

**FILED**

SEP 7 1999

Missouri Public  
Service Commission

Exhibit No. :  
Issues :  
Witness : Donald D. Stowell  
Type of Ex. : Direct Testimony  
Sponsor : The Mid-Missouri Group  
Case No. : TT-99-428, et al.

**IN THE MATTER OF  
THE MID-MISSOURI GROUP'S  
FILING TO REVISE ITS ACCESS SERVICE TARIFF  
P.S.C. MO. NO. 2**

**DIRECT TESTIMONY**

**OF**

**DONALD D. STOWELL**

Jefferson City, Missouri  
September 7, 1999

Exhibit No. 1  
Date 10-12-99 Case No. TT-99-428,  
Reporter DURBIN et al

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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

In the matter of the Mid-Missouri )  
Groups's Filing to Revise its Access ) Case No. TT-99-428, et al.  
Service Tariff, P.S.C. Mo. No. 2. )

AFFIDAVIT OF DONALD D. STOWELL

STATE OF KANSAS )

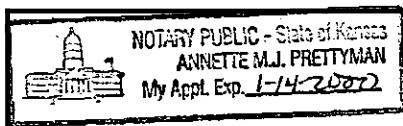
) ss. -

COUNTY OF MIAMI )

Donald D. Stowell, of lawful age, on my oath states, that I have participated in the preparation of the foregoing direct testimony in question and answer form, consisting of 8 pages, to be presented in this case; that the answers in the foregoing testimony were given by me; that I have knowledge of the matters set forth in such answers; and that such matters are true to the best of my knowledge and belief.

Donald D. Stowell  
Donald D. Stowell

Subscribed and sworn to before me this 7<sup>th</sup> day of September, 1999.



Annette M.J. Prettyman  
Notary Public

My Commission Expires: Jan 14, 2002

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DIRECT TESTIMONY OF DONALD D. STOWELL  
ON BEHALF OF THE MID-MISSOURI GROUP  
CASE NO. TT-99-428, ET AL.

SEP 7 1999

Missouri Public  
Service Commission

1 Q. Please state your name and address.

2 A. Donald D. Stowell, 112 South Broadway, P. O. Box 429, Louisburg, Kansas.

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

4 A. I am general manager of MoKan Dial, Inc.

5 Q. On whose behalf do you present this testimony ?

6 A. I am testifying on behalf of the Mid-Missouri Group companies including Alma, MoKan  
7 Dial, Mid-Missouri, Choctaw, Chariton Valley, and Peace Valley Telephone Company.  
8 These companies all filed proposed tariffs to add identical language to their concurrences in  
9 the Oregon Farmers access tariff. These tariff filing dockets, TT-99-428, TT-99-429, TT-99-  
10 430, TT-99-431, TT-99-432, and TT-99-433 have been consolidated in this proceeding.  
11 Other SCs are watching this proceeding, as they also are interested in mechanisms to assure  
12 they receive terminating compensation.

13 Q. What is the purpose of your direct testimony ?

14 A. The purpose of this direct testimony is to set forth the reasoning as to why the MMG  
15 companies believe these proposed tariffs should be approved by the Commission.

16 Q. Why did the MMG companies file the tariffs at issue in this docket ?

17 A. For years PTCs, in particular Southwestern Bell Telephone Company, have been delivering  
18 traffic originated by commercial mobile radio service providers (wireless carriers) and by  
19 competitive local exchange companies (CLECs) to small secondary companies for

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1 termination. Although the traffic has been terminated, compensation is not being paid to the  
2 secondary carriers. The purpose of the tariff language is to clarify that SC switched access  
3 rates apply to this traffic unless those tariffs are superseded by an approved interconnection  
4 agreement between the originating carrier and the terminating SC.

5 Although the Commission has indicated that CLECs should pay switched access  
6 rates to SCs until they have an approved interconnection for reciprocal compensation, the  
7 CLECs have not initiated the process. Recent decisions indicate wireless carriers can also  
8 pay terminating access unless they obtain an approved interconnection agreement providing  
9 for different compensation.

10 Due to the inability of the the "transiting" business relationships to provide SCs  
11 with any effective method of obtaining terminating compensation from these carriers, we  
12 want this tariff approved to make it clear that our access tariff and access rates apply until  
13 they do obtain an approved interconnection agreement.

14 **Q. Please quote the proposed tariff language submitted by Alma, MoKan Dial, Mid-**  
15 **Missouri, Choctaw, Chariton Valley, and Peace Valley.**

16 **A.** The language proposed is as follows:

17 **APPLICABILITY OF THIS TARIFF**

18 The provisions of this tariff apply to all traffic regardless of type or origin, transmitted to or  
19 from the facilities of the Telephone Company, by any other carrier, directly or indirectly,  
20 until and unless superseded by an agreement approved pursuant to the provisions of 47  
21 U.S.C. 252, as may be amended.  
22  
23

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1  
2 **Q. Please explain why the MMG companies believe their access tariffs should apply to**  
3 **CLEC or wireless traffic transmitted indirectly to the SC.**

4 A. Like normal toll traffic to which access tariffs apply, terminating traffic originated by  
5 wireless carriers or CLECs terminates to the MMG companies over identical facilities.  
6 These SCs provide terminating transport, switching, and carrier common line services for all  
7 interexchange terminating traffic in an identical fashion, regardless of whether the traffic  
8 originated as toll, wireless, or CLEC traffic. Other than the reciprocal compensation  
9 obligations imposed by the 1996 Act for exchanging local traffic, there is no reason to treat  
10 a minute of terminating CLEC or wireless traffic differently from a minute of terminating  
11 toll traffic.

