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September 29, 2006

**VIA HAND DELIVERY**

**RECEIVED**

SEP 29 2006

**PUBLIC SERVICE  
COMMISSION**

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

**Re: Petition of Ballard Rural Telephone 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, Case No. 2006-00215**

**Petition of Brandenburg Telephone Company 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, Case No. 2006-00288**

**Petition of Duo County Telephone Cooperative 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 Case No. 2006-00217**

**Petition of Foothills Rural Telephone Cooperative 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 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**

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**Petition of Logan Telephone Cooperative 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, Case No. 2006-00218**

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**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**

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**Petition of North Central Telephone Cooperative Corporation, For Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement with American Cellular Corporation 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**

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**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**

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**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**

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**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**

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**Petition of West Kentucky Rural Telephone 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, Case No. 2006-00220**

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Dear Ms. O'Donnell:

Enclosed and hereby filed with the Commission in connection with the above-referenced matters please find 22 copies of each of the following documents:

- Direct Testimony of David Conn on behalf of T-Mobile and the CMRS Providers, with exhibits;
- Direct Testimony of Don J. Wood on behalf of the CMRS Providers with exhibits; and
- Direct Testimony of John Clampitt on behalf of Verizon Wireless and the CMRS Providers, with exhibits.

Please do not hesitate to contact me if you have any further questions with regard to this matter.

Very truly yours,



Kendrick R. Riggs

Enclosures

cc: John Selent  
James Dean Liebman (w/o confidential information)  
Bhogin M. Modi (w/o confidential information)  
William G. Francis (w/o confidential information)  
Thomas Sams (w/o confidential information)  
NTCH-West, Inc. (w/o confidential information)

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

EP 29 2006

*Original*

PUBLIC SERVICE  
COMMISSION

In the Matter of:

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Petition of Ballard Rural Telephone 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 )

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Petition of Duo County 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. 2006-00217

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Petition of Logan Telephone 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 )

Case No. 2006-00218

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Petition of West Kentucky Rural Telephone )  
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 )

Case No. 2006-00220

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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 )  
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Case No. 2006-00252

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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 )  
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Case No. 2006-00255

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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 )  
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Case No. 2006-00288

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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 )  
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Case No. 2006-00292

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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

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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

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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

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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 JOHN L. CLAMPITT  
ON BEHALF OF VERIZON WIRELESS AND THE CMRS PROVIDERS**

September 29, 2006

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ATTORNEYS FOR CELLCO PARTNERSHIP  
D/B/A VERIZON WIRELESS, GTE WIRELESS  
OF THE MIDWEST INCORPORATED, AND  
KENTUCKY RSA NO. 1 PARTNERSHIP

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I. QUALIFICATIONS AND PURPOSE OF TESTIMONY

**Q: PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

A: My name is John Clampitt. I am Member Technical Staff – Contract Negotiator for Verizon Wireless and my office address is 2785 Mitchell Place, Walnut creek, CA 94598. Verizon Wireless was formed as a result of the merger between the wireless properties formerly held by AirTouch Communications, Cellco Partnership d/b/a Bell Atlantic Mobile, GTE Wireless Incorporated, and PrimeCo Personal Communications, LP. Verizon Wireless operates the licenses held in Kentucky by Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated, and Kentucky RSA No. 1 Partnership (collectively “Verizon Wireless”).

**Q: FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

A: I will provide some testimony that is specific to Verizon Wireless, as well as some testimony that represents the collective position of Verizon Wireless, T-Mobile, Cingular, ACC, Sprint PCS, and Alltel (collectively “CMRS Providers”).

**Q: WHAT IS YOUR PROFESSIONAL EXPERIENCE IN THE FIELD OF TELECOMMUNICATIONS?**

A: I was employed by Pacific Bell for 25 years and by SBC for slightly less than a year before taking early retirement. During that time I held a variety of jobs including Instructor for Switched Access, Special Access, Digital Transmission, SS7, Packet Switching and other courses. I later became the Manager for Training in the Industry Markets Division. My final job responsibility with both Pacific Bell and SBC was Senior Product Manager – Wholesale Switching, in which I had responsibility for Unbundled Switching elements, Switched Access, and Local Switching. I had primary responsibility for writing the Statement Of Generally Available Terms and Conditions (SGAT) under which Pacific Bell met the requirements of the 1996 Telecommunications Act. I have

1 worked for AirTouch, Vodafone and now Verizon Wireless negotiating interconnection  
2 contracts since 1998.

3 **Q: HAVE YOU TESTIFIED BEFORE ON BEHALF OF VERIZON WIRELESS?**

4 A: Yes, in December of 2005 I testified as the Company's witness in an interconnection  
5 arbitration proceeding between Verizon Wireless and seven rural local exchange carriers  
6 in Illinois. I have also testified in arbitration proceedings in Michigan (three times –  
7 twice against Ameritech/SBC and more recently against 8 rural local exchange carriers),  
8 Ohio (twice - both Against SBC), and once previously in Illinois against Ameritech/SBC.  
9 I also testified in a Commission complaint case in Missouri that involved multiple rural  
10 telephone companies.

11 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A: I am familiar with the issues raised in all of the petitions for arbitration filed by Ballard  
13 Rural Telephone Cooperative Corporation, Inc., ("Ballard"), Duo County Telephone  
14 Cooperative Corporation, Inc., ("Duo County"), Logan Telephone Cooperative Inc.,  
15 ("Logan"), West Kentucky Rural Telephone Cooperative Corporation ("West  
16 Kentucky"), North Central Telephone Cooperative Corporation ("North Central"), South  
17 Central Rural Telephone Cooperative Corporation, Inc., ("South Central"), Brandenburg  
18 Telephone Company ("Brandenburg"), Foothills Rural Telephone Cooperative  
19 Corporation, Inc., ("Foothills"), Gearheart Communications, Inc., ("Gearheart"),  
20 Mountain Rural Telephone Cooperative Corporation ("Mountain Rural"), Peoples Rural  
21 Telephone Cooperative Corporation, Inc., ("Peoples"), and Thacker-Grigsby Telephone  
22 Company ("Thacker-Grigsby") (collectively "RLECs") in the above named cases, and  
23 the Consolidated Response to the petitions for arbitration ("Consolidated Response")

