

1 home MTA, excuse me, is the Kansas City MTA; is that correct?

2 A. It can be the MTA of anywhere -- anywhere that
3 T-Mobile provides service.

4 Q. But as I understand it, the -- I looked --
5 looking at Schedule 3, all of the NPA/NXX's that appear in
6 there, or I should say more properly the vast majority of
7 them, are in the Kansas City MTA; is that right?

8 A. I believe that's right.

9 Q. Okay. You have a -- as I remember, there are,
10 I think, a couple from Denver. I think I saw 303, which is
11 Denver, and 314, which is St. Louis.

12 A. There's some from Texas.

13 Q. Yeah.

14 A. Oklahoma.

15 Q. But without counting them up, would you agree
16 that it looks like 90 percent of the NPA/NXXs are in the
17 Kansas City MTA?

18 A. No, I wouldn't agree with the 90 percent. I
19 would agree that over 50 percent, but I wouldn't go as high
20 as 90.

21 Q. Tell me, do you know, does the Kansas City MTA
22 extend beyond the eastern border of Missouri?

23 A. Yes, I believe it does.

24 Q. Do you know how far it extends?

25 A. Not exactly, no.

1 Q. Do you know how much of the 785 and 316 [sic]
2 and 913 area codes it includes?

3 A. How much area that includes, no.

4 Q. You don't?

5 A. No.

6 Q. Okay. So when you say that -- when you
7 testify that you think only about 50 percent of the NPA/NXX's
8 in this list, in your Schedule 3, are in the MTA, you really
9 don't know that that's accurate, do you?

10 A. No, I don't know that that's accurate without
11 further --

12 Q. Okay.

13 A. -- study.

14 Q. Okay. Now, a few moments ago, we established
15 that in your direct testimony, you refer to Mr. Knipp's
16 testimony; is that correct?

17 A. Yes.

18 Q. Do you have a copy of Mr. Knipp's testimony
19 with you?

20 A. No, I do not.

21 Q. Okay. Just a couple of questions I would like
22 to ask you about that now. Now, his testimony was not
23 offered into evidence, so I need to bring this to the
24 Commission's attention. In particular, for counsel, the
25 references are to Mr. Knipp's direct testimony of January 9,

1 2004, Page 10, Line 8, and Page 12, Line 2.

2 MR. MARK JOHNSON: May I approach the witness?

3 JUDGE THOMPSON: You may.

4 MR. MARK JOHNSON: Thank you.

5 Q. (By Mr. Mark Johnson) Mr. Biere, I am handing
6 you two pages from Mr. Knipp's testimony, in particular the
7 pages that I just mentioned. In other words, Pages 10 and
8 Page 12. And I just wanted to make sure that -- that the
9 record reflects the methodology that was utilized by your
10 company.

11 Is it correct that -- I'm sorry, sir, that
12 Mr. Knipp testifies, and this is on Page 10, Line 12 -- Line
13 8, excuse me. In other words, we assumed the caller was in
14 their home MTA when the call was made giving us an
15 originating MTA.

16 A. That's correct.

17 Q. And you agree that was part of the
18 methodology?

19 A. Yes.

20 Q. Okay. And second, on Page 12, Line 8 -- Line
21 2 -- 12, Line 2, Mr. Knipp testified intuitively, we believed
22 it's safe to conclude that most wireless calls are made from
23 the caller's home MTA. Do you agree with that statement?

24 A. Yes.

25 Q. Okay. Would you agree with me, however,

1 Mr. Biere, that your methodology didn't assume that most of
2 the calls were made from the caller's home MTA, but in fact,
3 that all of the calls were made from the home MTA.

4 A. We assumed the calls were made from the MTA
5 recognizing that there could be exceptions to that.

6 Q. And is there anywhere in your methodology that
7 those exceptions are taken into account?

8 A. Taken into account in mathematically taken
9 into account?

10 Q. Yes.

11 A. No.

12 Q. Okay.

13 A. It's assumed in the testimony that because of
14 the two theoretical type errors that they would theoretically
15 be offsetting, and the mathematical calculation would be
16 essentially the way we calculated it.

17 Q. Okay. But let's talk for a moment about the
18 phone calls from the Kansas City MTA. My personal T-Mobile
19 cellular telephone number is an 816-456 NPA/NXX. Would you
20 agree that that NPA/NXX appears in your Schedule 3?

21 A. 816-456?

22 Q. Yes, sir.

23 A. Yes, it's here.

24 Q. And my daughter's is 816-405. Would you agree
25 that that appears on there?

1 A. Yes.

2 Q. Okay. I've lost my cell phone, I have my
3 daughter's cell phone. I had to borrow it for today, so I
4 have one that's an 816-405 NPA/NXX. Where's your office
5 located?

6 A. In Macon, Missouri.

7 Q. In Macon. And as I -- let's see. Macon --
8 could you point out where Macon is on this map?

9 A. (Witness indicates.)

10 Q. Okay. And -- and for the Commission's
11 convenience, I actually put a red mark on the map as to where
12 Macon is located. Would you agree with me that Macon is in
13 the St. Louis MTA?

14 A. Yes, it is.

15 Q. Okay. If I called your office today using
16 this cellular phone with an 816-405 NPA/NXX, would that show
17 up as an interMTA or intraMTA call based on your company's
18 methodology?

19 A. It would show up as an inter.

20 Q. As an interMTA call. If I made a call to my
21 office from here in Jefferson City to Kansas City, what would
22 that show up as?

23 A. That would be an intra.

24 Q. That would show up as an intraMTA call?

25 A. Yes, it would.

1 Q. And in both cases that's wrong. That's
2 incorrect, isn't it?

3 A. What you've given as one example of each of
4 the kinds of era, which in your example, actually, offset,
5 and so the mathematical calculation still turns out to yield
6 the correct result.

7 Q. But when you say they offset, isn't it correct
8 you just assumed they offset? You don't have any empirical
9 evidence that the -- these two errors actually offset each
10 other?

11 A. No, I don't have any empirical evidence. As I
12 stated earlier, we use the -- we used the actual call
13 records, and because there were no other -- there were no
14 other call records and no other evidence to use to calculate.

15 Q. Okay. If I were in Springfield today,
16 Springfield, Missouri, would you agree that that's in the St.
17 Louis MTA?

18 A. Could you -- I think I know where Springfield
19 is, but if you could point to it.

20 Q. I'm sorry, it's down right here.

21 A. Yes, that's in St. Louis MTA.

22 Q. St. Louis MTA. And I made the same types of
23 phone calls we talked about, you'd have the interMTA/intraMTA
24 mix-up, if you will. Would you agree with that?

25 A. Yes.

1 Q. Would the same be true if I were making those
2 calls from Springfield, Massachusetts? If I were calling you
3 from Springfield, Massachusetts, that call would show up as
4 --

5 A. They would show up the same way.

6 Q. Okay. And the same is true if I were calling
7 you from Ottawa, Kansas or Ottawa, Ontario. Same problem?

8 A. That's also correct. Remember, the premise is
9 that the bulk of the calls are made from the home MTA.

10 Q. Where in your testimony do you provide
11 empirical evidence to support that assumption that the bulk
12 of the calls are made from the home MTA?

13 A. I don't.

14 Q. Okay. Does Mr. Knipp provide such empirical
15 evidence to your knowledge?

16 A. I don't believe so.

17 Q. Okay. Now, just to finish this up, when --
18 Mr. Johnson will correct me about this if he wants to on
19 redirect examination. On my way here this morning, I called
20 Mr. Johnson's office. I was driving into Jefferson City.

21 A. Is that T-Mobile Johnson or?

22 Q. T-Mobile Johnson calling Craig Johnson, your
23 lawyer, calling his office here in Jefferson City, 573 area
24 code here in Jefferson City. Again, that call, using your
25 company's methodology, would show up as interMTA. Would you

1 agree?

2 A. That's correct, yes.

3 Q. Even though it was not just an intraMTA call,
4 but I was just a matter of two or three miles away from his
5 office when I made that call. Would you agree with that?

6 A. If you were two or three miles away from the
7 office, it would show up as an interMTA call.

8 Q. Even though it's really an intraMTA call?

9 A. Yes.

10 Q. Okay. That's all I have Mr. Biere, thank you
11 for your time.

12 MR. MARK JOHNSON: Thank you, Judge.

13 JUDGE THOMPSON: Thank you. Questions from
14 the bench, Commissioner Murray.

15 COMMISSIONER MURRAY: Thank you.

16 QUESTIONS BY COMMISSIONER MURRAY:

17 Q. Good afternoon.

18 A. Good afternoon.

19 Q. I have a few questions for you. You mentioned
20 earlier in the cross-examination that you had a wireless
21 termination tariff that was not approved.

22 A. Yes.

23 Q. Was that -- was that tariff suspended?

24 A. I don't remember if it was suspended or
25 withdrawn.

1 Q. Okay. So you just don't remember?

2 A. I really don't remember for sure.

3 Q. All right. What is the intraMTA rate that you
4 want to apply to the wireless traffic?

5 A. In this case, since the only available rate to
6 apply is our Chariton Valley's tariff rates. I believe it
7 would be appropriate to apply the intrastate access rate.

8 Q. Which are?

9 A. Six, seven, eight cents. I don't recall the
10 exact number.

11 Q. Is it surprising to you that the wireless
12 carriers object to that?

13 A. No, it's not surprising at all that they
14 object. Given -- we are in an unfortunate situation of where
15 that's the only rate that's available to apply short --
16 that's just the only rate that's -- the only rate that can be
17 applied.

18 Q. And do you agree that intraMTA traffic is
19 local traffic?

20 A. It's local as defined by the FCC for wireless
21 carrier.

22 Q. And yet you believe that six, seven, eight
23 cents a minute termination charges should apply to it?

24 A. I believe that would be the appropriate charge
25 to apply to resolve this matter, and then the wireless

1 carriers, as some have already done, can request or negotiate
2 an interconnection agreement that lowers that rate and we
3 have two or three -- three of those agreements in place as we
4 speak at, I believe, three and a half cent rate.

5 Q. Okay. Let me ask you a couple of questions
6 relating to that. The -- first of all, let's turn to Page 7
7 of your direct, at Line 18. I'd like you to explain the
8 statement that you make there that says under the Act, the
9 ability to consummate reciprocal compensation lies with the
10 wireless carriers, not with the MITG companies.

11 A. Yes.

12 Q. Would you explain the meaning of that?

13 A. Yes, I believe --

14 Q. First of all, what does it mean to consummate
15 reciprocal compensation?

16 A. I believe what that -- under the Federal Act,
17 the Telecommunications Act, that it's the wireless carriers
18 that have to originate the request for an interconnect -- the
19 negotiating interconnection agreement, and pursue those --
20 pursue that to a conclusion. I don't believe --

21 Q. What does consummate mean?

22 A. Consummate would mean to complete it.

23 Q. And is it possible to complete an agreement if
24 you don't have agreement on both ends?

25 A. Generally not, no.

1 Q. The last time I checked, it always took at
2 least two to negotiate and to come to an agreement?

3 A. That's correct.

4 Q. That's your understanding also?

5 A. Yes.

6 Q. Okay. On Page 8, you cite at Line 2 the
7 Commission's February 8th, 2001, order in TT-2001-139. Do
8 you see that?

9 A. Yes.

10 Q. Now, I was absent when that -- I was on the
11 Commission then, but I was absent when that vote was taken.
12 And at the motion for rehearing, I descended. The wireless
13 carriers had filed a motion for rehearing, and I felt in my
14 descent, I stated that approval of the tariffs will not
15 provide effective incentives for negotiation of reciprocal
16 compensation agreements as the majority seems to claim.

17 In fact, the tariffs will have the opposite
18 effect. The filing companies will no longer have any
19 incentive to negotiate reciprocal compensation for indirect
20 interconnection. Furthermore, the blocking provisions of the
21 tariffs are returnable.

22 What incentive do the small ILECs have to
23 negotiate for compensation when you have something in place
24 that allows you to get the maximum if you don't do anything,
25 if you don't agree do anything?

1 A. Well, obviously, when any two parties come
2 together, one party -- if it's a financial negotiation, there
3 are always two different -- two different positions, one
4 higher and one lower, and the party with the lower position
5 wants to move the other party down and the party with the
6 higher position wants to move the other party up.

7 In this particular case, because of the -- of
8 the way the rates are, because of the tariff structure, until
9 there is an approved interconnection agreement, the only rate
10 to apply would be the tariff rate. Then I'm not -- -- I'm
11 not sure that I can fully describe what the incentive is for
12 a local exchange carrier to provide access to a wireless
13 carrier at a much lower rate, but we -- Chariton Valley and a
14 lot of other local exchange carriers in the state are doing
15 it.

16 I believe that -- that to have multiple rates
17 is in the whole -- in the overall scheme of things is a
18 severe problem because it sets up the opportunity for
19 arbitrage of rates. And so while I know it has been
20 portrayed that the local exchange companies simply don't want
21 to lower their rate, I don't believe that's true.

22 I believe the local exchange companies are
23 agreeable to enter into honest, sincere negotiations with
24 wireless carriers when approached. Obviously there is a
25 discussion -- there have been discussions, and I think in

1 regard, I can't think just where in my testimony, that some
2 of the issues are call records and two or three things that
3 are germane to those negotiations.

4 But the fact remains that we and others have
5 negotiated wireless interconnect agreements that are in place
6 and function -- functioning today at lesser rates.

7 Q. And do you have in your knowledge here on the
8 stand, what is the lowest intraMTA rate, wireless termination
9 rate, that Chariton Valley has agreed to today?

