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August 26, 2002

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

Re: Case No. TC-2002-1077
- **Direct Testimony of Bruce Copsey**
- **KLM Telephone Company**

FILED²
AUG 26 2002
Missouri Public
Service Commission

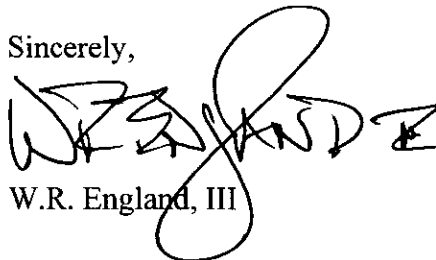
Dear Mr. Roberts:

Enclosed for filing please find an original and eight copies of the direct testimony of Bruce Copsey on behalf of KLM Telephone Company.

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:	Terminating Wireless Traffic
Witness:	Bruce Copsey
Type of Exhibit:	Direct Testimony
Sponsoring Party:	KLM Telephone Company
Case No.:	TC-2002-1077
Date:	August 26, 2002

CASE NO. TC-2002-1077

DIRECT TESTIMONY

OF

BRUCE COPSEY

ON

BEHALF OF

KLM TELEPHONE COMPANY

FILED²
AUG 26 2002
Missouri Public
Service Commission

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 Holt
State of Missouri

AFFIDAVIT OF

Bruce Copsey

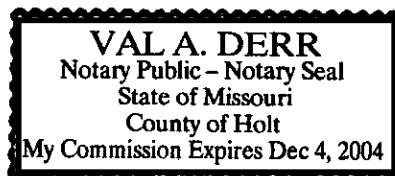
Bruce Copsey, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Bruce Copsey"; that said testimony and schedules attached thereto was prepared by him and/or under his direction and supervision; that if inquiries were 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 20th day of August, 2002.

Val A. Derr
Notary Public

My Commission expires:

December 4, 2004



DIRECT TESTIMONY

1 Q. Please state your name and business address.

2 A. My name is Bruce Copsey and my business address is 208 Ash St., Maitland, MO
3 64466-0112.

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

5 A. I am the General Manager of KLM Telephone Company

6 Q. Briefly describe the nature of your duties and responsibilities for KLM Telephone
7 Company.

8 A. I manage all activities of KLM Telephone Company through my inside and outside
9 employees. I report to a board of directors, interpreting and implementing board
10 policies. I plan, direct, coordinate and control all business lines of the telephone
11 company. I ensure that all operations comply with applicable federal and Missouri state
12 laws and local regulations. I represent KLM before regulatory agencies and industry
13 associations. I evaluate new business opportunities and recommend new services to
14 the board of directors.

15 Q. Are you authorized to testify on behalf of KLM Telephone Company?

16 A. Yes.

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

18 A. I am a 1983 graduate of University of Missouri Rolla where I received a Bachelors of
19 Science in Engineering Management. In January 1984, I was hired as the Tariff
20 Manager for Fidelity Telephone Company. In May 1988, I assumed the position of
21 general manager for Holway Telephone Company and in December of 1992 I assumed
22 the same position with the KLM Telephone Company.

23 Q. Please briefly describe KLM Telephone Company and the nature of its business.

24 A. KLM Telephone Company (hereinafter sometimes referred to as the "Company") is a
25 Missouri corporation with its principal office and place of business located at Rich Hill,

1 Missouri. A certificate of corporate good standing, issued by the Missouri Secretary of
2 State, is attached to the Complaint filed in Case No. TC-2002-1077. KLM Telephone
3 Company provides telephone service to approximately 1,700 subscribers that are
4 located within Bates and Vernon Counties and within the Missouri exchanges of Rich
5 Hill, Metz, Richards and Deerfield. The Company operates pursuant to a certificate of
6 public convenience and necessity issued by the Commission in its Case No. TA-88-61.
7 Of particular relevance to the instant complaint, KLM Telephone Company provides
8 basic local telecommunications services, exchange access services and wireless
9 termination services pursuant to tariffs on file with and approved by the Missouri Public
10 Service Commission (Commission) within its exchanges.

11 Q. What is the purpose of your testimony?

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

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

20 A. No.

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

23 A. No.

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

26 A. It is my understanding that VoiceStream and Western are providers of commercial
27 mobile radio service (CMRS) (also known as wireless services) within the State of

1 Missouri. It is also my understanding that wireless customers of VoiceStream and
2 Western originate wireless calls which are ultimately terminated to wireline customers
3 which are located in exchanges which our Company serves.

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

5 A. It is my understanding that SWBT is a telecommunications company providing basic
6 local telecommunications services, basic interexchange telecommunications services
7 and exchange access services in various parts of the state of Missouri. In addition,
8 SWBT offers what it calls a "transit" service to CMRS providers, such as VoiceStream
9 and Western, which allow those CMRS providers to terminate wireless-originated traffic
10 to exchanges served by our Company without directly connecting to our Company's
11 local network. It is also my understanding that SWBT provides these transit services or
12 facilities pursuant to either its intrastate wireless interconnection tariff or an
13 interconnection agreement entered into between SWBT and CMRS providers such as
14 VoiceStream and Western.

