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September 29, 2006

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SEP 29 2006

PUBLIC SERVICE
COMMISSION

Ms. Beth A. O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

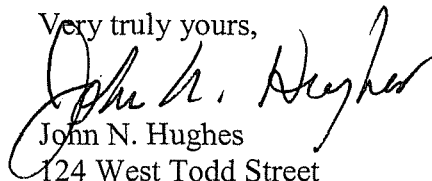
Re: Sprint Spectrum L.P. and SprintCom, Inc., d/b/a Sprint PSC and the CMRS
Providers; Case Nos. 2006-00215, 2006-00217, 2006-00218, 2006-00220, 2006-
00252, 2006-00255, 2006-00288, 2006-00292, 2006-00294, 2006-00296, 2006-
00298, 2006-00300

Dear Beth:

Attached are copies of the testimony of Randy Farrar on behalf of Sprint
Spectrum L.P. and SprintCom, Inc., d/b/a Sprint PSC and the CMRS Providers for filing
in each of the referenced cases. An additional five copies are also being filed.

If you have any questions about this filing, please contact me.

Very truly yours,



John N. Hughes
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and

William R. Atkinson
Sprint Nextel
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Counsel for: Sprint Spectrum L.P., on behalf of
itself and Sprintcom, Inc. d/b/a Sprint PCS

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

Petition of Ballard Rural Telephone Cooperative) Case No. 2006-00215
Corporation, Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Interconnection)
Agreement With American Cellular f/k/a ACC)
Kentucky License LLC, Pursuant to the)
Communications Act of 1934, as Amended by the)
Telecommunications Act of 1996)

Petition of Duo County Telephone Cooperative) Case No. 2006-00217
Corporation, Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Interconnection)
Agreement With Celco Partnership d/b/a Verizon)
Wireless, GTE Wireless of the Midwest)
Incorporated d/b/a Verizon Wireless, and Kentucky)
RSA No. 1 Partnership d/b/a Verizon Wireless,)
Pursuant to the Communications Act of 1934, as)
Amended by the Telecommunications Act of 1996)

Petition of Logan Telephone Cooperative) Case No. 2006-00218
Corporation, Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Interconnection)
Agreement With American Cellular f/k/a ACC)
Kentucky License LLC, Pursuant to the)
Communications Act of 1934, as Amended by the)
Telecommunications Act of 1996)

Petition of West Kentucky Rural Telephone) Case No. 2006-00220
Cooperative Corporation, Inc. for Arbitration of)
Certain Terms and Conditions of Proposed)
Interconnection Agreement With American)
Cellular f/k/a ACC Kentucky License LLC,)
Pursuant to the Communications Act of 1934, as)
Amended by the Telecommunications Act of 1996)

Petition of North Central Telephone Cooperative Corporation for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996) Case No. 2006-00252

Petition of South Central Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996) Case No. 2006-00255

Petition of Brandenburg Telephone Company for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996) Case No. 2006-00288

Petition of Foothills Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996) Case No. 2006-00292

Petition of Gearheart Communications, Inc. d/b/a)
Coalfields Telephone Company for Arbitration of)
Certain Terms and Conditions of Proposed)
Interconnection Agreement With Cellco)
Partnership d/b/a Verizon Wireless, GTE Wireless)
of the Midwest Incorporated d/b/a Verizon)
Wireless, and Kentucky RSA No. 1 Partnership)
d/b/a Verizon Wireless, Pursuant to the)
Communications Act of 1934, as Amended by the)
Telecommunications Act of 1996)

Case No. 2006-00294

Petition of Mountain Rural Telephone Cooperative)
Corporation, Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Interconnection)
Agreement With Cellco Partnership d/b/a Verizon)
Wireless, GTE Wireless of the Midwest)
Incorporated d/b/a Verizon Wireless, and Kentucky)
RSA No. 1 Partnership d/b/a Verizon Wireless,)
Pursuant to the Communications Act of 1934, as)
Amended by the Telecommunications Act of 1996)

Case No. 2006-00296

Petition of Peoples Rural Telephone Cooperative)
Corporation, Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Interconnection)
Agreement With Cellco Partnership d/b/a Verizon)
Wireless, GTE Wireless of the Midwest)
Incorporated d/b/a Verizon Wireless, and Kentucky)
RSA No. 1 Partnership d/b/a Verizon Wireless,)
Pursuant to the Communications Act of 1934, as)
Amended by the Telecommunications Act of 1996)

Case No. 2006-00298

Petition of Thacker-Grigsby Telephone Company,)
Inc. for Arbitration of Certain Terms and)
Conditions of Proposed Interconnection Agreement)
With Cellco Partnership d/b/a Verizon Wireless,)
GTE Wireless of the Midwest Incorporated d/b/a)
Verizon Wireless, and Kentucky RSA No. 1)
Partnership d/b/a Verizon Wireless, Pursuant to the)
Communications Act of 1934, as Amended by the)
Telecommunications Act of 1996)

Case No. 2006-00300

DIRECT TESTIMONY

OF

RANDY G. FARRAR

ON BEHALF OF

**SPRINT SPECTRUM L.P. AND SPRINTCOM, INC.
D/B/A SPRINT PCS**

AND THE CMRS PROVIDERS

Filed September 29, 2006

1 I. INTRODUCTION

2 Q. Please state your name, occupation, and business address.

3 A. My name is Randy G. Farrar. I am presently a Senior Manager providing
4 interconnection support for Sprint Nextel. My business address is 6450 Sprint
5 Parkway, Overland Park, Kansas, 66251.

6
7 Q. What is your educational background?

8 A. I received a Bachelor of Arts degree from The Ohio State University, Columbus,
9 Ohio, with a major in history. Simultaneously, I completed a major program in
10 economics. Subsequently, I received a Master of Business Administration degree,
11 with an emphasis on market research, also from The Ohio State University.

12
13 Q. Please summarize your work experience.

14 A. I have worked for Sprint Nextel or one of its predecessor companies since 1983 in
15 the following capacities:

- 16 - 2005 to present Senior Manager – Interconnection Support. I provide
17 interconnection support, where I provide financial, economic, and policy
18 analysis concerning interconnection and reciprocal compensation issues.
- 19 - 1997 to 2005, Senior Manager – Network Costs. I was an instructor for numerous
20 training sessions on pricing and costing theory, and to educate and support the
21 use of various costing models. I was responsible for the development and
22 support of switching, transport, and financial cost models concerning

1 reciprocal compensation, unbundled network elements, and wholesale
2 discounts.

3 - 1992 to 1997, Manager - Network Costing and Pricing. I performed financial
4 analyses for various business cases, analyzing the profitability of entering new
5 markets and expanding existing markets, including Custom Calling, Centrex,
6 CLASS and Advanced Intelligent Network features, CPE products, Public
7 Telephone and COCOT, and intraLATA toll. Within this time frame, I was a
8 member of the USTA's Economic Analysis Training Work Group (1994 to
9 1995).

10 - 1987 to 1992, Manager - Local Exchange Costing. Within this time frame I was a
11 member of the United States Telephone Association's (USTA) New Services
12 and Technologies Issues Subcommittee (1989 to 1992).

13 - 1986 to 1987, Manager - Local Exchange Pricing. I investigated alternate forms
14 of pricing and rate design, including usage sensitive rates, extended area
15 service alternatives, intraLATA toll pricing, and lifeline rates.

16 - 1983 to 1986, Manager - Rate of Return., which included presentation of written
17 and/or oral testimony before state public utilities commissions in Iowa,
18 Nebraska, South Carolina, and Oregon.

19
20 I was employed by the Public Utilities Commission of Ohio from 1978 to 1983.
21 My positions were Financial Analyst (1978 - 1980) and Senior Financial Analyst
22 (1980-1983). My duties included the preparation of Staff Reports of Investigation
23 concerning rate of return and cost of capital. I also designed rate structures,

1 evaluated construction works in progress, measured productivity, evaluated
2 treatment of canceled plant, and performed financial analyses, for electric, gas,
3 telephone, and water utilities. I presented written and oral testimony on behalf of
4 the Commission Staff in over twenty rate cases.

5
6 **Q. What are your responsibilities in your current position?**

7 A. I provide financial, economic and policy analysis concerning interconnection and
8 reciprocal compensation issues. Such analysis is provided in the context of
9 supporting negotiations between Sprint Nextel entities to obtain interconnection
10 agreements with other telecommunications carriers and, where necessary, provide
11 expert witness testimony. In the performance of my responsibilities I must
12 maintain a working understanding of the interconnection and reciprocal
13 compensation provisions of the Communications Act of 1934 as amended by the
14 Telecommunications Act of 1996 (“the Act” or “the 1996 Act”) and the resulting
15 rules and regulations of the Federal Communications Commission (“FCC”).

16
17 **Q. Have you provided testimony before other regulatory agencies?**

18 A. Yes. In addition to my previously referenced testifying experience, since 1995 I
19 have presented written or oral testimony before the Illinois Commerce Commission,
20 the Pennsylvania Public Utility Commission, the New Jersey Board of Public
21 Utilities, the Florida Public Service Commission, the North Carolina Utilities
22 Commission, the Public Utilities Commission of Nevada, the Public Utility
23 Commission of Texas, the Georgia Public Service Commission, the Arizona

1 Corporation Commission, the New York Public Service Commission, the
2 Corporation Commission of Oklahoma, the Missouri Public Service Commission,
3 the Virginia State Corporation Commission, the Iowa Utilities Board, and the
4 Federal Communications Commission on the avoided costs of resold services, the
5 cost of unbundled network elements, reciprocal compensation, access reform,
6 universal service, and local competition issues.

8 II. PURPOSE AND SCOPE OF TESTIMONY

10 Q. What is the purpose of your Testimony?

11 A. To provide input to the Kentucky Public Service Commission (“Commission”)
12 concerning the CMRS Providers’¹ positions regarding various unresolved issues
13 associated with the establishment of Interconnection and Reciprocal Compensation
14 Agreements between the CMRS Providers and Petitioners (“the RLECs”²).

¹ Alltel Communications, Inc. (“Alltel”); American Cellular Corporation (“ACC”); New Cingular Wireless PCS, LLC, successor to BellSouth Mobility LLC and BellSouth Personal Communications LLC and Cincinnati SMSA Limited Partnership d/b/a Cingular Wireless (“Cingular”); Sprint Spectrum L.P., on behalf of itself and SprintCom, Inc., d/b/a Sprint PCS (“Sprint PCS”); T-Mobile USA, Inc. Powertel/Memphis, Inc. and T-Mobile Central LLC (“T-Mobile”); Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated, and Kentucky RSA No. 1 Partnership (“Verizon Wireless”) (collectively “the CMRS Providers”).

