1	STATE OF MISSOURI		
2	PUBLIC SERVICE COMMISSION		
3	TRANSCRIPT OF PROCEEDINGS		
4	Hearing November 7, 2003		
5	Jefferson City, Missouri Volume 5		
6	BPS Telephone Company, Cass County )		
7	Telephone company, Citizens Telephone) Company of Higginsville, Missouri, ) Craw-Kan Telephone Cooperative, Inc.,)		
8	Fidelity Communication Services I, ) Inc., Fidelity Telephone Company, )		
9	Grand River Mutual Telephone ) Corporation, Green Hills Telephone )		
10	Corporation, Holway Telephone ) Company, IAMO Telephone Company, )		
11	Kingdom Telephone Company, K.L.M. ) Telephone Company, Lathrop Telephone )		
12	Company, and Mark Twain Rural ) Telephone Company, )		
13	Complainants, )		
14	)		
15	vs. ) Case No. TC-2002-1077 )		
16	Voicestream Wireless Corporation, ) Western Wireless Corp., and ) Southwestern Bell Telephone Company, )		
17	)		
18	Respondents. )		
19	KEVIN A. THOMPSON, Presiding, DEPUTY CHIEF REGULATORY LAW JUDGE.		
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21	STEVE GAW, Chair, CONNIE MURRAY, BRYAN FORBIS,		
22	ROBERT M. CLAYTON, III,		
23	COMMISSIONERS.		
24			
25	REPORTED BY: JENNIFER L. LEIBACH ASSOCIATED COURT REPORTERS		

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- JUDGE THOMPSON: I think we're ready for
- 3 recross of Mr. Scheperle based on questions from the bench,
- 4 and I believe, Mr. England, you're up.
- 5 MR. ENGLAND: Thank you.
- 6 CROSS-EXAMINATION
- 7 QUESTIONS BY MR. ENGLAND:
- 8 Q. Good morning, Mr. Scheperle.
- 9 A. Good morning, Mr. England.
- 10 Q. I'm going to try to be brief, just a couple
- 11 questions on -- kind of the information you looked at to
- 12 determine whether or not these interMTA factors are
- 13 appropriate or not. Would you agree with me that to some
- 14 degree, the location of the exchanges, the location of the
- 15 cell sites in relation to the MTA and lata boundaries does
- give you some intuitive feel for whether or not there's
- going to be interMTA or intraMTA calling?
- 18 A. Yes.
- 19 Q. Would you also agree with me that following up
- 20 on that question, that for a Southwestern Bell, who's more
- 21 predominantly located in the large metropolitan areas where
- 22 the wireless carriers tend to connect, interMTA calling
- 23 patterns will be different, and perhaps significantly
- different, than for companies such as Mark Twain, BPS,
- 25 Craw-Kan, who are sort of on the fringes of either the MTA

- 1 boundaries or the lata boundaries or both?
- 2 A. I would agree with that. I mean, basically,
- 3 I'm looking at Southwestern Bell being in the St. Louis
- 4 metropolitan area, the Kansas City metropolitan area, and
- 5 the Springfield area, and those are well-defined within
- 6 their MTA areas versus a small LEC may be located -- they
- 7 may have certain exchanges in different MTA areas.
- 8 Q. And that's not to say Southwestern Bell
- 9 doesn't serve maybe some rural exchanges out on the borders
- 10 of the MTA's or the latas, but just the sheer numbers are
- 11 more concentrated in those metropolitan areas such that you
- would expect a much more predominance, if you will, or
- preponderance of intraMTA calling terminating to their
- 14 exchanges, wouldn't you?
- 15 A. I would agree with that.
- 16 MR. ENGLAND: Thank you. No other questions.
- JUDGE THOMPSON: Thank you Mr. England. Mr.
- 18 Johnson.
- MR. JOHNSON: Thank you, your Honor.
- 20 CROSS-EXAMINATION
- 21 QUESTIONS BY MR. JOHNSON:
- 22 Q. Mr. Scheperle, just briefly, I want to make
- 23 sure that I understood some of the testimony, which you gave
- in response to, I believe it was questions from the
- 25 Commissioner Gaw, pardon me, Chairman Gaw.

- 1 I believe he asked you about the information
- 2 that was elicited from Western Wireless in response to data
- 3 requests that I believe you issued; is that correct?
- 4 A. That is correct.
- 5 Q. Okay. And as I remember in your testimony,
- 6 you talk about five items that could be considered by
- 7 parties in their negotiation of appropriate interMTA
- 8 factors; is that correct?
- 9 A. That is correct.
- 10 Q. Okay. And as I understand it, you issued data
- 11 requests to Western Wireless relating to four of those
- 12 factors, the first four, and specifically, I believe you
- discussed that the types of information that would be
- 14 elicited from those data requests on Pages 5 and 6 of your
- 15 additional rebuttal testimony?
- 16 A. Actually, I have pages -- the bottom of Page 4
- and Page 5.
- 18 Q. Okay. Thank you. And as I understand it, the
- 19 data request related to the first four items of those five.
- 20 A. That is correct.
- 21 Q. And you received that information from Western
- 22 Wireless?
- 23 A. Yes.
- Q. In your consideration of the appropriateness
- of the interMTA factors, which Western Wireless and Voice --

- 1 pardon me, T-Mobile negotiated with the Complainants, did
- 2 you take that information into consideration that you had
- 3 received from Western Wireless?
- 4 A. Yes, I did. The concern from Staff's point of
- 5 view is that Western Wireless did not agree to any interMTA
- factors until surrebuttal testimony, so I was going to
- 7 develop factors if they did not agree.
- 8 Q. I understand, and that's why you issued the
- 9 data requests?
- 10 A. That is correct.
- 11 Q. And as I remember, the data requests were
- issued after the filing of direct testimony.
- 13 A. That is correct, for Western Wireless. There
- 14 was some data requests before that, but I don't believe any
- 15 to Western Wireless.
- 16 Q. The data requests certainly going to these
- five factors, those were issued after Mr. Williams filed his
- 18 direct testimony?
- 19 A. Yes.
- Q. Okay. And just to make sure that we're clear,
- 21 you took into consideration the information which you
- 22 received from Western Wireless in response to those data
- 23 requests into consideration when you were formulating your
- 24 answers to the Commissioners' questions relating to the
- appropriateness of the interMTA factors; is that right?

