

Exhibit No:
Issues:
Witness: Steve Dreon
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Southwestern Bell Wireless, Inc.
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

REBUTTAL TESTIMONY

OF

STEVE DREON

St. Louis, Missouri
September 23, 1999

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF STEVE DREON


STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

I, Steve Dreon, of lawful age, being duly sworn, depose and state:

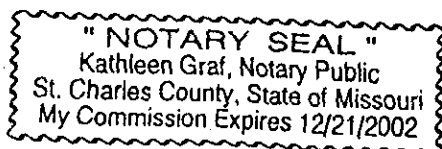
1. My name is Steve Dreon and I am presently Regional Manager-Network Operations for Southwestern Bell Wireless, Inc.
2. Attached hereto and made part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.


Steve Dreon

Subscribed and sworn to before me this 23rd day of September, 1999


Notary Public

My Commission Expires: 12-21-2002



**REBUTTAL TESTIMONY OF STEVE DREON
ON BEHALF OF SOUTHWESTERN BELL WIRELESS, INC.
CASE NO. TO-99-428, ET AL.**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Steve Dreon and my business address is 892 Woods Mill Road,
Ballwin, Missouri 63011.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Southwestern Bell Wireless, Inc. (SWBW). My title is Regional
Manager-Network Operations.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. To respond to some issues concerning the negotiation of interconnection
agreements, raised by Mr. Stowell in his Direct Testimony.

**Q. IS SWBW WILLING TO ENTER INTERCONNECTION AGREEMENTS WITH THE
MID-MISSOURI GROUP OF LOCAL EXCHANGE CARRIERS (LECS), WHICH
HAVE FILED THE TARIFF REVISIONS IN THIS DOCKET?**

A. Yes, we are committed to entering such agreements and have proactively
contacted LECs about entering into such agreements. In fact, we recently sent the
Mid-Missouri Group's counsel a draft, proposed interconnection agreement that
provides for the reciprocal compensation for the termination of traffic for calls
placed by their customers and terminated to our customers and calls placed by our
customers and terminated to their customers. The agreement would apply to all
traffic to or from SWBW's network that originates and terminates within a Major

Trading Area, or MTA. A copy of our correspondence and the proposed agreement is attached to my testimony as SCHEDULE 1.

Q. WHAT WAS THEIR RESPONSE?

A. Their counsel indicated in a letter to counsel for SWBW that the Mid-Missouri Group of telephone companies does not originate calls that terminate to SWBW, therefore symmetrical and reciprocal compensation is not appropriate. This letter is attached to my testimony as SCHEDULE 2.

Q. HAVE THESE COMPANIES INDICATED TO YOU IN WHAT SITUATION THEY WOULD VIEW RECIPROCAL, SYMMETRICAL COMPENSATION TO BE APPROPRIATE?

A. They have indicated that they are willing to negotiate a reciprocal compensation agreement with SWBW for termination of our traffic in their exchanges, but that this would require direct physical interconnection between us.

Q. HAS SWBW ENTERED INTERCONNECTION AGREEMENTS WITH ANY LECS?

A. Yes, we have done so in several states. In Missouri this Commission has approved interconnection agreements between SWBW and Southwestern Bell Telephone Company, United Telephone Company of Missouri d/b/a Sprint, and GTE Midwest Incorporated. We recently concluded negotiations and are in the process of executing interconnection agreements with ALLTEL Communications Services Corporation and with the TDS Telecommunications Corporation (whose

1 subsidiary LECs in Missouri are Orchard Farm, New London and Stoutland
2 Telephone Companies).

3
4 **Q. DO ANY OF THESE AGREEMENTS INVOLVE AN EXCHANGE OF TRAFFIC IN**
5 **WHICH THE TRAFFIC IS TRANSITED OVER THE NETWORK OF A THIRD**
6 **PARTY CARRIER?**

7 **A.** Yes. With Alltel and TDS Telecom in Missouri, all the traffic we exchange is
8 transited over a third party network. We also use this arrangement for the
9 exchange of some traffic with Sprint in Missouri.

