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August 26, 2002

Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

FILED²
AUG 26 2002

Re: Case No. TC-2002-1077
- **Direct Testimony of Craig Wilbert**
- **Craw-Kan Telephone Cooperative, Inc.**

Missouri Public
Service Commission

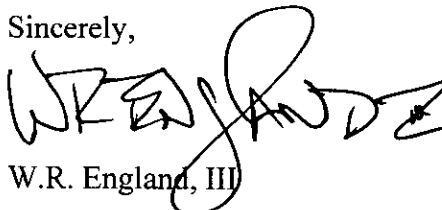
Dear Mr. Roberts:

Enclosed for filing please find an original and eight copies of the direct testimony of Craig Wilbert on behalf of Craw-Kan Telephone Cooperative, Inc.

Please note that Schedule No. 1 has been designated "highly confidential" because it contains information relating directly to specific customers and market specific information relating to services offered in competition with others. Accordingly, it is being provided in a separate envelope.

Please see that this filing is brought to the attention of the appropriate Commission personnel. If there are any questions regarding this filing, please give me a call. I thank you in advance for your attention to and cooperation in this matter.

Sincerely,



W.R. England, III

WRE/da
Enclosures
cc: Parties of Record

Exhibit No.:

Issue:

Witness:

Type of Exhibit:

Sponsoring Party:

Case No.:

Date:

Terminating Wireless Traffic

Craig R. Wilbert

Direct Testimony

Craw-Kan Telephone Cooperative, Inc.

TC-2002-1077

August 26, 2002

FILED²

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**Missouri Public
Service Commission**

CASE NO. TC-2002-1077

DIRECT TESTIMONY

OF

CRAIG R. WILBERT

ON

BEHALF OF

CRAW-KAN TELEPHONE COOPERATIVE, INC.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

BPS Telephone Company, et al.,

Petitioners,

v.

VoiceStream Wireless Corporation, et al.,

Respondents.

Case No. TC-2002-1077

County of Crawford)
State of Kansas)

AFFIDAVIT OF

Craig R. Wilbert

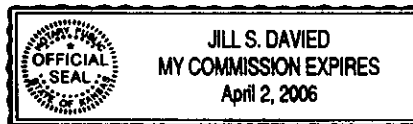
Craig R. Wilbert, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Craig R. Wilbert"; that said testimony and schedules attached thereto was prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information and belief.

Subscribed and sworn to before me this 21 day of August, 2002.

Notary Public

My Commission expires:

4-2-06



DIRECT TESTIMONY

1 Q. Please state your name and business address.

2 A. Craig R. Wilbert; 200 N. Ozark, Girard, KS 66743.

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

4 A. Craw-Kan Telephone Cooperative, Inc., Controller.

5 Q. Briefly describe the nature of your duties and responsibilities for Craw-Kan Telephone Cooperative, Inc.

6 A. As Controller, I am in a supervisory position overseeing all financial duties of Craw-Kan Telephone
7 Cooperative, Inc.

8 Q. Are you authorized to testify on behalf of Craw-Kan Telephone Company?

9 A. Yes.

10 Q. Please briefly describe your education and work background.

11 A. I received a BBA with a Major in Accounting in May 1986 from Pittsburg State University, Pittsburg,
12 Kansas, and received my MBA in May 1996 from Indiana Wesleyan University, Marion, Indiana. I was employed
13 as a Public Accountant for Greenwalt, Sponsel & Company from 1986 to 1988, and was employed from 1989 to
14 1996 as a supervisor in the accounting department at Indiana Gas Company. I began working for Craw-Kan
15 Telephone Cooperative, Inc. in 1996 as Controller of the company.

16 Q. Please briefly describe Craw-Kan Telephone Company and the nature of its business.

17 A. Craw-Kan Telephone Cooperative, Inc. (hereinafter sometimes referred to as the "Company") is a Kansas
18 corporation with its principal office and place of business located at 200 N. Ozark, Girard, KS 66743. A certificate
19 of corporate good standing for a foreign corporation, issued by the Missouri Secretary of State, is attached to the
20 Complaint filed in Case No. TC-2002-1077. The Company provides telephone service to approximately 2,730
21 subscribers that are located within the following nine (9) Missouri exchanges: Asbury, Purcell, East Mulberry, East
22 Arcadia, Amsterdam, Hume, Foster, Amoret, and East Pleasanton. The Company operates pursuant to a certificate
23 of public convenience and necessity issued by the Commission in its Case No. TA-88-46. Of particular relevance to
24 the instant complaint, the Company provides basic local telecommunications services, exchange access services and
25 wireless termination services pursuant to tariffs on file with and approved by the Missouri Public Service
26 Commission (Commission) within its exchanges.