- 1 A. That is correct.
- 2 Q. Thank you Mr. Scheperle.
- 3 MR. JOHNSON: Your Honor, thank you very much.
- 4 JUDGE THOMPSON: Thank you, Mr. Johnson. Mr.
- 5 Bub.
- 6 MR. BUB: None, your Honor, thank you.
- JUDGE THOMPSON: Mr. Bates, Redirect.
- 8 MR. BATES: Yes, thank you, your Honor.
- 9 REDIRECT EXAMINATION
- 10 QUESTIONS BY MR. BATES:
- 11 Q. Mr. Scheperle, I just have a few questions on
- 12 Redirect. Regarding questions from, I believe, Chair Gaw
- 13 asked you yesterday, did I understand that you testified
- 14 that you only reviewed the factors for Western Wireless?
- 15 A. That is correct.
- 16 Q. Okay. Why did you review only those factors?
- 17 A. Mr. Schoonmaker, who's representing the
- 18 Complainants in this, in direct testimony filed the interMTA
- 19 factors that were agreed to between T-Mobile and the
- 20 Complainants, and at that time, Western Wireless had not
- 21 agreed to any factors.
- 22 Q. Okay. I think you mentioned that a little bit
- in answering Mr. Johnson's questions; is that right?
- 24 A. Yes.
- 25 Q. And do you have anything else to add to that

- 1 at this point?
- 2 A. No.
- 3 Q. Okay. Does Staff typically review or
- 4 challenge rates, terms, or factors that are negotiated
- 5 between two parties in any interconnection agreement type
- 6 situation?
- 7 A. No, we do not. The one -- the standard we
- 8 look at, though, is whether it's discriminatory to any party
- 9 or whether it's in the public interest.
- 10 Q. Okay. And do I take it in this case you did
- 11 not believe that it was discriminatory nor was it against
- the public interest, convenience, or necessity?
- 13 A. That is correct.
- 14 Q. Have there been any situations where Staff has
- challenged factors for termination of wireless traffic?
- 16 A. Yes, there has been.
- 17 Q. What was different about those circumstances
- 18 compared to what happened in this case?
- 19 A. In this case, there's -- the parties, which
- 20 was the wireless carriers and the Complainants, were
- 21 negotiating and agreeing to factors. Where Staff did
- 22 challenge them was when factors were proposed to be in
- 23 tariffs themselves and in that -- in that situation, Staff
- 24 became involved.
- 25 Q. Based on the testimony that you've read and

- 1 heard in this hearing room from both Mr. Schoonmaker and
- from Mr. Williams, do you think the parties in this case
- 3 negotiated the other factors similar to the method used to
- 4 calculate the three in question in this case?
- 5 A. Yes.
- 6 Q. And why do you think that?
- 7 A. Well, when you're going to negotiate, there's
- 8 14 Complainants, and the wireless carrier really has it to
- 9 negotiate individual rates with each of those 14
- 10 Complainants, and the same methodology would be used to --
- 11 for any agreement that they would reach for interMTA factors
- for all 14 companies from each wireless carrier.
- 13 Q. And I believe you also testified in response
- 14 to questions from Chair Gaw that you felt the three factors
- in question were too high in some instances, while in other
- 16 circumstances, you felt the factors were too low. Did I
- 17 understand you correctly?
- 18 A. That is correct.
- 19 Q. And I think you also testified in your
- opinion, factor of 95 percent or 90 percent for BPS might be
- 21 reasonable; is that correct?
- 22 A. I believe I did state that to Chairman Gaw.
- Q. Well, what impact would a shift from 52
- 24 percent to 95 percent have on the traffic in question here?
- 25 A. Basically I looked at the last five months of

- 1 traffic based on the CTUSR reports, and for BPS, there is no
- 2 traffic coming from Western Wireless, and based on that
- 3 information, whether you increase the rate from 52 percent
- 4 to 95 percent, it would have -- there would be no money
- 5 involved in it.
- There's -- there's also one other thing that
- 7 has to do with secondarily liable that if the rate was
- 8 increased from 52 to 95 percent based on what Mr. Williams
- 9 said that they would be responsible for inter -- any
- interMTA traffic, the secondary -- to me, the secondary
- 11 liability becomes intraMTA traffic to Southwestern Bell, and
- 12 in that case, if you actually up the percent, Southwestern
- Bell would be liable for less -- less amount.
- 14 Q. Okay. If all the factors were calculated
- using the same methodology, does it make any sense to you to
- 16 challenge only the factors for BPS, Craw-Kan, and Mark
- 17 Twain?
- 18 A. No.
- 19 Q. What would be the impact if you challenged all
- the factors that have been negotiated?
- 21 A. Well, based on my understanding, I could say
- 22 some were appropriate, some may be a little bit too high,
- 23 some may be a little bit too low. To me, the best people to
- 24 negotiate and agree on factors are the two parties involved.
- 25 Q. And do I understand, then, that you would not

- 1 feel the -- that that would be -- in these cases, that that
- 2 would be against the public interest, convenience, or
- 3 necessity?
- 4 A. That is correct.
- 5 MR. BATES: Thank you very much. Thank you,
- 6 your Honor.
- 7 JUDGE THOMPSON: Thank you, Mr. Bates. You're
- 8 excused, Mr. Scheperle. Thank you for your testimony. Now,
- 9 let's get Mr. Kern back up there, and we were engaged in the
- 10 initial round of cross-examination, and my notes show that
- 11 Mr. England had, at least, started. Had you finished, Mr.
- 12 England?
- MR. ENGLAND: I believe I have.
- 14 JUDGE THOMPSON: You had. Okay. Very well.
- 15 So that would be Mr. Johnson would be next. I'll remind
- 16 you, sir, you are still under oath.
- 17 THE WITNESS: Yes, sir.
- 18 CROSS-EXAMINATION
- 19 QUESTIONS BY MR. JOHNSON:
- 20 Q. Mr. Kern, would you agree with me that
- 21 interMTA factors are usually negotiated?
- 22 A. Yes, I would.
- 23 Q. And those are usually negotiated in the
- 24 context of interconnection agreements?
- 25 A. That's correct.

- 1 Q. Is it correct that T-Mobile and the
- 2 Complainant companies negotiated interMTA factors as a
- 3 result of this proceeding?
- 4 A. It's my understanding.
- 5 Q. Okay. And it's also your understanding that
- 6 Mr. Williams testified that Western Wireless has adopted
- 7 those negotiated interMTA factors; is that correct?
- A. Yes, that's correct.
- 9 Q. Now, according to my count, there are 14
- 10 Complainants in this case; is that right?
- 11 A. Yes, sir.
- 12 Q. And as I read your testimony, you challenged
- 13 the interMTA factors relating to three of those companies;
- is that right?
- 15 A. Correct.
- 16 Q. So with respect to the other 11, you're not
- 17 challenging the appropriateness of those interMTA factors?
- A. No, we're not.
- 19 Q. Now, pardon me, Page 7, Line 22 of your
- 20 testimony, you're testifying about the Craw-Kan interMTA
- 21 factor there. Do you see that testimony?
- 22 A. Yes.
- 23 Q. And you state there that little T-Mobile
- 24 traffic terminates to Craw-Kan. Is it correct that the
- 25 source of that information is Mr. Schoonmaker's testimony?