10
11 **Q. IF YOU WERE TO ENTER AGREEMENTS WITH THE MID-MISSOURI GROUP**
12 **OF LECs FOR RECIPROCAL COMPENSATION FOR THE TERMINATION OF**
13 **IntraMTA CALLS, WOULD YOU BE WILLING TO APPLY THE AGREED-UPON**
14 **RATE RETROACTIVELY?**

15 **A.** Yes. The draft interconnection agreement SWBW provided to counsel for the Mid-
16 Missouri Group includes a "retroactively clause." Application of the agreed-upon
17 rate retroactively will assure that the LECs will not be prejudiced by any delay in
18 negotiation of the interconnection agreement.

19
20 **Q. MR. STOWELL STATES THAT THE MID-MISSOURI GROUP LECs CANNOT**
21 **FORCE WIRELESS CARRIERS TO REQUEST INTERCONNECTION AND THAT**
22 **THE LECs HAVE NO RIGHT TO REQUEST INTERCONNECTION. DO YOU**
23 **AGREE WITH THIS?**

1 A. No. I am unaware of anything that says the LECs cannot instigate negotiation for
2 an interconnection agreement and that they must sit quietly awaiting a request
3 from the wireless carrier to begin negotiation.

4
5 Q. MR. STOWELL STATES THAT THE COLE COUNTY CIRCUIT COURT, IN
6 AFFIRMING THE DECEMBER 23, 1997 REPORT AND ORDER RELEASED BY
7 THIS COMMISSION IN TT-97-524, INDICATED THAT LECs WERE NOT
8 FORECLOSED FROM APPLYING THEIR ACCESS TARIFFS TO THE
9 TERMINATION OF WIRELESS TRAFFIC. DO YOU AGREE?

10 A. I am not a lawyer and I am not going to attempt to give a legal interpretation of a
11 court order. However, I can provide an exact quote from the Court's Findings of
12 Fact, Conclusions of Law and Judgment, Case Nos. CV198-178CC and CV198-
13 261CC released February 23, 1999, as follows: "The PSC did not foreclose
14 Relators from applying their existing inter- or intrastate access tariffs as
15 appropriate on *interMTA* wireless traffic...." (Emphasis added) In referring to the
16 Court order, Mr. Stowell appears to have omitted the word "interMTA."

17
18 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

19 A. I have a Master of Science – Electrical Engineering from the University of Missouri
20 in Rolla, Missouri and a Bachelor of Science in Electrical Engineering and
21 Computer Engineering from the University of Missouri in Columbia, Missouri.

22
23 Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE IN THE
24 TELECOMMUNICATIONS INDUSTRY?

1 A. I have been working in the area of telecommunications since October, 1990. For 6
2 years I worked for Ericsson Mobile Communications working on mobile
3 communication products. I have been employed with SWBW since October, 1996.
4 I am responsible for the wireless network in St. Louis and Kansas City.
5

6 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE MISSOURI PUBLIC
7 SERVICE COMMISSION?

8 A. No.
9

10 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

11 A. Yes.

Jeanne A. Fischer
Senior Counsel

Southwestern Bell Wireless
13075 Manchester, 1st Floor
St. Louis, Missouri 63131
Phone 314 984-2307
Fax 314 984-2050



August 23, 1999

Mr. Craig S. Johnson
305 East McCarty Street
Hawthorne Center, Third Floor
P.O. Box 1438
Jefferson City, MO 65102

Re: Interconnection with Southwestern Bell Wireless

Dear Mr. Johnson:

I recently provided Mr. England a proposed draft interconnection agreement that Southwestern Bell Wireless Inc. has used with some small local exchange carriers to establish reciprocal compensation for indirect interconnection, and I thought I would share the same draft agreement with you. SWBW is very interested in entering such an agreement with the companies you represent—I understand these include Alma Telephone Company, Chariton Valley Telephone Company, Choctaw Telephone Company, Mid-Missouri Telephone Company, MoKan Dial, Inc., Peace Valley Telephone Company, and perhaps others.

