You have none, do you? You're getting paid for
5 those calls today.

6 A. Are you saying what is my position on this
7 tariff?

8 Q. Well, I thought you were challenging whether
9 or not small companies originated calls that
10 terminated to you and whether symmetrical and
11 reciprocal compensation was appropriate.

12 Maybe I misunderstood your testimony.

13 A. If you're referring to the sections we
14 looked at here in the testimony, this was in response
15 to our attempt to enter into reciprocal compensation
16 with those companies. In that effort they rejected
17 that, and one of their claims was that they do not
18 originate calls that terminate with our -- on our
19 network.

20 Q. Okay.

21 A. So that was -- it was an issue they had
22 raised in their response as to why they would not
23 enter reciprocal compensation agreements with us.

24 Q. So you would disagree with the notion that
25 they don't originate calls that terminate on your

1 network?

2 A. Yes, I would.

3 Q. But you wouldn't disagree with their
4 position that you're getting paid for those calls
5 today?

6 A. If that's their position. Again, our
7 agreement is with Southwestern Bell Telephone for the
8 delivery of that traffic.

9 Q. But my understanding and based on our prior
10 discussion here, today you are getting paid for those
11 calls after you take out the factors that are
12 delivered to you whether they're Southwestern Bell
13 Telephone Company carried calls as primary toll
14 carrier or IXC carried calls that are terminated at
15 Southwestern Bell, who in turn terminates to you?

16 A. I believe that's correct.

17 Q. Okay. Does Southwestern Bell Wireless
18 contract with any interexchange carriers such as AT&T,
19 MCI, whatever, to carry intraMTA calls? And I'm
20 talking about calls you originate and terminate to the
21 landline.

22 A. You're talking about mobile to land?

23 Q. Correct.

24 A. Yes, we do.

25 Q. In those circumstances who is responsible

1 for paying terminating compensation to the end office
2 company, Southwestern Bell Wireless or the
3 interexchange carrier you contract with?

4 A. I believe we're responsible from a business
5 standpoint. The arrangement we have with the IXC,
6 depending on which one it is, you know, the
7 compensation costs recovery may be directly with them,
8 but I believe we are responsible since we originated
9 the call.

10 Q. Well, I may be putting aside who is
11 responsible. Who is paying the terminating costs on
12 those calls if you know?

13 A. I believe it's the IXC.

14 Q. In all instances?

15 A. To the best of my knowledge.

16 Q. Do you know what they're paying? Access
17 rates versus local compensation versus something else?

18 A. Unfortunately, no, I don't have that.

19 Q. Does Southwestern Bell Wireless deliver
20 any other traffic over its direct connection or
21 interconnections with Southwestern Bell Telephone
22 Company other than its own customer generated or
23 originated wireless traffic?

24 A. The only -- the only situation that I'm
25 aware of would be what was cited earlier, and that

1 would be roaming traffic, wireless roaming traffic,
2 where we have roaming agreements in place.

3 Q. I have heard, I think, an answer from the
4 prior witness, Ms. Hollingsworth, regarding possible
5 resale. Did you hear that? Were you in the room when
6 she made that comment?

7 A. Yes, but I wasn't quite sure what it was in
8 reference to.

9 Q. And I'm not sure either. But I guess my
10 question is, do you resale any wireless services for
11 other wireless companies? Do you contract with them
12 to carry the traffic?

13 A. There may be such an agreement in place.
14 I'm not aware of it.

15 Q. Do you carry any interexchange carrier
16 traffic -- and I'm referring to landline interexchange
17 traffic -- and deliver that over your interconnection
18 with direct interconnections with Southwestern Bell
19 Telephone Company?

20 A. No, we do not.

21 Q. And I hate to be picking on you. You have
22 interconnection agreements with other LECs here in the
23 state, do you not, direct connections?

24 A. Yes.

25 Q. GTE and Sprint?

1 A. Well, in my testimony I've mentioned GTE,
2 Sprint, and AllTel and TDS.

3 Q. Okay. Are those connection -- excuse me --
4 are those agreements with AllTel and TDS direct or
5 indirect?

6 A. They're indirect.

7 Q. Okay. I'm just interested right now in the
8 direct, where you have direct connections. You've got
9 one, obviously, there are several with Southwestern
10 Bell Telephone Company. And I assume you've got
11 direct interconnections with GTE and Sprint?