- 1 A. Yes, it is.
- 2 Q. Did -- in preparation of your testimony, did
- 3 you or anyone acting under your direction issue data
- 4 requests to any of the respondent wireless companies?
- 5 A. I know that we -- well, I know that we sent
- 6 some data requests out earlier in the case, but I think for
- 7 my testimony, for this round of the case, if you will --
- 8 Q. Right.
- 9 A. -- I believe -- I'd have to check to make
- 10 sure, but I believe the data requests went to Complainants.
- 11 Q. Right, and that's my understanding as well, so
- is it correct that Southwestern Bell did not issue or SBC, I
- 13 should say, didn't issue any data requests to any of the
- 14 Respondents asking for traffic data?
- 15 A. That's correct.
- 16 Q. And so in your analysis of Mr. Schoonmaker's
- 17 testimony concerning the appropriateness of the interMTA
- 18 factors, you didn't have before you any traffic data from
- 19 any of the Respondents as a result of data requests?
- 20 A. No, I was merely looking at Mr. Schoonmaker's
- 21 testimony.
- 22 Q. And as I read your testimony, you don't refer
- 23 to any specific traffic data, do you?
- A. No, I do not.
- 25 Q. You don't refer to any traffic data from your

- 1 own company's CTUSRs.
- 2 A. That's correct.
- 3 Q. Now, did you hear Mr. Scheperle's testimony
- 4 indicating that Western Wireless had responded to data
- 5 requests from Staff?
- A. Yes.
- 7 Q. Now, in the negotiation of the -- let me ask
- 8 you this. To your knowledge, was Southwestern Bell aware
- 9 that the Respondents and Complainants were negotiating with
- 10 the goal of reaching appropriate interMTA factors?
- 11 A. Well, I wasn't at the -- I believe that
- 12 prehearing was in May. I was not at that prehearing, but
- 13 I've read the transcript from it, and from that, I could
- deduce that that's exactly what you all were doing.
- 15 (CHAIRMAN GAW ENTERED THE HEARING.)
- MR. JOHNSON: Good morning, Mr. Chair.
- 17 CHAIRMAN GAW: Good morning.
- 18 Q. (By Mr. Johnson) To your knowledge, did
- 19 Southwestern Bell ask to participate in those negotiations?
- 20 A. I don't know.
- 21 Q. Mr. Kern, if it were not for the issue of
- 22 secondary liability, to use that term, would SBC have any
- interest in this proceeding?
- 24 A. No.
- Q. Thank you.

- 1 MR. JOHNSON: That's all I have. Thank you,
- 2 your Honor.
- JUDGE THOMPSON: Thank you, Mr. Johnson. Mr.
- 4 Bates.
- 5 MR. BATES: None for this witness. Thank you,
- 6 your Honor.
- 7 JUDGE THOMPSON: Very well. Questions from
- 8 the bench, Chairman Gaw. I'm going to pass right now,
- 9 Judge.
- 10 JUDGE THOMPSON: Okay. Thank you, sir. Mr.
- 11 Kern, I'm going to ask you simple questions because I, once
- again, want to make sure I understand what's going on.
- 13 THE WITNESS: I appreciate that.
- 14 QUESTIONS BY JUDGE THOMPSON:
- 15 Q. In these telephone cases, that's not easy.
- When I look at the factors that are in dispute for BPS
- 17 telephone company, it's 52 percent, does that factor mean
- 18 that the people who entered into that agreement with respect
- 19 to that factor, that they have agreed this 52 percent of the
- 20 traffic is interMTA traffic and that 48 percent of the
- 21 traffic, then, is intraMTA traffic?
- 22 A. Yes, I believe the factor that you see is --
- denotes the interMTA part.
- Q. Okay. And that's what I guess I don't
- 25 understand. As far as you know, there's two types of

- 1 traffic at issue. We've been through that. I finally
- 2 grasped that; part of it is interMTA, part of it is
- 3 intraMTA. For which type of traffic is Bell concerned about
- 4 secondary liability?
- 5 A. Well, my understanding is that the
- 6 Complainants, if the Complainants would come to SBC to
- 7 collect the money they've come to collect, all of the money,
- 8 meaning --
- 9 Q. Both types?
- 10 A. Yes, that's my understanding.
- 11 Q. Okay. And we've heard that the theory of
- 12 secondary liability is based on a commission case from 19 --
- December of 1997; isn't that correct?
- 14 A. Yes.
- 15 Q. In which Bell was permitted to change its
- 16 wireless tariff. I believe it originally had a wireless
- 17 termination tariff, they got in a little trouble with Sprint
- 18 United, as I recall, and so they changed the tariff to
- 19 indicate they were transiting the traffic, but they were no
- 20 longer terminating it; is that correct?
- 21 A. That's my understanding, yes.
- 22 Q. Okay. Did that order make any distinction as
- 23 to inter or intraMTA traffic, if you recall?
- A. Well, I don't recall specifically, but I
- 25 believe that the tariff probably looked at -- I mean, that

- tariff was for -- well, probably because it was a transiting
- 2 tariff, if you will, it probably took care of both types of
- 3 traffic, but you know, without looking at the tariff, and
- 4 it's been, what, six years, I'm sorry, I can't say.
- 5 Q. I understand. And that tariff is still in
- 6 existence, still in force, isn't it?
- 7 A. Yes, it is.
- 8 Q. But it's my understanding that most traffic is
- 9 passed pursuant to interconnection agreements now; is that
- 10 right?
- 11 A. And I haven't looked recently, the last time I
- 12 looked was maybe a year ago, but over 99 percent of the
- 13 traffic that SBC handles is handled under interconnection
- 14 agreements.
- 15 Q. And does SBC have interconnection agreements
- with the Complainants?
- 17 A. Specifically -- if you're talking about an
- 18 interconnection agreement like we would have with Western
- 19 Wireless, I mean, that type of a document, we may have an
- 20 agreement with Fidelity, one of the Fidelity companies
- 21 that's in this. I'm not sure, but I don't know that I would
- 22 -- while these agreements that we have with those companies
- 23 may do the same thing, I don't know that they would refer to
- them specifically as an interconnection agreement.
- 25 Q. Okay. And yet, Bell is, in fact, connected to

- 1 all of the Complainants, correct?
- 2 A. Yes.
- 3 Q. That's why this case -- Bell is in this case,
- 4 I mean, you couldn't pass the traffic if you weren't
- 5 interconnected with them, could you?
- A. That's -- yes.
- 7 Q. Okay. I realize there may be more indirect
- 8 means for passing the traffic.
- 9 A. Or the reasons why we're in the case, but yes,
- 10 I think you're correct.
- 11 Q. Okay. Thank you. Now, at the time of the
- 12 decision of this Commission in December of 1997, as far as
- 13 you know, none of these small LECs had wireless termination
- 14 tariffs at that time, did they?
- 15 A. No, I believe that happened in February 2001,
- 16 I believe, the wireless -- the wireless termination tariffs
- for the Complainants, and there may be a couple after that,
- but the bulk, I believe, were February of 2001.
- 19 Q. And does that tariff -- do any of those
- 20 tariffs, if you know, impose any kind of secondary liability
- 21 on Bell?
- 22 A. I don't believe they do.
- 23 Q. Okay. And there's also been illusion during
- 24 the course of this case to a decision of the Missouri Court
- of Appeals with respect to the validity of those tariffs, do