1 filed by the CMRS Providers on July 9, 2006. My testimony will present the CMRS  
2 Providers' position on the following unresolved issues:

3 **Issue 3: Does the Interconnection Agreement apply only to traffic within the**  
4 **Commonwealth of Kentucky?**

5 **Issue 12: Should the Interconnection Agreement provide both reciprocal and net**  
6 **billing options?**

7 **Issue 17: What SS7 signaling parameters should be required?**

8 **Issue 20: What post-termination arrangements should be included in the**  
9 **Interconnection Agreement?**

10 **Issue 22: What notice and consent requirements should apply prior to assignment**  
11 **of the Interconnection Agreement?**

12 **Issue 26: Should a Party be required to insert in its tariffs and/or service contract**  
13 **language that attempts to limit third-party claims for damage arising**  
14 **from service provided under the Interconnection Agreement, and should**  
15 **the Interconnection Agreement itself attempt to limit claims of one**  
16 **Party's customer against the other Party?**

17 My testimony describes the CMRS Providers' understanding of the legal requirements  
18 that apply as the Commission resolves these disputes. For each of the unresolved issues,  
19 I will identify the applicable legal standard, any facts relevant to a determination, and  
20 recommend to the Kentucky Public Service Commission ("Commission") the appropriate  
21 resolution of each dispute.

22 **Q: WILL YOU PROVIDE ANY TESTIMONY SPECIFIC TO VERIZON WIRELESS?**

23 **A:** Yes. I will present testimony specific to Verizon Wireless on the following issues:

24 **Issue 13: If a CMRS provider does not measure intercarrier traffic for**  
25 **reciprocal compensation billing purposes, what intraMTA traffic**  
26 **factors should apply?**

27 **Issue 15: What is the appropriate compensation for interMTA traffic?**

1           **II.     NEGOTIATIONS BETWEEN VERIZON WIRELESS AND THE RLECS**

2   **Q:     DID VERIZON WIRELESS INITIATE INTERCONNECTION NEGOTIATIONS WITH THE**  
3       **RLECS UNDER SECTION 252(a) OF THE ACT?**

4   A:     Yes. Verizon Wireless sent bona fide requests for negotiation to each RLEC effective  
5       January 1, 2006.

6   **Q:     ARE YOU FAMILIAR WITH THE NEGOTIATIONS BETWEEN VERIZON WIRELESS AND THE**  
7       **RLECS?**

8   A:     Yes I am.

9           **III.    TESTIMONY ON POSITIONS COMMON TO THE CMRS PROVIDERS**

10        *Issue 3: Does the Interconnection Agreement Apply only to Traffic within Kentucky?*

11   **Q:     DESCRIBE THIS ISSUE AS IT WAS RAISED BY THE CMRS PROVIDERS ON THE ISSUES**  
12       **MATRIX.**

13   A:     Section 3.4 of the RLECs’ proposed interconnection agreement provided that the contract  
14       would apply only to traffic originated and terminated within the areas identified on  
15       Appendix C. Appendix C was to include a list of the counties within Kentucky where the  
16       CMRS Provider was licensed to serve. Together, we were concerned that the RLECs  
17       intended to exclude interstate traffic from this contract, even though major trading area  
18       (“MTA”) boundaries extend into adjacent states.

19   **Q:     HAVE THE RLECS MODIFIED THEIR POSITION?**

20   A:     Yes. On their Issues Matrix the RLECs state that they do not seek to limit the scope of  
21       the Interconnection Agreement to traffic within Kentucky, but that they do wish to have  
22       each contract specify all counties from which traffic may be originated.

23   **Q:     IS THIS REASONABLE AND CONSISTENT WITH INDUSTRY STANDARDS?**

24   A:     No. These Interconnection Agreements will be in place for at least two years. During  
25       that time, network facilities may be extended into new areas, new licenses may be  
26       acquired, and network engineering may change. It is not appropriate for an

1 Interconnection Agreement to limit this activity, and it is not practical to expect the  
2 parties to amend their Interconnection Agreement every time this occurs.

3 **Q: DO THE PARTIES NEED TO INCLUDE A LIST OF COUNTIES IN THE INTERCONNECTION**  
4 **AGREEMENT IN ORDER TO PROVIDE COMPENSATION FOR INTERMTA TRAFFIC?**

5 A: No. I address the issue of interMTA compensation below. Parties can establish  
6 interMTA traffic percentages in this case without needing to incorporate a list of counties  
7 in the Interconnection Agreement.

8 **Q: WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

9 A: I recommend the Commission order that the Parties' Interconnection Agreement exclude  
10 the RLECs' proposed section 3.4, and not require a list of counties served in Appendix C.

11 **Issue 12: Reciprocal and Net Billing Options**

12 **Q: WHAT IS THE ISSUE REGARDING THE INCLUSION OF RECIPROCAL AND NET BILLING**  
13 **OPTIONS IN THE PARTIES' INTERCONNECTION AGREEMENT?**

14 A: Based on the RLECs' statement on the Issues Matrix filed on September 22, it appears  
15 that this issue is resolved. The RLECs have indicated that either reciprocal or net billing  
16 is acceptable, so long as the bills accurately reflect the compensation that is due. In  
17 accordance with the Parties' agreement, the Commission should accept the CMRS  
18 Providers' proposed Section 14.8.1.

19 **Issue 17: SS7 Signaling Parameters**

20 **Q: WHAT IS THE ISSUE REGARDING SS7 SIGNALING PARAMETERS?**

21 A: When Parties exchange traffic, SS7 signaling is used to establish a path that the call will  
22 follow to completion and to provide call information. SS7 messages are delivered on  
23 physically separate network transport facilities from the calls themselves. The Parties'  
24 Interconnection Agreement should contain language:

- 25 i) establishing that the parties will exchange signaling information  
26 consistent with industry standards,

1  
2 ii) that they will connect directly or indirectly to the applicable Signaling  
3 Transfer Points (“STP”), and

4  
5 iii) that they will not assess SS7 charges on each other.  
6

7 **Q: WHAT CONCERNS DO THE CMRS PROVIDERS HAVE WITH THE RLECs’ PROPOSED**  
8 **LANGUAGE?**

9 The RLECs’ proposed language presents problems on all three of these points. As to the  
10 first point, some of the call information parameters identified by the RLECs are either  
11 inaccurate or not applicable to this traffic. The CMRS Providers agree to provide all SS7  
12 signaling parameters associated with local traffic and governed by TELCORDIA  
13 document GR-317-CORE. However, the CIP parameter identified in the RLECs’  
14 proposed contract term is an optional parameter and is normally used with signaling  
15 associated with interexchange carrier traffic that is covered by TELCORDIA document  
16 GR-394-CORE.<sup>1</sup> In addition, the RLECs refer to Automatic Number Identification  
17 (“ANI”), which is a term used with Multi-Frequency signaling and does not belong in a  
18 section addressing SS7 signaling. The SS7 counterpart is actually Charge Number “CN.”  
19 We believe the contract should reference “industry standard” parameters instead of the  
20 list proposed by the RLECs.