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to support our Company's complaint against VoiceStream Wireless
3 Corporation (VoiceStream), Western Wireless Corporation (Western) and Southwestern Bell Telephone Company
4 (SWBT) for their failure to pay terminating compensation on wireless originated traffic which they are responsible
5 for causing to terminate in the exchanges served by our Company.

6 Q. Are there any pending actions or final unsatisfied judgments or decisions issued against your Company
7 from any state or federal agency or Court within three years of the date of the filing of the instant Complaint which
8 involved customer service or rates?

9 A. No.

10 Q. Are either your Company's annual report to the Commission or its assessment fee overdue?

11 A. No.

12 Q. Please state your understanding of the nature of Respondents', VoiceStream and Western, business.

13 A. It is my understanding that VoiceStream and Western are providers of commercial mobile radio service
14 (CMRS) within the State of Missouri. It is also my understanding that wireless customers of VoiceStream and
15 Western originate wireless calls which are ultimately terminated to wireline customers which are located in the
16 exchanges which our Company serves.

17 Q. What is your understanding of the nature of SWBT's business?

18 A. It is my understanding that SWBT is a telecommunications company providing basic local
19 telecommunications services, basic interexchange telecommunications services and exchange access services in
20 various parts of the state of Missouri. In addition, SWBT offers what it calls a "transit" service to CMRS providers,
21 such as VoiceStream and Western, which allows those CMRS providers to terminate wireless-originated traffic to
22 exchanges served by our Company without directly connecting to our Company's local network. It is also my
23 understanding that SWBT provides these transit services or facilities pursuant to either its intrastate wireless
24 interconnection tariff or an interconnection agreement entered into between SWBT and CMRS providers such as
25 VoiceStream and Western.

26 Q. How does wireless-originated traffic terminate to your Company's exchanges?

27 A. The wireless originated traffic is terminated to our exchanges over common trunk groups owned by SWBT

1 which directly connect to the Company's facilities. SWBT commingles this wireless originated traffic with other
2 wireline interexchange (i.e., toll) traffic also destined for termination to the Company's exchanges. Because all of
3 this traffic comes to us over a common trunk group, our Company is unable to distinguish the wireless-originated
4 traffic from other interexchange traffic that is terminated to us. We are also unable to unilaterally prevent or block
5 wireless-originated traffic from terminating to our facilities even in those circumstances where wireless carriers
6 refuse or otherwise fail to pay for the terminating service which our Company provides.

7 Q. Please describe the terminating services which your Company provides.

8 A. After the traffic is delivered by SWBT to our facilities, it is transported over wire/cable facilities which we
9 own to our central office where the traffic is switched and directed to the individual customers to whom the traffic is
10 destined. In addition to the switch, we own distribution facilities which carry the calls throughout our exchanges
11 where it is ultimately terminated over the cable pair or loop which serves each individual customer's residence or
12 place of business.

13 Q. How are you compensated for wireless-originated traffic which terminates to your exchanges?

14 A. On February 19, 2001, the Missouri Commission approved, in its Case No. TT-2001-139 et al., a "wireless
15 termination service tariff" which contains rates, terms and conditions for the termination of intraMTA wireless-
16 originated traffic delivered to our Company via the transit services or facilities of an intermediate LEC such as
17 SWBT. That tariff is currently on file with and approved by the Commission and applies in the absence of an
18 agreement negotiated pursuant to the Telecommunications Act of 1996.

19 Q. Are there other tariffs which may apply to this wireless-originated traffic?

20 A. Yes. To the extent that VoiceStream and Western terminate interMTA wireless traffic to our Company,
21 our intrastate access tariff would apply. Again, the rates, terms and conditions of our access service are contained in
22 tariffs which are on file with and approved by the Commission.

23 Q. How do you know that VoiceStream and Western have terminated wireless-originated traffic to your
24 exchanges?

25 A. Each month we receive from SWBT a cellular transiting usage summary report (CTUSR) which identifies,
26 by carrier, the CMRS providers who have transited wireless originated traffic over SWBT's facilities for termination
27 to our exchanges. The CTUSRs we have received from SWBT since February 19, 2001 (when our wireless service

tariff became effective) indicate that VoiceStream and Western have terminated traffic to our Company. The specific amounts of traffic are shown on the copies of CTUSRs which are attached to this testimony as Schedule No.

1. These CTUSRs are for the period of time from February 5, 2001, through June 4, 2002, which is the most recent period for which SWBT has hard copies of this information.

Q. Do the CTUSRs you receive from SWBT distinguish between interMTA and intraMTA wireless originated traffic?

A. No. The CTUSRs we receive from SWBT just tells us, in total, for each month, the amount of traffic a particular CMRS provider has terminated to our exchanges. These reports do not distinguish between inter- and intraMTA traffic.