10 A. Three and a half cents.

11 Q. And has T-Mobile requested to negotiate with
12 Chariton Valley?

13 A. I believe we had a level negotiation. There
14 was correspondence back and forth where we sort of each
15 stated our position, but it didn't move beyond that.

16 Q. On Page 8, again, of your testimony, you
17 indicate there at Line 10, speaking of the wireless carriers,
18 that they can exercise their rights under the 1996 Act and
19 consummate agreements containing reciprocal compensation
20 provisions. But there again, they can only consummate those
21 agreements if there is an actual agreement reached in which
22 your company is a party; is that right?

23 A. That's true, but I believe that if -- if the
24 negotiation reaches an impasse, that it can be requested to
25 be, I'm not sure what the right term is, but essentially

1 arbitrated.

2 Q. Okay. And let me try to get some idea of what
3 it is that the parties are negotiating about when they --
4 when a wireless carrier comes to you to request an
5 interconnection agreement, and obviously the wireless carrier
6 wants lower than your six, seven, or eight cents a minute
7 intraMTA termination charge, so that's a starting point from
8 their standpoint, I would think.

9 What is -- what is the consideration which you
10 would receive for reducing those rates beyond what you can
11 get under your tariff?

12 A. You mean what's the incentive?

13 Q. What kind of consideration would you look for
14 in order to make that reduction?

15 A. Well, I think it's our preference to have a
16 direct interconnect with the wireless carrier so that the
17 traffic can be quantified and measurable.

18 Q. Okay. Let's stop there and explain what that
19 means. What does that require the wireless carrier to do in
20 order to give you a direct interconnect?

21 A. It would require the wireless carrier to -- to
22 make arrangements for a facility from their location to ours.

23 Q. And that's in every -- that's with every
24 carrier that the wireless carrier wants to terminate traffic
25 to; is that right?

1 A. Yes.

2 Q. Fairly burdensome requirement, would you not
3 think?

4 A. Perhaps if there was an extremely low level of
5 traffic. If there were a higher level of traffic, I don't
6 believe it is a burdensome thing, because if they had to --
7 if their traffic levels were high enough, if it was
8 economical for them to do that as is to use common trunk
9 roots.

10 Q. Now, are you in one of the areas that's called
11 the rural?

12 A. Yes.

13 Q. So you would not necessarily be in one of
14 those high traffic areas, would you?

15 A. Well, depends on the amount of traffic is
16 probably less -- less driven by our area, although it is to
17 some degree, but is driven by the penetration of the wireless
18 carrier how many customers they have in the area and how many
19 calls they wish to place to subscribers in our -- within our
20 exchange boundaries.

21 Q. So to require them to have a direct
22 interconnection, would -- would you agree would be likely to
23 reduce the likelihood of competition from wireless carriers?

24 A. I don't know that it would have that effect.

25 Q. Would it increase the likelihood of

1 competition?

2 A. I don't believe it would increase it and I
3 don't think it would greatly decrease it, but I do believe
4 that it would -- puts in place a structure that makes it --
5 puts in place the mechanism so it is very clear what the
6 amount of traffic that traverses over those connections so
7 that there is no likelihood for other types of traffic to
8 make it onto that connection.

9 Q. Do you work with the identification of traffic
10 on a -- in the normal course of your business?

11 A. By identification of traffic, you mean --

12 Q. You, are you involved in determining what
13 traffic is identifiable and what is not?

14 A. We have members on staff that -- that look at
15 the terminating records on a regular basis because of the
16 amount of traffic that comes to us over the Feature Group C,
17 common trunk groups that's unidentifiable.

18 Q. And has that amount of unidentifiable traffic
19 shrunk recently?

20 A. No, I don't believe in our case it has.

21 Q. Have there been any changes in the way that
22 records are provided within the industry recently?

23 A. There's discussion of changes, but I don't
24 believe they've actually -- that we've actually seen them
25 implemented yet.

1 Q. So you're saying you've seen no changes in the
2 records that are provided to you for identification of
3 traffic?

4 A. As it pertains to wireless traffic, we are
5 provided the CTUSR report, which we've talked about numerous
6 times here earlier today, which has, upon investigation,
7 proven to be an unreliable document. And in fact, the Staff
8 attorney asking questions about why the difference between
9 the minutes that we recorded, that we recorded than the CTUSR
10 report, which is a prime example of the problems that are
11 inherent in that kind of an arrangement.

12 What we do is measure -- create switch records
13 on inbound traffic that are live, happen as the traffic
14 occurs, accumulate those, and study them. Where the CTUSR
15 report is provided to us in a summary fashion, with no
16 backup, with no supporting documentation, records, there's no
17 way to even validate the thing.

18 The way we have found errors, at least some of
19 the errors are we know there is traffic of a certain kind
20 that should be showing up on the record and it's not there
21 and go back to Southwestern Bell to -- for clarification for
22 them to work with us. And generally the answer is that they
23 made a mistake. They have -- someone has not set the
24 translations properly in their switch, they've not
25 accumulated the records properly.

1 And in some -- when those errors are
2 discovered, those minutes, then, are put onto the CTUSR
3 report, which even further distorts it, it gets its minutes
4 on, but it distorts the timing, because the minutes may have
5 occurred six months ago, and they'll show up on a report
6 three months in the future.

7 Q. When was the last time you checked the minutes
8 that were reported to you?

9 A. We have people look at those on a monthly
10 basis.

11 Q. And what was the last month's percentage of
12 unidentified traffic?

13 A. I can't tell you here, I don't know.

14 Q. Have you checked recently to see if that
15 percentage has been going down?

16 A. Over the last few months, I've not looked at
17 the exact percentages. I have asked if the amount of
18 identified traffic is changing, and the response is not --
19 not an appreciable amount.

20 Q. But you didn't look at, yourself, at those
21 numbers --

22 A. No.

23 Q. -- to see if you agreed with that?

24 A. No, I did not.

25 Q. And on Page 11 of your direct, you indicate

1 that the -- Chariton Valley's -- Line 5 through 7, Missouri
2 terminating access rates, these uncompensated minutes
3 represent approximately \$294,000. Are those classified as
4 all interMTA minutes to get there?

5 A. That calculation, I believe, was done using
6 our tariff access rate, so it wouldn't matter whether they
7 were inter or intra. That would be the total sum of minutes
8 times our access rate. Because that's, again, the only
9 applicable rate that we had.

10 Q. Okay. And again, that's the six, seven, eight
11 cent a minute rate you're talking about?

12 A. Yes, it is.

13 Q. Refresh my memory. When you filed those
14 access tariffs, you didn't have to show any cost
15 relationship, did you?

16 A. Those tariff rates have been in effect for a
17 long time, so.

18 Q. Does that mean you don't know?

19 A. Well, I'm trying to think. Let me make sure I
20 understand your question. I think at the time -- at the time
21 the rates were applied, that they were -- they would have
22 been reviewed and approved. Now, whether there was -- if
23 there was a supporting cost study and -- I believe the
24 current access rates were filed many years ago, and I really
25 don't have firsthand knowledge of what was filed in this

1 Court.

2 Q. Do you have a technical knowledge of how calls
3 are terminated?

4 A. Somewhat.

5 Q. Does it cost more to terminate a call that is
6 interMTA than it does to terminate a call that is intraMTA?

7 A. No, I don't believe it does.

8 Q. Does it cost more to terminate a call that is
9 interlata versus intralata?

10 A. No. In fact, I've been an advocate of those
11 access rates should all be the same level.

12 Q. Would you like them to go up?

13 A. No, I believe -- I believe they need to come
14 down. To be very clearly, I believe they need to come down,
15 and I believe if we were being compensated for all the
16 minutes of traffic, that just that -- that in itself would
17 bring rates down.

18 COMMISSIONER MURRAY: I think that's all the
19 questions I have. Thank you.

20 JUDGE THOMPSON: Thank you. Commissioner.
21 Commissioner Appling.

22 QUESTIONS BY COMMISSIONER APPLING:

23 Q. William, what do we need to do to get this
24 behind us?

25 A. Issue an order that requires the wireless

1 carriers to pay us for the traffic that they have terminated
2 on our network using the -- our tariff access rate. I
3 understand, and Commissioner Murray asked me questions about
4 that rate, and I understand it's higher than our wireless
5 terminating rates, but it's the only rate we have, and it
6 applies to a -- a specific amount of traffic from 1998, I
7 believe, through 2001. And there may be issues beyond that,
8 but to resolve this matter, I believe that's the -- that's
9 what needs to be done to resolve it.

10 Q. What's keeping you all from getting in a room
11 and making that decision on your own?

12 A. I believe it's pretty clear here today that
13 the wireless carriers don't want to pay the rate that we
14 believe is the only applicable rate we have to apply to
15 traffic. And on a go-forward basis, obviously as we -- as
16 was discussed earlier here today, there were, I believe,
17 Judge Thompson said, like, 72 individual complaints and the
18 majority of those, all but four of them have been resolved.
19 And of course two of those are -- they're factors relative to
20 Chariton Valley and Northeast Missouri and T-Mobile.

21 Q. Thank you, sir.

22 JUDGE THOMPSON: Thank you, Commissioner.

23 QUESTIONS BY JUDGE THOMPSON:

24 Q. Now, Mr. Biere, you were here for the opening
25 statements; is that correct?

1 A. Yes, I was.

2 Q. And you heard Mr. Craig Johnson request that
3 the Commission find that the interMTA factor applicable to
4 the traffic between T-Mobile and Chariton Valley is to be 100
5 percent. Did you hear that? Is that not correct?

6 A. I believe Chariton Valley's is 73 percent and
7 Northeast is a 100 percent.

8 Q. Okay. See, that's why I ask these questions,
9 because if I didn't, I would just go write an order for the
10 wrong stuff. Now, do you -- and you sponsored the study that
11 reached that conclusion?

12 A. As far as it pertained to Chariton Valley,
13 yes.

14 Q. For Chariton Valley?

15 A. Yes.

16 Q. Okay. And is the study that you sponsored,
17 did you perform that yourself?

18 A. I personally didn't -- our staff members did,
19 and I was -- I kept in contact with what they were doing,
20 yes.

21 Q. Okay. So -- so some of the work was done by
22 your employees?

23 A. Yes, it was.

24 Q. But you have reviewed it?

25 A. Yes.

1 Q. And you believe it was done correctly?

2 A. Yes, I do.

3 Q. And you adopt that as your own result?

4 A. Yes.

5 Q. Okay. And as far as you know, was that study
6 based upon the best information available?

7 A. Yes, it was.

8 Q. In fact, was it based on the only information
9 that was available?

10 A. Yes, it was the only information available.

11 Q. Okay.

12 JUDGE THOMPSON: That's all the questions I
13 have. Thank you.

14 COMMISSIONER MURRAY: Judge.

15 JUDGE THOMPSON: Yes, ma'am.

16 COMMISSIONER MURRAY: Can I ask some more?

17 JUDGE THOMPSON: Commissioner Murray.

18 COMMISSIONER MURRAY: Thank you.

19 QUESTIONS BY COMMISSIONER MURRAY:

20 Q. Why are you trying to determine the percentage
21 of -- or the allocation between inter and intra if you're
22 saying that there's only one charge that applies?

23 A. There's only one charge that can apply to the
24 minutes in question in this proceeding.

25 Q. Right, so why are you trying to determine

1 that?

2 A. We actually did that in response to a request
3 from the Commission.

4 Q. Okay. But you're saying that regardless of
5 what the allocation would be determined to be, that because
6 there was no tariff in effect at the time, that it should not
7 be reciprocal compensation, which I believe the FCC has
8 stated at some point, but that it should be, instead, your
9 access tariff rate?

10 A. In the absence -- had there been an
11 interconnection agreement, the interconnection agreement
12 allows for and reciprocal comp, but absent that our tariff,
13 our terminating access tariffs don't, and I believe as has
14 been confirmed by the Commission's finding, that those don't
15 fit the structure for -- I just lost the word, reciprocal
16 comp.

17 Q. Do you find a problem with applying access
18 tariffs to local traffic?

19 Q. Is that no conflict, in your opinion?

20 A. It's not my preferred way to do it. I think
21 the preferred way in this whole matter would have been for
22 negotiated settlements or --

23 Q. I understand, and that didn't happen, but
24 right now, you're asking us to apply access tariffs to local
25 traffic.

1 A. Yes.

2 Q. You admitted that intraMTA traffic is local
3 traffic, right?

4 A. It is local traffic for wireless carriers as
5 defined by the FCC.

6 Q. And these are wireless carriers we're talking
7 about that are terminating the traffic?

8 A. Yes.

9 Q. And you want to apply an access rate, a tariff
10 access rate to that local traffic?

11 A. Simply because that is the -- the only rate I
12 believe that can be applied.

13 Q. Well, I think there are those who would argue
14 that reciprocal compensation can be applied, and it would be
15 more equitably applied because it's local traffic.

16 A. Well, if reciprocal comp were applied, I don't
17 believe it would change the outcome because Chariton Valley
18 has not launched any calls back to the wireless carrier. And
19 so even if reciprocal comp were in place, the calculation
20 would yield zero.

21 All of the calls that originate from Chariton
22 Valley local exchange customers are routed through an
23 interexchange carrier of which our customer pays -- would pay
24 a toll rate, and the interexchange -- which is charged by the
25 interexchange carrier, and access were paid to the people who

1 -- to the people -- the companies who complete the call.