²Ballard Rural Telephone Cooperative Corporation, Inc. (“Ballard”); Brandenburg Telephone Company (“Brandenburg”); Duo County Telephone Cooperative Corporation, Inc. (“Duo County”); Foothills Rural Telephone Cooperative Corporation, Inc. (“Foothills”); Gearheart Communications Inc. d/b/a Coalfields Telephone Company (“Gearheart”); Logan Telephone Cooperative, Inc. (“Logan”); Mountain Rural Telephone Cooperative Corporation, Inc. (“Mountain”); North Central Telephone Cooperative Corporation (“North Central”); Peoples Telephone Cooperative Corporation, Inc. (“Peoples”); South Central Rural Telephone Cooperative Corporation, Inc. (“South Central”); Thacker-Grigsby Telephone Company, Inc. (“Thacker-Grigsby”); and, West Kentucky Telephone Cooperative Corporation, Inc (“West Kentucky”) (collectively “the RLECs”). Of the twelve RLECs, Sprint PCS currently has interconnection agreements with two RLECs (Brandenburg and South Central) and been named in one of the pending arbitration petitions filed by five of the RLECs (Ballard, Duo County, Logan, North Central and West Kentucky).

1 **Q. What is the scope of your testimony?**

2 A. First, I am replying to the Preliminary Testimony of Mr. Steven E. Watkins, which I
3 understand was either filed on behalf of, or has generally been adopted by, each
4 RLEC. Second, to avoid repetition to the extent reasonably possible, the CMRS
5 Providers have each assumed primary responsibility for certain designated issues in
6 their respective testimony. In addition to providing Sprint PCS specific
7 information, I am providing testimony on behalf of all the CMRS Providers
8 regarding the following issues on the CMRS Providers' Issues Matrix:

9 Issue 7: If a direct connection is established between a CMRS Provider and an
10 RLEC, what terms should apply?
11

12 Issue 8: Pursuant to 47 C.F.R § 51.703 and 51.709, what are the parties'
13 obligations to pay for the costs of establishing and using direct
14 interconnection facilities?
15

16 Issue 12: Should the Interconnection Agreement provide both reciprocal and net
17 billing options?
18

19 Issue 13: If a CMRS Provider does not measure intercarrier traffic for reciprocal
20 compensation purposes, what intraMTA traffic factors should apply?
21

22 Issue 21: How should the following terms be defined: "Central Office Switch,"
23 "Interconnection Point," "InterMTA Traffic," "Interexchange Carrier,"
24 "Multifrequency," "Rate Center," "Subject Traffic,"
25 "Telecommunications Traffic," "Termination," and "Transport."
26

27 Issue 24: Should the CMRS Providers be required to provide "rolling" six
28 months' forecasts of "traffic and volume" requirements?
29

30 Issue 28: Should the CMRS Providers be allowed to expand their networks
31 through management contracts?
32

**III. REPLY TO MR. STEVEN E. WATKINS’
PRELIMINARY TESTIMONY**

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Q. Mr. Watkins generally contends that the RLECs should not be required to prepare TELRIC costs studies and lists various reasons in support of the RLECs’ proposed transport and termination rate of \$.015. Do you agree with Mr. Watkins’ conclusions?

A. No. The existing FCC Rules specifically address how an incumbent LEC’s reciprocal compensation transport and termination rates are to be established.

Q. How are incumbent LEC reciprocal compensation transport and termination rates established under the FCC’s Rules?

A. The FCC Rules provide three methods to establish such rates: based upon forward-looking economic costs (TELRIC studies) under 47 C.F.R. 51.705(a)(1), default proxies under 47 C.F.R. § 51.705(a)(2), and bill-and-keep under 47 C.F.R. § 51.705(a)(3). The FCC’s authority to mandate default proxies was subsequently vacated.³

Q. Have the RLECs provided forward-looking economic cost (TELRIC) studies?

A. No. Thus the Commission cannot establish TELRIC-compliant reciprocal compensation rates.

³ See *Iowa Utilities Bd. V. FCC*, 219 F.3d (8th Cir. 2000).

1 **Q. May the Commission adopt a bill-and-keep arrangement?**

2 A. Yes. Although the CMRS Providers are not necessarily requesting bill-and-keep, it
3 is certainly within the Commission's discretion to adopt a bill-and-keep
4 arrangement given that the RLECs have refused to provide TELRIC studies for
5 review by both the Commission and the CMRS Providers.

6

7 **Q. In the absence of TELRIC studies or bill-and-keep, is there another option for**
8 **the Commission to use?**

9 A. Yes. The CMRS Providers believe that although the FCC cannot mandate their
10 use, the Commission may select the rates described in 47 C.F.R. § 51.707(b), if they
11 find the rates reasonable. The Commission may establish initial rates for reciprocal
12 compensation, without true-up, until that time when the RLECs fulfill their
13 statutory obligation to provide TELRIC studies.

14

15 **Q. What would be the initial rate for termination?**

16 A. The rate for end office switching would be within the range \$0.002 – \$0.004 per
17 MOU. This analysis will assume the mid-point of \$0.003 per MOU.

18

19 **Q. How does this rate compare to the TELRIC switching rate for BellSouth in**
20 **Kentucky?**

1 A. The Commission-approved TELRIC rate for end office switching is \$0.001197.⁴
2 Thus an end office switching rate of \$0.003 for the RLECs would be two and one-
3 half times that of the BellSouth TELRIC rate.

4
5 **Q. What would be the rate for transport?**

6 A. To the extent an RLEC utilizes its own stand-alone tandem switch, it would be
7 entitled to a tandem switching rate of \$0.0015, plus transport from the tandem
8 switch to the end office switch. The Commission-approved TELRIC rate for
9 BellSouth is \$0.000194. Thus a tandem switching rate of \$0.0015 for the RLECs
10 would be nearly eight times that of the BellSouth TELRIC rate.

11
12 The methodology for transport is described in § 51.513(c)(4). This methodology
13 calls for a calculation that results in a specific transport rate that is:

14 ... no greater than the weighted per-minute equivalent of DS1 and DS3
15 interoffice dedicated transmission link rates that reflects the relative number
16 of DS1 and DS3 circuits used in tandem to end office links ...calculated using
17 a loading factor of 9,000 minutes per month per voice grade circuit ...
18

19 Accordingly, this value will vary by company by state. Using the National
20 Exchange Carrier Association (NECA) rates for the RLECs, this rate would be
21 approximately \$0.000905 (See Attachment RGF-5).

22
23 **Q. What initial rate for reciprocal compensation would be appropriate?**

⁴ A Survey of Unbundled Network Element Prices in the United States (Updated March 2006); Billy Jack Gregg, Director, Consumer Advocate Division, Public Service Commission of West Virginia.

1 A. Attachment RGF-1 shows a composite reciprocal compensation rate for all RLECs
2 of \$0.004932 under indirect interconnection, based upon the following components:

3 Tandem Switching – A rate of \$0.0015 for those RLECs with a stand-alone
4 tandem, which would apply to approximately 25.43% of all traffic.

5 End Office Switching – A rate of \$0.0030 for all MOU.

6 Transport – A rate of \$0.000905 for all transport from the meet point at the
7 exchange boundary to the RLEC tandem or end office; plus the same rate for
8 tandem to end office transport, which would apply to approximately 25.43%
9 of all traffic; plus the same rate for end office to remote transport, which
10 would apply to approximately 46.02% of all traffic.

11
12 Attachment RGF-2 illustrates the application of these rate elements, including when
13 the RLEC has a stand-alone tandem switch, and when it does not.

14
15 The CMRS providers would, in turn, be entitled to symmetrically apply such a
16 reciprocal compensation rate.

17
18 **Q. Mr. Watkins provides several reasons why the RLECs proposed a \$.015 rate.**

19 **Do you have a reply to each of these reasons?**

20 A. Yes. My response addresses why each of his “reasons” for a 1.5 cent rate is not
21 reasonable, not TELRIC-compliant, or both.

1 **Q. What is your reply to Mr. Watkins’ reason #1 that “the 1.5 cent rate proposal**
2 **is simply a continuation of the existing rate”?**

3 A. The rate used in the parties’ 2004 Agreement is completely irrelevant to the
4 establishment of an appropriate TELRIC rate under the Act and FCC’s Rules. The
5 parties’ 2004 Agreement is not an “interconnection arrangement” as contemplated
6 by the Act. It does not provide for any reciprocal, symmetrical compensation to the
7 CMRS Providers and, by its terms, it expressly contemplated resolution of
8 interconnection issues in a manner consistent with the Act.

9
10 Furthermore, it is common for carriers to agree to terms they would not ordinarily
11 agree to in order to get into a specific market. In other words, companies make
12 business decisions that include a cost/benefit analysis knowing that once they are in
13 the market the unfavorable terms they agreed to can be changed in subsequent
14 negotiations.

15
16 **Q. What is your reply to Mr. Watkins’ reason #2 that “the 1.5 cent rate is**
17 **consistent with at least some, and perhaps the majority, of existing**
18 **interconnection agreements that the [RLECs] have in place with some of the**
19 **CMRS providers”?**

20 A. Mr. Watkins does not claim that \$.015 is in any RLEC – CMRS agreement by
21 virtue of a supporting TELRIC study. Without a TELRIC-compliant study, the
22 \$.015 rate is apparently a *negotiated* rate. The rate for reciprocal compensation is
23 only one of many terms to consider in an interconnection agreement. The entire

1 purpose of the negotiation process is to create a give-and-take atmosphere which
2 allows the parties to reach consensus on an *integrated* interconnection agreement
3 both can support. Sprint PCS has executed many interconnection agreements with
4 rates which, standing on their own, Sprint PCS would not consider appropriate
5 when viewed independently from the overall terms of the contract. It is simply not
6 reasonable to conclude that the mere fact a certain rate appears in a negotiated
7 contract, taken out-of-context of the entire agreement and stripped of any other
8 benefits obtained in negotiations, will still be considered acceptable by either party
9 on a stand alone basis.

10
11 **Q. What is your reply to Mr. Watkins' reason #3 that the \$.015 rate should be**
12 **used because (a) the [RLEC's] have not conducted TELRIC studies and "(b)**
13 **there is no requirement at this time for the [RLECs] to conduct to conduct**
14 **such complex cost studies ..."?**

15 A. While it is true that the RLECs have not provided TELRIC-compliant studies, it is
16 inaccurate to claim there is no requirement for the RLECs to conduct such studies.
17 The Commission has twice ordered the preparation of such studies. The
18 Commission's original procedural schedule required TELRIC studies and
19 supporting testimony to be filed and served by August 16, 2006.⁵ The Commission
20 thereafter extended the time period for such studies and supporting testimony to be
21 filed and served no later than August 23, 2006.⁶ The Commission's Orders are

⁵ Commission Order, Case No. 2006-00215, Appendix C (July 25, 2006).