21 As to the second point, the RLECs’ language requires a third party SS7 provider to  
22 provide a “letter of agency” for purposes of transporting messages to and from the RLEC.  
23 The use of a stand alone SS7 signaling provider is not the way SS7 signaling works when  
24 the parties are indirectly interconnected through a BellSouth tandem, which is what the

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<sup>1</sup> “CIP” is used to signal in the originating direction to identify multiple Carrier Identification Codes to a single trunk group, and is not normally used by wireless carriers. In addition the RLECs incorrectly identify “CIP” as the Carrier **Information** Parameter while the correct title is Carrier **Indication** Parameter.

1 CMRS Providers want to continue to do in Kentucky. In that case, BellSouth would  
2 provide both switching and signaling on its portion of the call to the rural telephone  
3 companies. Thus, our language is consistent with the CMRS Providers' proposed  
4 resolution of Issue 2, which is addressed by other witnesses.

5 As to the third point, the CMRS Providers want the contract to be clear that the Parties  
6 should not be assessing SS7 charges on each other. The RLECs stated on the Issues  
7 Matrix that they agree with that point, but have not at this time agreed to contract  
8 language making that clear.

9 **Q: WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

10 A: I recommend the Commission order that the Parties' Interconnection Agreement include  
11 the CMRS Providers' proposed sections 4.3.1, 4.3.2, and 4.3.3.

12 **Issue 20: Post-Termination Arrangements**

13 **Q: WHAT IS THE ISSUE REGARDING PARTIES' POST TERMINATION ARRANGEMENTS?**

14 A: The Parties disagree about what should happen when the Parties' Interconnection  
15 Agreement terminates. The CMRS Providers propose that at the request of either party  
16 the Interconnection Agreement would remain in place, subject to true up, while the  
17 Parties negotiate a replacement agreement. The RLECs propose that that the existing  
18 agreement would automatically remain in place, but not be subject to a true up.

19 **Q: WHY SHOULD THE CMRS PROVIDERS' POSITION BE ACCEPTED?**

20 A: The RLECs' proposal would automatically extend the contract for up to a year, even if  
21 neither party asked to negotiate a replacement agreement. That is unnecessary – any such  
22 extension should be tied to a Party's request to negotiate a new agreement. In addition, if  
23 there is no true up, then the party that is satisfied with the status quo has no incentive to  
24 reach agreement on a replacement agreement.

1 **Q: WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

2 A: I recommend the Commission order that the Parties' Interconnection Agreement include  
3 the CMRS Providers' proposed section 8.2.1.

4 **Issue 22: Notice and Consent Requirements**

5 **Q: WHAT IS THE ISSUE REGARDING NOTICE AND CONSENT PROVISIONS IN THE PARTIES'**  
6 **INTERCONNECTION AGREEMENT?**

7 A: The CMRS Providers have proposed that the Parties' Interconnection Agreement include  
8 a provision allowing a party to assign to an affiliate with notice, and to a third party upon  
9 written consent, which consent will not be unreasonably withheld.

10 **Q: WHAT IS THE RLECs' POSITION ON THIS ISSUE?**

11 A: The RLECs want to condition assignment to an affiliate on the other Party's consent.

12 **Q: WHY SHOULD AN INTERCONNECTION AGREEMENT BE ASSIGNABLE TO AN AFFILIATE**  
13 **WITHOUT CONSENT?**

14 A: It is basic industry practice for parties to allow assignment to an affiliate without needing  
15 to obtain consent. This usually happens when a company goes through internal  
16 restructuring and wants to ensure that the entity responsible for delivering traffic is a  
17 party to all applicable interconnection agreements. In this circumstance, there is little  
18 reason for parties to go through the process of providing notice and obtaining consent,  
19 and no reason for the other party to refuse to provide consent.

20 **Q: WHAT SHOULD THE COMMISSION ORDER REGARDING THIS ISSUE?**

21 A: I recommend the Commission order that the Parties' Interconnection Agreement include  
22 the CMRS Providers' proposed section 14.7. In addition, the CMRS Providers do not  
23 object to keeping in the RLECs' proposed final sentence of section 14.7 as they request  
24 on the Issue Matrix.



1 **Issue 26: Incorporation of Terms into Customer Contracts**

2 **Q: WHAT IS THE ISSUE REGARDING THE INCORPORATION OF TERMS INTO CUSTOMER**  
3 **CONTRACTS?**

4 A: The RLECs propose contract language that would shield a party from liability from the  
5 other Party's customer.

6 **Q: WHAT IS THE CMRS PROVIDERS' POSITION ON THIS ISSUE?**

7 A: If a CMRS customer is damaged by the negligence of an RLEC, the RLECs are  
8 proposing that the responsibility for that harm be shifted to either the customer or to the  
9 CMRS Provider. That is not commercially reasonable. In addition, the contents of  
10 Verizon Wireless' customer service agreement should not be dictated by carriers with  
11 whom it exchanges traffic.

12 **Q: WHAT SHOULD THE COMMISSION ORDER REGARDING THIS ISSUE?**

13 A: The Commission should resolve Issue 23 in favor of the CMRS Providers and adopt the  
14 CMRS Providers' proposed contract language in Section 14.8.4 and 14.9 of the  
15 Interconnection Agreement.