2 Q. That's because you route them through an IXC?

3 A. That's correct. There is no mechanism to
4 route -- for us to route a call directly to the wireless
5 carrier.

6 Q. And --

7 A. To this wireless carrier.

8 Q. And it is accepted practice that when a call
9 is routed through an IXC that then access charges do apply?

10 A. Yes.

11 Q. Because that's not local traffic?

12 A. That's correct.

13 COMMISSIONER MURRAY: Okay. Thank you.

14 JUDGE THOMPSON: Commissioner. Any further
15 questions?

16 QUESTIONS BY COMMISSIONER APPLING:

17 Q. This is probably a really dumb question, but
18 since I'm a new guy, I'll ask it anyway. What did the FCC
19 say about this situation in which we find ourself in? It
20 doesn't have to be you, somebody can help me out and maybe --
21 I'm just -- what did they say about the situation? How was
22 it constructed when they come up with the --

23 A. I think they just -- I think they anticipated
24 that there would be interconnection agreements put in place,
25 or if there weren't, that if the traffic was routed over

1 through an interexchange carrier, that the applicable access
2 rates would apply.

3 Q. Thank you, sir.

4 COMMISSIONER APPLING: Thank you.

5 QUESTIONS BY JUDGE THOMPSON:

6 Q. With respect to the distinction between
7 interMTA and intraMTA, would you agree with me that even as
8 to the traffic that's at issue today, whatever proportion of
9 it is determined to be interMTA, there is, in fact, no
10 dispute as to the rate applicable to that traffic?

11 A. That's correct.

12 Q. And there is a dispute as to the rate
13 applicable to whatever proportion is determined to be
14 intraMTA?

15 A. Yes, that's where --

16 Q. So the distinction between the two types of
17 traffic, in fact, remains important?

18 A. Yes, I would agree with that.

19 Q. Okay.

20 A. Yes.

21 Q. And when this case started off with -- what
22 did we say, 7 complainants and 21 respondents and 76
23 individual claims, there was some traffic that, in fact, had
24 been passed after wireless termination tariffs had been
25 adopted by some of the complainants; isn't that correct?

1 A. Let me make sure I understand your question.
2 There was wireless traffic passed to companies after they had
3 approved wireless termination tariffs?

4 Q. Right.

5 A. Yes.

6 Q. Okay.

7 A. Yes.

8 Q. So the distinction was also important with
9 respect to that traffic, was it not?

10 A. Yes, it was.

11 Q. Thank you. I have no further questions.

12 JUDGE THOMPSON: Other questions from the
13 bench? Very well. It's time for recross. It's quarter to
14 3:00. We need to take a break for the Reporter about 3:00,
15 so why don't we take that a little early and then we won't
16 have to interrupt recross. So we'll take a ten-minute break.
17 We are in recess.

18 (A BREAK WAS HAD.)

19 JUDGE THOMPSON: Okay. We're ready to
20 recross, I do believe, and I'm not going to skip you this
21 time, Mr. Meyer. Have at it. It's okay to say you don't
22 have any.

23 MR. MEYER: I'll thank you for the opportunity
24 and pass.

25 JUDGE THOMPSON: Now you're on my Christmas

1 list. Mr. Bub.

2 MR. BUB: I hate to be off the list, but I
3 just have a couple of short questions.

4 JUDGE THOMPSON: I knew it. The last time you
5 had a couple short questions, you took all morning.

6 CROSS-EXAMINATION BY MR. BUB:

7 Q. This has to do with the question that came
8 from Commissioner Murray. And in response, you were talking
9 about under the Act if there's an impasse of negotiations
10 between the wireless carrier and the LEC, your company, if
11 the dispute can be arbitrated. Do you recall that?

12 A. Yes.

13 Q. Okay. Would you agree with me that impasse
14 here has been reached with T-Mobile?

15 A. I don't know.

16 MR. MARK JOHNSON: Objection, calls for a
17 legal conclusion.

18 JUDGE THOMPSON: Would you read back the
19 question, Ms. Reporter?

20 COURT REPORTER: "Question: Okay. Would you
21 agree with me that impasse here has been reached with
22 T-Mobile?"

23 JUDGE THOMPSON: Impasse? Yeah, I don't think
24 that's a legal conclusion, objection will be --

25 MR. MARK JOHNSON: It's the old labor lawyer

1 in me. Impasse has a definite meaning in the labor field.

2 JUDGE THOMPSON: I see. There are many
3 mansions in our father's house, but this ain't that one. I'm
4 going to overrule the objection. Answer the question, if you
5 can.

6 THE WITNESS: I don't know if impasse has been
7 reached.

8 Q. (By Mr. Bub) Okay. In any event, Chariton
9 Valley has not sought to arbitrate with T-Mobile or any other
10 wireless carrier the disputes that we're talking about here?

11 A. No.

12 Q. Okay. Commissioner Murray also asked you
13 about -- this was in -- speaking about the direct versus
14 indirect interconnection, the requirement of direct
15 interconnection that she asked whether there was any
16 likelihood that competition would be decreased if there was a
17 requirement of direct interconnection. And your answer, if I
18 recall, was that it would be neither increased nor decreased;
19 is that right?

20 A. That's correct.

21 Q. Okay. Would you agree with me that there
22 certainly would be an increase in cost to the wireless
23 carrier with the requirement that they directly interconnect
24 with your company?

25 A. No, I wouldn't agree. It depends on the

1 circumstances of the individual wireless carrier, and I don't
2 believe the blanket statement is applicable.

3 Q. Okay. How about this. Clarify it a little
4 bit. If a wireless carrier was required to bring its own
5 facilities into your exchanges as opposed to being able to
6 only bring the facilities to the tandem in Kansas City, would
7 you agree in that situation that there would be significant
8 cost imposed on the wireless carriers?

9 A. I don't believe I would even agree with that
10 because I believe there are many avenues available to
11 wireless carriers to accomplish the required interconnection.

12 Q. Okay.

13 MR. BUB: Thank you, your Honor.

14 JUDGE THOMPSON: Thank you, Mr. Bub.

15 Mr. T-Mobile Johnson.

16 MR. MARK JOHNSON: Nothing, thank you.

17 JUDGE THOMPSON: Very well. Redirect.

18 REDIRECT EXAMINATION BY MR. CRAIG JOHNSON:

19 Q. Let's let the healing begin. In --
20 Commissioner Murray asked you some questions about intraMTA
21 calls being defined as local by the FCC. Do you recall when
22 that happened?

23 A. I believe it was in the latter part of '96,
24 after -- months after the Act.

25 Q. Okay. And Commissioner Murray's question

1 seemed to assume that once they declared it, the interMTA
2 calls as being local for purposes of compensation, that that
3 somehow was automatic. Is that consistent with your
4 recollection of what the Act required before someone got
5 reciprocal compensation?

6 A. No, the Act requires carriers that -- to --
7 MR. MARK JOHNSON: Objection, calls for legal
8 conclusion.

9 JUDGE THOMPSON: I believe that does call for
10 a legal conclusion. I'm going to sustain the objection.

11 Q. (By Mr. Craig Johnson) In the prior evidence
12 in this case, Exhibits 33, 36, and 37 are interconnection
13 agreements that Aerial, T-Mobile and Western Wireless have
14 with Southwestern Bell. If it was automatic to get local
15 compensation for interMTA traffic without an agreement, why
16 was it necessary for T-Mobile to get those agreements?

17 A. T-Mobile desired --

18 MR. MARK JOHNSON: Objection, calls for
19 speculation of the witness, asking him to testify about what
20 my client was thinking, and if it was something -- or
21 hearsay, for that matter.

22 JUDGE THOMPSON: Read the question back.

23 COURT REPORTER: "Question: In the prior
24 evidence in this case, Exhibits 33, 36, and 37 are
25 interconnection agreements that Aerial, T-Mobile and Western

1 Wireless have with Southwestern Bell. If it was automatic to
2 get local compensation for interMTA traffic without an
3 agreement, why was it necessary for T-Mobile to get those
4 agreements?"

5 JUDGE THOMPSON: I'm going to allow the
6 question, the objection is overruled.

7 THE WITNESS: Because the reciprocal comp was
8 not automatic. Reciprocal comp only comes as a result of
9 getting an agreement in place.

10 Q. (By Mr. Craig Johnson) Does T-Mobile have any
11 agreements with Chariton Valley?

12 A. No, they do not.

13 Q. In their -- in this -- so far in this stage of
14 the case or any part of the case, has T-Mobile ever suggested
15 what the appropriate Y rate is for intraMTA traffic that's
16 terminated to Chariton Valley?

17 MR. MARK JOHNSON: Objection, this goes beyond
18 in any cross-examination or any questions from -- from --
19 from the bench. This is more the direct examination.

20 JUDGE THOMPSON: Mr. Johnson.

21 MR. CRAIG JOHNSON: Mr. Johnson --
22 Mr. T-Mobile Johnson asked Mr. Biere several questions about
23 X minutes times the Y being the access rate for interMTA
24 traffic that results in the Z, the compensation of, and he
25 also referenced the X times for the intraMTA minutes, times

1 the Y, the unknown intraMTA rate, to produce the unknown Z
2 that's due for intraMTA compensation, and I think this is
3 within the scope of that question he asked on
4 cross-examination.

5 JUDGE THOMPSON: I agree. Objection
6 overruled. You can answer, if you're able.

7 THE WITNESS: I don't believe they've ever
8 proposed a rate.

9 Q. (By Mr. Craig Johnson) I want to ask you some
10 questions in response to some of the questions Mr. Bub asked
11 you regarding the joint provisioning of access and the
12 multiple bill arrangements. Do you recall those questions
13 and answers?

14 A. Yes.

15 Q. Are joint provisioning and multiple billing
16 the same thing?

17 A. No, I don't believe they are.

18 Q. During the term of the PTC plan, who was
19 Chariton Valley's PTC?

20 A. Southwestern Bell.

21 Q. Now, let's -- and you're in the Kansas City
22 lata; is that correct?

23 A. That's correct.

24 Q. And let's suppose that a Bell originated call
25 terminated to Chariton Valley. Who paid Chariton Valley

1 access for that call?

2 MR. BUB: Your Honor, I need to object, I
3 think this goes beyond the scope of, certainly, my
4 cross-examination. My cross-examination was all post-PTC the
5 way it's done now. It's talking about the way it was done
6 before that, so I didn't ask him any questions about how
7 things were done during the term of the PTC plan, and that's
8 completely irrelevant to what we're talking about now.

9 MR. CRAIG JOHNSON: I disagree. Not only did
10 he ask him questions about how it was handled during the PTC
11 plan, he referenced tariffs that were in place during the PTC
12 plan. And as I understood Mr. Bub's cross-examination, he
13 was trying to suggest that the situation where only the
14 originating carrier pays the terminating compensation is
15 universal and always has been, so I think this is within the
16 scope of cross-examination.

17 JUDGE THOMPSON: I agree. Objection
18 overruled. You may answer, if you're able.

19 THE WITNESS: Would you repeat the question?

20 Q. (By Mr. Craig Johnson) For the interlata call
21 originated by a Bell customer terminated to Chariton Valley,
22 who paid Chariton Valley terminating access?

23 A. Southwestern Bell.

24 Q. And who -- during that period of time, who
25 jointly provisioned the transport?

1 A. Chariton Valley had a piece of the transport
2 and Southwestern Bell had a majority of it.

3 Q. Now I want to deviate from that. Let's say
4 that Sprint originated a call -- and by Sprint, I mean Sprint
5 Missouri, Inc., the former PTC. They originated the call
6 from Warrensburg, which was handed off to Bell for
7 termination in a Chariton Valley exchange. So we've got a
8 toll call originated by Sprint, transported by Bell, and
9 terminated by Chariton Valley. Do you follow my example?

10 A. Yes.

11 Q. Who paid you the terminating access on that
12 call during the PTC plan?

13 MR. BUB: Your Honor, I need to object.

14 THE WITNESS: Southwestern Bell paid it all.

15 MR. BUB: I need to object.

16 JUDGE THOMPSON: Are you using your
17 microphone, Leo?

18 MR. BUB: I'm sorry, your Honor, I'm not.

19 JUDGE THOMPSON: That's okay, but the viewers
20 in Germany aren't going to be able to hear you.

21 MR. BUB: The objection is when -- it was the
22 same objection, but in addition, when I was asking him these
23 type of questions, he said he didn't know one way or another
24 how his access tariffs applied. I think it's curious that he
25 does know now when his counsel is asking those same

1 questions.

2 JUDGE THOMPSON: Well, you see a lot of
3 curious things in this business. I'm going to have to
4 overrule that objection.

5 Q. (By Mr. Craig Johnson) Who paid your
6 terminating access with a Sprint originating call?

7 A. Southwestern Bell.

8 Q. Mr. Bub also asked you several questions about
9 Southwestern Bell's access tariff, which I believe is Exhibit
10 No. 306. Do you understand what relevance that Southwestern
11 Bell's access tariff has to the traffic that's in dispute
12 here?

13 A. I don't believe it has any relevance at all
14 and -- it doesn't have any relevance.

15 MR. CRAIG JOHNSON: I think that's all I have,
16 your Honor.

17 JUDGE THOMPSON: Very well. Thank you,
18 Mr. Biere, for all your help today. You may step down. And
19 you are excused. Mr. Godfrey.

20 (THE WITNESS WAS SWORN.)

21 JUDGE THOMPSON: State your name and spell
22 your last name for the reporter, if you would, sir.

23 THE WITNESS: My name is Gary Godfrey, last
24 name, G-O-D-F-R-E-Y.

25 JUDGE THOMPSON: Thank you. Do we have some

1 exhibits to mark?

2 MR. CRAIG JOHNSON: Direct testimony, your
3 Honor.

4 JUDGE THOMPSON: Very well. This will be
5 Exhibit 307.

6 (MITG EXHIBIT NO. 307 WAS MARKED FOR
7 IDENTIFICATION BY THE COURT REPORTER.)