⁶ See e.g. Commission Order, Cases No. 2006-00215, Appendix A (August 18, 2006)

1 entirely consistent with the already discussed FCC Rules that do in fact require
2 TELRIC studies. 47 C.F.R. §§ 51.705(a)(1), 51.505 and 51.511.

3
4 **Q. What is your reply to Mr. Watkins' reason #4 that "the proposed composite**
5 **1.5 cent per minute of use rate for the functions of transport and termination is**
6 **comparable to the combined [RLECs'] interstate access rates for these same**
7 **functions"?**

8 A. Mr. Watkins' conclusion is undocumented and totally irrelevant. The use of access
9 rates is inappropriate for reciprocal compensation purposes because the access rates
10 have not been based on cost. Historically, access rates were set at above-cost levels
11 under monopoly-era policies to subsidize below-cost basic residential retail rates.
12 Because of the U.S. policy shift to enable competition, Congress and the FCC
13 rejected applying access rates to local interconnection and traffic exchanged
14 between new entrants and incumbents because they correctly understood that such a
15 practice would hinder competition. The Act and FCC rules require cost-based rates
16 for reciprocal compensation, not access rates.

17
18 **Q. What is your reply to Mr. Watkins' reason #5 that "... the resulting (TELRIC)**
19 **rates would likely be greater than both the 1.5 cent per minute proposal and**
20 **the existing interstate access rates ..."?**

21 A. My experience producing TELRIC-compliant studies for rural telephone companies
22 has never produced switching costs as high as \$.015. To the extent the RLECs
23 believe their TELRIC rates would be greater than \$.015 or interstate access, they

1 had the opportunity to produce TELRIC studies to prove this claim. At present, Mr.
2 Watkins' statement is completely without support and the Commission should not
3 afford it any weight.

4
5 **Q. Do you have personal experience producing TELRIC-compliant studies for**
6 **rural telephone companies?**

7 A. Yes. From 1996 through 2005, I was personally involved in producing TELRIC-
8 compliant studies for local telephone companies which made up the Sprint Nextel
9 (or its predecessors) local telephone division.⁷ Sprint Nextel's local telephone
10 division consisted of eighteen local telephone companies which served operating
11 territories in eighteen states. The majority of these territories were rural in nature.

12
13 **Q. Please describe the results of these TELRIC studies for rural telephone**
14 **companies.**

15 A. Since these companies have been divested, I am no longer involved in the
16 production of TELRIC studies for those companies, and previous cost studies are
17 proprietary to those divested companies. However, my experience with TELRIC
18 studies for rural telephone companies did not result in rates as high as \$0.015, as
19 suggested by Mr. Watkins.

20

⁷ During this past year, Sprint Nextel's local telephone division which encompassed such rural local
companies was divested from Sprint Nextel and is now a separate company.

1 **Q. What is your reply to Mr. Watkins' reason #6 that the proposed rate of \$.015**
2 **is reasonable when compared to the "Missoula Plan" filed with the FCC in CC**
3 **Docket 01-92?**

4 A. The Missoula Plan has not been adopted by the FCC, has not been endorsed by
5 NARUC, and is opposed by consumer groups and many in the industry which
6 believe, among other things, that the rates proposed for RLECs are unreasonable.
7 Moreover, the "Missoula Plan" attempts to overhaul all intercarrier compensation
8 including requirements that the RLECs significantly reduce their access rates and
9 increase their subscriber line charges. It appears that Mr. Watkins wants the
10 Commission to adopt one specific portion of the "Missoula Plan" that the RLECs
11 like without consideration for the parts of the proposal the RLECs might not like.
12 The Commission should reject this approach.

13

14 **Q. What is your reply to Mr. Watkins' reason #7 that "... the FCC also doubts, as**
15 **a fundamental matter, the efficacy of the TELRIC study approach." Is this**
16 **correct?**

17 A. No. Mr. Watkins has merely taken several FCC statements out-of-context to
18 support the RLECs refusal to perform TELRIC studies as ordered by the
19 Commission. The FCC proceeding Mr. Watkins is referring to deals specifically
20 with Unbundled Network Elements (UNEs) and Resale, not reciprocal
21 compensation. That proceeding has never been concluded, so any observations
22 made by Mr. Watkins have never been recognized in an FCC Order. Contrary to

1 Mr. Watkins' claim, given recent legal activity and FCC Orders concerning UNEs,
2 this FCC proceeding may never be concluded.

3
4 **Q. What is your reply to Mr. Watkins' reason #8 that a rate of \$.015 should**
5 **apparently be used because "... there was no effective chance for the [RLECs]**
6 **to resolve any of the issues with the CMRS providers"?**

7 A. Mr. Watkins appears to be attempting to place blame for failure to reach a
8 negotiated settlement on the CMRS Providers; and, it is not clear how such an
9 accusation has any role to play in establishing appropriate RLEC rates under the
10 Act and FCC's Rules. With respect to any failure to engage in good-faith
11 negotiations, the CMRS Providers have previously provided sworn statements to
12 clearly explain the difficulties experienced in attempting to negotiate with the
13 RLECs.⁸

14
15 **IV. DISCUSSION OF CMRS PROVIDERS' ISSUES MATRIX**

16
17 **Issue 7: If a direct connection is established between a CMRS Provider**
18 **and an RLEC, what terms should apply?**

19
20 **Q. What is "direct" interconnection?**

21 A. Direct interconnection describes the scenario in which a CMRS Provider's mobile
22 switching center ("MSC") is physically connected to another telecommunications
23 carrier's switch for the exchange of traffic without using the switching function and

⁸ See *Consolidated Response of CMRS Providers to Motions to Approve Interconnection Agreements* Cases 2006-00215, 2006-00217, 2006-00218, 2006-00220 filed August 7, 2006.

1 common transport of a third-party telecommunications carrier. In the case of
2 CMRS – RLEC direct interconnection, the direct connection is typically between
3 the CMRS MSC and the RLEC’s end office switch; or, if the RLEC has one,
4 between the CMRS MSC and the RLEC tandem switch. A direct connection
5 utilizes a dedicated transport facility to connect the two parties’ respective
6 networks.

7
8 **Q. What contract terms do the CMRS Providers propose regarding the use of**
9 **direct connection?**

10 A. The CMRS Providers propose the following contract language be used in section
11 “4.1 Methods of Interconnection” to describe how “Direct Interconnection”
12 (subsection 4.1.1) may be implemented between the parties:

13 4.1.1.1 Either Party may elect to provision one-way direct interconnection
14 facilities for the delivery of its originated Telecommunications Traffic to the
15 terminating Party’s network. In that event, the originating party will be
16 responsible for 100% of the recurring and non-recurring costs associated with
17 those facilities.

18
19 4.1.1.2 At CMRS Provider’s request, the Parties will provide two-way direct
20 interconnection facilities between their networks with each Party being
21 responsible for the recurring and non-recurring facility costs based upon each
22 Party’s respective proportionate use of the facilities used to deliver traffic
23 originated on that Party’s network. In the absence of actual measured traffic,
24 the traffic factors provided for in Appendix A will be used to determine each
25 Party’s proportionate use of the facilities for these purposes.

26
27 4.1.1.3 To the extent that the LEC provisions all, or part, of the two-way
28 facilities, the facilities cost will be based on LEC’s effective intrastate access
29 tariff for connecting facilities. The CMRS Provider will be responsible only
30 for its proportionate share of those costs as set forth in (4.1.1.2) above.

31
32 4.1.1.4 To the extent the CMRS Provider provisions all or part of these
33 facilities, the facilities cost will be based on the actual rates charged by or to

1 the CMRS Provider. The LEC will be responsible only for its proportionate
2 share of those costs as set forth in (4.1.1.2) above.
3

4 **Q. What are the substantive differences between the CMRS Providers' proposed**
5 **language and the RLEC's proposed language?**

6 A. The CMRS Providers' language permits either party to use 1-way facilities (4.1.1.1)
7 subject to a CMRS Provider's right to request the use of 2-way facilities (4.1.1.2).
8 The RLECs' language conditions the use of 2-way facilities upon "mutual
9 agreement" (RLEC original 4.1.1.1).
10

11 **Q. Why should the selection of whether to use a one-way or two-way facility be**
12 **made by the CMRS Provider instead of mutually?**

13 A. Interconnection facilities should be allowed to be provisioned in the most efficient
14 manner possible. Generally, a two-way facility is more efficient than two,
15 individual, one-way facilities and is mutually beneficial to both parties. The FCC
16 recognized and addressed this situation in the First Report and Order, concluding
17 that where a requesting carrier:

18 ... does not carry a sufficient amount of traffic to justify separate one-way
19 trunks, an incumbent LEC must accommodate two-way trunking upon request
20 where technically feasible. Refusing to provide two-way trunking would raise
21 costs for new entrants and create a barrier to entry. Thus we conclude that if
22 two-way trunking is technically feasible, it would not be just, reasonable, and
23 nondiscriminatory for the incumbent LEC to refuse to provide it.⁹
24

⁹ *In Re: Implementation of the Local Competition Provision of the Telecommunications Act of 1996, and Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, Order No. FCC 96-325, CC Docket Nos. 96-98 and 95-185, paragraph 219 (Released Aug. 8, 1996).

1 It is clear from this passage that the FCC correctly recognized the different
2 motivations of incumbent LECs and new entrants in establishing interconnection.
3 The FCC correctly provided for new entrants, not incumbent LECs, to determine
4 the most efficient and economical method of interconnection.

5
6 **Q. What are the substantive distinctions between the CMRS Providers' section
7 4.1 language and the RLECs' original section 5.2?**

8 A. The CMRS Providers' language contemplates the possibility that either party may
9 provide the direct interconnection facility, either because it is part of the providing
10 party's core network or it may be obtained via a third-party provider. In either case,
11 the party that provides the facility is entitled to charge the non-providing party for
12 the non-providing party's proportionate use of such facility. In contrast, the
13 RLECs' original section 5.2 requires the CMRS Provider to obtain connecting
14 facilities from the RLEC.