16 **IV. TESTIMONY SPECIFIC TO VERIZON WIRELESS**

17 **Issue 13: IntraMTA Traffic Factors**

18 **Q: WHAT TESTIMONY ARE YOU PROVIDING FOR VERIZON WIRELESS ON ISSUE 13, WHICH**  
19 **IS THE APPROPRIATE INTRAMTA TRAFFIC FACTORS TO BE INCLUDED IN THE**  
20 **INTERCONNECTION AGREEMENT?**

21 A: Verizon Wireless will obtain reciprocal compensation from the RLECs by application of  
22 land-to-mobile traffic factors. My testimony identifies Verizon Wireless' proposed  
23 traffic factors with the RLECs.

24 **Q: WHAT INFORMATION HAVE YOU RELIED ON TO SUPPORT YOUR PROPOSED**  
25 **PERCENTAGES?**

1 A: My analysis focuses on our traffic exchanged with West Kentucky Rural and Ballard.  
2 These are the companies with whom we have the greatest volume of traffic, and are also  
3 companies whose customers can dial Verizon Wireless' numbers on a local basis. Today,  
4 this local dialing is provided under what is referred to as a "reverse toll billing  
5 agreement" whereby the RLEC allows its customers to dial certain of our numbers  
6 locally, and bills us a long distance charge for doing so. On a going forward basis we  
7 anticipate these customers will be transitioned to locally-rated phone numbers, and calls  
8 to those numbers would be delivered under the terms of the Interconnection Agreement.

9 **Q: WHY IS THIS IMPORTANT?**

10 A: First, we can use the land-to-mobile minutes of use billed by West Kentucky and Ballard  
11 to determine the amount of land-to-mobile traffic we are receiving. This underestimates  
12 the total amount of intraMTA land-to-mobile traffic, as it excludes land-to-mobile calls to  
13 intraMTA Verizon Wireless numbers not included in the reverse toll arrangement, but it  
14 is more reliable than information we are currently able to gather internally.

15 **Q: WHAT INFORMATION HAVE YOU USED FOR MOBILE-TO-LAND INTRAMTA TRAFFIC?**

16 A: We have used BellSouth transit reports, from which we can determine the amount of  
17 traffic that we have transited through BellSouth to West Kentucky and Ballard. Again,  
18 this information is more complete and reliable than information we can currently pull  
19 internally.

20 **Q: WHAT INFORMATION DO YOU HAVE FOR WEST KENTUCKY AND BALLARD?**

21 A: Confidential Exhibit JC-1 shows the mobile-to-land and land-to-mobile minutes between  
22 Verizon Wireless and West Kentucky and between Verizon Wireless and Ballard. The  
23 traffic percentages are 68% - 32% and 65%-35%, respectively. Based on this  
24 information, which we believe underestimates the amount of land-to-mobile traffic we

1 will see during the term of the Interconnection Agreement, we would recommend that all  
2 of the Interconnection Agreements reflect an assumption that 35% of total traffic between  
3 the parties is land-to-mobile traffic.

4 **Issue 15: Compensation For InterMTA Traffic**

5 **Q: WHAT IS THE ISSUE REGARDING COMPENSATION FOR INTERMTA TRAFFIC?**

6 A: Cingular's witness Bill Brown provides the CMRS Providers' position on how the Parties  
7 should compensate each other for interMTA traffic.

8 **Q: DOES VERIZON WIRELESS' NETWORK GENERALLY FOLLOW MTA BOUNDARIES?**

9 A: Yes, generally. Verizon Wireless has four mobile switching centers ("MSC") that serve  
10 its cell sites in Kentucky, as well as some cell sites in adjacent states. We provided a map  
11 showing the areas served by these switches in response to the Petitioners' Supplemental  
12 Interrogatories and Requests for Production of Documents. A review of that map shows  
13 that there are few instances in which mobile-to-land traffic would be crossing MTA  
14 boundaries.

15 **Q: WOULD TRAFFIC FROM OTHER PARTS OF THE COUNTRY BE DELIVERED UNDER THIS**  
16 **AGREEMENT?**

17 A: Not usually. If a Verizon Wireless subscriber in New Jersey made a call to a  
18 Brandenburg customer (i.e., an interMTA call), Verizon Wireless would hand that call to  
19 a wholesale interexchange carrier, which would deliver the call to Brandenburg in  
20 accordance with Brandenburg's interstate access tariffs, and pay Brandenburg's interstate  
21 access rate. Such a call would not be delivered under the Parties' Interconnection  
22 Agreement and would not need to be accounted for under the Agreement.

23 **Q: WHAT DO YOU PROPOSE ON ISSUE 15?**

1 A: Verizon Wireless supports the proposal made in Bill Brown’s testimony, that the parties  
2 assume 3% of traffic is interMTA.

3 **Q: WHY DOES THAT PROPOSAL LOOK REASONABLE AS APPLIED TO VERIZON WIRELESS?**

4 A: Nine of the RLECs are in the Louisville MTA and, beginning on or before January 1,  
5 2007, will receive traffic only originated by sites controlled by Verizon Wireless’  
6 Louisville MSC and Chandler (Indiana) MSC.<sup>2</sup> Those companies are: **Ballard, West**  
7 **Kentucky, Brandenburg, Logan, Duo County, North Central, South Central,**  
8 **Peoples Telephone and Thacker-Grigsby.** The Louisville MSC controls sites in the  
9 Louisville MTA and in three counties in the Cincinnati-Dayton MTA. The Chandler  
10 MSC controls cell sites primarily within the Louisville MTA, but also some cell sites in  
11 the Indianapolis MTA. This means that there may be some interMTA calls originated on  
12 Verizon Wireless’ Louisville MSC or Chandler MSC and delivered to these nine  
13 Petitioners through BellSouth.

14 While we cannot conduct sufficiently reliable studies to determine the exact percentages  
15 of interMTA traffic delivered to any RLEC, any calls originated outside the Louisville  
16 MTA will be far from any community of interest associated with these nine companies,  
17 and small in number compared to the number of calls originated inside the Louisville  
18 MTA. We would expect approximately 2% of mobile-to-land traffic to be interMTA  
19 traffic.

20 One RLEC is fully within the Cincinnati-Dayton MTA. That company is:  
21 **Gearheart/Coalfields.** On or before January 1, 2007, Verizon Wireless will configure

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<sup>2</sup> This will require some network reconfiguration, which Verizon Wireless is doing as we transition from the 2004 Settlement Agreement to the terms of an arbitrated Interconnection Agreement.

