1	STATE OF MISSOURI					
2	PUBLIC SERVICE COMMISSION					
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6	TRANSCRIPT OF PROCEEDINGS					
7	Prehearing Conference					
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9	Jefferson City, Missouri Volume 1					
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12	In the Matter of the Traffic) Termination Agreement by and Between)					
13	Sprint Communications Company, L.P.,) d/b/a Sprint and Southwestern Bell) Case No. CK-2004-0031					
14	Telephone, L.P., d/b/a Southwestern) Bell Telephone Company, Pursuant to)					
15	Sections 251 and 252 of the) Telecommunications Act of 1996.					
16	Telegonimum log of 1330.					
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19	NANCY M. DIPPELL, Presiding, SENIOR REGULATORY LAW JUDGE.					
20	DENIOR RECOEFFICIENT STATE CODE.					
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23	REPORTED BY:					
24	KELLENE K. FEDDERSEN, CSR, RPR, CCR ASSOCIATED COURT REPORTERS					
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13	Farber Telephone Company. Goodman Telephone Company, Inc.
14	Granby Telephone Company. Grand River Mutual Telephone
15	Corporation.
16	Green Hills Telephone Corp. Holway Telephone Company. Iamo Telephone Company.
17	Kingdom Telephone Company. KLM Telephone Company.
18	Lathrop Telephone Company.
19	Le-Ru Telephone Company. Mark Twain Rural Telephone Company.
20	McDonald County Telephone Company. Miller Telephone Company. New Elemense Telephone Company.
21	New Florence Telephone Company. New London Telephone Company. Orchard Farm Telephone Company.
22	Oregon Farmers Mutual Telephone Co. Ozark Telephone Company.
23	Peace Valley Telephone Company. Rock Port Telephone Company.
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- JUDGE DIPPELL: This is Case No. CK-2004-0031,
- 3 in the matter of the traffic termination agreement by and
- 4 between Sprint Communications Company, LP, d/b/a Sprint, and
- 5 Southwestern Bell Telephone, LP, d/b/a Southwestern Bell
- 6 Telephone Company, Pursuant to Sections 251 and 252 of the
- 7 Telecommunications Act of 1996.
- 8 My name is Nancy Dippell, and I'm the
- 9 Regulatory Law Judge assigned to this matter. And we've
- 10 come here today on August 20th for a prehearing conference.
- 11 I'd like to begin with entries of appearances from the
- 12 attorneys. Staff?
- MR. KRUEGER: Keith R. Krueger and Eric W.
- 14 Anderson for the Staff of the Missouri Public Service
- 15 Commission. Our address is P.O. Box 360, Jefferson City,
- 16 Missouri 65102.
- 17 MR. BUB: Thank you, your Honor. Leo Bub for
- 18 SBC Missouri. Our address is One SBC Center, St. Louis,
- 19 Missouri 63101.
- 20 MS. HENDRICKS: Your Honor, Lisa Creighton
- 21 Hendricks appears on behalf of Sprint Communications
- 22 Company, LP, 6450 Sprint Parkway, Overland Park, Kansas
- 23 66251.
- 24 MS. CHASE: Your Honor, Lisa Chase and Craig
- 25 Johnson appearing on behalf of MITG, 700 East Capitol,

- 1 Jefferson City, Missouri 65102.
- 2 MR. ENGLAND: Thank you, your Honor. Let the
- 3 record reflect the appearance of W.R. England and Brian T.
- 4 McCartney on behalf of a number of small independent
- 5 incumbent local exchange carriers, who are listed on our
- 6 written entry of appearance, known as the Small Telephone
- 7 Company Group. Our address is Brydon, Swearengen & England,
- 8 P.C., Post Office Box 456, Jefferson City, Missouri 65102.
- 9 JUDGE DIPPELL: Thank you. We've come here
- 10 today -- I apologize for making you-all come in so early,
- 11 but I wanted to bring you together so that we could not only
- 12 discuss a procedural schedule or let you-all discuss a
- 13 procedural schedule and present, which I've ordered to be
- 14 done by Friday. And actually I'm going to be out of the
- 15 office on Friday afternoon, so if you could file that Friday
- 16 morning, it would help me a lot in getting this -- keep it
- 17 moving along. If that's not possible, I understand, and
- 18 I'll deal with it when I get it.
- I also wanted to discuss, we've had some
- 20 similar cases to these at the Commission recently where
- 21 there have been interventions, and the other cases, as I
- 22 understand it, have resolved their conflicts. And I wanted
- 23 to start out by finding out if the counsel can explain to me
- 24 the difference between maybe these -- this interconnection
- 25 agreement and those other cases.