15
16 **Q. Is it likely that an RLEC is ever in a position to provide 100% of a direct
17 interconnection facility to link the parties' respective networks?**

18 A. No. The reality is that even if the RLEC is the providing party, it is likely to only
19 be in a position to provide the portion of the facility that is within its geographic
20 service area. To the extent the CMRS Provider either obtains the remaining portion
21 of the dedicated facility from a third-party provider (e.g., an RBOC or alternative
22 access provider) outside the RLEC local service territory, or is even able to obtain
23 facilities at a better price from a third-party provider within the RLEC territory, the

1 RLEC is responsible for its use of the intraMTA portion of dedicated
2 interconnection facilities that are provided by the CMRS Provider.¹⁰

3
4 **Issue 8. Pursuant to 47 C.F.R. § 51.703 and 51.709, what are the parties’**
5 **obligations to pay for the costs of establishing and using direct**
6 **interconnection facilities?**
7

8 **Q. How should the cost of two-way direct interconnection facilities be shared**
9 **between the two carriers?**

10 A. The FCC rules explicitly contemplate that this cost should be shared between the
11 two carriers based on their respective proportionate use of that facility. 47 C.F.R. §
12 51.709(b) states:

13 The rate of a carrier providing transmission facilities dedicated to the
14 transmission of traffic between two carriers’ networks shall recover only the
15 costs of the proportion of that trunk capacity used by an interconnecting
16 carrier to send traffic that will terminate on the providing carrier’s network.
17 Such proportions may be measured during peak periods.
18

19 Accordingly, the cost of the dedicated facility between the two networks is
20 apportioned between the Parties based on their relative use of such facility. The
21 charges for such dedicated transport facility links are to be flat-rated,¹¹ based on the
22 forward looking costing standard as prescribed by 47 C.F.R §§ 51.505, 51.511, and
23 are based upon the Parties’ proportional use of the dedicated facility.¹² If a Party
24 utilizes a one-way facility to deliver its originating traffic to a terminating Party,

¹⁰ See *In Re: TSR Wireless, LLC, et al., v. US West Communications, Inc. et al.*, Order No. FCC 00-194 (Released June 21, 2000) (originating LEC is responsible for cost to deliver its originated traffic to terminating CMRS carrier within the MTA); see also 47 C.F.R. 51.703(b).

¹¹ 47 C.F.R. 51.509(c) .

¹² 47 C.F.R. 51.709(b) .

1 then the proportional use rules require the originating Party to pay one-hundred
2 percent (100%) of that facility cost. If the Parties utilize a two-way direct
3 interconnection facility, then the proportional use rule requires the Parties to split
4 the cost based on their percentage of originated traffic.

5
6 **Q. Are the CMRS Providers seeking direct interconnection facilities at TELRIC-**
7 **based rates?**

8 A. No. Although the CMRS Providers believe the FCC Rules provide for TELRIC-
9 based interconnection facility pricing, the CMRS Providers are proposing to pay for
10 their proportionate use of an RLEC provided facility based on the RLEC's
11 "effective intrastate access tariff for connecting facilities" (CMRS Section 4.1.1.3).

12 **Issue 12: Should the Interconnection Agreement provide both reciprocal**
13 **and net billing options?**
14
15

16 **Q. What language do the CMRS Providers propose for Issue 12?**

17 A. The CMRS Providers propose the following contract billing language be used in
18 section 14.8:

19 The Parties shall invoice one another on a monthly basis. The billed party
20 shall pay any invoice, which is not subject to a valid dispute, in immediately
21 available U.S. funds, within (30) days from the date of the invoice. Billing
22 will be based on traffic measurements or traffic factors as provided in Section
23 5. If traffic factors are used, LEC shall issue net bills upon CMRS Provider's
24 request.
25

26 **Q. Have the RLECs accepted the CMRS Providers' proposed language for Issue**
27 **12?**

1 A. Yes. According to the RLEC Position in the CMRS Providers' Issues Matrix, it
2 appears the RLECs have accepted the CMRS Providers' proposed language for
3 Issue 12.

4
5

6 **Issue 13: If a CMRS Provider does not measure intercarrier traffic for**
7 **reciprocal compensation purposes, what intraMTA traffic factors**
8 **should apply?**
9

10 **Q. What language do the CMRS Providers propose for Issue 13?**

11 A. The CMRS Providers propose the following contract intraMTA traffic factor
12 language be used in section 5.5 (*italicized* language pertains to factors), and the
13 appropriate factor included in Appendix A:

14 Either party may measure or obtain industry standard records (e.g. EMI 11-
15 01-01 records) summarizing Telecommunications Traffic between the parties.
16 Industry standard records shall be used by LEC for billing purposes until such
17 time that LEC switching equipment can be verified as capable of accurately
18 measuring CMRS Provider originated Telecommunications Traffic including
19 but not limited to identifying and removing any mobile to land usage
20 terminated to LEC that is associated with calls from pooled and ported
21 numbers that are not assigned to CMRS Provider or for which LEC is directly
22 compensated by the party that delivers such traffic. ***The Parties agree that a***
23 ***CMRS Provider that does not measure traffic terminated on its network***
24 ***pursuant to this Section will calculate its bill to be rendered to the other***
25 ***Party based on the distribution traffic factors provided in Appendix A.*** To
26 the extent that the Parties rely on industry standard records or reports, the
27 Parties agree to accept those reports or records as an accurate statement of
28 Traffic exchanged between the Parties. Either Party may perform an audit of
29 the other Party's billing information related to terminating minutes of use of
30 the billed Party. The Parties agree that such audits shall be performed no
31 more than one time per calendar year. Each Party shall bear its own expenses
32 associated with such audit. The audits shall be conducted on the premises of
33 the audited Party during normal business hours. [Emphasis added.]
34

35 **Q. What is a reasonable intraMTA traffic factor to be used in this proceeding?**

1 A. To the extent parties cannot verifiably measure terminating intraMTA traffic, traffic
2 studies should be performed to develop company specific traffic factors to be used
3 by the parties. In the absence of such studies, it is the CMRS Providers' general
4 experience that a default intraMTA traffic factor ratio of 70% mobile-to-land and
5 30% land-to-mobile is reasonable, has been used in other proceedings, and should
6 be utilized until such studies are performed. If the parties cannot reach agreement
7 based upon traffic studies, they can elect to pursue the dispute resolution process
8 provided in section 14.9.

9
10 **Issue 21: How should the following terms be defined: "Central Office**
11 **Switch," ["Interconnection,"] "Interconnection Point," "InterMTA**
12 **Traffic," "Interexchange Carrier," "Multifrequency," "Rate**
13 **Center," "Subject Traffic," "Telecommunications Traffic,"**
14 **"Termination," and "Transport."**
15

16 **1) Central Office Switch**

17 **Q. How should the term "Central Office Switch" be defined?**

18 A. The CMRS Providers seek to clarify that only the RLECs, and not the CMRS
19 Providers, have "end office" and "tandem switches." Thus, any reference in the
20 agreement to such switches is only applicable to the RLECs.

21
22 **Q. Have the RLECs accepted the CMRS Providers' proposed definition for**
23 **"Central Office Switch?"**

24 A. Yes. According to the RLEC Position in the CMRS Providers' Issues Matrix, the
25 RLECs have accepted the CMRS Providers' proposed definition for "Central Office
26 Switch."

1
2 **2) Interconnection**

3 **Q. In preparing your testimony did you discover that the additional term**
4 ***“Interconnection”* should have been included but was apparently inadvertently**
5 **left out of the definitions listed in Issue 21 on the CMRS Providers’ Issues**
6 **Matrix?**

7 A. Yes. The RLECs’ original section 1.12 definition of “Interconnection” was also
8 redlined in the cumulative proposed redline of the “Selent Template” attached as
9 Exhibit E to the CMRS Providers’ Consolidated Response to Arbitration Petitions
10 filed July 7, 2006 in Case No. 2006-00215. The intent of the Matrix was to identify
11 each definition that the CMRS Providers had redlined in the order that it appeared
12 in Exhibit E. Accordingly, I am also addressing the CMRS Providers’ redline of
13 the RLECs’ section 1.12 “Interconnection” definitions.

14
15 **Q. How do the CMRS Providers want the term “Interconnection” defined?**

16 A. In light of the fundamental dispute between the Parties regarding the CMRS
17 Providers’ ability to indirectly interconnect and exchange traffic with the RLECs,
18 the CMRS Providers seek a definition that is consistent with FCC rules which
19 expressly acknowledges that “Interconnection” encompasses both direct and
20 indirect interconnection for the exchange of traffic between the parties.

21
22 **Q. What is the basis for the CMRS Providers’ proposed definition?**

1 A. The CMRS Providers definition is derived from combining pertinent portions of the
2 following two FCC “Interconnection” definitions, respectively found at 47 C.F.R.
3 §§ 51.5 and 20.3:

4
5 *Interconnection* is the linking of two networks for the mutual exchange of traffic.
6 This term does not include the transport and termination of traffic.

7
8 *Interconnection or Interconnected.* Direct or indirect connection through automatic
9 or manual means (by wire, microwave, or other technologies such as store and
10 forward) to permit the transmission or reception of messages or signals to or from
11 points in the public switched network.
12

13 **Q. What is the CMRS Providers’ proposed “Interconnection” definition?**

14 A. The CMRS Providers propose the following:

15 1.12 “Interconnection” for purposes of this Agreement refers to the direct or
16 indirect linking of the CMRS Provider and LEC networks for the delivery of
17 traffic.
18

19 **3) Interconnection Point**

20 **Q. Do the CMRS Providers agree with the RLECs’ definition and use of**
21 **“Interconnection Point”?**

22 A. No. The term was defined by the RLECs as follows:

23 1.13 “Interconnection Point” or “IP” is a demarcation point on the incumbent
24 network of LEC between networks where the delivery of traffic from one
25 Party to the other Party takes place pursuant to this Agreement.
26

27 **Q. What problems exist with the RLECs’ definition?**

28 A. There are five problems with the RLEC Interconnection Point definition and how it
29 is used. First, the phrase “point on the network of LEC between networks” makes
30 no sense.

1

2 **Q. What is the second problem?**

3 A. Actual exchange of traffic between the parties' networks does not "take place" at
4 the same end of an Interconnection facility. RLEC originated traffic is delivered to
5 the CMRS Provider at the CMRS Provider end of a direct interconnection facility,
6 and CMRS Provider originated traffic is delivered to an RLEC at the RLEC end of
7 a direct interconnection facility. In the case of indirect interconnection, each
8 terminating Party receives traffic at the point that their respective network is
9 interconnected with the third party. To suggest that an interconnection point is at
10 the same place and that place is only on the RLEC network is simply a veiled
11 attempt to shift the cost of interconnection facilities to CMRS Providers by
12 attempting to construe such costs as being encompassed within reciprocal
13 compensation charges.

14

15 **Q. What is the third problem?**

16 A. The qualifying phrase at the end of the definition limits any delivered traffic to that
17 which "takes place pursuant to this Agreement" is subject to the fundamental
18 dispute between the parties regarding direct and indirect interconnection. The
19 RLECs cannot compel direct connection to be the only means of exchanging traffic
20 "pursuant to [the] Agreement."