12 A. That's correct.

13 Q. Okay. Do you deliver any other types of
14 traffic other than your own customer-originated
15 wireless traffic over those direct connections with
16 GTE and Sprint to their networks for termination?

17 A. Just the roaming wireless traffic.

18 Q. No interexchange traffic?

19 A. No.

20 Q. No CLEC competitive local exchange carrier
21 traffic?

22 A. No.

23 Q. No other wireless company's traffic to your
24 knowledge?

25 A. Not to my knowledge.

1 Q. Prior witnesses have talked about the
2 records -- prior wireless witnesses have described the
3 records they create for traffic originating on their
4 respective networks.

5 Is that similar to what Southwestern Bell
6 Wireless creates?

7 A. Yeah, it sounded very similar. I don't know
8 what we call the CDR that they mentioned, but any
9 airtime usage records are created, whether it's
10 origination or termination.

11 Q. Okay. And are those records forwarded
12 to any companies you directly connect with for
13 compensation purposes for them to be able to bill you
14 for traffic you terminate to them?

15 A. No. I don't believe they are.

16 Q. All of the companies you directly connect
17 with bill you based on their recordings of the traffic
18 transited or exchanged over the direct connection?

19 A. Yeah, I believe that's correct.

20 Q. Similarly, when you receive traffic from the
21 landline companies, do you rely on records from them
22 to tell you the amount, the jurisdiction of the call,
23 or do you bill from your own terminating records?

24 A. We rely on the records from the party we
25 have the agreement with. For instance, Southwestern

1 Bell Telephone, we use their records.

2 Q. They tell you how much traffic they've
3 terminated to you and you bill from that?

4 A. Well, their records indicate mobile to land,
5 and as I mentioned before, we have a factor-based
6 arrangement.

7 Q. I'm sorry. I'm going the other direction
8 now. I'm going land to mobile.

9 A. Land to mobile would be based on those
10 factors in the agreement.

11 Q. Oh, okay. I think I understand what you're
12 saying. Let me think about that.

13 So you don't measure land to mobile?

14 A. No. The records are -- the records are
15 mobile to land, and then factors apply to that.

16 Q. You assume that a percent of the amount that
17 goes from mobile to land will be coming back from land
18 to mobile?

19 A. Correct.

20 Q. Okay. Do any of the LECs, as opposed to the
21 IXCs with whom you directly connect -- and I guess I'm
22 really just probably limiting it to GTE and Sprint.
23 Do either of them offer you what I call an end-to-end
24 termination function or is it strictly transit?

25 A. For calls outside of their --

1 Q. Yes.

2 A. I'm only aware of the transiting --

3 Q. Okay.

4 A. -- function.

5 Q. But the IXCs that you deliver traffic to do
6 offer that end-to-end service as I understood; is that
7 right?

8 A. Yes. They -- they complete the -- the
9 complete call, the termination call.

10 Q. And they pay all of the parties involved in
11 the termination?

12 A. To the best of my knowledge, yes.

13 Q. Let me ask you about the example of Kansas
14 City. You're in both Kansas City and St. Louis, are
15 you not?

16 A. Yes.

17 Q. If a Kansas City subscriber to Southwestern
18 Bell Wireless places a call to a landline customer of
19 Southwestern Bell Telephone Company in St. Louis, that
20 would be an interLATA and an interMTA call. Correct?

21 A. Correct.

22 Q. How is that call carried today, do you know?
23 Generally. I don't mean specifically.

24 A. My assumption would be the wireless customer
25 in Kansas City chooses an LD carrier and then that

1 traffic is routed to that carrier for St. Louis, it's
2 delivered to Southwestern Bell Telephone and then
3 transited to Southwestern Bell Wireless.

4 Q. So have you offered presubscription -- if
5 I'm reading in between the lines -- have you offered
6 presubscription to your customers for long-distance
7 service?

8 A. Are you meaning can they choose?

9 Q. Yes.

10 A. Yes, they can.

11 Q. So your subscriber in the Kansas City area
12 has chosen, let's say, Sprint as its long-distance
13 carrier, when it dials a wireless -- excuse me -- when
14 he picks up his wireless handset and dials a call to
15 St. Louis and I guess he dials one-plus, he'll get
16 Sprint to carry that call?