8 JUDGE THOMPSON: You may proceed.

9 MR. CRAIG JOHNSON: Thank you, your Honor.
10 GARY GODFREY testified as follows:

11 DIRECT EXAMINATION BY MR. CRAIG JOHNSON:

12 Q. Mr. Godfrey, who do you work for and what's
13 your business address?

14 A. I work for Northeast Missouri Rural Telephone
15 Company, PO Box 98, Green City, Missouri.

16 Q. And are you the same Gary Godfrey who has
17 caused to be pre-filed in this case Exhibit No. 307, your
18 direct testimony?

19 A. Yes.

20 Q. And if I were to ask you today the same
21 questions that are contained in that written document, would
22 your responses be the same as the answers that are contained
23 on that written document?

24 A. Yes.

25 Q. Do you have any changes or corrections that

1 need to be made to Exhibit 307?

2 A. No.

3 Q. So those answers are true to the best of your
4 knowledge, information, and belief?

5 A. Yes, they are.

6 MR. CRAIG JOHNSON: Your Honor, I offer
7 Exhibit No. 307.

8 JUDGE THOMPSON: Any objections to the receipt
9 of Exhibit 307? Hearing none, the exhibit is received and
10 made a part of the record in this proceeding.

11 (MITG EXHIBIT NO. 307 WAS RECEIVED INTO
12 EVIDENCE BY THE JUDGE.)

13 JUDGE THOMPSON: Do you tender?

14 MR. CRAIG JOHNSON: Yes, I do, if I have to.

15 JUDGE THOMPSON: I believe, Mr. Meyer, you're
16 up.

17 CROSS-EXAMINATION BY MR. MEYER:

18 Q. Good afternoon, Mr. Godfrey.

19 A. Good afternoon.

20 Q. Some of these questions may sound familiar, so
21 I'll apologize in advance. As I understand, you developed a
22 percent of interMTA traffic for T-Mobile based on Schedule 4
23 attached to your direct testimony; is that correct?

24 A. Yes, we performed a study for the last quarter
25 of 2001, which was a period involved just before this case,

1 material filed for complaint, and we analyzed the traffic and
2 came up with a factor.

3 Q. And the dates that that coverage would be
4 October 1 through December 31, 2000; is that correct?

5 A. Yes, that's correct.

6 Q. And could you briefly, in generic terms,
7 describe, and I think you probably already started going that
8 direction, the nature of Schedule 4 to your direct testimony?

9 A. What we tried to do was, as ordered by the
10 Commission, come up with a factor of the traffic that came to
11 us from outside the MTA where our customers received the
12 calls, wireless calls coming in over the Southwestern Bell
13 trunk roots.

14 So we went back and reloaded all the toll
15 recordings that are recorded by our switches, and it's a
16 massive job, massive number of records because we couldn't
17 just take one wireless carrier's traffic and load them, we
18 had to load all the traffic for every call coming in from,
19 not only Bell, but every other interexchange carrier we
20 serve.

21 We had to choose a period, we tried to choose
22 the broadest period that we thought was manageable. We
23 selected three months. We wanted to have the most recent
24 data possible for the complaint period, so we chose the
25 latter part of the complaint period, bringing us right up to

1 December 31st, 2001. So we chose the last quarter of 2001.
2 We looked at all the calls, sorted off every
3 single call that came from each of the wireless carriers, and
4 then we looked at the NPA/NXX where that call originated from
5 the call record that our switch recorded, and then we tried
6 to -- through looking at industry tools like the LERG, tried
7 to identify where that NPA/NXX was, and then we sorted those
8 and came up with 100 percent of the calls originated from
9 NPA/NXX's outside of where the customer received the call.

10 Q. And so on this document, Schedule 4, that
11 would be the numbers that are shaded, is that correct, the
12 terminating seconds that are shaded?

13 A. The shaded area, okay, those are where our
14 customers reside. You'll notice there's three columns for
15 terminating seconds; one is St. Louis, which that is where
16 the bulk of our customers reside; another is Kansas City, and
17 Mr. Johnson -- Mr. Craig Johnson testified -- or didn't
18 testify, he in his opening statement, said that we have 31
19 total customers that reside in the Kansas City MPA; and then
20 we have another exchange called the Loray (ph. sp.) exchange
21 that is in the Des Moines MTA. So those three columns show
22 where our customers receive those calls, what MTA the
23 customers resided in.

24 Q. Right, right. There's also a column
25 encaptioned seconds, and then also another column total

1 interMTA seconds. Are those seconds of air time used?

2 A. Yes.

3 Q. So from the moment that the call begins using,
4 this is -- enters the system until the time that it --

5 A. From the time our switch picked up the call
6 until the time that the call terminated.

7 Q. Okay. And this would be converted to minutes
8 by dividing the number --

9 A. By 60.

10 Q. -- by 60? Thank you. And are you familiar
11 with the CTUSR report that's generated by Southwestern Bell
12 that we've been discussing?

13 A. Yes, I am.

14 Q. Do you happen to know what CTUSR stands for?

15 A. I heard it stated here once today, and I don't
16 know what the acronym is. I can't remember, but it's just a
17 summary report of the wireless terminating minutes
18 categorized by carrier.

19 Q. Okay. Have you been able to compare the
20 minutes of use in your schedule to the minutes of use for the
21 equivalent period of time in a CTUSR report generated by
22 Southwestern Bell?

23 A. No. As was explained earlier, that's a rather
24 difficult thing. There's timing issues involved because the
25 CTUSR does not cover a calendar month or even a recording

1 month for us. Sometimes there's true-ups, apparently, that
2 float through the CTUSR, and also we've analyzed traffic over
3 the years and found that the minutes are switch records and
4 all the pieces that are reported to us from Bell including
5 wireless minutes, the sum of their pieces don't add up to the
6 actual recorded terminating minutes that come in off Bell's
7 trunk root.

8 MR. MEYER: May I approach the witness?

9 JUDGE THOMPSON: You may.

10 MR. MEYER: And also have an exhibit marked?

11 JUDGE THOMPSON: We can do both of those
12 things. This will be 308.

13 MR. MEYER: We'd also ask that it be highly
14 confidential.

15 JUDGE THOMPSON: Okay.

16 (STAFF EXHIBIT NO. 308 WAS MARKED FOR
17 IDENTIFICATION BY THE COURT REPORTER.)

18 Q. (By Mr. Meyer) Mr. Godfrey, would you be
19 willing to agree that this is an accurate summary of the
20 CTUSR reports for the periods that were roughly the
21 equivalent of the time that you performed your study for? In
22 other words, from October 5 of '01 through January 4th of '02
23 on the left-hand side of the page, and then on the right-hand
24 side of the page, a summary of the minutes of use of the
25 testimony that you have provided for the relevant time, and

1 of course, that's seconds converted into minutes.

2 A. Okay. I think I've lost you there.

3 Q. Probably too long of a question. Would you be
4 willing to agree with me that on the left-hand side of the
5 page under minutes of use dash CTUSR that that's an accurate
6 reflection of the CTUSR reports for those periods? And I
7 believe I provided you a copy of the CTUSR reports --

8 A. Yes.

9 Q. -- to compare that against?

10 A. Okay. Now I understand your question.

11 Q. Yeah, that was the point.

12 A. Okay. And looking at the blue tabs that
13 you've outlined here with a WCG for Voicestream, you have
14 reported the numbers that are on the CTUSR reports that you
15 gave me with these figures.

16 Q. And then would you agree that the number under
17 complainant's testimony would be the equivalent of the
18 numbers that you have in your schedule that was attached to
19 your --

20 A. I haven't done the math, but you have down
21 here 1,059,804 minutes.

22 Q. Actually, that was HC?

23 A. Okay. I'm sorry. The figure that you have
24 here, you've divided by 60, and I don't have a calculator
25 here, so assuming you've done your division correctly, that

1 would be my figure.

2 Q. Okay. Okay.

3 MR. MEYER: I would move for the admission of
4 Exhibit 308HC.

5 JUDGE THOMPSON: Any objections? Hearing
6 none, Exhibit 308 is received and made a part of the record
7 of this proceeding.

8 (STAFF EXHIBIT NO. 308HC WAS RECEIVED INTO
9 EVIDENCE BY THE JUDGE.)

10 MR. MEYER: And that is all I have, thank you.

11 JUDGE THOMPSON: Very well. Mr. Bub.

12 MR. BUB: Thank you, your Honor.

13 CROSS-EXAMINATION BY MR. BUB:

14 Q. Good afternoon, Mr. Godfrey.

15 A. Good afternoon.

16 Q. I'd like to take you back to this morning when
17 I was cross-examining Mr. Biere. You heard the discussions
18 about the Oregon Farmer's Access Tariff that Chariton Valley
19 concurred in, did you not?

20 A. Yes.

21 Q. Okay. Your company, Northeast Missouri Rural,
22 you guys also concur in the Oregon Farmer's Access Tariffs;
23 is that correct?

24 A. We concur in the language of the tariff, and
25 of course each individual company has its own rates and their

1 own tariff.

2 Q. Okay. But you concur in all the language?

3 A. That's right.

4 Q. Thank you. Now I'd like to change gears real
5 quickly and go to Mr. Johnson's opening statement. There, he
6 indicated that Northeast had reached traffic termination
7 agreements with Cingular and Sprint PCS; is that correct?

8 A. That's correct.

9 Q. Okay. Are those agreements similar to the
10 traffic termination agreements that Chariton Valley reached
11 with Cingular and Sprint PCS?

12 A. I studied our own traffic termination
13 agreements, I didn't study theirs, but it's my assumption
14 that they are very much the same, or maybe not percentages
15 and factors and things like that identical, but --

16 Q. Terms and conditions?

17 A. -- my assumption of language is very similar
18 since we worked together with Mr. Johnson.

19 Q. Okay. Certainly your agreements, the
20 Northeast agreements with Cingular and Sprint also call for
21 your company's intrastate intralata access rates to apply to
22 non-local intrastate traffic; is that right?

23 A. Yes.

24 Q. Okay.

25 A. Which I might clarify, our intralata and

1 interlata rates are the same.

2 Q. And both your company's agreements with Sprint
3 and Cingular have been filed with and approved by the
4 Missouri Public Service Commission; is that right?

5 A. Yes, they have.

6 Q. Okay.

7 MR. BUB: May I approach the witness, your
8 Honor?

9 JUDGE THOMPSON: You may.

10 Q. (By Mr. Bub) And just to make sure we have the
11 correct case numbers for the record, the Northeast agreements
12 was Case No. TC-2004-0513?

13 A. I've not memorized the case numbers, but
14 certainly looks like the official document.

15 Q. Okay. And then the agreement with Sprint
16 Spectrum and Northeast Missouri Rural, that's TK-2004-0544?

17 A. Same thing, I have not memorized the case
18 numbers, but I certainly agree with them and filed an
19 agreement.

20 Q. And they have been approved?

21 A. Yes.

22 Q. Thank you.

23 MR. BUB: Your Honor, those are all the
24 questions we have.

25 JUDGE THOMPSON: Thank you, Mr. Bub.

1 MR. BUB: Thank you. Thank you, Mr. Godfrey.

2 JUDGE THOMPSON: Thank you. Mr. T-Mobile
3 Johnson.

4 MR. MARK JOHNSON: I wasn't ready. Okay.
5 Sorry.

6 CROSS-EXAMINATION BY MR. MARK JOHNSON:

7 Q. Mr. Godfrey, would you agree with me that the
8 purpose of today's hearing is to -- from your company's point
9 of view, to determine the interMTA/intraMTA jurisdictional
10 allocation for traffic generated by T-Mobile during the
11 four-year period in question?

12 A. I thought so before I got here.

13 Q. Let's get back to what we're supposed to be
14 here for then. The methodology used in the study which you
15 were sponsoring, is that essentially the same methodology
16 that Mr. Biere has sponsored on behalf of his client?

17 A. I believe so. We coordinated ahead of time to
18 kind of determine a procedure that we were going to use so we
19 would have similar data so it would be the same steps each of
20 us went through, and we, as near as we could, followed the
21 steps that were given to us ahead of time and we're assuming
22 he did also.

23 Q. Now, on behalf of your company, were you in
24 charge of supervising the performance of the study?

25 A. Yes, I'm the Office Manager, and the people

1 who performed the study work directly under me.

2 Q. And the traffic accident sample on which the
3 study for Northeast is based, that appears in Schedule 4 to
4 your direct testimony; is that correct?

5 A. Yes.

6 Q. And that schedule shows the NPA/NXX's for the
7 traffic generated by T-Mobile, or in this case, it appears
8 Aerial Communications; is that right?

9 A. Yes, that's correct. I believe in the
10 CTUSR's, we actually have Voicestream Wireless is the
11 document I was comparing it to that Staff gave me.

12 Q. We, I believe, stipulated that Voicestream and
13 T-Mobile are the same.

14 A. I understand. We accept that.

15 Q. Thank you. And the traffic sample here in
16 question covers the fourth quarter of 2001, that's October
17 through the end of December?

18 A. Yes.

19 Q. Did your company utilize any other traffic in
20 performing the study which resulted in the inter/intraMTA
21 factors you are sponsoring?

22 A. Please repeat that, I may have missed
23 something there.

24 Q. I'll restate it. Was any other traffic sample
25 used in performance of the study which resulted in the

1 **intraMTA/interMTA factors you are sponsoring?**

2 A. No, it was like I stated earlier. It was a
3 pretty massive project to get this data, and we did this one
4 study of the fourth quarter pertaining to that -- to the
5 complaint period.

6 Q. Uh-huh.

7 A. And that's what we used.

8 Q. And the originating point of the call, that is
9 -- I'll start over again. The NPA/NXX of the originating --
10 of the caller that is used as the originating point of the
11 call; is that right?