- 1 you recall?
- 2 A. Yes.
- 3 Q. And in fact, have you read that decision or
- 4 you're aware of it?
- 5 A. Well, I'm aware of it, and as far as I know,
- 6 the wireless termination tariffs have the full effect of the
- 7 law.
- 8 Q. And as far as you know, and if you know, did
- 9 the Missouri Court of Appeals make any mention of secondary
- 10 liability on the part of Bell with respect to that type of
- 11 traffic?
- 12 A. I don't know.
- 13 Q. You don't know. Okay. I guess the thing I
- don't understand, and I'd like you to help me with, if
- 15 they're going to come to Bell to collect payment through
- 16 this traffic, and if Bell says we don't think we owe it,
- we're not going to pay, and they go whether through the
- 18 Commission or not, to a Missouri court to get that money
- 19 from Bell, it seems to me they would -- it's a settled
- 20 question as far as who owes the intraMTA traffic. There's a
- 21 court decision saying it's owed by the wireless carriers,
- isn't that what we just discussed?
- 23 A. Yes.
- Q. Okay. So that's why I'm wondering why Bell is
- 25 objecting to these factors because it seems to me it leaves

- 1 you on the hook for more traffic rather than less. In other
- words, if only five percent of the traffic is interMTA
- 3 traffic and 95 percent of the traffic is intraMTA traffic,
- 4 which the Missouri Court of Appeals has said the wireless
- 5 company has to pay and which presumably any Circuit Judge is
- 6 going to enforce, then why would you object? You see?
- 7 A. I see, and I guess, and Mr. England mentioned
- 8 this yesterday, he doesn't have a check in his hand for any
- 9 of the traffic, be it intra or interMTA. Mr. Williams sat
- 10 here yesterday and said he was responsible for interMTA.
- 11 Q. I didn't see him get out his checkbook though.
- 12 A. That's my point exactly. He did not get out
- 13 his checkbook. He said that, and if he would have gotten
- 14 out his checkbook and he would have written out a check to
- 15 the Complainants, we could have walked out of here. I mean,
- 16 the bottom line is until they pay SBC, at least we think, is
- on the hook.
- 18 Q. Okay. And you feel you may be on the hook for
- 19 both types?
- 20 A. I think that's what the Complainants think.
- 21 Q. Okay. And the rate for the interMTA traffic
- is higher; is that correct?
- A. That's correct.
- Q. Because it's subject to exchange access rather
- 25 than to the lower rates in the wireless termination tariffs?

- 1 A. That's correct.
- 2 Q. So from that angle, you want the amount of
- 3 interMTA traffic to be reduced because it reduces the amount
- 4 of money involved?
- 5 A. Right.
- 6 Q. Okay. I understand it now. I knew we'd get
- 7 there.
- 8 A. And you're correct, if this was only about
- 9 intraMTA traffic, we would be rooting for those factors to
- 10 be 100 percent.
- 11 Q. I see. Thank you very much.
- 12 JUDGE THOMPSON: Chairman Gaw, do you have any
- 13 questions at this time?
- 14 CHAIRMAN GAW: No, thank you, Judge.
- 15 JUDGE THOMPSON: Well, in that case we will go
- on to Recross based on questions from the bench. I believe,
- 17 Mr. England, you're up.
- 18 MR. ENGLAND: No questions. Thank you.
- JUDGE THOMPSON: Mr. Johnson.
- MR. JOHNSON: I have nothing, thank you.
- JUDGE THOMPSON: Mr. Bub. Oh, no, excuse me,
- he's your witness. Where am I? Mr. Bates.
- MR. BATES: No, thank you, Judge.
- JUDGE THOMPSON: Mr. Bub, Redirect.
- MR. BUB: I don't have any, your Honor.

- 1 JUDGE THOMPSON: I would say you better get
- down as quick as you can. They might change their mind.
- JUDGE THOMPSON: Sir.
- 4 MR. BUB: Your Honor, before we do move on, I
- 5 think there's something that I need to correct in what I
- 6 said yesterday, some representations that I made --
- JUDGE THOMPSON: Please.
- 8 MR. BUB: -- to Commissioner Clayton and
- 9 perhaps to Chairman Gaw. Yesterday, I was asked questions
- 10 about what our interconnection agreements with Western
- 11 Wireless and T-Mobile said with respect to indemnification.
- 12 I was asked to describe those, and I apologize, because I
- 13 didn't have the -- those agreements with me, so I couldn't
- 14 give a firm, correct answer.
- 15 Last night, we got a hold of those contracts,
- 16 and I've gone through them, and I can confirm that what Mr.
- Johnson read as far as the indemnification for the transit
- 18 traffic, that is in there.
- 19 There's also a general indemnification
- 20 language where each party indemnifies each other for the
- 21 acts and omissions and liability that might be brought by
- 22 third parties, but in that provision, there's nothing for
- 23 attorneys fees, and nothing for costs.
- I was also asked about whether there's a
- 25 remedy in there for blocking, because I think yesterday

- 1 there was a big discussion about, well, if we have secondary
- 2 liability, we would have a whole lot more leverage over the
- 3 wireless carriers because we could block all their traffic
- 4 going throughout Missouri, and for sure, if that was the
- 5 hammer over their head, they'd pay. We looked through the
- 6 contract, and we do not have that remedy there.
- 7 What we have is a dispute resolution
- 8 provision, and this was a negotiated agreement. I would
- 9 expect -- I didn't participate in it, but I would expect,
- 10 you know, a big general blocking provision like that, the
- 11 wireless carriers would probably have a problem with, so it
- 12 was probably negotiated away, so it's not in there.
- 13 What's in there is a dispute resolution
- 14 process that has two parts. The first part is for disputes
- under \$25,000. For those types of disputes, we agree that
- 16 we will appoint knowledgeable executives from each company
- to come in and try and resolve it, and if that under \$25,000
- 18 dispute can't be resolved, then it goes to commercial
- 19 arbitration.
- 20 Anything over \$25,000 contract is silent, so
- 21 in that instance, it would have to come here or have to go
- 22 to court. So in that situation, and as all this traffic is
- 23 flowing under our interconnection agreements, we wouldn't
- 24 have that leverage that we all thought we might yesterday,
- 25 so we don't have a big hammer. What we'd be left with would

- 1 be just another lawsuit, because we would have to come back
- 2 here and we'd be trying the same thing over again.
- JUDGE THOMPSON: What if the Commission
- 4 specifically directed Bell to block that traffic?
- 5 MR. BUB: If we were directed to block that
- 6 traffic, we certainly would, but we don't have that remedy
- 7 to us. Now, if you compare it to our wireless
- 8 interconnection tariff, there is a general blocking
- 9 provision in that that gives us the ability to block for
- 10 nonpayment to us, and if this -- all this traffic came under
- 11 the tariff, I would agree we would have that remedy, and
- 12 that when our tariff was approved, that was a big topic of
- 13 discussion because small companies compared themselves to
- us, and they said, we, Bell, has that blocking remedy, they
- 15 don't.
- 16 And in balancing the interest, the Commission
- 17 at the time said, okay, we agree that blocking is not
- 18 appropriate, so we're not going to make you, Bell, block
- 19 when they ask you to, but we'll make you secondary liable if
- 20 they don't pay. A lot has changed since then. We still
- 21 have the problem with some carriers not paying, and the
- 22 wireless -- the small companies have filed wireless
- 23 interconnection tariffs.
- 24 They made the same argument and asked for that
- 25 blocking remedy, and it was given to them, so they have this