After you have reviewed this draft, please give me a call to discuss. Thank you.

Very truly yours,

A handwritten signature in cursive script that reads "Jeanne Fischer".

Jeanne A. Fischer

Enclosure

AGREEMENT BETWEEN SOUTHWESTERN BELL WIRELESS
AND _____ FOR TERMINATION OF TRAFFIC

This Agreement for the Termination of Traffic (Agreement) between Southwestern Bell Wireless, Inc. (SWBW) and _____ is effective upon the date of execution specified below.

This Agreement establishes the methodology for the exchange of and compensation for Traffic originated on the network of SWBW, transited via the network of a third party LEC and terminated on the network of _____, or originated on the network of _____, transited via the network of a third party LEC, and terminated on the network of SWBW.

1.0 DEFINITIONS

As used in this Agreement, the terms below mean the following:

1.1 "Act" – the Communications Act of 1934 as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the Federal Communications Commission (FCC) or a state regulatory commission (Commission).

1.2 "CMRS" – Commercial Mobile Radio Service, as defined in the Act.

1.3 "MTA" – Major Trading Area, as defined in 47 C.F.R. paragraph 24.102 of the FCC Rules and Regulations.

1.4 "Traffic" – Traffic that: 1) originates on one Party's network, 2) terminates on the other Party's network, 3) is transited over the network of a third party LEC and 4) originates and terminates within the same MTA.

1.5 "Party" – means either Party to this agreement.

1.6 "LEC" – local exchange carrier, includes any provider of telecommunications service that holds a certificate of convenience and necessity, certificate of operating authority or a service provider certificate of operating authority.

1.7 "CTUSR" – Cellular Transiting Usage Summary Report, provided by Southwestern Bell Telephone, tracks the minutes of Transiting Traffic for calls originating from CMRS providers and terminating to LECs.

2.0 COMPENSATION: For all Traffic transited over the network of a third party LEC and terminated on the network of either _____ or SWBW, the Party originating the Traffic shall pay the Party terminating the Traffic the reciprocal and symmetrical Terminating Rate as shown in Attachment I.

3.0 Until such time as _____ is able to accurately track originating calls from _____ Local Exchanges to SWBW, _____ and SWBW shall assume a 75% Mobile to Land (M2L) and 25% Land to Mobile (L2M) traffic ratio. The number of minutes of M2L traffic

shall be that shown in the CTUSR. Total Traffic minutes shall be equal to 1 1/3 that of M2L traffic. The number of minutes of L2M traffic shall equal 25% of Total Traffic. Minutes of Usage formulas are shown in Attachment I.

4.0 The Parties recognize that they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business as a result of this Agreement. Each Party agrees to treat all such data as strictly confidential and to use such data only for the purpose of performance under this Agreement. Each Party agrees not to disclose data about the other Party's business, unless such disclosure is required by lawful subpoena or order, to any person without first securing the written consent of the other party.

5.0 Upon reasonable written notice, each Party, or its authorized representative, shall have the right to conduct reviews of the relevant data possessed by the other Party to give assurance of compliance with the provisions of this Agreement. These reviews will consist of any examinations and verification of data involving records systems, procedures and other information related to the services performed by either Party as related to charges or payments made in connection with this Agreement. Each Party's right to access information for verification review purposes is limited to data not in excess of twelve (12) months in age. The Party requesting a verification review shall fully bear its own costs associated with conducting a review. The Party being reviewed will provide access to necessary and applicable information at no charge to the reviewing Party during normal business hours. A request for billing data review shall not exceed one per year.

6.0 The Parties shall comply with applicable orders, rules or regulations of the FCC, appropriate Commissions and Federal and State law during the term of this Agreement. Notwithstanding anything to the contrary contained herein, a Party shall not be liable nor deemed to be in default for any delay or failure of performance under this Agreement resulting from acts of God, civil or military authority, acts of the public enemy, war, hurricanes, tornadoes, storms, fires, explosions, earthquakes, floods, government regulation, strikes, lockouts or other work interruptions by employees or agents not within the control of the non-performing Party.