21

22 **Q. What is the fourth problem?**

1 A. Even where the RLECs purport to offer “indirect interconnection” in their original
2 section 4.1.2, they still require a third-party carrier to install dedicated facilities to
3 an RLEC designated Interconnection Point (i.e., direct connection) and the CMRS
4 Provider to bear 100% of the cost of such facilities, which is contrary to the
5 principle discussed in the testimony of CMRS Provider witnesses Messrs. Don
6 Wood and William Brown that the originating party is responsible for third-party
7 costs associated with the delivery of that party’s traffic to a terminating party’s
8 network..¹³

9

10 **Q. What is the fifth problem?**

11 A. And finally, even in the case where a CMRS Provider may request direct
12 connection, contrary to FCC Rules, the RLECs proposed in their original section
13 4.1.1 that Interconnection Points would be “as established by LEC”. Pursuant to 47
14 C.F.R. § 51.305(a)(2) a LEC is required to provide a requesting carrier
15 interconnection as “any technically feasible point”, not merely where the LEC may
16 choose to establish such points.

17

18 **Q. Do the CMRS Providers see any reason to include an “Interconnection Point”**
19 **definition?**

20 A. No, and there is no express definition of term in the FCC’s Rules. Interconnection
21 points are simply the respective end points of the “Interconnection” facilities that

¹³ RLECs’ original 4.1.2 stated: “Indirect Interconnection. CMRS Provider shall be permitted to use a third party carrier’s facilities for purposes of establishing interconnection indirectly with LEC at the IP(s). *In such case, on behalf of CMRS Provider, the third party carrier will connect dedicated facilities with LEC at the IP(s). CMRS Provider shall be responsible for the payment to any third party carrier for any charges associated with the facilities.*” [Emphasis added].

1 are respectively used by both parties to link each party's switch to the other party's
2 switch. The purpose served by the reference to a single, undefined "interconnection
3 point" in the FCC's definition of "Transport" at 47 C.F.R. 51.701(c) is to simply
4 distinguish the terminating LEC's network from the "linking" interconnections
5 facilities (which are separate from reciprocal compensation) for the purpose of
6 determining the "Transport" piece of reciprocal compensation.

8 **4) Interexchange Carrier**

9 **Q. Is there any need for a definition of the term "Interexchange Carrier?"**

10 A. No. The only reason this term is in the Agreement is because the RLECs expressly
11 seek to avoid paying reciprocal compensation to CMRS Providers for intraMTA
12 traffic originated on an RLEC network that it hands off to an Interexchange Carrier
13 for delivery to the CMRS Provider network (i.e., RLEC-originated 1+ intraMTA
14 traffic).¹⁴ The RLECs' obligation to pay reciprocal compensation for such traffic is
15 encompassed within CMRS Provider Matrix Issue 9, which is specifically
16 addressed in the testimony of CMRS Provider witness Mr. David Conn. Since all
17 intraMTA traffic is subject to reciprocal compensation, the RLECs' argument is
18 invalid and renders the definition of "Interexchange Carrier" unnecessary.
19 Accordingly, it should be struck from the Agreement.

21 **5) Inter-MTA Traffic**

¹⁴ See RLEC original proposed 3.3(b) that seeks to exclude from the Agreement "traffic that either Party originates to, or terminates from, an interexchange carrier regardless of the originating and terminating end points of a call."

1 **Q. How should the term “Inter-MTA Traffic” be defined?**

2 A. The CMRS Providers seek to clarify the RLEC definition to make it consistent with
3 47 C.F.R. § 51.701(b)(2) by expressly recognizing that categorization of a call as an
4 inter-MTA call is based on the end points of the call at the time the call is
5 originated.

6
7 **Q. What definition do the CMRS Providers propose for “Inter-MTA Traffic?”**

8 A. The CMRS Providers propose the following:

9 1.15 “Inter-MTA Traffic” is: (a) traffic, that at the beginning of the call, is
10 originated by a CMRS end user of CMRS Provider in one MTA and is
11 terminated to an end user of LEC in another MTA; or (b) traffic, that at the
12 beginning of the call, is originated by an end user of LEC in one MTA and is
13 terminated to an end user of CMRS Provider in another MTA.
14

15 **6) Multifrequency**

16 **Q. Does the Agreement need a “Multifrequency” definition?**

17 A. No. Other than in the 1.18 definition itself, the term “multifrequency” does not
18 appear to be used anywhere else in the Agreement. It is, therefore, unnecessary and
19 should be struck.

20
21 **Q. Have the RLECs accepted the CMRS Providers’ proposal to strike the term
22 “Multifrequency?”**

23 A. Yes. According to the RLEC Position in the CMRS Providers’ Issues Matrix, the
24 RLECs have accepted the CMRS Providers’ proposal to strike the term
25 “Multifrequency.”
26

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7) Rate Center

Q. How should the term “Rate Center” be defined?

A. There should be no restrictions on the ability of the CMRS providers to connect either directly or indirectly to the RLECs, as discussed in the Direct Testimonies of CMRS Provider witnesses Messrs. Don Wood and William Brown. Accordingly, the definition of Rate Center should not contain language that could be construed in a manner that impinges upon a CMRS Providers interconnection rights.

Q. What are the CMRS Providers’ concerns regarding the RLECs’ “Rate Center” definition?

A. The CMRS Providers do not know the intended meaning or scope of the sentence, “The Rate Center point must be located within the Rate Center area.” To the extent the sentence remained in the Agreement the CMRS Providers’ have concern that the sentence could be construed to equate a “Rate Center point” with an interconnection point (as the RLECs use the term, coupled with their view that direct interconnection is required), which may lead to dialing parity disputes. Specifically, the CMRS Providers are concerned the language may be cited by an RLEC to contend a CMRS Provider must directly connect in a given LEC Rate Center before the LEC will route seven or ten-digit dialed calls to a CMRS Provider NPA-NXX associated with that Rate Center in the LERG.

Q. What do the CMRS Providers propose?

1 A. The CMRS Providers propose to strike the sentence “The Rate Center point must be
2 located within the Rate Center area;” and, also reserve their right to seek to request
3 further modification of the “Rate Center” definition to make it consistent with the
4 Commission’s final decision regarding the CMRS Providers’ dialing parity and
5 interconnection rights.

6

7 **8) Telecommunications Traffic / Subject Traffic**

8 **Q. What is the issue regarding the use of the CMRS Providers’ proposed term**
9 **“Telecommunications Traffic” as opposed to the RLECs’ original proposed**
10 **term “Subject Traffic?”**

11 A. The fundamental purpose of the Parties’ respectively proposed terms is to label and
12 define the scope of traffic for which the originating party will owe and pay the
13 terminating party reciprocal compensation pursuant to 47 U.S.C. § 251(b)(5). As
14 already discussed, there should be no restrictions in any of the terms and conditions
15 of the Agreement upon the CMRS Providers’ rights to Interconnect and exchange
16 traffic with the RLECs on either a direct or indirect basis. The RLECs’ “Subject
17 Traffic” definition is contrary to this fundamental concern in that it seeks to
18 expressly limit the scope of traffic that is subject to reciprocal compensation under
19 § 251(b)(5) to traffic that “is delivered by either Party over the connecting facilities
20 covered by this Agreement.” As the RLECs’ Agreement was originally written,
21 this means only traffic that is exchanged over direct connection facilities, or direct
22 connection facilities of a third party for which a CMRS Provider must bear 100% of
23 the cost, would be compensable. The Commission should reject the RLEC

1 language. Whether traffic is delivered through direct or indirect interconnection, it
2 is subject to symmetrical, reciprocal compensation.

3
4 **Q. What is the CMRS Providers’ rationale for using the term**
5 **“Telecommunications Traffic” instead of “Subject Traffic” to identify**
6 **251(b)(5) traffic that is subject to reciprocal compensation under the**
7 **Agreement?**

8 A. “Telecommunications traffic” is a term used and defined by the FCC in § 51.701(a)
9 and (b)(2) to identify traffic that is subject to § 251(b)(5) reciprocal compensation.

10
11 **Q. How does the FCC define Telecommunications traffic?**

12 A. FCC Rule 51.701(a) and (b)(2) states:

13 (a) The provisions of this subpart apply to reciprocal compensation for
14 transport and termination of telecommunications traffic between LECs and
15 other telecommunications carriers.

16
17 (b) *Telecommunications traffic*. For purposes of this subpart,
18 telecommunications traffic means:

19
20 ... (2) Telecommunications traffic exchanged between a LEC and a CMRS
21 provider that, at the beginning of the call, originates and terminates within the
22 same Major Trading Area, as defined in § 24.202(a) of this chapter.

23
24 **Q. What are the CMRS Providers proposing for the definition of the term**
25 **“Telecommunications Traffic?”**

26 A. In addition to substituting the term “Telecommunications Traffic” for the RLECs’
27 term “Subject Traffic”, the CMRS Providers propose to strike all but the last

1 sentence of the RLECs' original "Subject Traffic" definition and replace it with the
2 following definition:

3 1.22 Telecommunications Traffic," as defined in 47 C.F.R. § 51.701(b)(2), is
4 traffic exchanged between a LEC and a CMRS Provider that, at the beginning
5 of the call, originates and terminates within the same Major Trading Area.
6 The definition and use of the term "Telecommunications Traffic" for purposes
7 of calculating reciprocal compensation that may be due under this agreement
8 has no effect on the definition of local traffic or the geographic area associated
9 with local calling under either Party's respective end user service offerings.
10

11 9) Termination / Transport

12 **Q. How do the CMRS Providers propose to define "Termination" and**
13 **"Transport"?**

14 A. Since both "Termination" and "Transport" are terms expressly defined by FCC
15 Rules 51.701(c) (Transport) and (d) (Termination), the CMRS Providers propose to
16 strike the RLECs' definitions and simply replace them with the following:

17 1.25 "Termination" is as defined by FCC Regulations.

18 1.26 "Transport" is as defined by FCC Regulations.
19

20 **Q. Have the RLECs accepted the CMRS Providers' proposed definitions for**
21 **"Termination" and "Transport"?**

22 A. Yes. According to the RLEC Position in the CMRS Providers' Issues Matrix, the
23 RLECs have accepted the CMRS Providers' proposed definitions for "Termination"
24 and "Transport."
25

26 **Issue 24: Should the CMRS Providers be required to provide "rolling" six**
27 **months' forecasts of "traffic and volume" requirements?**
28

1 **Q. What language do the CMRS Providers propose for Issue 24?**

2 A. The CMRS Providers propose to strike any language concerning traffic and volume
3 forecasts.

4
5 **Q: Why do the CMRS Providers believe “rolling” six months’ forecasts of “traffic
6 and volume” requirements are unnecessary?**

7 A. First, to the extent a CMRS Provider is exchanging traffic with an RLEC on an
8 indirect basis, to the extent traffic forecasts are needed at all, it would be forecasts
9 exchanged between the two carriers that are directly connected – the intermediate
10 transiting carrier and the RLEC, not the originating CMRS Provider and the RLEC.
11 Second, if direct connections are established, the practical reality is that
12 augmentations to direct connections between a CMRS Provider and a Rural LEC
13 are likely to occur on a very gradual, case-by-case basis, without a real need
14 existing for mandatory “rolling” six month forecasts.