- 1 And I know Sprint's been involved in some of
- 2 those other cases, so I'll put you on the spot.
- 3 MS. HENDRICKS: The other cases that Sprint
- 4 has been involved in that were resolved involved
- 5 interconnection agreements which contained transit
- 6 provisions and covered traffic that originated within the
- 7 exchange of either the CLEC entering into the
- 8 interconnection agreement or the ILEC with whom the CLEC was
- 9 entering the agreement into.
- In this case, Sprint the CLEC has an
- 11 interconnection agreement with SBC that contains those type
- 12 of transit provisions, and that's separate and apart from
- 13 the traffic termination agreement that's in front of the
- 14 court in this case.
- Now, the traffic termination agreement that's
- 16 being reviewed in this case deals with traffic that is local
- 17 but does not originate in the exchange of the ILEC, but yet
- 18 it would still be local traffic based on where it originates
- 19 and terminates, but because it doesn't originate in the
- 20 exchange of the ILEC, it is not covered by our
- 21 interconnection agreement in the transit provisions within
- 22 that.
- 23 SBC may be able to assist in the description.
- 24 I'm trying to get it at the basic level at which I
- 25 understand it.

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- 2 MR. BUB: Your Honor, I'm not familiar with
- 3 the other Sprint agreements, but this agreement, as Lisa
- 4 says, is a traffic termination agreement that's different
- 5 than an interconnection agreement.
- 6 In this situation, if you can imagine traffic
- 7 that originates from a Sprint customer which would be
- 8 operating as a CLEC, that CLEC may be operating in territory
- 9 that's not Southwestern Bell territory. So from our
- 10 perspective, it would be traffic that comes from another
- 11 exchange that's not ours. It would go from Sprint PCS,
- 12 maybe to the incumbent ILEC that serves that territory, then
- 13 to us.
- 14 So it's not a situation where we're exchanging
- 15 traffic in an exchange where both the CLEC and SBC the
- 16 incumbent provide service.
- 17 MS. HENDRICKS: And one other important factor
- 18 I think worth mentioning is, in connection with the Sprint
- 19 agreements that were in front of the Commission, there was a
- 20 definition of transit traffic which appeared to include
- 21 traffic in addition to local traffic, and that was much at
- 22 the heart of the issue.
- 23 Within this contract, the definition of local
- 24 traffic is limited to local traffic. And we were able to
- 25 resolve the issue in Sprint by limiting the definition of

- $\boldsymbol{1}$ transit traffic to local traffic, something which is already
- 2 achieved here.
- JUDGE DIPPELL: I'll ask counsel for the
- 4 intervenors to -- if they have some additional insight on,
- 5 and since you-all were involved in each of those other cases
- 6 as well, the difference between the definition of transit
- 7 traffic in those cases and the definition in this case.
- 8 MR. ENGLAND: I can honestly say that as a
- 9 result of the representations just made on the record, I'm
- 10 more confused now than I was when I filed my application to
- 11 intervene.
- 12 But I -- we also came to the prehearing
- 13 conference with the intention in mind -- or intention in
- 14 mind to visit with both the representatives of Sprint and
- 15 Southwestern Bell to see if some of the safeguards,
- 16 concessions, amendments, whatever you want to call them, in
- 17 the Sprint ILEC interconnection agreement with other CLECs
- 18 would be appropriate here.
- So sounds to me like we've got more
- 20 discussions than I anticipated.
- JUDGE DIPPELL: Okay. So it sounds to me,
- 22 then, like this isn't definitely headed for hearing, that
- 23 there may be a possibility that you-all can work out some
- 24 additional language or somehow explain it to each other and
- 25 then explain it to the Commission so that you are all

- 1 comfortable with the provisions of this agreement.
- In any event, should it need to go to
- 3 hearing -- and I guess I should ask if Staff had anything
- 4 further they wanted to add?
- 5 MR. KRUEGER: No, your Honor.
- 6 JUDGE DIPPELL: I have the 90 days running on
- 7 this either on October 9th or I may have -- I may have that
- 8 date early. And so when you're considering a proposed
- 9 procedural schedule, of course, needs to be on an expedited
- 10 basis. The Commission will need some time to review the
- 11 transcripts and make its decision.
- 12 So I would look at a hearing no later than --
- 13 I would say no later than the 19th of September. That's
- 14 kind of pushing both you and the Commission, but we used up
- 15 a little bit of time here at the beginning, and hopefully
- 16 your discussions will be productive.
- 17 Mr. England?
- 18 MR. ENGLAND: Yes, your Honor. Would you
- 19 happen to know what dates might be available or not be
- 20 available, say for the two weeks leading up to the 19th?
- 21 JUDGE DIPPELL: I have a copy with me of the
- 22 Commission's current schedule calendar, and I will leave
- 23 that with you-all. I believe most dates in September are
- 24 available. There's a few prehearings scheduled, but no
- 25 hearings. So you-all can schedule on top of any of the

- 1 prehearings that are scheduled.
- 2 But right now September's pretty clear. The
- 3 calendar doesn't really get booked up until starting in
- 4 October.
- 5 MS. HENDRICKS: Your Honor, if I may. In
- 6 connection with the Sprint cases, while there was a request
- 7 for hearing made in those cases, there was a briefing of
- 8 whether or not the Commission had to have a hearing, and
- 9 prior to that decision being rendered, the parties settled
- 10 the issue.
- I don't know in this case if you want
- 12 opportunity for us to address whether or not in the first
- 13 instance there would need to be a hearing before the
- 14 Commission could make the determinations being requested by
- 15 the intervenors.
- 16 JUDGE DIPPELL: I wasn't clear from the
- 17 pleadings on that whether that was still an issue in this
- 18 case. I take it it is. I didn't get any input from Staff
- 19 on that in this particular case.
- Mr. England?
- 21 MR. ENGLAND: Your Honor, my recollection is
- 22 somewhat different, that the Commission determined to have a
- 23 hearing in those Sprint cases.
- 24 MS. HENDRICKS: Well, maybe I missed an Order.
- 25 Did they make a --