- 1 remedy under the tariff that is there, it is available, and
- 2 at least in that one instance a couple months ago, it worked
- 3 with T-Mobile with three very small companies. I don't have
- 4 any reason to believe it wouldn't work here.
- 5 What I would submit here is that we really
- 6 need to address the real problem. And remember all LECs now
- 7 that want them have wireless interconnection tariffs that
- 8 have blocking. There's only three small LECs that don't
- 9 have them, and for reason, it's their business not to file
- it, but it's available to them if they want it.
- 11 All the Complainants here have that tariff.
- 12 Larger company like I think Spectrum and Century also wanted
- that kind of remedy, filed tariffs, and that authority was
- qiven to them, and the record reflects that all the wireless
- 15 carriers but these two are paying, so shouldn't the goal
- 16 here be to get these two back on the ranch. You know, I
- have to admit that yesterday when we were here, we kind of
- 18 felt like the whipping boy.
- JUDGE THOMPSON: Mr. Bub.
- MR. BUB: Yes, sir.
- 21 JUDGE THOMPSON: I don't want to interrupt you
- 22 in terms of correcting your representations from yesterday,
- 23 but it sounds to me like you're doing closing argument.
- MR. BUB: Okay. Well, if I would ask the
- 25 Commission's leave, because I think --

1 JUDGE THOMPSON: We want to hear your closing 2 argument, don't get me wrong, but we also want to hear 3 everybody else's, too, and we want to hear them in the 4 agreed order or the appropriate order, and we want to hear them with everybody understanding that's what we're hearing. 5 6 MR. BUB: Okay. That's absolutely fair. THE COURT: And I don't mean to be rude. 7 8 MR. BUB: And to give you some feedback from 9 yesterday, it was kind of a surprise to me after our opening 10 statements to get questions, but in stepping back, you know, 11 what better way to get information that the Commission wants 12 than through that type of an exchange, and I have to admit that it was a lot less fun when Mr. England was up here when 13 it was my turn, but that exchange, I think, was very 14 15 helpful. I think it will lead you to a better decision. 16 It will give you the information that you need to make a 17 balanced decision here, because this is a dispute that has 18 19 been our company compensation issue, it's about money, it's 20 been going on for a long time, and I think it's in 21 everybody's interest to come up with a resolution, so we can 22 all move forward, something that's balanced and fair that we 23 can all live with, and all throughout these -- I'm getting 24 into argument again, so I should probably stop.

JUDGE THOMPSON: Yeah. Now, with respect to

25

- 1 the record, I have a couple points I need to clear up. With
- 2 respect to the provision that Mr. Johnson read yesterday,
- 3 can we treat that as substantive evidence or do we need to
- 4 put a witness on the stand and have it read again?
- 5 MR. JOHNSON: Your Honor, I was going to
- 6 suggest, and I asked Mr. England about this, whether you, in
- 7 some proceeding, or whether the parties had proposed that
- 8 the Commission take official notice of the interconnection
- 9 agreements, and we were unable to establish whether that had
- 10 happened. I know that in Mr. Johnson's case --
- JUDGE THOMPSON: It was done in Mr. Johnson's
- 12 case and they were all filed.
- MR. JOHNSON: Yes.
- JUDGE THOMPSON: Yes.
- 15 MR. JOHNSON: I would be happy to move that
- 16 the Commission take official notice of the interconnection
- 17 agreements between Southwestern Bell, Western Wireless,
- 18 Voicestream/T-Mobile and Aerial Communications.
- 19 JUDGE THOMPSON: That would be great. Who's
- 20 going to supply them so that we can get them --
- 21 MR. JOHNSON: And then I was going to go on to
- 22 say I would be happy to supply copies of the agreements.
- JUDGE THOMPSON: Well, then, in that case, I
- 24 will grant your request. Any objections? No objection,
- 25 fine, and that will cover the portion that you read, I

- 1 assume.
- 2 MR. JOHNSON: Yes.
- JUDGE THOMPSON: Okay.
- 4 MR. JOHNSON: As I remember, there were as
- 5 many as six or seven agreements total, but I'll go back to
- 6 the record in Case No. 57 and get that.
- 7 JUDGE THOMPSON: My concern started with the
- 8 portion that you read yesterday and can we treat that as
- 9 substantive evidence. If it's in the material we're going
- 10 to take notice of and that you're going to supply to us,
- 11 we've got what we need, that's great. That takes care of
- 12 that. Now, we've had some testimony from a couple of
- 13 attorneys, and I want to know what we can do with that. Do
- we need to have a witness on the stand to tell us those
- things, do you mind if we treat what Mr. England said or Mr.
- Bub said as substantive evidence?
- 17 MR. ENGLAND: I do, your Honor.
- JUDGE THOMPSON: You do mind.
- MR. ENGLAND: Yeah.
- JUDGE THOMPSON: Okay.
- 21 MR. ENGLAND: While I believe I accurately and
- 22 truthfully responded to questions from the bench.
- JUDGE THOMPSON: I'm sure you did.
- 24 MR. ENGLAND: I viewed my comments more in the
- 25 nature of argument, and I think they were either supported

- 1 by testimony we've submitted in this phase, testimony we
- 2 submitted in the earlier phase, or as part of our verified
- 3 complaint.
- 4 JUDGE THOMPSON: I understand.
- 5 MR. ENGLAND: And --
- JUDGE THOMPSON: So you don't believe your
- 7 comments went beyond the evidence?
- 8 MR. THOMPSON: No, I don't.
- 9 JUDGE THOMPSON: Okay.
- 10 MR. ENGLAND: And if they did, I apologize,
- and I expect them to be disregarded.
- JUDGE THOMPSON: Thank you.
- 13 MR. JOHNSON: Your Honor, I agree with that.
- 14 Had I believed that any of the statements from counsel would
- 15 be considered substantive evidence, I would, perhaps, would
- 16 have interjected an objection or two.
- 17 JUDGE THOMPSON: I understand, and normally
- 18 it's not treated as substantive evidence, but I will say
- 19 that I think the indemnification issue is an important one,
- and I believe the Commissioners are going to want to,
- 21 perhaps, rely on that in some way or another. I don't know,
- 22 but I think it needs to be in the record in such a way that
- 23 we can make Findings of Fact about it and rely on it in
- resolving this case, so if we need to put Mr. Kern or
- 25 someone back up there to testify or if there's a document,