15

16 **Issue 28: Should the CMRS Providers be allowed to expand their networks
17 through management contracts?**

18

19 **Q. What language do the CMRS Providers propose for Issue 13?**

20 A. The CMRS Providers propose the following contract Management Contracts
21 language be used in section 4.4:

22 Management Contracts. Nothing in this Agreement shall prohibit CMRS
23 Carrier from enlarging its CMRS network through management contracts with
24 third parties for the construction and operation of a CMRS system under the
25 CMRS Carrier’s license. Telecommunications traversing on such extended
26 networks shall be deemed to be and treated under this Agreement as “CMRS
27 Provider’s Telecommunications” when it originates on such extended network

1 and terminates on LEC's network, and as "LEC's Telecommunications" when
2 it originates upon LEC's network and terminates upon such extended network.
3

4 **Q. What is the purpose of the CMRS Providers' proposed section 4.4 language?**

5 A. A CMRS Provider may extend its network through various means. Common
6 examples of network expansion include: a) a CMRS Provider building out its
7 existing network on its own without any involvement of another carrier or third-
8 party; b) purchasing another carrier's existing network; c) using a third party to
9 simply construct, i.e. "build out", but the third party does not retain any
10 management functions for the network extension; or, d) some combination of
11 network build out and network management by a third party. Under any of these
12 scenarios, the wireless link between the cell tower and mobile handset, and the
13 interconnection that must occur between the network and the Public Switched
14 Telephone Network ("PSTN") to result in the offering of wireless service, occurs
15 pursuant to the use of the CMRS Provider's licensed spectrum. As licensee, the
16 CMRS Provider remains responsible for the interconnection of an extended
17 network to the PSTN, as well as the usage associated with that extended network.
18 Section 4.4 expressly is intended to address item d), and acknowledges that traffic
19 originating or terminating on the network of a CMRS Provider, regardless of the
20 underlying business relationship, remains subject to the interconnection contract
21 on the same terms, conditions and rates as traffic that originates and terminates on
22 the CMRS Provider's existing, core network.
23

1 **Q. Has this issue been addressed in other CMRS Provider – RLEC**
2 **interconnection agreements in Kentucky?**

3 A. Yes. Language similar to that being proposed by the CMRS Providers can be found
4 in Sprint PCS's Commission-approved interconnection agreement with
5 Brandenburg Telephone Company.

6

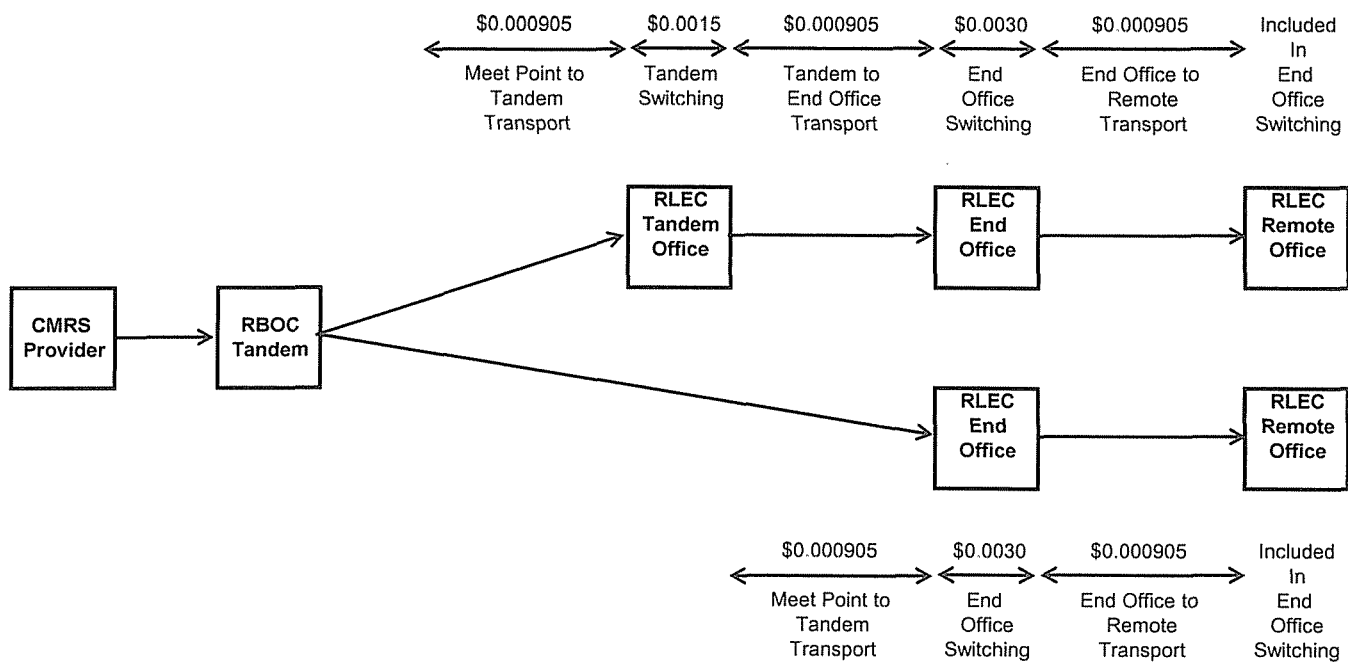
7 **Q. Does this conclude your Direct Testimony?**

8 A. Yes, it does.

Initial FCC Rate Elements

Rate Element	Source	Initial Rate	% Traffic	RLEC Rate
Meet Point to Tandem Transport	RGF-5	\$ 0.000905	100%	\$ 0.000905
Tandem Switching	FCC RGF-4	0.001500	25.43%	0.000381
Tandem - End Office Transport	RGF-5 RGF-4	0.000905	25.43%	0.000230
End Office Switching	FCC	0.003000	100%	0.003000
End Office - Remote Transport	RGF-5 RGF-4	0.000905	46.02%	0.000416
Grand Total FCC Initial Rate Elements				\$ 0.004932

INDIRECT INTERCONNECTION
Showing CMRS to RLEC Call Paths
And Reciprocal Compensation Rate Elements



NECA Local Switching Rates

Company	Rate Band (1)	Local Switching	Access Lines (2)		Wt. Local Switching
			Lines	Wt. Lines	
Ballard	4	\$ 0.011492	6,224	4.0%	\$ 0.000463
Brandenburg	4	0.011492	26,218	17.0%	0.001949
Coalfields (Gearheart)	3	0.009577	6,496	4.2%	0.000402
Duo County	2	0.007661	12,893	8.3%	0.000639
Foothills	1	0.005745	15,610	10.1%	0.000580
Logan	3	0.009577	6,659	4.3%	0.000412
Mountain	3	0.009577	15,869	10.3%	0.000983
North Central (TN)	2	0.007661	5,766	3.7%	0.000286
Peoples	1	0.005745	8,537	5.5%	0.000317
South Central (3)	dna	0.001554	27,303	17.7%	0.000274
Thacker-Grisby	3	0.009577	8,138	5.3%	0.000504
West Kentucky	1	0.005745	14,895	9.6%	0.000553
			154,608	100.0%	\$ 0.007363

- (1) NECA Tariff F.C.C. No. 5, 41st Revised Page 17-11, Effective July 1, 2006.
- (2) RLEC responses to Information Requests
- (3) South Central F.C.C. Tariff No. 1