12 A. Yeah, as we tried to clearly state in our
13 testimony, we did the best we could. I mean, we didn't have
14 the originating cell site to work with. We would have loved
15 to use that. If anybody could have given us that
16 information, that's what we would have used. We didn't have
17 it.

18 The only thing we had available, which were
19 the actual terminating call records, and the only thing we
20 could get that gave us any hint of where the location of the
21 originating call was NPA/NXX. We would love to have
22 information of where the originating cell site was. If you
23 can provide it, we'll use it.

24 Q. And the location for which -- which you
25 assigned to the NPA/NXX is actually the billing address; is

1 **that correct?**

2 A. It's the call record. The call record has the
3 originating phone number, and it's the NPA/NXX of the
4 originating phone number in our switch terminating records,
5 so whatever -- whoever puts that number in that box of
6 originating call record would know what that represents, but
7 that's what we used.

8 Q. And then you used the phone numbers called,
9 the people in your exchanges who received those calls, that
10 was the terminating point?

11 A. That's right, and we know that -- where that
12 is and were terminated because our land line guys don't move
13 around.

14 Q. And to look at the map here, it appears to me
15 that all of your company's, all of Northeast's exchanges are
16 outside the Kansas City lata.

17 A. No.

18 Q. There's -- I'm sorry.

19 A. We have one exchange as Mr. Johnson eluded to,
20 it's the Winnegan exchange and there's 31 -- 31 customers
21 inside the Kansas City MTA. And Mr. Johnson earlier stated
22 that represented three and a half percent of our customers.
23 Actually, if unless I'm mistaken, it's three tenths of one
24 percent of our customers.

25 Q. But it would appear from your traffic study

1 that none of those customers received a call from a T-Mobile
2 number during that period of time, during that three-month
3 period?

4 A. In the period we chose to study, the
5 originating call records for every call coming in with that
6 acronym for the T-Mobile companies was an originating number,
7 was an NPA/NXX, that the LERG identified as being located
8 outside where our customers received the calls.

9 Q. Oh, I understand that. My question was of
10 those 31 access lines --

11 A. Yes.

12 Q. -- is it correct, then, that none of those
13 access lines received a call --

14 A. Oh, I'm sorry.

15 Q. -- from T-Mobile --

16 A. I'm sorry.

17 Q. -- during that three-month period?

18 A. I didn't understand that. No, there were,
19 actually, in that period, two calls that came to our
20 customers, and curiously enough, both of those calls
21 originated with an NPA/NXX of 469-360, and we identified that
22 as Grand Prairie, Texas, so two calls came to those two
23 inside the Kansas City -- that resided inside Kansas City
24 MTA, but they actually came from outside the Kansas City MTA,
25 so they were actually interMTA calls.

1 Q. So those calls didn't originate in the Kansas
2 City MTA as far as you know?

3 A. No, they did not.

4 Q. Would you agree with me that all interMTA
5 traffic is subject to access charges?

6 A. Yes.

7 Q. Would you agree with me that there is a
8 dispute as to the appropriate amount which should be charged
9 for intraMTA traffic?

10 A. I think we've clearly stated our views that
11 without an interconnection agreement or contract or some
12 agreement, we believe those calls fall under our access
13 tariff, but yes, we recognize there is a dispute.

14 Q. But in this case, the interMTA/intraMTA factor
15 you are proposing would render that distinction irrelevant,
16 wouldn't it?

17 A. If we were charging full access, which we have
18 charged, which we have sent bills out and billed under our
19 full access rate, yes, without an interconnection agreement,
20 the factors are irrelevant.

21 Q. Okay. My question is this. I, perhaps, was
22 unclear when I stated it. If the Commission were to adopt
23 the 100 percent interMTA factor you are sponsoring, then the
24 fact that you don't have -- the fact that there's the dispute
25 over what should be paid for intraMTA traffic would be

1 irrelevant.

2 A. That's right.

3 Q. What is the amount that your company charges
4 for intrastate access?

5 A. It's -- a terminating Missouri call is
6 approximately \$.15.

7 Q. \$.15 per minute?

8 A. That's right.

9 Q. Do you have -- have you negotiated -- well,
10 actually, I think Mr. Bub went into this. You have
11 negotiated interconnection agreements with at least two
12 wireless carriers; is that correct?

13 A. With two, yes.

14 Q. Do you remember what the -- the charge per
15 minute that is contained in those interconnection agreements
16 is?

17 A. For the intraMTA traffic, that is three and a
18 half cents per minute.

19 Q. Okay. But to the extent it's interMTA
20 traffic, then the \$.15 per minute charge applies?

21 A. For those calls that originated inside
22 Missouri, that's true. If they originated outside of
23 Missouri, it's the interstate rates.

24 Q. Well, what is the interstate access rate?

25 A. We -- we have lost the term here, but we use

1 the NECA tariff, so it's the NECA tariff, roughly 2.1 cents.

2 Q. Okay. As I understand it, your company has
3 not had in place a wireless termination tariff anytime; is
4 that correct?

5 A. That is correct. We don't have an approved
6 wireless termination tariff nor have we ever.

7 Q. Have you ever filed one?

8 A. Yes, we -- I mean, we've tried everything. We
9 want to get paid for the traffic that's coming over our
10 network. We filed complaints. We thought two years ago when
11 we filed a complaint we'd have it resolved. As time drug on,
12 we wanted to try something else, so we tried to clean it up
13 by filing a tariff.

14 In the tariff, we put in some factors because
15 you were still going to have the issue of traffic that was
16 interMTA. As I recall, Mr. Biere said he didn't remember if
17 it was withdrawn or suspended. As I recall, it was
18 withdrawn, and that's kind of the seed that started this
19 round of investigation into what the factor was as a result
20 of filing. The filing of that tariff, we came up with a new
21 goal of deciding a factor for interMTA.

22 Q. When did Northeast file the wireless
23 termination factor it proposed?

24 A. I don't recall the exact date. It was well
25 after we filed the complaint in this case and after we

1 started worrying that we weren't going to get a decision in a
2 reasonable time and we want to get paid for the use of our
3 facilities. So we're willing to negotiate, file tariffs,
4 file complaints, we just want the wireless carriers to pay us
5 a fair share of revenue for the use of our facility like
6 everybody else does.

7 Q. Just to make sure it's clear on the record,
8 Northeast filed its wireless termination tariff after the
9 complaint?

10 A. After we first filed a complaint.

11 Q. When did Northeast withdraw that tariff?

12 A. I don't know, I don't remember.

13 Q. And it was never approved.

14 A. That's right.

15 Q. It was withdrawn before approval?

16 A. It was not approved.

17 Q. Now, of the three methods which the FCC has
18 outlined for calculating the interMTA/intraMTA factor, did
19 Northeast utilize any of those?

20 A. Not precisely. We came as close as we could
21 with the information we had available of using Option No. 2,
22 which is identify the originating cell site where the traffic
23 came from. I think we were very clear we didn't have the
24 originating cell site, so we used the originating NPA/NXX. I
25 think that's clear in how we identified the method that we

1 used.

2 Q. Okay. To your knowledge, has any state
3 regulatory Commission adopted the methodology which you are
4 sponsoring in this case?

5 A. I'm really not familiar with whatever methods
6 they've adopted.

7 Q. To your knowledge, has the Federal
8 Communications adopted the methodology you're sponsoring?

9 A. There again, I don't know if they have or not.

10 Q. Now, would you agree with me that most
11 wireless phones are mobile?

12 A. Yes, I heard the information that you
13 exchanged with Mr. Biere before, and everything you said was
14 accurate, they're mobile, but we don't have anything else to
15 use. If anybody can identify a single call here that
16 originated inside the MTA, we'll mark it out. We'll change
17 the factor, but we don't have that information. They're
18 mobile, we did the best we could.

19 Q. Okay. Would you agree with me that in
20 performing your study, that you assumed that the caller was
21 in his home MTA when the call was made?

22 A. Yes.

23 Q. Would you agree with me that in performing
24 your study, you assumed that it was safe to conclude that
25 most wireless calls were made from the caller's home MTA?

1 A. I think we were also clear that there could be
2 two possible kinds of errors, some a person from outside of
3 our MTA was making a call inside the MTA and vice versa,
4 somebody residing in our MTA made one outside. The
5 assumption was drawn that they would be offsetting. I don't
6 have -- just logic tells me that would be the case, but I
7 don't have any documentation or studies to prove that.

8 Q. Okay. Getting back to my question, would you
9 agree with me that you assumed it was safe to conclude that
10 most wireless calls are made from the caller's home MTA?

11 A. Yes.

12 Q. Would you agree with me, however, that in
13 fact, the assumption that you made in your study is that all
14 of the calls were made from the caller's home MTA?

15 A. We did that.

16 Q. And in doing so, you sort of put aside the
17 fact, or I'm not going to say fact, the possibility that some
18 of those calls were made outside the caller's home MTA?

19 A. We addressed that by saying there would be two
20 potential errors and we just considered, without any better
21 method available, that they would be offsetting.

22 Q. Are you aware of any study that the wireless
23 industry has done that would provide the breakdown between
24 calls made from a wireless carrier's home calling area as
25 opposed to roaming calls?

1 A. No, I'm not.

2 Q. Did you make any -- did you perform any
3 inquiry of other members of MITG to find out if they were
4 aware of any such information?

5 A. No, we did not. I did not.

6 Q. Would you agree with me that most wireless
7 customers use their wireless phones because of the mobility
8 feature?

9 A. I really haven't paid much attention to
10 analysis of how people use their phones. I know how I use
11 mine, and I use mine almost entirely inside my home area.

12 Q. Okay. Have you used your wireless phone
13 today?

14 A. No, I have not.

15 Q. You haven't?

16 A. No, I have not.

17 Q. You may be the only person in the room who
18 hasn't.

19 A. I'm a pretty loyal land line customer. I only
20 use mine if I absolutely have to.

21 Q. These days, most people, it's the other way
22 around. That's kind of interesting. I'm sorry for that
23 aside. But if you made a call using your wireless phone from
24 here, today, to your office in Green City, would that be an
25 interMTA or an intraMTA call?

1 A. I believe that Jeff City is in the St. Louis
2 MTA. My home is in the St. Louis MTA, and it would be an
3 intraMTA call.

4 Q. But as I think you indicated a moment ago when
5 I was cross-examining Mr. Biere, you know, we went through a
6 number of examples where I called my office in Kansas City
7 today. Under the study that you and he are sponsoring on
8 behalf of your respective companies, that call would show up
9 as interMTA or intraMTA?

10 A. Originating from Kansas City?

11 Q. Yes.

12 A. To our home?

13 Q. No, Jefferson City.

14 A. To Kansas.

15 Q. Let me back up. If I were to call your office
16 today --

17 A. Yes.

18 Q. -- from here in Jefferson City, using the
19 methodology that your company is sponsoring, would that call
20 show up as interMTA or intraMTA?

21 A. And I think I understood you to say that you
22 have a Kansas City phone number.

23 Q. 816 area code.

24 A. It would show up in our study as an interMTA
25 call. And you're correct, it was actually the originating

1 cell site would be an intraMTA, and we have clearly
2 identified there would be two types of errors. That's one of
3 the types of error. We just didn't have any better way of
4 doing the study.

5 Q. But is it fair to say that given the fact that
6 all of your exchanges, with the exception of 31 access lines
7 in the Winnegan exchange --

8 A. And approximately 200 in Loray.

9 Q. I was going to get to that.

10 A. Okay. I'm sorry.

11 Q. That with the exception of those 31 access
12 lines, all of your company's access lines are outside of the
13 Kansas City MTA.

14 A. Yes.

15 Q. So tell me, given that fact, how is it that
16 any call generated by a T-Mobile customer with a Kansas City
17 MTA number could show up as an intraMTA, or could show up as
18 anything other than intraMTA?

19 A. I don't know where all you have customers, but
20 I assume your other T-Mobile customers had to come in over an
21 interexchange carrier and you paid whoever the interexchange
22 carrier that delivered that call paid the full access,
23 because if the calls were identified as a T-Mobile customer
24 from St. Louis, we would have put them in as an intraMTA
25 call.

1 Q. But that assumes that the period in question
2 between 1998 and 2001 that T-Mobile provided service to St.
3 Louis.

4 A. We assumed that, and we assumed those calls
5 must have come in over an interexchange carrier, because if
6 they had come in over the Southwestern Bell trunk group, we
7 would have identified them.

8 Q. But to get back to my question, you know, you
9 said that, and as I understand, you know, one of your
10 assumptions is that this -- these errors in the methodology
11 offset, they counterbalance each other, if you will. Well,
12 what I'm asking is how could what is, in fact, an intraMTA
13 call from someone calling from Jefferson City with an 816
14 number, how in any way on God's green earth could that show
15 up as an intraMTA call?

16 A. Since all the calls, 100 percent of the calls
17 that came to us -- well, I'm --

18 Q. My question is there is no counterbalance.

19 A. No, there's not because no St. Louis
20 originating phone numbers came to us over the Southwestern
21 Bell trunk group. If you provided service in St. Louis, they
22 apparently came to us over another interexchange carrier
23 besides Southwestern Bell.

24 Q. For which access charges would have been fully
25 paid, right?

1 A. That's right, yes, absolutely.

2 Q. Okay. So if your assumption there is correct,
3 then you're fully compensated --

4 A. Uh-huh.

5 Q. -- for anything originating out of St. Louis?

6 A. That's correct, in this case here during that
7 time period.

8 Q. Okay. So there's nothing that balances out
9 this mistake, this error in your methodology that makes a
10 truly intraMTA call show up as interMTA?