- 1 well, I guess they're part of the ones that Mr. Johnson is
- 2 going to supply; isn't that right?
- 3 MR. BUB: Your Honor, the indemnification
- 4 provisions will be in those agreements. One thing we might
- 5 want to get into the record that's not is our wireless
- 6 interconnection tariff that was approved because I think we
- 7 all are kind of referring back to the tariff.
- 8 JUDGE THOMPSON: If you're willing to supply a
- 9 copy of it --
- MR. BUB: We can do that.
- 11 JUDGE THOMPSON: -- we'll take notice of it
- 12 just like we're going to do with these agreements. I'm sure
- we have it in the basement somewhere on the shelf, but I'm
- 14 not going to go down there and look for it.
- 15 MR. BUB: And I would also concur with Mr.
- 16 England and Mr. Johnson that what -- the remarks of counsel,
- I would treat as argument. Certainly if there's something
- in there where we may have made an admission against
- 19 interest, that certainly can be taken as evidence, but I
- 20 concur with them that anything that we say as attorneys
- 21 would be argument.
- JUDGE THOMPSON: I understand, and that's why
- 23 I raised the point to just make sure we're all on the same
- 24 page, and that we have the record -- as far as the facts go,
- 25 we understand where they are and where they're not, okay, so

- 1 that no one is surprised by anything and so the Commission
- 2 can rely upon the information that it has that it wants to
- 3 rely on, so you're going to supply the -- so I guess we're
- 4 going to have some late filed exhibits as we call them here.
- 5 I think we might have changed the name of that lately, but I
- 6 don't know what it is.
- 7 So you're going to supply three of them, Mr.
- 8 Johnson?
- 9 MR. JOHNSON: At this point, I don't know how
- 10 many there are. I know that in --
- JUDGE THOMPSON: Well, I'll just give you one
- 12 exhibit number then.
- MR. JOHNSON: That's fine.
- JUDGE THOMPSON: Number 7.
- 15 MR. JOHNSON: A, B, C, D, E --
- 16 JUDGE THOMPSON: Absolutely. File as many as
- you want, they're all going to be Exhibit No. 7, and can you
- give me some idea of when they'll get here?
- MR. JOHNSON: Next week.
- JUDGE THOMPSON: That will work great.
- MR. JOHNSON: Thank you, your Honor.
- JUDGE THOMPSON: Just let me know if you can't
- do it next week, just let me know.
- JUDGE THOMPSON: Now, Mr. Bub, I'll give you
- No. 8. Okay. Again, I don't care how many pages it is, and

- do you think you can get it to me next week as well?
- MR. BUB: Yes, your Honor.
- JUDGE THOMPSON: Thank you, I appreciate that.
- 4 Now, the one problem we have with late filed
- 5 exhibits is that, of course, they come in after the close of
- 6 the hearing, and sometimes folks want to object, so what I
- 7 want to do is have any objections now, and if you don't
- 8 object now, then you have waived your opportunity, okay? I
- 9 don't know if that will hold up, but of course, if you still
- want to file a written objection later, there's nothing to
- stop you, but let's at least do a round on whether or not
- anybody objects to these proposed exhibits.
- 13 With respect to the interconnection agreements
- 14 between Voicestream now known as T-Mobile, between Western
- 15 Wireless and between AeriAl communications, if there is one,
- with Bell, correct?
- MR. JOHNSON: Yes, your Honor.
- 18 JUDGE THOMPSON: With respect to those
- 19 interconnection agreements, do I hear any objection to the
- 20 Commission's receipt of those items? Hearing no objections,
- 21 then we will make those part of the record when they arrive.
- 22 Now, with respect to Southwestern Bell's wireless tariff, I
- don't know exactly what it's called.
- 24 MR. BUB: It's called wireless termination
- 25 service tariff, I believe.

- 1 JUDGE THOMPSON: Okay. The wireless
- 2 termination service tariff approved, I believe, by this
- 3 Commission in December of 1997, Mr. England.
- 4 MR. ENGLAND: I'm sorry, but I think it's
- 5 actually a wireless interconnection tariff.
- 6 MR. KERN: Yeah, I think specifically it's the
- 7 wireless --
- 8 MR. JOHNSON: I think you guys got away from
- 9 the termination language.
- 10 MR. KERN: It's the wireless carrier
- 11 interconnection service tariff. It's PSC Missouri No. 40.
- JUDGE THOMPSON: Great.
- 13 MR. KERN: I just happened to have one page
- 14 out of it.
- 15 JUDGE THOMPSON: That's extremely helpful.
- 16 PSC Missouri No. 40, do I hear any objections to receipt of
- 17 that tariff? Very well. We will receive it and make it
- 18 part of the record of this proceeding when Mr. Bub supplies
- 19 it next week. Okay. Have we taken care of those two
- 20 things?
- 21 Now, do you want to brief this case or do you
- 22 want to argue it? We'd be more than happy to listen to your
- arguing now if you'd like to do that.
- 24 MR. BUB: Your Honor, I think I'd like the
- 25 opportunity to at least have some argument now. It might be

- a good idea to follow-up with a brief because I think with
- 2 briefing you kind of bring things together, and I know from
- 3 my prospective that there is some subsequent authority that
- 4 I'd like to bring to the Commission's attention, and it's
- 5 been awhile since we've briefed it, and it might be helpful
- 6 to have one more round.
- 7 JUDGE THOMPSON: How about argument and then
- 8 one round of briefing, simultaneous round, how does that
- 9 sound? Mr. Johnson.
- 10 MR. JOHNSON: My preference would be simply to
- 11 brief it.
- 12 JUDGE THOMPSON: Brief it, no argument.
- MR. JOHNSON: No argument.
- MR. BATES: And that would be Staff's
- 15 preference, too, your Honor.
- JUDGE THOMPSON: Mr. England.
- MR. ENGLAND: I concur.
- 18 JUDGE THOMPSON: Well, I got 3 to 1, so I
- 19 guess we'll go ahead and just do a traditional briefing
- 20 schedule. Now, I know we've already briefed the first
- 21 phase, right, so are you going rebrief that plus weave in
- 22 what's happened here, do you just want to brief what we've
- done since we've reopened the record? I'll let Mr. England
- 24 speak first this time.
- 25 MR. ENGLAND: Well, I guess I was laboring

- 1 under the misapprehension that when the parties agreed on
- 2 the list of issues, those would be the set the boundaries of
- 3 this phase of the hearing. Obviously that's not the case
- 4 since we got into the secondary liability issue, which was
- 5 not identified as an issue in this phase of the proceeding.
- I would hope that we could limit ourselves for
- 7 purposes of the second phase to the appropriateness of the
- 8 interMTA factors, the burden of, at least, the contested
- 9 factors, excuse me, the burden of proof, which I believe was
- 10 identified in the issues list, and now the secondary
- 11 liability, but.
- 12 JUDGE THOMPSON: Yeah, you're going to have to
- 13 --
- 14 MR. ENGLAND: But since I've been surprised
- once, I could be surprised again, and obviously we'll need
- 16 an opportunity to -- I would suggest simultaneous initial
- 17 briefs.
- JUDGE THOMPSON: Two rounds?
- MR. ENGLAND: Two rounds.
- 20 MR. JOHNSON: Your Honor, on behalf of the
- 21 Respondents, I agree with Mr. England's recommendation. If,
- 22 however, either you or the Chair wishes us to brief other
- issues, I'm perhaps reluctant to say this, but if either of
- you would like us to brief other issues, please let us know,
- and I suppose we'll do -- we are at your disposal.