17 A. Yes.

18 Q. Okay. Is there any situation where you
19 might carry that call, Southwestern Bell Wireless?

20 A. I'm not aware of any now. You know, the
21 network is contiguous across the whole state. The
22 possibility exists, but I don't know of any
23 arrangement where that is actually being done today.

24 Q. Well, assume that call from Kansas City to a
25 St. Louis Southwestern Bell landline customer is

1 carried by an IXC, is it your understanding that that
2 IXC also pays Southwestern Bell terminating access
3 charges for that call?

4 A. Unfortunately, I don't know the arrangement
5 between the IXC and Southwestern Bell Telephone.

6 Q. Let me reverse the call. Southwestern Bell
7 Telephone Company landline customer calling your
8 mobile or wireless customer in Kansas City. That too
9 would be carried by an IXC, would it not, since it's
10 interLATA?

11 A. Yes.

12 Q. Do you receive compensation from the IXC for
13 that call or is that back to the scenario we talked
14 about earlier, where it's terminated to Southwestern
15 Bell Telephone Company and then delivered to you?

16 A. It's back to that scenario. It's delivered
17 to Southwestern Bell Telephone and delivered to us.

18 Q. And as far as you know, you're getting
19 compensated for that call?

20 A. Yes, we are.

21 Q. By Southwestern Bell Telephone Company?

22 A. I believe there is -- the factors apply as
23 we mentioned before. There may be something that
24 distinguishes interMTA calls, but I'm not aware of it.

25 Q. That was going to be my next question.

1 Since it's interMTA, do you get a different rate than
2 you would if it was intraMTA?

3 A. I'd have to refer to the agreement. I'm not
4 sure if there is a different rate or not.

5 Q. Do you have any access-type rates that you
6 charge -- that you know of that you charge for
7 interMTA calling to you, terminating to you?

8 A. No, I'm not aware of any.

9 Q. I think it's on page -- yeah, it's on page 4
10 of your testimony, at the very top.

11 A. Okay.

12 Q. You say, I am unaware of anything that says
13 the LECs cannot instigate negotiations for an
14 interconnection agreement. Do you see that?

15 A. Okay. Yes.

16 Q. And I guess maybe before I get into this
17 line of questioning, I need to understand with you.
18 Do you consider interconnection agreements and
19 reciprocal compensation agreements and termination
20 agreements to be essentially the same thing or do you
21 draw a distinction between any or all of those?

22 A. I consider interconnection agreements and
23 reciprocal compensation agreements to be the same
24 thing. I'm not sure about termination agreements.

25 Q. Okay. Fair enough.

1 Getting back to your testimony, is it your
2 opinion that wireless carriers such as Southwestern
3 Bell Wireless must negotiate with a requesting LEC in
4 a situation where we have indirect interconnection?

5 A. I'd refer again to -- my business opinion
6 would be that they would want to negotiate for
7 business reasons, just like we would want to negotiate
8 for a business reason. I'm not sure if there is a
9 requirement. I don't know what their legal
10 requirement is.

11 Q. Okay. So if you determine for whatever
12 business reason not to negotiate, you don't know
13 whether you have a legal obligation to do so.

14 Is that a fair statement?

15 A. Yeah, that's correct.

16 Q. Would that be the same answer if I were to
17 ask you whether or not you had a legal obligation to
18 arbitrate any decisions or -- excuse me -- any issues
19 you couldn't reach agreement on with a requesting LEC?

20 A. Yes, I believe I answered the same way.

21 MR. ENGLAND: Thank you, sir.

22 I think that's it.

23 JUDGE HOPKINS: All right.

24 MMG?

25 CROSS-EXAMINATION BY MR. JOHNSON:.

1 Q. I think I just have a couple, Mr. Dreon. As
2 I understand your answers, Southwestern Bell Wireless
3 does give its own wireless customers a choice of toll
4 providers? If I sign up for you and I get a cellular
5 phone, do you let me pick a toll provider?

6 A. Yes.

7 Q. Okay. And do you let me pick different toll
8 providers for interLATA calls or intraLATA calls, or
9 do I just get one choice?