11 A. In your case, because there was 100 percent,
12 that's right.

13 Q. Okay. One little last line of questioning and
14 I don't know if this is going to go anywhere or not. Did
15 your company provide call forwarding at the time in between
16 1998 and 2001?

17 A. Yes, we did.

18 Q. Do you know, is there any way that you can
19 track whether any of the calls made from the Kansas City MTA
20 to your exchange is in the St. Louis MTA went to a forwarded
21 number?

22 A. I mean, there would be a way to do it
23 comparing switch records and looking -- there would be two
24 different calls is the way it would be recorded.

25 Q. Okay. That's fine. So if you had a customer

1 who lives in Green City who decides for whatever reason he
2 wants to go on a vacation to Kansas City --

3 A. Uh-huh.

4 Q. -- and I want to call him --

5 A. Uh-huh.

6 Q. -- and I called him back then, I'd call his
7 number in Green City and he's forwarded it to wherever he's
8 staying in Kansas City.

9 A. He could do that.

10 Q. Would that show up in your study? Would that
11 intraMTA call show up in your study?

12 A. Which part of the call where we say would be
13 wireless?

14 Q. So the way you would record it is you would
15 have one wireless call and then one wire line call?

16 A. That's correct. I mean, if it originated from
17 a wireless customer to one of our Green City customers,
18 assuming that came in over Southwestern Bell's trunk group,
19 we would have put it in this study, and that would be a wire
20 line call, the call going out.

21 Q. And that wouldn't show up in your study?

22 A. No.

23 Q. Okay. Mr. Godfrey, thank you for your time,
24 that's all I have.

25 MR. MARK JOHNSON: Thank you, Judge.

1 JUDGE THOMPSON: Thank you, Mr. Johnson.

2 Questions from the bench, Commissioner Murray.

3 COMMISSIONER MURRAY: Thank you.

4 QUESTIONS BY COMMISSIONER MURRAY:

5 Q. Good afternoon.

6 A. Good afternoon.

7 Q. I was upstairs while I was having to do some
8 other things and I was listening to part of the questioning
9 earlier, but I missed a great deal of it. I think I heard
10 you say that your -- the rates that you charge for
11 termination are \$.15 a minute.

12 A. That's correct.

13 Q. Is that? And is it a full \$.15 a minute that
14 you are attempting to charge the wireless carriers for for
15 that period of time where you did not have a tariff in place?

16 A. Yes, the bills that we sent to them were
17 charged at our terminating access rate, which is
18 approximately \$.15.

19 Q. And that terminating access rate ordinarily
20 does not apply to local traffic; is that right?

21 A. It does not apply to calls that originate and
22 terminate in the same exchange, that's right.

23 Q. And isn't MTA traffic local traffic for a
24 wireless carrier?

25 A. In our opinion, that's only true if there's an

1 interconnection agreement. If there's not an interconnection
2 agreement, that's an interexchange call subject to access
3 rates.

4 Q. And where do you -- what -- from what basis do
5 you form that opinion?

6 A. From the basis that the -- as I understand,
7 and I'm not a lawyer, as I understand the FCC order, that
8 wireless carriers are supposed to go to the local exchange
9 companies and negotiate interexchange agreements. And it's
10 also my understanding that the Commission has issued orders
11 that traffic would not be terminated to us if there was not
12 an interconnection agreement in place.

13 Q. And how does that make it not local traffic?

14 A. Well, again, I'm not an attorney, but it's my
15 interpretation it can only be reciprocal compensation local
16 traffic if there's an interconnection agreement in place, and
17 we don't have those except with the two recent agreements
18 that we've reached with Cingular and with Sprint PCS.

19 Q. The years go by and the cases go by and the
20 number of wireless termination tariff proceedings that have
21 come before this Commission since I've been on board have
22 been numerous and I get confused about what it is we've done,
23 what it is we've said from time to time. But I seem to
24 recall that at some point, this Commission stated that it was
25 inappropriate to apply access charges to local traffic and

1 that intraMTA traffic was local traffic. Is that not your
2 understanding?

3 A. Again, I probably have not followed all the
4 cases like you have, but -- but we believe that the only --
5 the only rate we have in any tariff or any agreement that can
6 be applied to this traffic is our access rate.

7 And I might add we've -- we've been very
8 frustrated by the time it's taken to get some of this
9 resolved and we have tried a number of things to try to get
10 it resolved. We've tried the access route, filed complaints,
11 we've negotiated with some carriers, we've done everything we
12 can, filed a complaint here trying to get this resolved.

13 Q. Has T-Mobile attempted to negotiate?

14 A. We have discussed with them and I'll be quite
15 --

16 Q. Have they asked for negotiation?

17 A. We -- I don't know who approached who first.
18 We first reached agreement with Sprint PCS and then Cingular,
19 or maybe vice versa, and then we started contacting all the
20 other wireless carriers trying to get this resolved. And
21 I'll be very honest with you, we've tried to offer a similar
22 negotiation to the other carriers that we were able to reach
23 with Sprint and Cingular, because we want to get resolved.

24 Q. And the rate that you're charging for
25 termination of intraMTA to those carriers that you do have an

1 agreement with is what rate?

2 A. Three and a half cents.

3 Q. And did you -- well, I don't know if you can
4 answer this question, and if you can't answer it, I guess
5 your attorney will object, but did you offer that rate to
6 T-Mobile?

7 A. If he doesn't object, I'm going to answer yes,
8 but we only want to -- we only want to have an agreement if
9 it's comprehensive in nature. It not only addresses the
10 rate, not only the factor, but also the retroactive traffic
11 is just a complete settlement, we don't have to come back to
12 that carrier again. That's the only way we want to settle
13 and we think that's good for everybody involved is to get it
14 totally resolved.

15 Q. Are you asking for direct interconnection?

16 A. We did not. We have in the past, but in the
17 two negotiations we settled, we did not require direct
18 connection.

19 Q. I'm assuming that means you wouldn't require
20 direct interconnection for T-Mobile.

21 A. It would be a negotiation, but like I said,
22 we've offered a very similar deal, including not requiring
23 direct connection with other carriers.

24 Q. Is it your position that the allocation
25 between for this -- for this proceeding where you didn't have

1 tariff and you didn't have an interconnection agreement is
2 irrelevant?

3 A. It's irrelevant in our view. For those
4 carriers that we don't have an agreement with, like I stated,
5 the only rate that we can look in our tariff and find that
6 applies to the traffic is our access rate. And under that,
7 it does not matter whether it's interMTA or intraMTA.

8 Q. Just for -- I don't know what kind of a
9 standpoint you call it, intuitive or fairness standpoint or
10 whatever. Would you -- I mean, do you think it's reasonable
11 to expect a wireless carrier to pay \$.15 a minute to
12 terminate a local call?

13 A. Everybody else does that terminates an
14 interexchange call except the wireless carriers.

15 Q. I'm talking about a local call, an intraMTA
16 local call.

17 A. Well, the only way I think I can answer that,
18 with all due respect, is we don't believe it is a local call.

19 Q. So you believe it is reasonable to consider
20 intraMTA calls, all intraMTA calls, no matter whether they're
21 across the street, across the MTA, wherever they are within
22 that MTA, you think it's reasonable that the wireless carrier
23 be charged \$.15 a minute to terminate that call?

24 A. Again, with all due respect, we don't believe
25 the term MTA even applies unless there is an interconnection

1 agreement. If there is no interconnection agreement, we
2 believe that it's interexchange toll traffic that is subject
3 to access.

4 Q. So therefore, you believe \$.15 a minute to
5 call across the street is a reasonable termination?

6 A. That -- yes, if you want to put it that way.
7 If it originates a wireless carrier, it didn't just hop
8 across the street to get to that house. It had to go to a
9 POP somewhere, enter the total wire line network, and come to
10 us over Southwestern Bell or some other interexchange
11 carrier, and like all other interexchange carriers, we
12 believe it's subject to full access rates.

13 Q. Do you know how many wireless carriers compete
14 in your area?

15 A. The only -- if I look at getting wireless
16 service, the only two that I'm aware of that have local
17 towers close to where my home is, there's only two of those.
18 But I think in some neighboring towns, like Kirksville,
19 there's more options, but right at my rural home, there's
20 only two.

21 Q. Does that mean there are only two wireless
22 carriers that you could go to for service?

23 A. I'm sure I could go to -- I don't know how
24 many dozens or hundreds, but the only two that have towers
25 where I could get a signal at my house, there's only two of

1 those.

2 Q. Do you think your policies for termination
3 have anything to do with the fact that there's not more
4 competition?

5 A. I believe there are some very significant
6 issues with the high access rates, and we -- we would like to
7 address the high access rates. The reason we have high
8 access rates is because we're in a rural area that have very
9 high costs to serve for the limited number of customers we
10 have, and we've always subscribed to the federal policy of
11 USF, meaning everybody deserves affordable rates, and that's
12 always been construed as being local rates. And the access
13 had to make up the difference in Missouri because there's not
14 a state USF fund, so the access rates are an issue for us.
15 And we believe they're too high.

16 Q. Do you believe they keep competitors out of
17 your area?

18 A. I believe they maybe haven't so much in the
19 past, but we can see signs that that's going to be a problem.

20 Q. A problem for whom?

21 A. For our customers.

22 Q. But not a problem for you, right?

23 A. We are a co-op, so we like to think that we
24 are our customers.

25 COMMISSIONER MURRAY: I questions that's all.

1 Thank you.

2 JUDGE THOMPSON: Thank you, Commissioner.

3 QUESTIONS BY JUDGE THOMPSON:

4 Q. Mr. Godfrey.

5 A. Yes.

6 Q. Did you perform the study that resulted in the
7 proposed figure for your traffic with T-Mobile, which I
8 believe is 100 percent interMTA; is that correct?

9 A. I supervised the performance of that traffic
10 and that's correct, it's 100 percent.

11 Q. Okay. And you believe the study was performed
12 accurately?

13 A. Yes.

14 Q. The assumptions and calculations were
15 appropriate?

16 A. Yes.

17 Q. And do you believe that in that study that you
18 used the best information available?

19 A. We used the only information and the best
20 information.

21 Q. Do you believe that the factor you've achieved
22 is the most accurate factor that can be produced at this
23 time?

24 A. We honestly believe that.

25 JUDGE THOMPSON: I have no further questions.

1 Thank you.

2 COMMISSIONER MURRAY: I have one more, Judge.

3 JUDGE THOMPSON: Yes, Commissioner.

4 QUESTIONS BY COMMISSIONER MURRAY:

5 Q. I didn't ask you about this, and I didn't ask
6 Mr. Biere about it either, but I think you're both alleging
7 that the transiting carrier has liability. And I have
8 trouble asking a question about that because I see no
9 rational basis for that whatsoever, and I'm asking you what
10 kind of, either rational and/or legal basis, can you provide
11 to make such a claim?

12 A. The reason we believe that is if you go back
13 to 1998 when you'll see all this unpaid wireless traffic
14 starts, Southwestern Bell paid every -- paid for every single
15 minute that came in off their trunk group prior to that 1998
16 point.

17 Q. That was before the Commission changed the --
18 I forgotten what it is now, PTC or COS or --

19 A. Or approved --

20 Q. -- one of those things.

21 A. -- or approved a Southwestern Bell tariff that
22 allowed them to -- to make the argument that they were no
23 longer responsible, but we didn't personally change anything,
24 the traffic was coming over Bell before that period, we
25 charged Bell, they paid it. The traffic continued to come in

1 over Bell and we switched it and --

2 Q. At that time, did Bell receive anything for
3 that traffic for -- did they receive anything from the end
4 customer?

5 A. I don't know. I assume Bell gets paid for
6 everything they do, but I don't -- I can't swear to that.

7 Q. How would they get paid for collecting your
8 debts if they were held secondarily liable for this traffic
9 that terminates on your network that isn't their traffic,
10 it's just transiting across their network?

11 A. Well, to compare it to how other interexchange
12 carriers do it, there are lots of carriers that ride over
13 AT&T, and we charge AT&T, and we assume they have a business
14 relationship and contract --

15 Q. Customer --

16 A. -- and if they don't get paid, they cut them
17 off.

18 Q. They have a relationship with the end-use
19 customer, do they not?

20 A. In a toll sense, but not -- they have an
21 access relationship with us, and that's the same situation we
22 want here. The end-use customer would continue to have a
23 relationship with the wireless carrier.

24 Q. Uh-huh, which means the wireless carrier earns
25 the income off of that customer not the transiting carrier?

1 A. Well, we assume Bell charges a transiting
2 rate.

3 Q. To transit.

4 A. Right.

5 Q. But that's not for terminating, that's for
6 them to transit it, and they're doing that, and they're
7 getting that, but you're saying they ought to pay you if you
8 don't get what you're owed, are you not?

9 A. Well, our position has always been that we're
10 a Feature Group D company that carriers order trunks to our
11 end office and it's up to them to negotiate whatever
12 relationship they have with the companies that ride their
13 trunks, and they come to us and say we want to put trunks in
14 your office and we charge them and they need to charge
15 whoever rides their trunks enough to compensate them, but we
16 charge the person who actually comes to us. And in this
17 case, we're talking about Southwestern Bell.

18 Q. And did I hear, I believe when I was upstairs,
19 did I hear somebody ask you a question about whether this
20 methodology was applied anywhere else that you're aware of?

21 A. I can't remember the exact question, but I can
22 tell you I'm not real familiar with things that happen to
23 other companies that don't involve Northeast Missouri Rural
24 Telephone.

25 Q. And you're not aware of how things are done in

1 other states?