- JUDGE THOMPSON: Well, you know, that's very
- 2 helpful. I don't know what to tell you in terms of what you
- 3 need to do to present your case. Okay.
- 4 It's -- as far as I don't think anyone meant
- 5 to surprise you, Mr. England, as far as the secondary
- 6 liability issue, but the first phase of the case has never
- 7 been decided, so I guess, naturally, questions of concern
- 8 that might have more properly been in that phase were arose
- 9 during this phase because the Commissioners and myself need
- 10 to ask questions and need to understand exactly what's going
- on here, and you know, you're not going to get a good
- resolution of the case unless we have some idea of what's
- going on, right, so I don't want to say wide open briefing
- 14 and make you feel like you've got to redo the whole first
- phase, so what do you think, Mr. Bub?
- MR. BUB: Your Honor, we would like the
- opportunity to address this issue. Commission has decided
- 18 the secondary liability issue --
- JUDGE THOMPSON: That's true.
- 20 MR. BUB: -- and I think the case has gotten a
- 21 little bit bigger, and there's been a lot more evidence on
- 22 that topic than we had when we had the first round of
- briefing, and I think it would be very helpful to the
- 24 Commission to have us pull it all together, either in a
- 25 brief, and I really would like the opportunity to engage in

- 1 a little bit further dialogue, and anybody can certainly
- 2 have the last word and I'll sit down, but there's a couple
- 3 things that I would like to say to the Commission, even if
- 4 it's just the two of you, a couple things that I think just
- 5 need to be said, and that with regard to --
- JUDGE THOMPSON: So there's two things there.
- 7 Suggestion to do oral argument, and also request to rebrief
- 8 the entire case. Anybody else want to jump in there?
- 9 MR. ENGLAND: I thought we voted 3 to 1 not to
- 10 do oral argument.
- 11 JUDGE THOMPSON: That's what I thought, too.
- 12 MR. BUB: I know we live in a democracy, but.
- 13 MR. JOHNSON: And I don't know if anybody's
- vote really counts but yours, your Honor.
- JUDGE THOMPSON: Mine counts least of all.
- MR. BUB: That was my point, too.
- JUDGE THOMPSON: The whole question here is
- fairness and thoroughness. We want to have the issues
- 19 presented as thoroughly as counsel are able and willing to
- 20 present them. These are difficult issues. None of us on
- 21 this side of the bench is a telephone expert or telephone
- 22 professional, and sometimes, it's difficult to learn how
- 23 these things work or maybe in this case don't work, so that
- 24 we know how to resolve these things, so the more we hear is
- 25 the more helpful it is.

- 1 MR. BATES: Your Honor.
- JUDGE THOMPSON: Mr. Bates.
- 3 MR. BATES: If I may, certainly it's within
- 4 the discretion of the Commission to schedule oral arguments,
- 5 if they wish, but I'd like to point out that they were --
- 6 oral closing arguments were not part of the procedural
- 7 schedule.
- JUDGE THOMPSON: You're absolutely right, and
- 9 there could be no bigger surprise than to tell an attorney
- 10 okay stand up, now it's time to argue your case.
- 11 MR. BATES: It seems to me that it would be in
- 12 the interest of completeness that it would be best simply to
- do written briefs here and the parties can argue whatever
- they wish in those briefs for the Commission's benefit.
- 15 JUDGE THOMPSON: I like that. We'll do two
- 16 rounds of brief, you can say whatever you want in your
- 17 brief. If you feel your initial brief handling the first
- 18 phase was sufficient, then you don't have to do it again, if
- 19 there's anything you want to say about it, go ahead. Okay?
- 20 MR. BUB: Your Honor, we can live through
- 21 that.
- JUDGE THOMPSON: You can live with that.
- 23 Great. So when do you all want to give me that first brief?
- 24 When will the transcript be available? Not for two weeks,
- 25 probably, unless we ask for expedition, so 30 days from two

- 1 weeks from now would have us just prior to the Christmas
- break. Is that all right?
- 3 MR. ENGLAND: That's fine with Complainants.
- JUDGE THOMPSON: Mr. Johnson.
- 5 MR. JOHNSON: That's fine, thank you.
- JUDGE THOMPSON: Mr. Bates.
- 7 MR. BATES: That's fine.
- 8 JUDGE THOMPSON: Mr. Bub, will that work for
- 9 you? I think he's digging for his calendar.
- MR. BUB: I am.
- 11 MR. ENGLAND: Your Honor, while Mr. Bub is
- 12 digging for his calendar and at the risk of belaboring a
- point I raised in prehearing conference.
- JUDGE THOMPSON: Yes, sir.
- 15 MR. ENGLAND: While I'm as interested in due
- 16 process as the next attorney, I think the parties to this
- 17 case have certainly had plenty of it, and as we've heard in
- the testimony, the longer this case goes on, the longer my
- 19 clients remain unpaid, so I'm very interested in getting
- 20 this to a point where it can be resolved by the Commission
- 21 quickly, so I guess I'm anticipating, and perhaps
- 22 unreasonably so or unnecessarily so, a request to postpone
- 23 briefing beyond the Christmas holidays, to which I would be
- 24 -- maybe not violently opposed, but strongly opposed.
- 25 JUDGE THOMPSON: Well, we could avoid that by

- 1 expediting the transcript.
- 2 Ms. Reporter, if we did expedite the
- 3 transcript, how soon could we get it?
- 4 COURT REPORTER: Monday.
- 5 JUDGE THOMPSON: Well, I would ask you, then,
- 6 to have the transcript by Monday, that takes us two weeks
- 7 sooner, let's see, Monday is the 10th. That means we could
- 8 have briefs by, say, the 8th of December. How does that
- 9 sound? That's four weeks.
- 10 MR. JOHNSON: Could you give us to the 9th?
- JUDGE THOMPSON: Absolutely.
- 12 MR. JOHNSON: Because the 8th is a Monday.
- 13 JUDGE THOMPSON: Yeah, I don't like to ruin
- people's weekends. How about I give you to the 12th?
- MR. ENGLAND: Fair enough.
- MR. BUB: That's fine with us, too, your
- 17 Honor.
- 18 JUDGE THOMPSON: Two weeks after that, that
- 19 takes us to the 26th, so we'll go, you know, then the
- following week we've got 2nd of January, and I certainly
- 21 don't want any of you typing briefs on New Year's Eve or
- 22 even the day after. How about we say the 9th of January.
- Is that going to work?
- MR. ENGLAND: Fair enough.
- JUDGE THOMPSON: Okay. So principal briefs