10 A. To the best of my knowledge, it's not
11 distinguished by -- I mean, I'm not aware that it's
12 distinguished at that level.

13 Q. And how do you decide which long-distance
14 companies that I get to pick from as a toll provider
15 for that cellular phone?

16 Who all is on the list?

17 A. Um, I know we have connections and
18 agreements with certain toll providers. I'm not sure
19 what the decision is as to whether that is your
20 limiting choices or not.

21 Q. Can I pick anybody I want as long as they
22 have a CIC code or do you have to have some sort of
23 agreement or interconnection with them before they're
24 eligible for me to choose?

25 A. I'd assume that we'd have to have some

1 agreement with them before you could choose them.

2 Q. In Missouri, let's just take Jeff City, who
3 all are eligible choices? Is AT&T an eligible choice?

4 A. I'm not aware of who the choices are in --

5 Q. Is Southwestern Bell an eligible choice?

6 A. I'm not aware if they are or not.

7 Q. Do you understand that my clients as
8 incumbent local exchange companies are required to
9 give their customers two separate choices, one for
10 intraLATA and one for interLATA?

11 A. Yes. I assume the -- the intraLATA is what
12 has been discussed here, that one that is about to
13 expire.

14 Q. Have you ever worked for a local exchange
15 company or an interexchange carrier?

16 A. No, I have not.

17 Q. Okay. In your opinion do you recognize any
18 difference between an incumbent local exchange company
19 providing exchange access to an interexchange company
20 to originate or terminate calls as being distinct from
21 providing interexchange service itself?

22 A. Um, I'm afraid you lost me on that one.

23 Q. In your mind when an incumbent LEC provides
24 exchange access, is that the same thing to you as
25 providing the interexchange or the toll service itself

1 MS. FISCHER: You know, I'm going to object.
2 I don't understand the relevance of these questions.

3 MR. JOHNSON: He testified earlier, I
4 thought, that in response to Mr. England's questions
5 that it was the responsibility of the LEC from where
6 the call originated to be responsible for all
7 compensation associated with that call, even if the
8 call was in the name of an IXC or a PTC, and I was
9 just trying to follow up and see what the basis of
10 that understanding was.

11 JUDGE HOPKINS: Okay. I'll overrule your
12 objection.

13 Go ahead and answer the question.

14 THE WITNESS: From a business view, that's
15 my opinion, that the originating LEC is responsible
16 for the termination paying the termination costs.

17 MR. JOHNSON: That's all of the questions I
18 have.

19 JUDGE HOPKINS: There are no questions from
20 the Bench.

21 Redirect for Southwestern Bell, Ms. Fischer?

22 REDIRECT EXAMINATION BY MS. FISCHER:

23 Q. Mr. Dreon, in the New Florence to St. Louis
24 example, let's see, if it's landline originated to
25 Southwestern Bell Wireless in St. Louis from New

1 Florence and the call is carried -- the call is dialed
2 one-plus and carried by, I guess, either Southwestern
3 Bell Telephone Company or an interexchange carrier,
4 did you testify that New Florence Telephone Company
5 would be responsible for paying Southwestern Bell
6 Wireless the cost of termination?

7 A. Yes. I said that in my opinion from a
8 business standpoint they were responsible for those
9 costs.

10 Q. But did you testify also that Southwestern
11 Bell Wireless is being compensated for the termination
12 of those calls presently being compensated?

13 A. Yes. Through our agreement with
14 Southwestern Bell Telephone.

15 Q. Do you contemplate that Southwestern Bell
16 Wireless would double recover, be paid by both
17 New Florence Telephone Company and by Southwestern
18 Bell Telephone Company for the termination of those
19 calls?

20 A. Once we entered a negotiation of reciprocal
21 compensation with the LEC originating the call, to me
22 that does not imply double recovery. If our cost
23 recovery is already in place through some other
24 business arrangement, then obviously we would not bill
25 the LEC originating the traffic.

1 And those things would be taken into
2 account, I assume, during the negotiations for the
3 reciprocal compensation agreement with that company.