1 its Cincinnati MSC and Louisville MSC so that the only traffic delivered to  
2 Gearheart/Coalfields will be originated in the Cincinnati-Dayton MTA. As a result, we  
3 would expect zero (0) percent of traffic to Gearheart/Coalfields to be interMTA.

4  
5 Two RLECs are in both the Louisville MTA and the Cincinnati-Dayton MTA. Those  
6 companies are **Foothills and Mountain Rural**. In the absence of further information,  
7 Verizon Wireless believes a 3% factor for interMTA traffic is appropriate.

8  
9 For these reasons, Verizon Wireless supports the proposal made by Bill Brown on behalf  
10 of the CMRS Providers.

11 **Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 A: Yes it does, subject to any rebuttal testimony I may decide to file.

13 1949120v4

AFFIDAVIT OF JOHN L. CLAMPITT

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF CONTRA COSTA )

I am appearing as a witness on behalf of Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated, and Kentucky RSA No. 1 Partnership ("Verizon Wireless"), and 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, my Testimony would be the same as set forth in the annexed testimony.

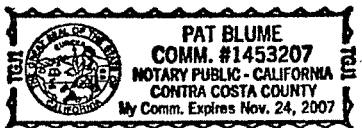
*John L. Clampitt*  
John L. Clampitt

On 9/28, 2006, before me, Pat Blume - Public Notary personally appeared John L. Clampitt,

- personally known to me
- provided to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my name and official seal.



*Pat Blume*  
Signature of Notary Public

DIRECT TESTIM

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

*Original*

In the Matter of:

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Petition of Ballard Rural Telephone 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 )

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Case No. 2006-00215 **PUBLIC SERVICE  
COMMISSION**

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Petition of Duo County Telephone Cooperative )  
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 )

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Case No. 2006-00217

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Petition of Logan Telephone 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 )

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Case No. 2006-00218

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Petition of West Kentucky Rural Telephone )  
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 )

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Case No. 2006-00220

DIRECT TESTIMONY OF DAVID R. CONN

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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

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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

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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

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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 )

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Case No. 2006-00292



DIRECT TESTIMONY OF DAVID R. CONN

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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

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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

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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

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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 )

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Case No. 2006-00300

**DIRECT TESTIMONY OF DAVID R. CONN  
ON BEHALF OF T-MOBILE AND THE CMRS PROVIDERS**

September 29, 2006

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ATTORNEYS FOR T-MOBILE USA, INC.,  
POWERTEL/MEMPHIS, INC. AND  
T-MOBILE CENTRAL LLC

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**I. QUALIFICATIONS AND PURPOSE OF TESTIMONY**

1  
2 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A: My name is David Conn. My business address is 12920 S.E. 38th Street, Bellevue,  
4 Washington.

5 **Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A: I am employed as National Director of State Regulatory and Policy for T-Mobile USA,  
7 Inc. My duties and responsibilities include leading T-Mobile's regulatory efforts before  
8 state utility commissions; providing advice on" issues related to interconnection,  
9 numbering and technology policy; and managing state regulatory issues related to  
10 consumer protection, service quality, regulatory fees and taxes.

11 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

12 A: I obtained a BA from the University of Iowa. I also have a MA in political science from  
13 the University of Iowa and a JD with honors from the University of Iowa College of Law.

14 **Q: FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

15 A: I am testifying on behalf of T-Mobile USA, Inc., Powertel/Memphis, Inc., and T-Mobile  
16 Central LLC, (collectively "T-Mobile"),<sup>1</sup> which provides commercial mobile radio  
17 services ("CMRS") in the state of Kentucky. I will provide some testimony that is  
18 specific to T-Mobile, as well as some testimony that represents the collective position of  
19 T-Mobile, Cingular, Verizon Wireless, ACC, Sprint PCS, and Alltel (collectively  
20 "CMRS Providers").

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<sup>1</sup> As noted in the Consolidated Response to Arbitration Petition filed by the CMRS Providers, T-Mobile USA, Inc. is a named respondent in certain of the petitions. Due to recent internal restructuring, Powertel/Memphis, Inc. and T-Mobile Central LLC are the T-Mobile operating entities in Kentucky, and are the proper parties to the interconnection agreements that will result from this case.

1 **Q: WHAT IS YOUR PROFESSIONAL EXPERIENCE IN THE FIELD OF TELECOMMUNICATIONS?**

2 A: I have sixteen years experience as a consumer advocate/attorney working for the Iowa  
3 Office of Commerce Counsel and Office of Consumer Advocate in the Iowa Attorney  
4 General's Office. I also have nine years experience working for McLeodUSA, a  
5 competitive local exchange carrier ("CLEC") and interexchange carrier ("IXC"), as its  
6 Vice President and Deputy General Counsel. Since September 2003, I have been  
7 employed by T-Mobile in my current position. In addition to my employment  
8 experiences, I have served as a CLEC representative on the FCC-Joint Board Rural Task  
9 Force on Universal Service, and as the CLEC director of the Universal Service  
10 Administrative Company ("USAC").

11 **Q: HAVE YOU TESTIFIED BEFORE ON BEHALF OF T-MOBILE?**

12 A: Yes, two years ago I testified as the Company's witness in an interconnection arbitration  
13 proceeding between T-Mobile and a group of rural local exchange carriers in Tennessee.

14 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A: I am addressing a number of issues raised the above cases. My testimony will present the  
16 CMRS Providers' position on the following unresolved issues:

17 **Issue 1: How should the Interconnection Agreement identify traffic that is subject**  
18 **to reciprocal compensation?**

19 **Issue 9: Are the Parties' required to pay reciprocal compensation to one another**  
20 **for all intraMTA traffic originated by subscribers on their network,**  
21 **regardless of how such traffic is routed, for termination to the other**  
22 **party?**

23 **Issue 16: Are the Petitioning RLECs required to provide dialing parity (in terms of**  
24 **both number of digits dialed and rates charged) for land to mobile**  
25 **traffic?**

26 **Issue 23: If the Parties to an Interconnection Agreement are unable to resolve a**  
27 **dispute, should either party be allowed to raise such dispute before any**  
28 **agency or court of competent jurisdiction?**

1       **Issue 27: If the Parties cannot agree upon a replacement for invalidated language,**  
2               **should either Party be allowed to terminate the Interconnection**  
3               **Agreement, or should the stalemate be resolved pursuant to Dispute**  
4               **Resolution?**

5       My testimony describes the CMRS Providers' understanding of the legal requirements  
6       that apply as the Commission resolves these disputes. For each of the unresolved issues,  
7       I will identify the applicable legal standard, any facts relevant to a determination, and  
8       recommend to the Kentucky Public Service Commission ("Commission") the appropriate  
9       resolution of each dispute.