- will be due on December 12th, reply briefs will be due by
- 2 January the 9th, and we will get this case out likidy-split
- 3 after the briefs are in. How is that?
- 4 Yes, sir.
- 5 CHAIRMAN GAW: Thank you, Judge. I have one
- 6 question that I think you will be addressing, but just --
- 7 and it may not even be something that's that relevant to
- 8 anything, but the dynamic here of the non-unanimous
- 9 stipulation being filed, which in a regular -- in a normal
- 10 utility case would mean that the Commission would not give
- it any special credence, but in this case, because we're
- 12 dealing with this issue of whether or not this agreement
- 13 under the guide, which has -- has some other issues dealing
- 14 with the Federal Act may come into play, I'm just not sure
- 15 if that -- if that gives it more than what we normally have,
- and you may have already addressed this, and I haven't
- 17 looked at it yet, but that's a dynamic to this that has --
- 18 that I -- if it's relevant, if it's something you think is
- important, you might want to touch on. That's all.
- 20 MR. ENGLAND: Just for purposes of
- 21 clarification, because I think I understand what you're
- 22 saying and I tend to agree with you, right now, I don't have
- an answer.
- 24 CHAIRMAN GAW: Oh, well, at least that means
- 25 it wasn't a completely --

- 1 MR. ENGLAND: No, it's an interesting dynamic.
- 2 I understand what you're saying, the fact that two parties
- 3 -- two parties but not all parties --
- 4 CHAIRMAN GAW: Right.
- 5 MR. ENGLAND: -- have agreed to these factors,
- does that lend any more significance to the agreement in
- 7 light of the Telecommunications Act.
- 8 CHAIRMAN GAW: Right.
- 9 MR. ENGLAND: If not requirement, desire for
- 10 agreements.
- 11 CHAIRMAN GAW: Yeah, if we weren't dealing
- 12 with anything around the Federal Act, the normal rules, as
- 13 you all know, would be that it's -- it is an agreement, but
- 14 it's not to be given anything of significance as evidence,
- 15 but in this case, that -- there may be a completely
- 16 different set of rules around it, and so if that's something
- 17 that's of significance, you might want to suggest it.
- 18 MR. ENGLAND: That's a very good point, and
- 19 I'm sure we will address it in our briefs.
- 20 MR. BUB: I also agree it's an issue that we
- 21 probably need to address, and my initial thoughts on it is
- 22 it would depend on how you would want to go in your order.
- 23 If you would want to go in your order imposing
- 24 secondary liability, my initial thought would be that it
- 25 would be given the same weight it normally would in any old

- 1 case, but if you were to decide that there's no secondary
- 2 liability, taking us out, taking SBC out of the picture,
- 3 then I think it would fall into the camp of a normal
- 4 agreement subject to the rules of the Federal Act where the
- 5 standard of non-discrimination and public interest, which is
- 6 a very low indifferential standard would apply and you could
- 7 disregard our objection, and I think it would become a
- 8 unanimous stipulation, or in my view, you could consider it
- 9 as that, but that's my initial thought.
- 10 CHAIRMAN GAW: I sort of gathered that, but
- 11 I'm interested in whether or not -- in a little bit of an
- 12 analysis about how the Federal Act plays into that argument
- as opposed to how it impacts the parties' decisions about or
- 14 reactions to the agreement itself, but that said, I think
- 15 that's all I had on this, and if, I mean, I realize all the
- 16 parties want to brief this at this point, but if you want to
- shorten the time even further, we could dispense with
- 18 briefing, and just do oral argument, and that would shorten
- down the time even more, so it just, and I'm not trying to
- 20 reinject that argument, but just for the sake of time here,
- 21 if that is a huge issue, that would be one way of handling
- 22 it.
- 23 MR. ENGLAND: I'm not adverse to that, either.
- 24 Earlier the discussion was, I thought, briefing and oral
- 25 argument.

- 1 CHAIRMAN GAW: Yeah.
- 2 MR. ENGLAND: And I sensed that everyone
- 3 wanted briefs, a few of us or one of us wanted oral argument
- 4 in addition to that. I thought briefs would be sufficient.
- 5 I'd be willing -- I think we would have to reschedule it so
- 6 that we'd have the full Commission.
- 7 CHAIRMAN GAW: Well, I don't disagree with
- 8 that.
- 9 JUDGE THOMPSON: What if we came back at 2
- 10 o'clock for oral argument?
- MR. ENGLAND: I'm afraid I have a conference
- 12 call this afternoon.
- 13 CHAIRMAN GAW: And I don't mean to hurry you
- 14 all up in wrapping things up, but I just offer it up because
- 15 I know this has been going on, and I agree we need to get
- these issues resolved, so whatever you end up deciding.
- 17 MR. ENGLAND: I would be willing to come back
- in a week or two and argue it in lieu of briefs.
- 19 MR. BUB: That would be okay with us as well.
- 20 I agree with --
- JUDGE THOMPSON: Okay. Well, there's two. Do
- 22 we have a third?
- MR. JOHNSON: You have a third. I wouldn't
- 24 want to argue it today.
- JUDGE THOMPSON: Okay. But you would be

- willing to argue it some time in the future?
- 2 MR. JOHNSON: Yes.
- JUDGE THOMPSON: Mr. Bates.
- 4 MR. BATES: Your Honor, provided we had
- 5 opportunity to prepare a good oral argument, then I would be
- 6 willing to dispense with briefs, too.
- 7 JUDGE THOMPSON: I'm confident you would
- 8 prepare a wonderful oral argument.
- 9 So I would have to go look at the calendar and
- see when the room is available, but are we -- in other
- words, about two weeks out would be okay? I have no idea
- 12 what the calendar looks like. I can look at it
- 13 electronically, but the electronic version is sometimes not
- 14 quite as up-to-date as the one up on the wall. Let's see
- 15 what we have here.
- 16 CHAIRMAN GAW: Judge, the main thing is going
- 17 to be whether or not the Commission calendar is going to be
- 18 a problem because it is full, but.
- 19 JUDGE THOMPSON: Thursday, November 20th is
- open as far as the adjudication calendar goes.
- 21 MR. ENGLAND: Your Honor, I apologize, I don't
- 22 have my calendar.
- JUDGE THOMPSON: Okay.
- MR. ENGLAND: Perhaps we can do it from
- 25 e-mails from your office and you could give us some dates

2 JUDGE THOMPSON: That would be great. Do I 3 have everybody's e-mail address? MR. ENGLAND: I believe we've submitted 4 5 Pleadings and Statements of Position to you. 6 JUDGE THOMPSON: I tell you what, when you get back to the office, send me an email, tell me hi, how are 7 8 you, Judge, and that way I will have your email addresses. 9 Does everyone have my email address? Kevin Thompson, all 10 lower case, at PSC dot state dot MO dot US. Okay. MR. ENGLAND: Dot globe. 11 12 JUDGE THOMPSON: We do have watchers and that reminds me that they've been listening to this. Normally, 13 14 we don't let them hear us do briefing schedules, my 15 goodness. Secrets of the lawyers revealed for all to see. (AN OFF-THE-RECORD DISCUSSION WAS HAD.) 16 17 JUDGE THOMPSON: We're adjourned. Thank you very much. 18 19 (WHEREUPON, the on-the-record portion of the 20 hearing was concluded.) 21 22 23 24 25

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and we could respond.

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