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July 2, 2002

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED³
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Missouri Public
Service Commission

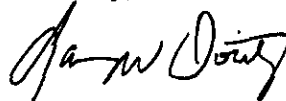
RE: Consolidated Case No. TC-2002-57

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter, please find an original and eight (8) copies of ALLTEL Communications, Inc.'s Surrebuttal Testimony of Lawrence J. Krajci.

This filing has been mailed or hand-delivered this date to all counsel of record. Thank you for your attention to this matter.

Sincerely,



Larry W. DORITY

Enclosure
cc: Counsel of Record

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, First Class mail, postage prepaid, this 2nd day of July 2002, to:

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Exhibit No. _____
Issue: Other Telephone Specific Issues
Witness: Lawrence J. Krajci
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: ALLTEL Communications, Inc.
Case No.: TC-2002-57
Date Testimony Prepared: June 28, 2002

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED³

JUL 0 2 2002

**Missouri Public
Service Commission**

Northeast Missouri Telephone Company)
and Modern Telecommunications Company,)
 Petitioners,)
)
v.)
)
Southwestern Bell Telephone Company,)
Southwestern Bell Wireless (Cingular),)
Voicestream Wireless (Western Wireless),)
Aerial Communications, Inc., CMT)
Partners (Verizon Wireless), Sprint)
Spectrum, LP, United States Cellular)
Corp., and Ameritech Mobile)
Communications, Inc.)
 Respondents.)

Case No. TC-2002-57, et al.

SURREBUTTAL TESTIMONY

Of

LAWRENCE J. KRAJCI

On Behalf Of

ALLTEL COMMUNICATIONS, INC.

**Jefferson City, Missouri
June 28, 2002**

Public

1 **Q. Please state your name, position, and business address.**

2 A. My name is Lawrence J. Krajci. I am Staff Manager of State Government Affairs for
3 ALLTEL Communications, Inc. My business address is One Allied Drive, P.O. Box
4 2177, Little Rock, Arkansas, 72203.

5 **Q. Are you the same Lawrence J. Krajci that filed rebuttal testimony in this case on**
6 **June 11, 2002?**

7 A. Yes, I am.

8 **Q. What is the purpose of your surrebuttal testimony?**

9 A. I shall respond to the rebuttal testimony of PSC Staff witness Scheperle and
10 Southwestern Bell Telephone Company ("SWBT") witness Hughes.

11 **Q. Do you agree with the recommendations made by Staff witness Scheperle in his**
12 **rebuttal testimony?**

13 A. Generally, no. While Mr. Scheperle correctly reaffirms Staff's position that access
14 charges are not lawful for terminating intraMTA wireless traffic, he goes on to discuss
15 and fashion recommendations that appear to be based on improper, and in some cases
16 unlawful, conclusions. Early in his testimony, Mr. Scheperle appears to adopt the
17 erroneous notion or characterization advanced by MITG witness Jones that the nature of
18 this proceeding is a broad "investigation," as opposed to its true nature of being distinct
19 complaints that have now been consolidated. As I discussed in my rebuttal testimony,
20 ALLTEL has filed Motions to Dismiss the two complaints in which it is a named
21 respondent.

22 **Q. What are your specific concerns with Mr. Scheperle's recommendations?**

23 A. Mr. Scheperle's most egregious recommendation is that the MITG companies receive
24 additional compensation for wireless terminated traffic prior to the establishment of a

1 Wireless Termination Tariff. ALLTEL believes and has submitted testimony supporting
2 its position that traffic terminated in the absence of an interconnection agreement, or an
3 effective wireless termination tariff, is subject to a de facto “bill and keep” arrangement.
4 As noted above, Mr. Scheperle reaffirms Staff’s correct position that intrastate access
5 charges are not lawful for terminating intraMTA traffic. Yet, he invents tariff rates -- as
6 if they were in effect – to be applied to pre-wireless termination tariff traffic. Such a
7 scheme is unlawful retroactive ratemaking, pure and simple. While Mr. Scheperle
8 appears to justify this punitive measure on purported “violations” of a Southwestern Bell
9 wireless interconnection tariff that became effective in 1998, Southwestern Bell’s
10 transiting of ALLTEL’s traffic has been provided pursuant to interconnection agreements
11 between SWBT and ALLTEL.

12 **Q. What are Mr. Scheperle’s recommendations regarding the rate levels that you**
13 **previously referenced?**

14 A. Mr. Scheperle recommends that the Commission “order” the four companies who have
15 refused to file wireless termination tariffs (choosing instead to stand on their unlawful
16 demands for access) to make such filings, and even sets the rates to be charged to the
17 fourth decimal. It’s not clear if he also is offering those carriers a “pass” by the file and
18 suspend statute. While these rates would appear to apply prospectively, he arbitrarily
19 decides that all of the complainants can charge wireless termination tariff rates for traffic
20 purportedly received prior to the lawful effective dates of any such tariffs as well. (Mid-
21 Missouri, Chariton, Northeast and Modern appear to get penalized two cents per minute
22 from these windfall rates for not stepping forward and filing tariffs sooner.) The other
23 factor that Mr. Scheperle interjects is a PIU traffic study.

1 **Q. Please address Mr. Scheperle's PIU traffic study.**

2 A. Mr. Scheperle imposes a requirement on wireless carriers to conduct traffic studies for
3 the purposes of identifying inter- versus intraMTA traffic (referred to by Mr. Scheperle as
4 "developing a Percent (inter,intra) MTA Usage (PIU))." Such a requirement, if any,
5 should be subject to negotiation and resolution under an interconnection agreement,
6 which clearly is the industry norm. Mr Scheperle's resulting presumption, that in the
7 absence of such a study all traffic should be assumed to be interMTA, is absolutely
8 contrary to ALLTEL's national experience. In Missouri, interMTA factors in ALLTEL's
9 wireless interconnection agreements generally range from 0% to a high of 12%. To
10 assume 100% interMTA traffic is completely unreasonable, giving the MITG companies
11 a continuing motivation to avoid entering into negotiations with the wireless carriers.

12 **Q. In his rebuttal testimony, SWBT witness Hughes refers to an interconnection issue**
13 **between SWBT and ALLTEL, concerning the recording of traffic at SWBT's St.**
14 **Joseph switch. Are there any outstanding issues between the MITG companies and**
15 **ALLTEL with regards to that interconnection situation?**

16 A. No. As I discussed earlier, Choctaw and Chariton Valley are the only MITG companies
17 that have filed complaints against ALLTEL. Choctaw has made no mention or any claim
18 for unbilled minutes related to traffic from the St. Joseph switch. Because of the
19 geographic location of Choctaw, there would be little, if any, traffic from the St. Joseph
20 switch to Choctaw. Any traffic between ALLTEL and Chariton Valley is subject to the
21 de facto "bill and keep" arrangement between ALLTEL and Chariton Valley that exists
22 in lieu of an interconnection agreement or an effective wireless termination tariff. Mr.
23 Hughes' testimony does, however, reflect that carriers in general, and ALLTEL
24 specifically, are not trying to avoid payment of legitimate termination charges applied

1 through interconnection agreements or approved and effective wireless termination
2 tariffs.

3 **Q. Does this conclude your testimony?**

4 A. Yes.