10   **Q: WILL YOU PROVIDE ANY TESTIMONY SPECIFIC TO T-MOBILE?**

11   A: Yes. I will present testimony specific to T-Mobile on the following issues:

12       **Issue 13: If a CMRS provider does not measure intercarrier traffic for**  
13               **reciprocal compensation billing purposes, what intraMTA traffic**  
14               **factors should apply?**

15       **Issue 15: What is the appropriate compensation for interMTA traffic?**

16               **II. NEGOTIATIONS BETWEEN T-MOBILE AND THE RLECS**

17   **Q: DID T-MOBILE INITIATE INTERCONNECTION NEGOTIATIONS WITH THE RLECS UNDER**  
18       **SECTION 252(a) OF THE ACT?**

19   A: Yes. T-Mobile sent bona fide requests for negotiation to each RLEC effective January 1,  
20       2006.

21               **III. TESTIMONY ON POSITIONS COMMON TO THE CMRS PROVIDERS**

22               **Issue 1: Identification Of Traffic That Is Subject To Reciprocal Compensation**

23               **Issue 9: Payment Of Reciprocal Compensation For IntraMTA Traffic**

24   **Q: WHAT IS THE PARTIES' DISPUTE REGARDING ISSUES 1 AND 9, WHICH RELATE TO THE**  
25       **IDENTIFICATION OF TRAFFIC SUBJECT TO RECIPROCAL COMPENSATION UNDER 47**  
26       **U.S.C. § 251(b)(5)?**

27   A: The CMRS Providers' proposed Interconnection Agreement properly identifies and  
28       defines traffic that is subject to reciprocal compensation. We have proposed that the  
29       contract use the term "Telecommunications Traffic" – the term used in the FCC's Rules

1 to identify traffic that is subject to reciprocal compensation – and we have proposed  
2 defining the term in a way that is consistent with the FCC’s Rules.

3 **Q: WHY SHOULD THE COMMISSION USE THE TERM “TELECOMMUNICATIONS TRAFFIC”**  
4 **AND DEFINE THE TERM CONSISTENT WITH THE FCC’S RULES?**

5 A: One of the main purposes of this Interconnection Agreement is to provide each party with  
6 compensation required by Section 251(b)(5). To accomplish this, basic definitional terms  
7 must be consistent with law. The Parties’ Interconnection Agreement should use the term  
8 “Telecommunications Traffic” because that is the term used by the FCC to identify traffic  
9 that is subject to reciprocal compensation arrangements. FCC Rule 51.701(e) defines a  
10 reciprocal compensation arrangement as:

11 an arrangement between two carriers is one in which each of the two  
12 carriers receives compensation from the other carrier for the transport and  
13 termination on each carrier’s network facilities of telecommunications  
14 traffic that originates on the network facilities of the other carrier.  
15 (Emphasis added.)

16 “Telecommunications Traffic” is defined as traffic “exchanged between a LEC and a  
17 CMRS provider that at the beginning of the call, originates and terminates within the  
18 same Major Trading Area...” 47 C.F.R. § 51.701(b)(2). The CMRS Providers’ proposed  
19 Interconnection Agreement uses the term “Telecommunications Traffic” throughout the  
20 agreement, and defines the term “Telecommunications Traffic” exactly as it is defined in  
21 the FCC’s rules. See CMRS Template, § 1.22.

22 **Q: WHAT IS A MAJOR TRADING AREA, OR “MTA”?**

23 A: An MTA is a large CMRS license area. Exhibit DRC-1 to this testimony is a map that  
24 shows MTA boundaries in Kentucky, and as you can see, most of the state is in MTA 26,  
25 the Louisville MTA.

26 **Q: WHY DID THE FCC ESTABLISH THE MTA AS THE AREA WITHIN WHICH RECIPROCAL**  
27 **COMPENSATION APPLIES?**

1 A: In its *First Report & Order*,<sup>2</sup> the FCC decided that the MTA:

2 serves as the most appropriate definition for local service area for CMRS  
3 traffic for purposes of reciprocal compensation under section 251(b)(5) as  
4 it avoids creating artificial distinctions between CMRS providers.  
5 Accordingly, traffic to or from a CMRS network that originates and  
6 terminates within the same MTA is subject to transport and termination  
7 rates under section 251(b)(5), rather than interstate and intrastate access  
8 charges.

9 *First Report & Order*, ¶ 1036.

10 **Q: IS THE RLECS' PROPOSED USE OF THE TERM "SUBJECT TRAFFIC" APPROPRIATE?**

11 A: No. The RLECs utilize the term "Subject Traffic" in their Interconnection Agreement  
12 template and define it as:

13 Telecommunications traffic that is subject to Section 251(b)(5) of the Act.  
14 With respect to network interconnection between a CMRS licensee and a  
15 LEC, Subject Traffic is defined as traffic which is originated by an end  
16 user of one Party and terminates to an end user of the other Party within  
17 the same MTA, provided that the end user of the CMRS provider is a two-  
18 way CMRS customer and the traffic is delivered by Party over the  
19 connecting facilities covered by this Agreement.

20 RLEC's Interconnection Agreement Template, § 1.22. This proposed definition would  
21 limit the payment of reciprocal compensation to intraMTA traffic that is exchanged on  
22 dedicated facilities (i.e., direct connections) between the parties. Under this definition the  
23 RLECs would not be required to pay reciprocal compensation for intraMTA traffic that is  
24 exchanged via indirect connection through the utilization of any type of intermediary  
25 carrier.

26 **Q: IS RECIPROCAL COMPENSATION DUE ONLY FOR TRAFFIC EXCHANGED OVER DIRECT**  
27 **CONNECTIONS?**

---

<sup>2</sup> *In the Matter of Implementation of the Local Competition Provisions in the Telecommunication Act of 1996*, CC Docket No. 96-98, 11 FCCR 15499, FCC 96-325, First Report and Order (1996) ("*First Report & Order*").