- 1 MR. JOHNSON: We had a hearing date. I don't
- 2 know whether they ever decided whether we were entitled to a
- 3 hearing. That issue may have been pending at the same time
- 4 we had a hearing date. As I recall, we did the amendment
- 5 and withdrew our request for a hearing just a day or two
- 6 prior to the first round of testimony.
- 7 JUDGE DIPPELL: A request for hearing has
- 8 definitely been made in this case. If Sprint and
- 9 Southwestern Bell are contesting that a hearing is
- 10 necessary, then I guess the Commission should make a ruling
- 11 on that.
- MS. HENDRICKS: Well, the only thing
- 13 beneficial in connection with that was it was able to frame
- 14 the issues, too, to say exactly what do you perceive is
- 15 wrong with this agreement in connection with identifying
- 16 what they wanted to do.
- 17 Maybe that's what I'm truing seeking here is
- $18\ \mathrm{making}\ \mathrm{sure}\ \mathrm{we}\ \mathrm{have}\ \mathrm{the}\ \mathrm{issue}\ \mathrm{defined}\ \mathrm{before}\ \mathrm{we}\ \mathrm{go}\ \mathrm{into}\ \mathrm{a}$
- 19 full-fledged filing of testimony.
- JUDGE DIPPELL: And I'll let the intervenors
- 21 respond to that. Can you phrase what issues it is that you
- 22 have requested a hearing for?
- 23 MR. ENGLAND: I guess generically we have
- 24 raised issues with respect to the possible discrimination
- 25 that this agreement creates on our companies, and the lack

- 1 of public interest or, I guess, alternatively public
- 2 detriment that may be created by this agreement. That's the
- 3 general issues.
- 4 We need to develop a factual record, but as I
- 5 said, based upon what I heard a minute ago, if this is a
- 6 traffic termination agreement like other traffic termination
- 7 agreements that I've been involved in in submitting to the
- 8 Commission where our companies are actually not the end of
- 9 the line as far as calling is concerned, the terminating
- 10 company, but only potentially an intermediate company, that
- 11 changes everything.
- 12 And that's why I think we need some time here
- 13 today off the record to discuss exactly what's going on with
- 14 respect to this agreement, because I did not get that from
- 15 reading the agreement, and I've read it a couple of times $\ \ \,$
- 16 now.
- JUDGE DIPPELL: And so presuming that you
- 18 aren't able to work out those issues, the intervenors see
- 19 discrimination to those companies and the public detriment
- 20 or public interest issues as the factual issues that would
- 21 need to be brought to the factual evidence?
- MR. ENGLAND: They're the ultimate issues you
- 23 need to decide. We need to present factual evidence to
- 24 support our claims.
- JUDGE DIPPELL: And what kind of evidence?

- 1 What kind of witnesses or whatever would you --
- 2 MR. ENGLAND: I guess I can tell you what we
- 3 were prepared to demonstrate or bring forward in the prior
- 4 Sprint cases. Whether that's particularly relevant here or
- 5 not I won't know until I've had some further discussions
- 6 with counsel for Southwestern Bell and Sprint.
- 7 But if we are parties to whom traffic is being
- 8 terminated under this agreement, and that traffic is toll
- 9 traffic, we believe that discrimination is the change in
- 10 business relationship that we're entitled to pursuant to our
- 11 access tariffs. In other words, these two parties have
- 12 negotiated a way around the application of our access
- 13 tariffs to toll traffic that terminates to our exchanges.
- 14 And depending on the way in which that traffic
- 15 is routed, the way in which that traffic is recorded, the
- 16 way in which records are sent to us, that may be $\ensuremath{\text{--}}$ and the
- 17 way in which we get compensated versus how we would under
- 18 our access tariffs may be different, discriminatory and
- 19 therefore against public interest, at least in our opinion.
- 20 JUDGE DIPPELL: What I'll say, then, is if
- 21 there is some contest that a hearing in this particular case
- 22 is necessary, I will request that you specify that along
- 23 with your proposed procedural schedules.
- MS. HENDRICKS: Yes, your Honor.
- 25 JUDGE DIPPELL: And then the Commission can

2	as to whether a hearing is necessary if that is contested.
3	MS. HENDRICKS: Thank you.
4	JUDGE DIPPELL: Is there anything else that
5	I don't have anything else. Is there anything else that the
6	parties want to say on the record?
7	All right. Then I will leave you to your
8	discussions. I will be up in my office if you should have
9	additional questions about the calendar or anything else for
10	that matter. I appreciate your coming in this morning and
11	good luck. We can go off the record.
12	WHEREUPON, the recorded portion of the
13	prehearing conference was concluded.
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1 make a determination if it needs to in the form of an Order