Q. Have VoiceStream and Western paid you for any of the traffic terminated to your Company's exchanges?

A. No.

Q. Have you sent bills to VoiceStream and Western Wireless for this traffic?

A. Yes, we have sent bills to VoiceStream and Western Wireless for this traffic. For purposes of those billings we have assumed that all traffic is intraMTA and applied our wireless termination service tariff rate. If it can be determined that some of this traffic is interMTA, we believe it would be appropriate to charge for this interMTA traffic based on our intrastate access rates.

Q. What is the status of VoiceStream's and Western's payments with respect to your Company?

A. As of the date of the filing of the Complaint, VoiceStream and Western still have outstanding and unpaid amounts as shown on Exhibits 15(HC) and 16(HC) attached thereto. This amount remains outstanding and will increase as wireless traffic continues to be terminated to our Company.

Q. Are other wireless carriers paying you for traffic they terminate to your Company?

A. Yes. Most, if not all, of the major wireless carriers that terminate traffic to us, as shown by the CTUSRs, are paying for that traffic pursuant to our wireless termination service tariff. VoiceStream and Western are the only major wireless carriers that I am aware of that are not paying our wireless termination tariff rate for traffic they terminate to us.

Q. Prior to filing this complaint, did you attempt to resolve this dispute with Western?

A. Yes. Our counsel contacted representatives for VoiceStream and Western on several occasions in an

1 attempt to resolve this matter short of filing a complaint case. However, those efforts were unsuccessful and, as a
2 result, we were forced to file this Complaint.

3 Q. Do any of the amounts due and owing from VoiceStream and Western Wireless include any late payment
4 or other charges?

5 A. No. Although our tariff permits the imposition of late fees, and the recovery of reasonable attorneys fees in
6 the event of nonpayment, I have not included those charges in the amounts due and owing. As part of this
7 Complaint, however, we are asking the Commission to reaffirm the provisions of our tariff which would allow us to
8 assess late payment fees on these amounts as well as seek recovery of reasonable attorneys fees which we have
9 incurred in pursuing these unpaid amounts.

10 Q. You have also filed a complaint against SWBT. Why are you including SWBT in this Complaint?

11 A. SWBT is included in this Complaint because we believe they have some responsibility for this traffic being
12 terminated to us and, perhaps, for VoiceStream's and Western's failure to pay. When the Commission approved
13 SWBT's revision to its own wireless interconnection tariff in Case No. TT-97-524, it did so with the specific
14 condition that SWBT would remain secondarily liable to third party LECs for traffic sent to them by wireless
15 carriers and for which they receive no payment. The specific language in the Commission's order is as follows:

16 In the event a wireless carrier refuses to pay a third-party LEC for such termination and the
17 wireless carrier does not have a reciprocal compensation agreement with the third-party LEC,
18 SWBT will remain secondarily liable to the third-party LEC for the termination of this traffic, but
19 will be entitled to indemnification from the wireless carrier upon payment of the loss. *In the*
20 *matter of SWBT's tariff filing to revise its wireless carrier Interconnection Service Tariff*, PSC
21 *Mo. No. 40, Case No. TT-97-524, Report & Order, December 23, 1997.*
22
23

24 It is also our understanding that in SWBT's interconnection agreements with CMRS providers, including the
25 interconnection agreement with VoiceStream and Western, there is a provision which requires CMRS providers to
26 enter into their own agreements with third party providers, such as our Company, for traffic which they send through
27 SWBT's facilities for termination to that third party provider. In the event, however, that the CMRS provider sends
28 traffic through SWBT's transiting network to a third party provider with whom the CMRS carrier does not have a
29 traffic interexchange agreement, then the CMRS provider has agreed to indemnify SWBT for any termination
30 charges rendered by a third party provider for such traffic. Accordingly, in this case where VoiceStream and

1 Western have knowingly sent traffic to our Company and have failed to establish an agreement or pay for traffic
2 they terminate to our Company pursuant to our approved tariffs, we believe that it is appropriate to hold SWBT
3 responsible for payment of such terminating charges since 1) SWBT is responsible for the traffic being terminated to
4 us in contravention of its tariff or interconnection agreements with VoiceStream and Western and 2) SWBT has a
5 right of indemnification from VoiceStream and Western so that SWBT would be reimbursed for any charges it is
6 required to pay to us.

7 Q. Does that complete your direct testimony?

8 A. Yes, it does.

CASE NO. TC-2002-1077

Schedule No. 1

HIGHLY CONFIDENTIAL

Direct Testimony of Craig Wilbert
on behalf of Craw-Kan Telephone Cooperative, Inc.

FILED UNDER SEAL