1 A: No. The law requires that the RLECs must reciprocally compensate the CMRS Providers  
2 for land-to-mobile intraMTA traffic regardless of existence or nature of an intermediary  
3 carrier, just as the CMRS Providers compensate the RLECs for mobile-to-land traffic.

4 **Q: WHAT LEGAL AUTHORITY SUPPORTS THE CMRS PROVIDERS' POSITION?**

5 A: The CMRS Providers' position is based on FCC Rules and Orders, and federal court  
6 cases interpreting same, which make clear that a LEC must reciprocally compensate a  
7 CMRS provider for intraMTA traffic originated on the LEC's network regardless of  
8 existence or nature of an intermediary carrier.

9 **Q: WHAT DO THE FCC'S RULES AND ORDERS PROVIDE?**

10 A: In its *First Report & Order*, the FCC implemented the requirement in Section 251(b)(5)  
11 that LECs "establish reciprocal compensation arrangements for the transport and  
12 termination of telecommunications." 47 U.S.C. § 251(b)(5). The FCC established a  
13 geographic area -- the MTA -- as the area within which reciprocal compensation was due.  
14 Within this geographic area, all traffic, including traffic exchanged via indirect  
15 interconnection, is subject to reciprocal compensation:

16 LECs have a duty to establish reciprocal compensation arrangements with  
17 respect to local traffic originated by or terminating to any  
18 telecommunications carriers. CMRS providers are telecommunications  
19 carriers and, thus, LECs' reciprocal compensation obligations under  
20 section 251(b)(5) apply to all local traffic transmitted between LECs and  
21 CMRS providers.

22 ...

23 We reiterate that traffic between an incumbent LEC and a CMRS network  
24 that originates and terminates within the same MTA (defined based on the  
25 parties' locations at the beginning of the call) is subject to transport and  
26 termination rates under section 251(b)(5), rather than interstate or  
27 intrastate access charges.

DIRECT TESTIMONY OF DAVID R. CONN

1 *First Report & Order*, ¶¶ 1041, 1043 (emphasis added). As previously referenced, this  
2 was incorporated into FCC Rule 51.701(b)(2).

3 **Q: IS LAND-TO-MOBILE TRAFFIC THAT IS ROUTED VIA AN INTEREXCHANGE CARRIER**  
4 **EXCLUDED FROM THE SCOPE OF RECIPROCAL COMPENSATION?**

5 A: No. The FCC's Rules establish reciprocal compensation obligations for all intraMTA  
6 traffic – there is no exception for calls routed by a LEC via an interexchange carrier  
7 (“IXC”). In fact, FCC Rule 51.701 does provide such an exception for traffic between  
8 LECs, but not for traffic between a LEC and CMRS provider. Rule 51.701(b)(1) states:

9 For purposes of this subpart, telecommunications traffic means:  
10 Telecommunications traffic exchanged between a LEC and a  
11 telecommunications carrier other than a CMRS provider, except for  
12 telecommunications traffic that is interstate or intrastate exchange access,  
13 information access, or exchange services for such access. (emphasis  
14 added).

15 FCC Rule 51.701(b)(2) provides:

16 For purposes of this subpart, telecommunications traffic means:  
17 [t]elecommunications traffic exchanged between a LEC and a CMRS  
18 provider that, at the beginning of the call, originates and terminates within  
19 the same Major Trading Area... (emphasis added).

20 In comparing subparts (b)(1) and (b)(2), the FCC intentionally crafted a different rule for  
21 reciprocal compensation obligations involving a LEC and a CMRS provider. By not  
22 excepting IXC traffic in Section 51.701(b)(2), the FCC imposed reciprocal compensation  
23 obligations for calls between a LEC and a CMRS provider within the same MTA,  
24 regardless of whether the calls are delivered via an IXC.

25 **Q: HAVE ANY FEDERAL COURTS RESOLVED THIS ISSUE?**

26 A: Yes, and federal courts have confirmed that a LEC must pay reciprocal compensation for  
27 all intraMTA traffic destined to a CMRS network, even if the call is routed by the LEC  
28 via an IXC. The 10th Circuit Court of Appeals held:

1 We hold that the mandate expressed in these provisions is clear,  
2 unambiguous, and on its face admits of no exceptions. The RTCs in the  
3 instant case have a mandatory duty to establish reciprocal compensation  
4 agreements with the CMRS providers, *see Qwest Corp. v. FCC*, 258 F.3d  
5 1191, 1200 (10th Cir. 2001) (noting that the term “shall” connotes a  
6 mandatory, as opposed to permissive, requirement), for calls originating  
7 and terminating within the same MTA. Where the regulations at issue are  
8 unambiguous, our review is controlled by their plain meaning. *In re*  
9 *Sealed Case*, 237 F.3d 657, 667 (D.C. Cir. 2001). Nothing in the text of  
10 these provisions provides support for the RTC’s contention that reciprocal  
11 compensation requirements do not apply when traffic is transported on an  
12 IXC network.

13 *Atlas Tel. Co. v. Oklahoma Corp. Comm’n*, 400 F.3d 1256, 1265 (10th Cir. 2005). This  
14 ruling affirmed the lower court’s ruling that:

15 Thus, although the FCC was clearly aware of the issues created when  
16 access calls are exchanged, as evidenced by the exemption from reciprocal  
17 compensation obligations for LEC-to-LEC access calls under  
18 § 51.701(b)(1), the FCC did not create a similar exception for LEC-to-  
19 CMRS access calls which originate and terminate within the same major  
20 trading area. 47 C.F.R. § 51.701(b)(2).

21 *Atlas Tel. Co. v. Corporation Comm’n of Okla.*, 309 F.Supp.2d 1299, 1310 (W.D. Okla.  
22 2004). The United States District Court for the District of Nebraska is in accord as well:

23 Thus, as a matter of federal law, the [Nebraska] Commission erred in  
24 ruling that Great Plains owed no reciprocal compensation to Western  
25 Wireless for calls originated by Great Plains and terminated by Western  
26 Wireless within the same MTA, whether or not the call was delivered via  
27 an intermediate carrier.