2 A. No, I can't say that I am.

3 Q. Okay. Were you finished with your answer?

4 A. If you think I answered it -- your question.

5 Q. I'm not about to respond to that.

6 A. I mean, I'll try again if you want me to.

7 Q. No, I just wondered if you were finished.

8 A. I'm finished.

9 COMMISSIONER MURRAY: Thank you.

10 JUDGE THOMPSON: Thank you, Commissioner.

11 Recross, Mr. Meyer.

12 MR. MEYER: Nothing, thank you.

13 JUDGE THOMPSON: Mr. Bub.

14 MR. BUB: Just a few, your Honor.

15 RE-CROSS-EXAMINATION BY MR. BUB:

16 Q. Mr. Godfrey, I'd like to follow-up on a couple
17 of questions that Commissioner Murray asked you. You
18 indicated, I believe, to one of her questions that there are
19 only two wireless carriers where you live that you can get a
20 signal; is that correct?

21 A. Okay. I'll clarify. There's two companies
22 that have towers in our area.

23 Q. Okay.

24 A. Probably there's carriers they have agreements
25 with that you can get wireless service with that may have

1 nationwide roaming or whatever. I'm not real familiar with
2 all the plans, but I know there's just two companies that
3 have towers close to my house.

4 Q. What are those companies names, do you know?

5 A. US Cellular and AllTel.

6 Q. Okay. You indicated there are more choices in
7 Kirksville; is that right?

8 A. It's my understanding that Sprint PCS has
9 tower sights up and down Highway 63 that you can get service
10 in Kirksville with.

11 Q. Okay. And it's your understanding, is it not,
12 that SBC Missouri's termination rate under its
13 interconnection agreement with wireless carriers is
14 significantly less than \$.17 a minute?

15 A. I would assume so. I mean, with a company the
16 size of Southwestern Bell, I assume that the economy of scale
17 allows you to offer lower rates than are rural companies.

18 Q. You also had some question and answer with
19 Commissioner Murray about the transit rate that SBC Missouri
20 receives in transiting the wireless traffic that comes to
21 your exchange. Are you aware that that rate is about three
22 tenths of a cent?

23 A. I wasn't aware of what it was.

24 Q. Whatever it is, it's significantly less than
25 the \$.17 a minute that you want to charge for the traffic?

1 A. The rate you quoted is significantly less than

2 --

3 Q. Okay.

4 A. -- \$.15.

5 Q. I'm sorry, 15. Thank you, sir.

6 MR. BUB: Those are all the questions we had.

7 JUDGE THOMPSON: Thank you, Mr. Bub.

8 Mr. Johnson.

9 MR. MARK JOHNSON: Nothing.

10 JUDGE THOMPSON: Okay. Redirect.

11 REDIRECT EXAMINATION BY MR. CRAIG JOHNSON:

12 Q. Mr. Godfrey, the three-month study that you
13 did to come up with a factor, did you ever look at any other
14 three months?

15 A. No.

16 Q. So it wasn't a question of picking the most
17 beneficial three months?

18 A. No.

19 Q. Mr. Meyer showed you Exhibit 308HC, which was
20 the tabulation of CTUSR's and compared to your study period
21 traffic volumes?

22 A. Yes.

23 Q. Can you tell me which wireless carriers
24 CTUSR's that he showed you?

25 A. He put blue tabs on sheets that had

1 Voicestream Wireless with an acronym WCG.

2 Q. Do you know whether or not Staff, in making
3 that tabulation, included any minutes from Aerial or Western
4 Wireless or T-Mobile?

5 A. The only identified name on this CTUSR is
6 Voicestream, so I don't see anything indicating those other
7 carriers.

8 Q. With respect to the total volumes of traffic
9 that your switch identified as being T-Mobile traffic, are
10 you confident that that is an accurate total?

11 A. Yes.

12 Q. Why?

13 A. I'm -- with the instructions I gave my staff
14 to go out and look at all the carriers involved, which
15 included Aerial and T-Mobile, and they went to the LERG and
16 identified the NPA/NXX's for Aerial and T-Mobile, and I'm
17 confident that they that accurately.

18 Q. What degree of confidence do you have in the
19 CTUSR's accurately reporting monthly traffic volumes?

20 A. We've had problems in the past with CTUSR's in
21 getting the accurate data, and we've, at different times, had
22 missing messages or switch recorded messages exceed what the
23 sum of the parts of Southwestern Bell says comes over their
24 Feature Group C trunk groups.

25 Q. In 2001, did Bell actually fail to record

1 AllTel traffic?

2 A. Yes.

3 MR. CRAIG JOHNSON: That's all I have, your
4 Honor.

5 JUDGE THOMPSON: Thank you. You may step
6 down, Mr. Godfrey, you're excused.

7 THE WITNESS: Thank you.

8 JUDGE THOMPSON: Let's see, Mr. Scheperle, am
9 I correct?

10 THE WITNESS: That's correct.

11 (THE WITNESS WAS SWORN.)

12 (STAFF EXHIBIT NO. 309 AND 310 WERE MARKED FOR
13 IDENTIFICATION BY THE COURT REPORTER.)

14 JUDGE THOMPSON: Please state your name and
15 spell it for the reporter, please.

16 THE WITNESS: My name is Michael Scheperle,
17 it's S-C-H-E-P-E-R-L-E.

18 JUDGE THOMPSON: Thank you. You may inquire.
19 MICHAEL SCHEPERLE testified as follows:

20 DIRECT EXAMINATION BY MR. MEYER:

21 Q. Mr. Scheperle, by whom are you employed and in
22 what capacity?

23 A. I am employed by the Missouri Public Service
24 Commission. I'm on the Staff and I'm a Regulatory Economist.

25 Q. And did you prepare the pre-filed testimony in

1 this case, which has been previously marked for
2 identification as Exhibit 309, additional rebuttal testimony
3 of Michael F. Scheperle, and Exhibit 310, additional
4 surrebuttal testimony of Michael F. Scheperle?

5 A. Yes.

6 Q. And do you have any additions or corrections
7 to make to that pre-filed testimony at this time?

8 A. No.

9 Q. So are the answers that you provided, then,
10 true and accurate to the best of your knowledge and belief?

11 A. Yes.

12 Q. And if I asked you those same questions today
13 that were contained in your pre-filed testimony, would your
14 answers be the same?

15 A. Yes.

16 MR. MEYER: I would offer Exhibit 309 and 310
17 into the record and tender the witness for --

18 JUDGE THOMPSON: Any objections to the receipt
19 of 309 and 310? Hearing none, the same will be received and
20 made a part of the record of this proceeding.

21 (STAFF EXHIBIT NOS. 309 AND 310 WERE RECEIVED
22 INTO THE RECORD BY THE JUDGE.)

23 JUDGE THOMPSON: Thank you, Mr. Meyer.

24 Cross-examination. Mr. MITG Johnson.

25 ///

1 CROSS-EXAMINATION BY MR. CRAIG JOHNSON:

2 Q. Mr. Scheperle, let's assume the Commission
3 adopts a 73 percent interMTA factor for the traffic from
4 T-Mobile to Chariton Valley, which would mean 27 percent of
5 the traffic would be intraMTA or local.

6 A. That would be correct.

7 Q. What rates should the PSC apply to that local
8 traffic?

9 A. We're going back to previous testimony on the
10 first phase of this hearing, and the Staff did make a
11 recommendation at that time for intraMTA traffic at that
12 time. And it was the Staff's view at that time that it would
13 be a component of local switching and transport. It would
14 not be access rates, but it would be local switching and
15 transport rate.

16 Q. Would it be a rate that's contained in an
17 approved interconnection agreement?

18 A. No, it would be part of a -- it's part of the
19 access tariff, it's the local switching component and the
20 local transport component of that.

21 Q. Let me ask you this question. In the T-Mobile
22 traffic studies, the highly confidential studies attached to
23 Mr. Biere and Mr. Godfrey's testimonies, can you identify any
24 particular call that's mislabeled as an interMTA call, when
25 in fact, it was intraMTA or vice versa?

1 A. I cannot do that. I'd like to further clarify
2 that, if I could, though.

3 Q. Okay.

4 A. When I looked at the study, there was a lot of
5 features that -- that were positive there, and I realized
6 that nobody had the cell site information. I mean, T-Mobile
7 did not have it, Southwestern Bell did not have it, MITG
8 company did not have it, Staff did not have it. So I
9 realized that limitation. I mean, you could fault everybody
10 for not having the cell site information.

11 But I said, okay, it is a study within the
12 time frame of the complaint. I mean, it is a two-month
13 study, a three-month study, and it's within that time frame,
14 so I thought that's good. It's got the originating NPA/NXX
15 number, I thought that may be realistic. I mean, I
16 understand they went to their switch recordings and got that
17 information. And I understood exactly how they did it.

18 I was going to do a reasonable check. And the
19 reasonable check basically was the CTUSR, and I realized that
20 the CTUSR is about a four-day difference, I mean, it's the
21 studies that Chariton and Northeast did was a calendar month,
22 and I realized that the CTUSR started, like, maybe the 5th of
23 the month and went to the 4th of the next month. So I knew
24 there would be may be just a little bit of difference, but
25 the reasonableness of it just didn't pan out, so I came up

1 with a different option. And I believe that's what we tried
2 to get in testimony in Exhibits 303 and 308, those
3 differences.

4 Q. You've done your own method for coming up with
5 a factor, a surrogate for having the actual originating cell
6 location information.

7 A. Yes, I did it on the probability of a call
8 originating in one MTA and terminating in another MTA.

9 Q. And as I understand it, that's based upon
10 T-Mobile towers in the various MTAs in Missouri?

11 A. That is one component of it, and the other
12 component is the access lines of what MTA or Chariton and
13 Northeast would be in.

14 Q. Okay. So what you did is you looked at taking
15 a series of evaluations of how many towers and/or access
16 lines were in the same MTA, you went through a series of
17 multiplications to come up with a factor?

18 A. That is correct, and I did it through data
19 requests that was supplied through companies, wireless
20 companies, and Chariton and Northeast also.

21 Q. Okay. First question I want to ask you since
22 everybody else has been asked this. That's not a method that
23 the FCC approved, is it?

24 A. It is in a way. I mean, if you look at the
25 testimony, one of the things that the -- that's brought out

1 is that the originating cell site is the originating -- I
2 mean, that's where the call originates and the terminating is
3 where, basically, the call is terminating. Now, we are using
4 the cell site information and we are using the access lines
5 where the call would terminate, so it's -- it's got the
6 components that the FCC outlined there.

7 Q. Did you study any call records at all. For
8 the purposes of your methodology, you didn't even look at
9 call records, did you?

10 A. I looked at what -- what Chariton and
11 Northeast had filed.

12 Q. Well, I mean, your factor -- the only thing
13 you need to compute your factor is the number of towers and
14 the number of access lines in different MTAs. Am I right?

15 A. Yes.

16 Q. Okay. So you don't -- you didn't even look at
17 the individual calls themselves for purposes of your
18 methodology?

19 A. That is true, you don't have to look at the
20 individual calls --

21 Q. Okay.

22 A. -- but it is a probability study on what could
23 occur.

24 Q. And I know where the access lines of Chariton
25 Valley and Northeast are located because I think we've

1 agreed, for purposes of this case, that they're a fixed
2 location.

3 A. That is correct.

4 Q. Now, I want to ask you where did you look --
5 what T-Mobile towers -- what were the location of the
6 T-Mobile towers that you looked at?

7 A. I had data requests to T-Mobile, and they
8 supplied, I believe, and I'm sure this is not HC, but they do
9 have 632 cell towers in Missouri.

10 Q. So you only asked for tower locations in
11 Missouri; is that correct?

12 A. That is correct.

13 Q. So even though the St. Louis MTA covers part
14 of Illinois, as I understand it, you didn't count the towers
15 in Illinois; is that right?

16 A. That is correct.

17 Q. And even though the Kansas City MTA includes
18 towers in Kansas, you didn't count those towers either?

19 A. That is correct.

20 Q. Did you count the towers in Iowa that are in
21 the Des Moines MTA, if there are any? I don't know if there
22 are any, the T-Mobile towers in the Des Moines MTA?

23 A. The ones in Missouri I did, but we're dealing
24 with traffic within Missouri, within the MTA.

25 Q. But you're assuming that every cell call

1 originated on a Missouri tower for purposes of your factor
2 development; is that right?

3 A. That is correct.

4 Q. Okay. Have you looked at the schedules that
5 Mr. Biere and Mr. Godfrey attached, their actual switch
6 records?

7 A. Yes.

8 Q. And I want you to assume for me, assume with
9 me a minute that the -- there's a call, and Commission can
10 look at this, and I don't think just the city where the
11 originating NPA/NXX is associated with is in and of itself
12 highly confidential.

13 If there was -- if the call came from a
14 Denver, Colorado NPA/NXX and the caller was not roaming, it's
15 not possible for that call to be originated on one of the
16 towers that you included in your study. Is that fair?

17 A. That is correct.

18 Q. Would it be fair with Lincoln, Nebraska, would
19 that also be true?

20 A. That is correct.

21 Q. Honolulu, Hawaii?

22 A. Yes.

23 Q. Okay. I mean, I don't want to go down the
24 whole list, but there are several calls that show up with a
25 way out-of-state NPA/NXX?

1 A. Well, yes, and that's the problem with the
2 study that's there. I mean, maybe it originated in Honolulu
3 or maybe it originated in Kansas City or maybe it was
4 someplace in Missouri. It could have originated anywhere.

5 Q. I got the impression from some of Mr. Mark
6 T-Mobile Johnson's questions earlier today that in the '98 to
7 2001 time frame, T-Mobile didn't have any towers in the St.
8 Louis MTA. Did you get that impression or am I the only one
9 that's crazy here?