LERG DATA - ALL COMPANIES
JUNE 2006 DATA

A Company	B OCN	C Exchange						D Host End Office			E Host End Office - Remote Distance						
		Name	Switch CLLI	Population (1)	% Pop.	Equipment	V	H	Remote	Host CLLI	V	H	Miles	Population	% Pop	Wt. Miles	
BALLARD RURAL TEL CO 0396		LA CENTER	LACTKYXA	1,903	0.7%	EWS	07012	03144	-								
BALLARD RURAL TEL CO 0396		BANDANA	BNDNKYXA	183	0.1%	5RS	06996	03146	X	LACTKYXA	07012	03144	5.1	183	0.2%	0.01	
BALLARD RURAL TEL CO 0396		BARLOW	BRLWKYXA	1,592	0.6%	5RS	07023	03153	X	LACTKYXA	07012	03144	4.5	1,592	1.4%	0.06	
BALLARD RURAL TEL CO 0396		WICKLIFFE	WCKLKYXA	2,516	1.0%	5RS	07043	03151	X	LACTKYXA	07012	03144	10.0	2,516	2.1%	0.22	
BALLARD RURAL TEL CO 0396		KEVIL	KEVLKYXA	4,757	1.9%	5RS	07005	03131	X	LACTKYXA	07012	03144	4.7	4,757	4.1%	0.19	
BALLARD RURAL TEL CO 0396		HEATH	HETHKYXA	-	0.0%	5RS	06990	03114	X	LACTKYXA	07012	03144	11.8	-	0.0%	-	
BALLARD RURAL TEL CO 0396		GAGE	GAGEKYXA	-	0.0%	5RS	07023	03122	X	LACTKYXA	07012	03144	7.8	-	0.0%	-	
BRANDENBURG TEL CO 0398		RADCLIFF	RDCLKYXA	21,961	8.6%	DMH	06621	02757	-						0.0%	-	
BRANDENBURG TEL CO 0398		BRANDENBG	BRBGKYXA	10,898	4.3%	RSC	06610	02808	X	RDCLKYXA	06621	02757	16.5	10,898	9.3%	1.53	
BRANDENBURG TEL CO 0398		PAYNEVILLE	PYVLKYXA	1,487	0.6%	RSC	06627	02832	X	RDCLKYXA	06621	02757	23.8	1,487	1.3%	0.30	
BRANDENBURG TEL CO 0398		BATTLETOWN	BTTWKYXA	1,063	0.4%	RSC	06607	02834	X	RDCLKYXA	06621	02757	24.7	1,063	0.9%	0.22	
BRANDENBURG TEL CO 0398		CUSTER	CSTRKYXA	1,248	0.5%	RSC	06666	02794	X	RDCLKYXA	06621	02757	18.4	1,248	1.1%	0.20	
BRANDENBURG TEL CO 0398		IRVINGTON	IVTNKYXA	3,584	1.4%	RSC	06641	02813	X	RDCLKYXA	06621	02757	18.8	3,584	3.1%	0.58	
BRANDENBURG TEL CO 0398		NO GARRETT	NGRTRYXA	-	0.0%	RSC	06623	02791	X	RDCLKYXA	06621	02757	10.8	-	0.0%	-	
BRANDENBURG TEL CO 0398		VINE GROVE	VNGVKYXA	9,993	3.9%	RSC	06629	02759	X	RDCLKYXA	06621	02757	2.6	9,993	8.5%	0.22	
COALFIELDS TELEPHONI 0408		GRETHEL	GRTHKYXE	1,126	0.4%	DMT	06409	02224	-						0.0%	-	
COALFIELDS TELEPHONI 0408		HAROLD	HRLDKYXE	3,483	1.4%	DMT	06393	02228	-						0.0%	-	
COALFIELDS TELEPHONI 0408		WHEELWRIHT	WHLWKYXA	1,226	0.5%	DMT	06433	02220	-						0.0%	-	
DUO COUNTY TEL COOP 0401		BURKESVL	BSVLKYXR	6,737	2.6%	DCN	06771	02559	-						0.0%	-	
DUO COUNTY TEL COOP 0401		JAMESTOWN	JMTWKYXA	4,891	1.9%	DCN	06708	02534	-						0.0%	-	
DUO COUNTY TEL COOP 0401		RUSSELLSPG	RSSPKYXA	12,033	4.7%	DCO	06698	02545	-						0.0%	-	
DUO COUNTY TEL COOP 0401		FAIRPLAY	FRPLKYXA	-	0.0%	DCO	06729	02573	X	RSSPKYXA	06698	02545	13.2	-	0.0%	-	
FOOTHILLS RURAL TEL 0406		STAFORDSVL	SFVLKY01	2,468	1.0%	EWS	06357	02295	-						0.0%	-	
FOOTHILLS RURAL TEL 0406		BLAINE	BLANKYXA	1,184	0.5%	DC4	06319	02314	X	SFVLKY01	06357	02295	13.4	1,184	1.0%	0.14	
FOOTHILLS RURAL TEL 0406		CHAPMAN	CPMNKYXA	-	0.0%	DC4	06305	02286	X	SFVLKY01	06357	02295	16.7	-	0.0%	-	
FOOTHILLS RURAL TEL 0406		FALLSBURG	FLBGKYXA	-	0.0%	DC4	06277	02307	X	SFVLKY01	06357	02295	25.6	-	0.0%	-	
FOOTHILLS RURAL TEL 0406		FLAT GAP	FLGPKYXA	1,945	0.8%	DC4	06345	02310	X	SFVLKY01	06357	02295	6.1	1,945	1.7%	0.10	
FOOTHILLS RURAL TEL 0406		ROYALTON	RYTNKYXA	120	0.0%	DC4	06401	02303	X	SFVLKY01	06357	02295	14.1	120	0.1%	0.01	
FOOTHILLS RURAL TEL 0406		SALYERSVL	SLVLKYXA	12,749	5.0%	DCN	06390	02318	X	SFVLKY01	06357	02295	12.7	12,749	10.9%	1.38	
LOGAN TEL COOP INC 0413		ADAIRVILLE	AIVLKYXE	2,495	1.0%	DMT	06919	02774	-						0.0%	-	
LOGAN TEL COOP INC 0413		AUBURN	AUBNKYXA	4,962	1.9%	DMT	06870	02773	-						0.0%	-	
LOGAN TEL COOP INC 0413		LOGANSFORT	LGPTKYXA	-	0.0%	1RE	06797	02821	X	AUBNKYXA	06870	02773	27.6	-	0.0%	-	
LOGAN TEL COOP INC 0413		ROCHESTER	ROCHKYXA	504	0.2%	1RE	06819	02836	X	AUBNKYXA	06870	02773	25.6	504	0.4%	0.11	
LOGAN TEL COOP INC 0413		LEWISBRG	LWBGKYXL	5,052	2.0%	DMT	06867	02822	-						0.0%	-	
LOGAN TEL COOP INC 0413		DUNMOR	DNMRKYXA	974	0.4%	DLM	06854	02838	X	LWBGKYXL	06867	02822	6.5	974	0.8%	0.05	
MT RURAL TEL COOP 0414		CAMPTON	CMTNKYXA	5,653	2.2%	DMT	06437	02387	-						0.0%	-	
MT RURAL TEL COOP 0414		HAZELGREEN	HZGRKYXA	2,389	0.9%	1RE	06412	02374	X	CMTNKYXA	06437	02387	8.9	2,389	2.0%	0.18	
MT RURAL TEL COOP 0414		FRENCHBURG	FRBGKYXA	3,382	1.3%	DMT	06403	02422	-						0.0%	-	
MT RURAL TEL COOP 0414		EZEL	EZELKYXA	1,512	0.6%	1RE	06401	02390	X	FRBGKYXA	06403	02422	10.1	1,512	1.3%	0.13	
MT RURAL TEL COOP 0414		SANDY HOOK	SNDHKYXA	3,674	1.4%	DMT	06333	02363	-						0.0%	-	
MT RURAL TEL COOP 0414		W LIBERTY	WLBTKYXA	11,123	4.4%	DMT	06377	02364	-						0.0%	-	
MT RURAL TEL COOP 0414		JEPHTHA	JPTHKYXA	-	0.0%	DMT	06361	02342	X	WLBTKYXA	06377	02364	8.6	-	0.0%	-	
NO CNTL RL TEL KY 4001		SCOTTSVL	SCVLKYXR	15,095	5.9%	NT5	06848	02681	X	LFYTTNXA	06877	02632	18.0	15,095	12.9%	2.32	
PEOPLES RL TEL CORP 0415		MCKEE	MCKEKYXA	8,410	3.3%	EWS	06532	02420	-						0.0%	-	
PEOPLES RL TEL CORP 0415		ANNVILLE	ANVLKYXA	2,895	1.1%	5RS	06537	02380	X	MCKEKYXA	06532	02420	12.7	2,895	2.5%	0.31	
PEOPLES RL TEL CORP 0415		BOONEVILLE	BNVLKYXA	4,561	1.8%	5RS	06496	02377	X	MCKEKYXA	06532	02420	17.7	4,561	3.9%	0.69	
PEOPLES RL TEL CORP 0415		SANDGAP	SNDGKYXA	204	0.1%	5RS	06532	02442	X	MCKEKYXA	06532	02420	7.0	204	0.2%	0.01	

LERG DATA - ALL COMPANIES
JUNE 2006 DATA

A	B	C	D	E			F	G	H	I	J	K			L	M	N	O			P	Q
Company	OCN	Name	Switch CLLI	Exchange			Equipment	V	H	Remote	Host End Office			Host End Office - Remote Distance			Miles	Population	% Pop	Wt. Miles		
				Population (1)	% Pop.						Host CLLI	V	H	Miles	Population	% Pop						
SO CEN RURAL TEL CO	0418	BONNIEVL	HRCVKYXA	1,817	0.7%	210	06743	02683	X	Note (2)						12.8	1,817	1.6%	0.20			
SO CEN RURAL TEL CO	0418	BUFFALO	HRCVKYXA	1,425	0.6%	210	06743	02683	X							12.8	1,425	1.2%	0.16			
SO CEN RURAL TEL CO	0418	CANMER	HRCVKYXA	690	0.3%	210	06743	02683	X							12.8	690	0.6%	0.08			
SO CEN RURAL TEL CO	0418	CAVE CITY	HRCVKYXA	5,580	2.2%	210	06743	02683	X							12.8	5,580	4.8%	0.61			
SO CEN RURAL TEL CO	0418	CENTER	HRCVKYXA	333	0.1%	210	06743	02683	X							12.8	333	0.3%	0.04			
SO CEN RURAL TEL CO	0418	EDMONTON	GLSGKYXR	7,306	2.9%	12H	06781	02664	X							12.8	7,306	6.2%	0.80			
SO CEN RURAL TEL CO	0418	FOUNTANRUN	GLSGKYXR	1,451	0.6%	12H	06781	02664	X							12.8	1,451	1.2%	0.16			
SO CEN RURAL TEL CO	0418	GAMALIEL	GLSGKYXR	1,371	0.5%	12H	06781	02664	X							12.8	1,371	1.2%	0.15			
SO CEN RURAL TEL CO	0418	GLASGWRURL	GLSGKYXR	15,794	6.2%	12H	06781	02664	-							-	-	0.0%	-			
SO CEN RURAL TEL CO	0418	HISEVILLE	GLSGKYXR	-	0.0%	12H	06781	02664	X							12.8	-	0.0%	-			
SO CEN RURAL TEL CO	0418	HORSE CAVE	HRCVKYXA	5,672	2.2%	210	06743	02683	-							-	-	0.0%	-			
SO CEN RURAL TEL CO	0418	LUCAS	GLSGKYXR	301	0.1%	12H	06781	02664	X							12.8	301	0.3%	0.03			
SO CEN RURAL TEL CO	0418	MAGNOLIA	HRCVKYXA	3,275	1.3%	210	06743	02683	X							12.8	3,275	2.8%	0.36			
SO CEN RURAL TEL CO	0418	MUNFORDVL	HRCVKYXA	5,134	2.0%	210	06743	02683	X							12.8	5,134	4.4%	0.56			
SO CEN RURAL TEL CO	0418	SUMMERSHAD	GLSGKYXR	2,638	1.0%	12H	06781	02664	X							12.8	2,638	2.3%	0.29			
SO CEN RURAL TEL CO	0418	TEMPLEHILL	GLSGKYXR	-	0.0%	12H	06781	02664	X							12.8	-	0.0%	-			
THACKER-GRIGSBY TEL	0419	CODY	CODYKYXA	-	0.0%	C5	06481	02246	-							-	-	0.0%	-			
THACKER-GRIGSBY TEL	0419	FISTY	FSTYKYXA	183	0.1%	1RE	06471	02275	X	CODYKYXA	06481	02246	9.7	183	0.2%	0.02						
THACKER-GRIGSBY TEL	0419	PIPPAPASSS	PPSSKYXA	1,211	0.5%	DT5	06450	02242	X	CODYKYXA	06481	02246	9.9	1,211	1.0%	0.10						
THACKER-GRIGSBY TEL	0419	TOPMOST	TPMSKYXA	1,052	0.4%	1RE	06440	02233	X	CODYKYXA	06481	02246	13.6	1,052	0.9%	0.12						
THACKER-GRIGSBY TEL	0419	MOUSIE	MOUSKYXA	985	0.4%	DT5	06437	02251	X	CODYKYXA	06481	02246	14.0	985	0.8%	0.12						
THACKER-GRIGSBY TEL	0419	HINDMAN	HNMNKYXB	2,451	1.0%	DMT	06458	02259	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	CUNNINGHAM	CNHMKYXA	973	0.4%	SRD	07039	03114	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	FAIRDEALNG	FRNGKYXA	-	0.0%	SRD	06998	03006	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	FANCY FARM	FNFMKYXA	1,660	0.7%	SRD	07052	03088	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	FOLSOMDALE	FLDLKY01	-	0.0%	EWS	07026	03078	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	WESTPLAINS	WPLNKYXA	-	0.0%	DCL	07023	03060	X	FLDLKY01	07026	03078	5.8	-	0.0%	-						
WEST KY RL TEL CORP	0421	HARDIN	HRDNKYXA	2,072	0.8%	SRD	07020	03009	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	HAZEL	HAZLKYXA	1,861	0.7%	SRD	07071	02987	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	KIRKSEY	KRKSXYXA	1,205	0.5%	SRD	07040	03017	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	LOWES	LOWSKYXA	32	0.0%	SRD	07034	03094	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	LYNN GROVE	LYGVKYXA	-	0.0%	SRD	07063	03013	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	NEWCONCORD	NWCNKYXA	993	0.4%	SRD	07040	02967	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	SEDALIA	SDLIKYXA	1,588	0.6%	SRD	07067	03043	-							-	-	0.0%	-			
WEST KY RL TEL CORP	0421	FARMINGTON	FRTNKYXA	987	0.4%	DCL	07056	03034	X	SDLIKYXA	07067	03043	4.5	987	0.8%	0.04						
WEST KY RL TEL CORP	0421	LYNNVILLE	LYVLKYXA	-	0.0%	DCL	07080	03030	X	SDLIKYXA	07067	03043	5.8	-	0.0%	-						
WEST KY RL TEL CORP	0421	WINGO	WINGKYXA	2,604	1.0%	SRD	07076	03065	-							-	-	0.0%	-			