4 Q. So that type of thing could be taken care of
5 through the business arrangement and the negotiations?

6 A. I believe so.

7 Q. And so Southwestern Bell Wireless does not
8 contemplate double recovery, does not intend to double
9 recover?

10 A. No, not at all.

11 MS. FISCHER: No further questions.

12 JUDGE HOPKINS: All right. Thank you.

13 May this witness be excused?

14 MS. FISCHER: Yes.

15 JUDGE HOPKINS: All right. Thank you. You
16 may be excused.

17 No further witnesses.

18 On the record we have the official notice
19 taken of TT-97-524, official notice of State of
20 Missouri ex rel Alma Telephone Company, et al., in the
21 Circuit Court of Cole County, CV198-178CC and
22 CV198-261CC.

23 Also official notice taken of TO-99-254, et
24 al; official notice of TO-96-440; Exhibit No. 1,
25 Stowell direct; Exhibit No. 2, Stowell surrebuttal;

1 Exhibit No. 3, Schoonmaker's surrebuttal; Exhibit
2 No. 4, Meisenheimer surrebuttal; Exhibit No. 5, Clark
3 surrebuttal; Exhibit No. 6, Kohley rebuttal; No. 7,
4 Kurt Maass rebuttal; No. 8, Kurt Maass surrebuttal;
5 No. 9, Propst rebuttal; No. 10, Propst surrebuttal;
6 No. 11, Hollingsworth rebuttal; No. 12, Dreon
7 rebuttal; No. 13, Stowell to Crane letter; No. 14,
8 Jones to Crane letter; No. 15, Devoy to Southwestern
9 Bell Wireless letter; No. 16, Southwestern Bell
10 Telephone tariff.

11 Now, we've got a tariff coming up, I think,
12 December 15th; is that right?

13 We're going to have a pretty aggressive
14 briefing schedule here. We'd like to have an
15 expedited transcript. We need that expedited.

16 Yes, Mr. Johnson?

17 MR. JOHNSON: I don't know what the current
18 suspension date is on the tariffs itself?

19 JUDGE HOPKINS: It's the 15th of December.

20 MR. JOHNSON: We have no objection to
21 agreeing that that be extended as long as possible, or
22 not as long as possible but as long as necessary to
23 allow these questions and answers to AT&T, as well as
24 any subsequent briefing that you're going to ask be
25 done, if any.

1 I just don't see any need with all of the
2 other dockets that are going on and the testimony and
3 the briefs that are due, that we're not insistent that
4 this be completed by December the 15th, so we'll
5 consent to whatever extension is reasonable and
6 necessary to accommodate the post-hearing matters that
7 are -- that you want. And --

8 JUDGE HOPKINS: When can you extend that to?

9 MR. JOHNSON: If we could go off the record,
10 your Honor, we might be able to come up with an
11 agreement between ourselves to post-hearing schedules
12 and then come back and report it to you.

13 JUDGE HOPKINS: All right. Let's go off the
14 record. Let's go off the record and I'll come right
15 back and see if you-all can come up with something.

16 (Off the record.)

17 JUDGE HOPKINS: We're back on the record
18 now. Mr. Johnson is going to tell us the schedule
19 that the parties have worked out, if you would,
20 please, Mr. Johnson.

21 MR. JOHNSON: Thank you, your Honor.

22 While we were off the record, the parties
23 agreed that any questions that were going to be
24 directed to AT&T would be sent to AT&T, and of course,
25 filed with the Commission by October the 23rd.

1 AT&T would have until November the 2nd to
2 provide us and file with the Commission their
3 responses. Did I say by November the 2nd?

4 And then the parties have further agreed to
5 provide the simultaneous initial briefs by December
6 the 10th, and subsequently simultaneous reply briefs
7 by January the 10th. And on behalf of the six
8 companies that have the tariffs that are at issues in
9 this case, I do consent to the effective date for
10 those tariffs being extended up to and including
11 February the 15th, 2000, so that the Commission would
12 have an additional month and five days in which to
13 consider and render a decision.

14 JUDGE HOPKINS: Can you give me a pleading
15 to that effect showing that briefing schedule and
16 extension of the tariff, and I'll take that before the
17 Commission on Tuesday.

18 MR. JOHNSON: Would that be appropriate to
19 call that a request for approval of that schedule or
20 something to that effect?

21 JUDGE HOPKINS: Yes, that would be fine.

22 Anything further?

23 Thank you all very much.

24 (Hearing concluded.)

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