10 A. I didn't get that impression.

11 Q. Okay. Let me ask you this question. When you
12 got the tower information from T-Mobile in response to your
13 data request, were those towers -- was that tower location
14 information current as of the date you got it or was that the
15 tower information that they had for the towers in place
16 between 1998 to 2001?

17 A. I would assume that it was the tower
18 information at that point in time, which would have been the
19 -- sometime in the end of 2002 -- 2003, excuse me.

20 Q. Yeah, the Fall or Winter of 2003, correct?
21 That's when you sent the data request and got the responses?

22 A. Yes.

23 Q. So you think that what T-Mobile was giving you
24 was their actual tower locations, not in 1998 to 2001, but as
25 they existed in the Fall, say, of 2003?

1 A. That is correct.

2 Q. Do you know whether or not between the end of
3 2001 and the Fall of 2003 they built a lot more towers in the
4 St. Louis MTA?

5 A. I do not know that.

6 Q. Okay. Is T-Mobile a national wireless
7 carrier? I mean, do they offer services across the nation?

8 A. According to my understanding, they offer
9 quite a few states. I don't know if they're national.

10 Q. Do you know if they have the facilities,
11 either their own or leased, to transport calls that may
12 originate in one MTA, and bring it to Missouri and give it to
13 Southwestern Bell in Kansas City? Do you know if they have
14 the ability to do that?

15 A. I would think they would have the ability to
16 do that, yes.

17 Q. That might be one possible explanation as to
18 why a call from Denver or Grand Prairie, Texas would show up
19 to Chariton Valley coming over the Southwestern Bell trunk
20 root, would it not?

21 A. That could be one explanation. Another
22 explanation would be that the customer that originated the
23 call was in Missouri.

24 Q. Was roaming in Missouri?

25 A. Well, I don't know if roaming, but, yeah,

1 originated in Missouri.

2 Q. Okay. I understand. But again, the
3 information that we would need to make that determination is
4 the originating cell site location for that call?

5 A. That is correct.

6 MR. CRAIG JOHNSON: That's all the questions I
7 have, your Honor.

8 JUDGE THOMPSON: Thank you, Mr. Johnson.
9 Mr. Bub.

10 MR. BUB: None, your Honor. Thank you.

11 JUDGE THOMPSON: Thank you. The other
12 Mr. Johnson.

13 CROSS-EXAMINATION BY MR. MARK JOHNSON:

14 Q. Mr. Scheperle, did you review the methodology
15 that the complainants used in their studies?

16 A. Yes.

17 Q. And do you understand that it relies on a
18 traffic sample?

19 A. Yes.

20 Q. And in one case, in the case of Chariton
21 Valley, that's a two-month traffic sample, and in Northeast,
22 it's a three-month traffic sample; is that correct?

23 A. That is correct.

24 Q. And is it your understanding that that traffic
25 sample is used to extrapolate to apply to just support a

1 factor that would be used to apply to a four-year period,
2 1998 through the end of 2001?

3 A. Yes.

4 Q. And you propose another methodology; is that
5 correct?

6 A. That is correct.

7 Q. And you reach different conclusions as to the
8 interMTA/intraMTA traffic; is that right?

9 A. That is correct.

10 Q. Now, you would agree with me that all interMTA
11 calls are subject to access charges, wouldn't you?

12 A. You said --

13 Q. Inter.

14 A. Yes.

15 Q. Okay. Thank you. And that intraMTA traffic
16 is subject to wireless termination tariffs if the local
17 exchange carrier has a wireless termination tariff?

18 A. Yes.

19 Q. But isn't it your understanding that the two
20 complainants here today, Northeast and Chariton Valley, don't
21 have wireless termination tariffs?

22 A. That is my understanding. One of my
23 recommendations in this case to solve potential complaints
24 was that the Commission order Chariton and Northeast to file
25 a wireless termination tariff, so the complaints wouldn't be

1 -- keep coming back and back and back and never have a tariff
2 like that.

3 In fact, in this case, I had also recommended
4 that for Mid-Missouri, and since the complaint has been
5 filed, Mid-Missouri has filed, and it has been approved by
6 the Commission a wireless termination tariff.

7 Q. But you've been here throughout the testimony
8 today --

9 A. Yes.

10 Q. -- is that right? And did you hear both
11 Mr. Biere and Mr. Godfrey testify that their companies filed
12 wireless termination tariffs but they have since withdrawn
13 them?

14 A. That is correct.

15 Q. Okay. Now, to the extent that the traffic
16 generated by T-Mobile and delivered to these companies was
17 interMTA --

18 A. You said inter?

19 Q. -- inter.

20 A. Okay.

21 Q. Then they would be allowed to charge access
22 charges?

23 A. That is correct.

24 Q. So they could determine, just by an arithmetic
25 calculation, how much they are owed, right?

1 A. They could if there's an agreement to the
2 factors and you know that it's interMTA traffic.

3 Q. You anticipated my next question, and that's
4 assuming that we have an interMTA/intraMTA factor in place?

5 A. That is correct.

6 Q. And with respect to the traffic that's
7 intraMTA in nature, that's where the dispute is because it's
8 disputed as to the appropriate amount to charge for that
9 traffic?

10 A. That is correct with the understanding that
11 the parties can agree to a factor.

12 Q. Okay. Well, if they can't agree, would you
13 agree with me that given the fact that there is a dispute
14 concerning what should be charged for intraMTA traffic, that
15 the local exchange carriers would have an incentive to find
16 that the traffic is interMTA in nature?

17 A. Yes, I mean, I understand that the interMTA
18 rate, or the access rate, would be -- would be higher than
19 probably the intraMTA rate.

20 Q. Well, that's not exactly my point.

21 A. Okay.

22 Q. And I guess I was unclear in my question. My
23 question is this. With the interMTA -- with the charges for
24 interMTA traffic being known, in other words, intrastate
25 access charges, and the charges for intraMTA traffic being in

1 dispute, would you agree with me that that creates an
2 incentive for the local exchange carriers to find that the
3 traffic is interMTA in nature, because that way they would
4 know how much they're going to get?

5 A. Yeah, but I can't just answer that yes and no
6 real easily, because obviously their interMTA rate would be
7 higher than their intraMTA rate, and I think really what they
8 want is they want to get paid, whether it's interMTA or
9 intraMTA, they want to be paid for the traffic.

10 Now, I agree with you that the interMTA rate,
11 or the access rate, would be higher than the intraMTA rate --

12 Q. Again, I'm not asking you about whether one
13 rate should be higher than the other. What I'm asking you is
14 that assume with me, and I think you've already said this,
15 that interMTA traffic generates access charges, right?

16 A. Right.

17 Q. IntraMTA traffic generates dispute because
18 there is a disagreement as to what the local exchange
19 carriers can charge for that. Would you agree with me?

20 A. I would agree with that.

21 Q. Given those two facts, would you agree with me
22 that the local exchange carriers have an incentive to find
23 that the traffic generated by the -- by the wireless carriers
24 is interMTA, because they know how much they'll get?

25 A. They know how much they want to get, but maybe

1 I'm putting the best spin on what I think individuals would
2 do. In this situation, I think we've got a carrier that
3 wants to be compensated for the rate, whether it's interMTA
4 or intraMTA, they just want fairness, basically.

5 Q. Okay. Is Staff concerned about the local
6 exchange carriers' assumption that all calls originate in the
7 home MTA?

8 A. Yes, I mean, that's -- I did a reasonable
9 analysis comparing it to something else, and it didn't seem
10 reasonable, and that's why I did a different option.

11 Q. Okay. You would agree with me that wireless
12 customers use their wireless phones to make roaming calls?

13 A. Yes.

14 Q. Okay. And for a customer of T-Mobile who
15 takes his phone, as I did today, from Kansas City to
16 Jefferson City, that would be a roaming call; is that
17 correct?

18 A. It could be. To me, it depends on the plan
19 that you have. You may have a nationwide plan which roaming
20 really doesn't enter in, but you are crossing an MTA
21 boundary.

22 Q. That's fair. One thing we can agree on is
23 that I have crossed an MTA boundary coming from Kansas City
24 to Jefferson City?

25 A. That is correct.

1 Q. And that would effect, would it not, the MTA
2 nature, interMTA as opposed to intraMTA, of the phone calls
3 that I make using my T-Mobile wireless phone from Jefferson
4 City, would you agree?

5 A. I would agree.

6 Q. But would you agree with me that the
7 methodology sponsored by the complainants today would not
8 take my travel from Jefferson City to -- from Kansas City to
9 Jefferson City today into account?

10 A. The method they used would not take that into
11 account.

12 Q. Mr. Scheperle, are you aware of any study
13 concerning the percentage of wireless calls originated in
14 home MTAs as opposed to remote MTAs?

15 A. I'm not aware of a study, but I do know how I
16 use my cell phone and my family uses their cell phone, and it
17 is -- we use -- it's mostly from within this area.

18 Q. Okay. Would you agree with me that a
19 customer's travel schedule would have an effect on whether --
20 on the percentage of interMTA versus intraMTA calls?

21 A. Yes.

22 Q. Someone who travels more would, almost by
23 definition, make more interMTA calls?

24 A. Yes.

25 Q. And someone who uses his phone, his wireless

1 phone, sort of around the house or in the neighborhood or
2 even in your hometown, would tend to make more intraMTA
3 calls?

4 A. Yes.

5 Q. Is Staff concerned that the accuracy of the
6 local exchange carriers' proposed intraMTA factors was
7 affected by the assumption that all calls originate from the
8 wireless carriers -- wireless caller's home MTA?

9 A. I think we were concerned about the
10 reasonableness of the factors compared to the CTUSR report.

11 Q. Okay. In your point of view, are the
12 complainants speculating when they assume that all wireless
13 carriers originated in the home MTA?

14 A. Maybe to a degree.

15 Q. Now, in the methodology that you used, I think
16 you referred to what is sort of a fourth method; is that
17 right?

18 A. A fourth option, yes.

19 Q. A fourth option, the first three being the
20 options that the FCC has described?

21 A. Well, the -- one of the options was that the
22 carriers -- the parties could negotiate and agree to a
23 factor. Another option would be that basically the wireless
24 carrier would set up software where they could measure every
25 call and know the cell site from where it came from. And as

1 far as I know, no wireless carrier does that. There was some
2 -- FCC had some options for some sample studies, said
3 something about cell types being in the originating and then
4 they talked about two carriers, the meet point, would be an
5 option.

6 Q. Okay. But you're arguing for another
7 surrogate; is that right?

8 A. Yes, on a probability, but I'm still using the
9 same principle that the originating -- the originating call
10 jumps -- goes from a cell phone to a cell site, so we're
11 going from a cell site, which the FCC says, and then you --
12 and then also what is the probability that it's going to
13 terminate in a different MTA area. So you have to take into
14 account the access lines and Chariton and Northeast are kind
15 of unique in that their customers overlap MTA areas. I think
16 Chariton and -- one of them has two MTA areas they're in and
17 one has three MTA areas they're in.

18 Q. Right. In the surrogate for which you argue,
19 to what extent is actual traffic considered?

20 A. An individual call is not considered. It's
21 all basically within the probability that where your cell
22 sites are located and the distribution that would occur and
23 where the call could possibly terminate is the probability
24 study.

25 Q. Okay. Mr. Scheperle, when I took statistics

1 in high school and college, I learned about something called
2 regression analysis, and that to help determine the
3 probability that some outcome is correct. Have you ever
4 heard of regression analysis?

5 A. Yes.

6 Q. Did you attempt to apply regression analysis
7 to -- well, let me back up a second. Would you agree with me
8 that regression analysis allows you -- allows one to consider
9 a multi-variable calculation and help determine the
10 reliability of the results that that calculation achieves?

11 A. Yes.

12 Q. Did you apply regression analysis to determine
13 to what extent, if any, the surrogate for which you are
14 arguing is statistically reliable?

15 A. No, I did not.

16 Q. Okay. Did you apply any type of statistical
17 analysis to help determine the reliability of the surrogate
18 for which you -- which you're sponsoring?

19 A. No, I did not. I mean, I did ask within data
20 requests, information on how a wireless -- or how, basically,
21 a wireless carrier would take the cell phone where it would
22 go to a cell site, where it would go to their mobile
23 switching center, and from the mobile switching center, the
24 wireless carrier has options of whether he can give it to
25 Southwestern Bell as a transiting company or he can give it

1 to an IXC for an IXC to carry it, and that was one thing that
2 I tried to find out also.

3 Q. Okay. Mr. Scheperle, that's all I have.
4 Thank you very much for your time.

5 MR. MARK JOHNSON: Your Honor, thank you.

6 JUDGE THOMPSON: Thank you. Questions from
7 the bench. Commissioner Murray.

8 COMMISSIONER MURRAY: Thank you.

9 QUESTIONS BY COMMISSIONER MURRAY:

10 Q. Mr. Scheperle, if we took Staff's allegation
11 factors, what rate would we apply to intraMTA traffic?

12 A. We're going back to the hearing maybe we had
13 maybe a year and a half or two years ago. At that time,
14 Staff realized that access charges are not appropriate for
15 intraMTA traffic. So basically Staff said since access
16 charges are not appropriate, that what actually occurs is
17 that the local company is actually doing switching and
18 transport, and so I took the -- the access component of
19 switching and transport and said that should be the intraMTA
20 rate.

21 The reason I did that is in Case No.
22 TT-2001-139 where there was -- 29 small companies filed a
23 wireless termination tariff, each of those 29 companies
24 relied on this method where they took the switching component
25 of their access and the transport component of their access