12 **Q. Why is it necessary for any language to be added to your tariffs ?**

13 A. This language is necessary to assure that access tariffs apply to both wireless traffic and  
14 CLEC traffic.

15 From 1990 to February 5, 1998, Southwestern Bell terminated wireless traffic to  
16 SCs pursuant to its wireless interconnection tariff. SWB refused to pay other LECs for  
17 traffic terminated to them pursuant to their access tariffs. By Orders issued in complaint  
18 cases, the Commission determined that the LEC access tariffs did apply to this traffic, and  
19 SWB was responsible to pay the terminating access on these calls. SWB subsequently  
20 modified its tariff to provide only "transiting" for this traffic. Pursuant to interconnection

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1 agreements with wireless carriers, SWB provides only a transiting function as well.

2 By its December 23, 1997 Report and Order in TT-97-524, the Commission  
3 approved this transiting structure for wireless traffic. A significant rationale of the  
4 Commission was that federal reciprocal compensation principles for exchanging local traffic  
5 would result in wireless carriers seeking interconnection agreements with the terminating  
6 LECs. The Commission believed that reciprocal compensation rates being lower than  
7 switched access rates would incent the wireless carriers to request interconnection. The Cole  
8 County Circuit Court, in affirming this Commission decision, held that the Commission's  
9 use of the words "reciprocal compensation" in its decision did not limit SCs to being paid  
10 only "reciprocal compensation" under the Telecommunications Act of 1996. The Court held  
11 that SCs were not foreclosed from applying their access tariffs to the termination of wireless  
12 traffic.

13 The tariff language proposed is designed to make it absolutely clear that the  
14 switched access tariffs apply to this traffic "transited" to us by a carrier that does not directly  
15 request terminating access from us until superseded by an interconnection agreement.

16 **Q. What business arrangements between the PTCs and these carriers has**  
17 **resulted in this being an issue ?**

18 A. Since the adoption of the Telecommunications Act of 1996, PTCs, in particular  
19 SWB, have entered into interconnection agreements with CLECs. These interconnection  
20 agreements adopt a similar "transiting" structure, whereby the PTC service ostensibly stops

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1 at the terminating interconnection point between it and the SC. As with wireless traffic, by  
2 transiting the calls to this interconnection point it is assured the call will terminate, as the SC  
3 is powerless to prevent it from terminating. In a December 11, 1996 Arbitration Order in T0-  
4 97-40/T0-97-67, the Commission decided that CLECs were obligated to pay SC switched  
5 access rates until an interconnection agreement superseded access.

6 **Q. Since the 1996 CLEC Order, have CLECs been paying SCs any terminating**  
7 **compensation ?**

8 A. No.

9 **Q. Since the Commission's decision in the wireless docket, have wireless carriers been**  
10 **paying SCs terminating compensation ?**

11 A. No.

12 **Q. Why haven't SCs been paid by CLECs and wireless carriers ?**

13 A. The traffic is being terminated, regardless of whether the originating carrier is paying  
14 terminating access to the terminating SC. There is no financial incentive for them to pay.  
15 Despite their contractual obligation not to send traffic to the PTC destined for SC  
16 termination until they have made arrangements to pay the SC, they are sending this traffic.  
17 Despite the Commission's hope that wireless carriers would request interconnection with  
18 SCs and begin paying them for termination, that has not happened either.

19 **Q. Have the SCs been billing the wireless carriers ?**

20 A. Yes, SWB has been required to provide SCs with information upon which to bill the wireless

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1 carriers, cellular terminating usage reports (CTUSR). MMG members have billed the  
2 wireless carriers based upon these reports, but without success.

3 **Q. Have the SCs been billing the CLECs ?**

4 A. No. However with elimination of the PTC Plan, efforts are currently underway to obtain  
5 terminating access records and compensation from CLECs.

6 **Q. How will approval of this tariff assist the MMG members in collecting terminating  
7 access, or in incenting requests for interconnection ?**

8 A. There is no guarantee the tariff will result in either. However, this language will make it  
9 clear to CLECs and wireless carriers that terminating access rates apply until they request,  
10 negotiate, and have an interconnection agreement approved. As more and more time goes  
11 by without interconnection requests, they should recognize they are incurring a larger and  
12 larger liability for traffic terminated in the past. This is the only mechanism available to the  
13 SCs at this time to incent these carriers to do the right thing. We can't make them request  
14 interconnection. We have no right to request interconnection from them, as they are not  
15 incumbent LECs.

16 If we are unsuccessful in this endeavor, our only other recourse will be to file  
17 complaints and collection proceedings against them.

18 **Q. Does this conclude your direct testimony ?**

19 A. Yes.