7.0 The Party collecting revenues shall be responsible for collecting, reporting and remitting all taxes associated therewith, provided that the tax liability shall remain with the Party upon whom it is originally imposed.

8.0 The terms of this Agreement are in effect for a period of one year beginning on the date of execution, unless terminated with 60 days written notice by either Party. This Agreement shall automatically renew for periods of one year unless terminated with 60 days written notice by either Party. If the Parties choose to interconnect directly with one another, the Parties reserve the right to negotiate an appropriate interconnection agreement and renegotiate or terminate this agreement.

8.1 For the time period between [date] and the date of execution of this Agreement, the Parties shall compensate each other symmetrically and reciprocally at the same rate reflected in this Agreement. The Parties shall work cooperatively to produce or estimate the actual call volume for that period of time.

(DREON) Schedule 1-3

9.0 Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, provided, however, a Party may assign this Agreement or any portion thereof, without consent, to any entity that controls, is controlled by or is under common control with the assigning Party. Any such assignment shall not, in any way, affect or limit the rights and obligations of the Parties under the terms of this Agreement.

10.0 Neither Party assumes any liability for any act or omission of the other Party in the furnishing of its services to its subscribers solely by virtue of entering into the Agreement. To the extent not prohibited by law or inconsistent with the other terms of this Agreement, each Party shall indemnify the other Party and hold it harmless against any loss, costs, claims, injury or liability relating to any third-party claim arising out of any act or omission of the indemnifying Party in connection with the indemnifying Party's performance under this Agreement. Furthermore, the Parties agree to arrange their own interconnection arrangements with other telecommunications carriers, and each Party shall be responsible for any and all of its own payments thereunder. Neither Party shall be financially or otherwise responsible for the rates, terms, conditions, or charges between the other Party and another telecommunications carrier.

11.0 This Agreement is not intended to benefit any person or entity not a party to it and no third party beneficiaries are created by this Agreement.

11.0 Notices shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of SWBW to :

Business Name:
Mailing Address:
City/State/Zip Code:
Attention:
Contact Phone Number:

and in the case of _____ to:

Business Name:
Mailing Address:
City/State/Zip Code:
Attention:
Contact Phone Number:

Bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of SWBW to:

Business Name:
Mailing Address:
City/State/Zip Code:
Attention:

and in the case of _____ to:

Business Name:

(DREON) Schedule 1-4

Mailing Address:
City/State/Zip Code:
Attention:

13.0 If at any time while this Agreement is in effect _____ enters into an agreement with another telecommunications carrier to provide services provided under this Agreement, which SWBW finds more favorable than this Agreement, SWBW may adopt the complete prices, terms and conditions of such agreement by delivering written notice to _____, which will thereafter continue to provide services to SWBW subject to the prices, terms and conditions of such other agreement.

14.0 The undersigned signatories represent that they have the authority to execute this Agreement on behalf of their respective companies. This Agreement can be executed in separate parts which together constitute a single integrated Agreement.

This Agreement is executed this _____ day of _____, 1999.

SOUTHWESTERN BELL WIRELESS, INC.

By: _____ By: _____

Title: _____ Title: _____

ATTACHMENT I

Termination of Local Traffic:

Company

\$/MOU

NPA-NXX

Total Traffic (TT) = Mobile to Land (M2L) + Land to Mobile (L2M) Traffic

Calculated TT = M2L (as defined in CTUSR) / .75

Calculated L2M = 0.25TT

_____ will provide SWBW notice of any changes or additions to the NPA-NXX's shown above, in accordance with the Notice provisions of the Agreement.