254,676 100.0%

117,192 100.0% 12.79
46.0%

Note (1): US Census data for Zip Code.

Note (2): The LERG data for South Central is inconsistent. It shows each office as a host, but there are only two unique set of V&H coordinates.

This analysis assumes only two host offices, the remaining are remotes using the average host-remote distance.

LERG DATA - ALL COMPANIES
JUNE 2006 DATA

A	B	C	R	S	T	U	V	X	Y	Z	AA	AB	AC	AD	AE	
Company	OCN	Name	Tandem - Meet Point Distance					Tandem - Host Distance								
			Acc. Tdm.	Sq. Miles	Population	% Pop	Radius	Wt. Radius	Acc. Tdm.	V	H	Host	Miles	Population	% Pop	Wt. Miles
SO CEN RURAL TEL CO	0418	BONNIEVL			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	BUFFALO			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	CANMER			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	CAVE CITY			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	CENTER			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	EDMONTON			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	FOUNTANRUN			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	GAMALIEL			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	GLASGWRURL	X	164.8970	15,794	18.0%	7.24	1.30						-	0.0%	-
SO CEN RURAL TEL CO	0418	HISEVILLE			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	HORSE CAVE	X	68.1706	5,672	6.5%	4.66	0.30						-	0.0%	-
SO CEN RURAL TEL CO	0418	LUCAS			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	MAGNOLIA			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	MUNFORDVL			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	SUMMERSHAD			-	0.0%	-	-						-	0.0%	-
SO CEN RURAL TEL CO	0418	TEMPLEHILL			-	0.0%	-	-						-	0.0%	-
THACKER-GRIGSBY TEL	0419	CODY	X	29.9776	-	0.0%	3.09	-	X					-	0.0%	-
THACKER-GRIGSBY TEL	0419	FISTY			-	0.0%	-	-						-	0.0%	-
THACKER-GRIGSBY TEL	0419	PIPPAPASSS			-	0.0%	-	-						-	0.0%	-
THACKER-GRIGSBY TEL	0419	TOPMOST			-	0.0%	-	-						-	0.0%	-
THACKER-GRIGSBY TEL	0419	MOUSIE			-	0.0%	-	-						-	0.0%	-
THACKER-GRIGSBY TEL	0419	HINDMAN			-	0.0%	-	-	06481	02246	X	8.35	2,451	3.8%	0.32	
WEST KY RL TEL CORP	0421	CUNNINGHAM			-	0.0%	-	-	07026	03078	X	12.10	973	1.5%	0.18	
WEST KY RL TEL CORP	0421	FAIRDEALNG			-	0.0%	-	-	07026	03078	X	24.43	-	0.0%	-	
WEST KY RL TEL CORP	0421	FANCY FARM			-	0.0%	-	-	07026	03078	X	8.81	1,660	2.6%	0.23	
WEST KY RL TEL CORP	0421	FOLSOMDALE	X	44.0396	-	0.0%	3.74	-	X					-	0.0%	-
WEST KY RL TEL CORP	0421	WESTPLAINS			-	0.0%	-	-						-	0.0%	-
WEST KY RL TEL CORP	0421	HARDIN			-	0.0%	-	-	07026	03078	X	21.90	2,072	3.2%	0.70	
WEST KY RL TEL CORP	0421	HAZEL			-	0.0%	-	-	07026	03078	X	32.10	1,861	2.9%	0.92	
WEST KY RL TEL CORP	0421	KIRKSEY			-	0.0%	-	-	07026	03078	X	19.79	1,205	1.9%	0.37	
WEST KY RL TEL CORP	0421	LOWES			-	0.0%	-	-	07026	03078	X	5.66	32	0.0%	0.00	
WEST KY RL TEL CORP	0421	LYNN GROVE			-	0.0%	-	-	07026	03078	X	23.65	-	0.0%	-	
WEST KY RL TEL CORP	0421	NEWCONCORD			-	0.0%	-	-	07026	03078	X	35.38	993	1.5%	0.54	
WEST KY RL TEL CORP	0421	SEDALIA			-	0.0%	-	-	07026	03078	X	17.05	1,588	2.5%	0.42	
WEST KY RL TEL CORP	0421	FARMINGTON			-	0.0%	-	-						-	0.0%	-
WEST KY RL TEL CORP	0421	LYNNVILLE			-	0.0%	-	-						-	0.0%	-
WEST KY RL TEL CORP	0421	WINGO			-	0.0%	-	-	07026	03078	X	16.34	2,604	4.0%	0.66	

87,809 100.0% 5.93 64,770 100.0% 17.09
25.4%

Note (1): US Census data for Zip Code.

Note (2): The LERG data for South Central is inconsistent.

This analysis assumes only two host offices, the re

Initial Transport Rates Based On NECA Direct Trunked Transport Rates

Company	Rate Band (1)	Transport	Access Lines (2)		Wt. Initial Transport
			Lines	Wt. Lines	
Ballard	3	\$ 0.001016	6,224	4.0%	\$ 0.000041
Brandenburg	2	0.001005	26,218	17.0%	0.000170
Coalfields (Gearheart)	2	0.001005	6,496	4.2%	0.000042
Duo County	2	0.001005	12,893	8.3%	0.000084
Foothills	3	0.001016	15,610	10.1%	0.000103
Logan	2	0.001005	6,659	4.3%	0.000043
Mountain	3	0.001016	15,869	10.3%	0.000104
North Central (TN)	1	0.000968	5,766	3.7%	0.000036
Peoples	3	0.001016	8,537	5.5%	0.000056
South Central (3)	dna	0.000426	27,303	17.7%	0.000075
Thacker-Grisby	2	0.001005	8,138	5.3%	0.000053
West Kentucky	2	0.001005	14,895	9.6%	0.000097
			154,608	100.0%	\$ 0.000905

(1) NECA Tariff F.C.C. No. 5, 41st Revised Page 17-11, Effective July 1, 2006.

(2) USAC Report HC05 - High Cost Loop Support Projected by State by Study Area - 1Q2006

(3) South Central F.C.C. Tariff No. 1

NECA Direct Trunked Transport Rates

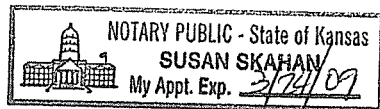
Element	Facility Term.	Per Mile			Grand Total	Conversion to MOU Rate			Per MOU Rate
		Per Mile	Miles	Total		MOU/DS0	DS0/DS1	DS1/DS3	
NECA - Band 1									
DS1	\$ 169.78	\$ 17.22	11.81	203.41	373.19	9,000	24	dna	\$ 0.001728
DS3	945.62	118.53	11.81	1,400.12	2,345.74	9,000	24	28	0.000388
Simple Average									\$ 0.001058
NECA - Band 2									
DS1	\$ 176.32	\$ 17.88	11.81	211.21	387.53	9,000	24	dna	\$ 0.001794
DS3	982.02	123.09	11.81	1,453.99	2,436.01	9,000	24	28	0.000403
Simple Average									\$ 0.001098
NECA - Band 3									
DS1	\$ 178.26	\$ 18.08	11.81	213.57	391.83	9,000	24	dna	\$ 0.001814
DS3	992.90	124.46	11.81	1,470.17	2,463.07	9,000	24	28	0.000407
Simple Average									\$ 0.001111
South Central									
DS1	\$ 68.04	\$ 6.90	11.81	81.51	149.55	9,000	24	dna	\$ 0.000692
DS3	398.94	47.52	11.81	561.32	960.26	9,000	24	28	0.000159
Simple Average									\$ 0.000426

AFFIDAVIT

STATE OF KANSAS
COUNTY OF JOHNSON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Randy G. Farrar, who being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Sprint Spectrum L.P. and Sprintcom, Inc., d/b/a Sprint PCS, and on behalf of the CMRS Providers, before the Kentucky Public Service Commission in Case Nos. 2006-00215, 2006-00217, 2006-00218, 2006-00220, 2006-00252, 2006-00255, 2006-00288, 2006-00292, 2006-00294, 2006-00296, 2006-00298, and 2006-00300, and if present before the Commission and duly sworn, his Testimony would be the same as set forth in the annexed testimony consisting of 35 pages and 5 Attachments.



Randy G. Farrar
Randy G. Farrar

SWORN TO AND SUBSCRIBED BEFORE
ME THIS 27 DAY OF September, 2006.

Susan Skahan
NOTARY PUBLIC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing on all parties of records, via first-class United States Mail, postage paid and properly addressed to the following:

William G. Francis
Francis, Kendrick and Francis
504 First Commonwealth Bank Building
311 North Arnold Avenue
Prestonsburg, KY 41653-0268

James Dean Liebman
Liebman & Liebman
403 West Main Street
P.O. Box 478
Frankfort, KY 40602-0478

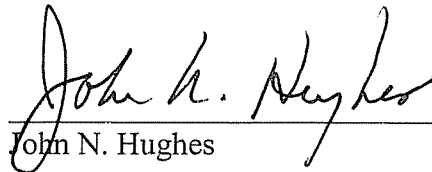
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Bhugin M. Modi
Vice President
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1926 10th Avenue, North
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This 29th day of September, 2006.


John N. Hughes