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

16 A. The wireless originated traffic is terminated to our exchanges over common trunk groups
17 owned by SWBT through SWBT's Springfield Tandem which directly connects to the
18 Company's facilities. SWBT commingles this wireless originated traffic with other
19 wireline interexchange (i.e., toll) traffic also destined for termination to the Company's
20 exchanges. Because all of this traffic comes to us over a common trunk group, our
21 Company is unable to distinguish the wireless-originated traffic from other interexchange
22 traffic that is terminated to us. We are also unable to unilaterally prevent or block
23 wireless-originated traffic from terminating to our facilities even in those circumstances
24 where wireless carriers refuse or otherwise fail to pay for the terminating service which
25 our Company provides.

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

27 A. After the traffic is delivered by SWBT (through SWBT's Springfield tandem) to our

1 facilities, it is transported over wire/cable facilities which we own to our central office
2 where the traffic is switched and directed to the individual customers to whom the traffic
3 is destined. In addition to the switch, we own distribution facilities which carry the calls
4 throughout our exchanges where it is ultimately terminated over the cable pair or loop
5 which serves each individual customer's residence or place of business.

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

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

14 Q. Does VoiceStream or Western have an agreement with your Company to terminate or
15 otherwise exchange intraMTA traffic?

16 A. No.

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

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

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

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

1 effective) indicate that VoiceStream and Western have terminated traffic to our
2 Company. The specific amounts of traffic are shown on the copies of CTUSRs which
3 are attached to this testimony as Schedule No. 1. These CTUSRs are for the period of
4 time February 5, 2001 through June 4, 2002, which is the most recent period for which
5 SWBT has hard copies of this information.

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

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

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

13 A. No.

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

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

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

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

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

27 A. Yes. Most, if not all, of the major wireless carriers that terminate traffic to us, as shown

1 by the CTUSRs, are paying for that traffic pursuant to our wireless termination service
2 tariff. VoiceStream and Western are the only major wireless carriers that I am aware of
3 that are not paying our wireless termination tariff rate for traffic they terminate to us.

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

6 A. Yes. Our counsel contacted representatives for VoiceStream and Western on several
7 occasions in an attempt to resolve this matter short of filing a complaint case. However,
8 those efforts were unsuccessful and, as a result, we were forced to file this Complaint.

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

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

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

19 A. SWBT is included in this Complaint because we believe they have some responsibility
20 for this traffic being terminated to us and, perhaps, for VoiceStream's and Western's
21 failure to pay. When the Commission approved SWBT's revision to its own wireless
22 interconnection tariff in Case No. TT-97-524, it did so with the specific condition that
23 SWBT would remain secondarily liable to third party LECs for traffic sent to them by
24 wireless carriers and for which they receive no payment. The specific language in the
25 Commission's order is as follows:
26
27

1 In the event a wireless carrier refuses to pay a third-party LEC for such
2 termination and the wireless carrier does not have a reciprocal
3 compensation agreement with the third-party LEC, SWBT will remain
4 secondarily liable to the third-party LEC for the termination of this traffic,
5 but will be entitled to indemnification from the wireless carrier upon
6 payment of the loss. *In the matter of SWBT's tariff filing to revise its*
7 *wireless carrier Interconnection Service Tariff*, PSC Mo. No. 40, Case No.
8 TT-97-524, Report & Order, December 23, 1997.
9

10 It is also our understanding that in SWBT's interconnection agreements with CMRS
11 providers, including the interconnection agreement with VoiceStream and Western, there
12 is a provision which requires CMRS providers to enter into their own agreements with
13 third party providers, such as our Company, for traffic which they send through SWBT's
14 facilities for termination to that third party provider. In the event, however, that the
15 CMRS provider sends traffic through SWBT's transiting network to a third party provider
16 with whom the CMRS carrier does not have a traffic interexchange agreement, then the
17 CMRS provider has agreed to indemnify SWBT for any termination charges rendered by
18 a third party provider for such traffic. Accordingly, in this case where VoiceStream and
19 Western have knowingly sent traffic to our Company and have failed to establish an
20 agreement or pay for traffic they terminate to our Company pursuant to our approved
21 tariffs, we believe that it is appropriate to hold SWBT responsible for payment of such
22 terminating charges since 1) SWBT is responsible for the traffic being terminated to us in
23 contravention of its tariff or interconnection agreement with VoiceStream and Western
24 and 2) SWBT has a right of indemnification from VoiceStream and Western such that
25 SWBT would be reimbursed for any charges it is required to pay to us.

26 Q. Does that complete your direct testimony?

27 A. Yes, it does.

CASE NO. TC-2002-1077

Schedule No. 1

HIGHLY CONFIDENTIAL

Direct Testimony of Bruce Copsey
on behalf of KLM Telephone Company

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