ATTACHMENT II

I Usage

- A. The CTUSR shall provide usage information to both parties regarding CMRS originated traffic on a monthly (or other agreed time interval negotiated with Southwestern Bell Telephone) basis, unless otherwise mutually agreed.
- B. Each Party shall issue a billing statement to the other Party showing, at a minimum, total minutes billed, the rates used to calculate the bill, and the total amount due.

II Payment and Billing Disputes

- A. Payment is due within thirty days of the bill date as shown on the face of the bill.
- B. The billed party shall pay a late charge on all undisputed Balances outstanding after the payment due date. The rate of the late charge shall be the lesser of 1.5% per month and the maximum amount allowed by law. The billed party shall pay the billing party the reasonable amount of the billing party's expenses related to collection of overdue bills, such amounts to include reasonable attorney's fees.
- C. If any portion of amount due to a Party under this Agreement is disputed, the Party disputing the bill shall give detailed written notice to the billing Party within thirty (30) days of receipt of the invoice containing the disputed amount. All undisputed amounts remain payable when due.

5.30.99
ANDERECK, EVANS, MILNE, PEACE & BAUMHOER

ATTORNEYS AT LAW

305 EAST McCARTY STREET

P.O. BOX 1438

JEFFERSON CITY, MISSOURI 65102-1438

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LORI A. KOWALSKI

MARVIN L. SHARP

OF COUNSEL

GREGORY C. STOCKARD (1904-1993)

PHIL HAUCK (1924-1991)

August 27, 1999

Ms. Jeanne A. Fischer
Southwestern Bell Wireless
13075 Manchester, 1st Floor
St. Louis, MO 63131

Re: Your August 23, 1999 Letter/Draft Termination Agreement

Dear Ms. Fischer:

Thank you for your letter of August 23rd. The Mid-Missouri Group I represent is comprised of Alma, Chariton Valley, Choctaw, Mid-Missouri, Modern, Mokane, Northeast Missouri Rural and Peace Valley Telephone companies.

I am forwarding a copy of your letter of August 23rd and enclosed draft agreement to my clients for their review. The primary purpose of this letter is to inform you that my clients do not consider this a request to negotiate an interconnection agreement. If Southwestern Bell Wireless intends its August 23rd letter to be a request for interconnection, or a request to negotiate an interconnection agreement, please inform me immediately so that we can properly respond.

My initial reaction to your draft agreement is as follows:

- a. My clients are very negative with respect to utilizing factors to substitutes for actually recording traffic placed on their network;
- b. My clients do not originate any calls that terminate to Southwestern Bell Wireless, so I doubt that "symmetrical" and "reciprocal" compensation is appropriate;
- c. At this point in time, Southwestern Bell Wireless has not compensated my clients for traffic transited to them in the past..

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9th AND WASHINGTON
P.O. BOX 547
TRENTON, MISSOURI 64681-0547
660-359-2244
FAX 660-359-2116

SPRINGFIELD OFFICE
1111 S. GLENSTONE
P.O. BOX 4929
SPRINGFIELD, MISSOURI 65808-4929
417-864-6401
FAX 417-864-4967

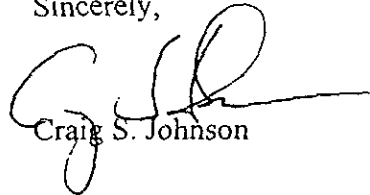
(OREON) Schedule 2-1
PRINCETON OFFICE
207 NORTH WASHINGTON
PRINCETON, MISSOURI 64671
660-748-2244
FAX 660-748-4405

SMITHVILLE OFFICE
119 E. MAIN STREET
P.O. BOX 654
SMITHVILLE, MISSOURI 64089
816-532-3895
FAX 816-532-3899

Jeanne A. Fischer
Page 2
August 27, 1999

My clients are currently in the process of attempting to collect for past termination from Southwestern Bell Wireless, and the failure of Southwestern Bell Wireless to pay those back due amounts is an issue that needs to be addressed. Please advise if I can forward those bills directly to you for payment.

Sincerely,



Craig S. Johnson

CSJ/dl

cc: Mid-MO Group Managers