28 *WWC License, L.L.C. v. Boyle et al.*, Case No. 4:03CV 3393, Mem. Op., p. 6 (D. Neb.  
29 Jan 20, 2005), *appealed on other grounds and affirmed*, *WWC License, L.L.C. v. Boyle*,  
30 459 F.3d 880 (8th Cir. 2006). Finally, in a case T-Mobile litigated, the United States  
31 District Court for the Western District of Missouri arrived at the same conclusion:

32 The *Atlas* decision is on all fours with the appeal currently pending before  
33 this Court. The Commission in the present case concluded that calls made  
34 by a LEC customer to a CMRS customer within the same MTA, whether  
35 connected directly from the LEC to the CMRS or indirectly through an  
36 IXC, were subject to reciprocal compensation requirements under the

1 plain language of 47 U.S.C. § 251(b)(5) and 47 C.F.R. § 51.701(b)(2).  
2 That decision is in accord with the Tenth Circuit's reasoning in *Atlas*,  
3 which this Court finds persuasive.

4 *Alma Communications Company v. Missouri Public Service Commission*, Case No. 05-  
5 4358-CV-C-NKL, Order Granting T-Mobile's Mot. Summ. J., p. 10 (W.D.Mo. May 19,  
6 2006) (Exhibit DRC-2).

7 **Q: WHAT IS YOUR RECOMMENDATION REGARDING ISSUES 1 AND 9?**

8 A: I recommend the Commission resolve Issue 1 by ordering that the Parties'  
9 Interconnection Agreement define and use the term "Telecommunications Traffic" as  
10 proposed by the CMRS Providers in sections 1.22, 3.1, 5.1, 5.4, 5.4.1, 5.4.3, Appendix A  
11 and Appendix B. The Commission should resolve Issue 9 consistent with the FCC's  
12 Rules and legal precedent, and require the RLECs to reciprocally compensate the CMRS  
13 Providers for intraMTA traffic regardless of whether the calls are delivered via any  
14 intermediary carrier. To accomplish this, the Commission should accept the CMRS  
15 Providers' proposed modifications to Sections 3.1, 3.2, 3.3, 3.4, 3.5, 5.4.2 and  
16 Appendices A and B.

17 **Issue 16: Provision Of Dialing Parity For Land-To-Mobile Traffic**

18 **Q: WHAT IS THE ISSUE REGARDING THE PROVISION OF DIALING PARITY FOR LAND-TO-**  
19 **MOBILE TRAFFIC?**

20 A: The CMRS Providers have proposed that the Parties' Interconnection Agreement include  
21 a provision that requires the RLECs to ensure that their customers can make calls to  
22 CMRS Providers' customers' numbers in local and EAS exchanges without dialing extra  
23 digits or paying extra charges.

24 **Q: WHAT IS THE RLECs' POSITION ON THIS ISSUE?**

1 A: The RLECs' have stated "the dialing parity concept does not logically apply to mobile  
2 users," and that they should be able to require their own customers to dial extra digits and  
3 pay extra charges to reach CMRS Providers' locally rated numbers. See Issues Matrix  
4 Filed by RLECs on September 22.

5 **Q: IS DIALING PARITY REQUIRED BY THE ACT?**

6 A: Yes it is. Section 251(b)(3) and FCC Rule 54.207 require all LECs to provide local  
7 dialing parity for competitors' telephone numbers.

8 **Q: DOES DIALING PARITY APPLY WHEN CUSTOMERS OF LECs CALL CUSTOMERS OF**  
9 **CMRS PROVIDERS?**

10 A: Absolutely, and the RLECs' statement to the contrary is simply wrong. When the FCC  
11 implemented this dialing parity obligation in 1996 it made clear that this applies to the  
12 telephone numbers of competing CMRS providers:

13 [P]ursuant to section 251(b)(3), a LEC is required to permit telephone  
14 exchange service customers within a defined local calling area to dial the  
15 same number of digits to make a local telephone call, notwithstanding the  
16 identity of a customer's or the called party's local telephone service  
17 provider.... We reject USTA's argument that the section 251(b)(3) dialing  
18 parity requirements do not include an obligation to provide dialing parity  
19 to CMRS providers. To the extent that a CMRS provider offers telephone  
20 exchange service, such a provider is entitled to receive the benefits of  
21 local dialing parity.... [W]e find that under section 251(b)(3) each LEC  
22 must ensure that its customers within a defined local calling area be able  
23 to dial the same number of digits to make a local telephone call  
24 notwithstanding the identity of the calling party's or called party's local  
25 telephone service provider.

26 *In the Matters of Implementation Of The Local Competition Provisions Of The*  
27 *Telecommunications Act Of 1996, CC Docket No. 96-98, FCC 96-333, Second Report*  
28 *and Order and Memorandum Opinion and Order, 11 FCCR 19392, 19428-30, ¶¶ 64-68*  
29 *(1996) (emphasis added) (footnotes omitted).*

30 **Q: HOW COULD A CMRS PROVIDER ESTABLISH A LOCAL NUMBER IN AN RLEC**  
31 **EXCHANGE AREA?**

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1 A: Under industry numbering guidelines, a CMRS provider has the right to obtain local  
2 numbers where it has a license and an ability to provide service via established or soon to  
3 be established facilities. Those numbers would then be assigned to customers residing in  
4 those local areas. Once such numbers are established as local to an exchange in the local  
5 exchange routing guide, (“LERG”) LECs in that exchange, or in neighboring exchanges  
6 that are part of an extended area service (“EAS”) area, would be obligated to allow their  
7 own customers to dial those numbers without dialing extra digits or paying extra charges.

8 **Q: WHY IS IT IMPORTANT FOR CMRS PROVIDERS TO RATE NUMBERS AS LOCAL TO RLEC**  
9 **EXCHANGE AREAS?**

10 A: Consumers in urban areas take for granted when they obtain cell service that they will be  
11 provided with a phone number that can be dialed as a local call by others in the  
12 community. This is harder to find in rural areas, both due to small size of local calling  
13 areas, and because many small ILECs claim they are not required to recognize locally-  
14 rated competitive numbers at all. Instead they seek to reserve the right to make their own  
15 customers dial 10 digits and pay long distance fees to call the numbers of local wireless  
16 competitors. That is bad for consumers, inhibits competition and is contrary to LECs’  
17 dialing parity obligations under the Act and the FCC’s Rules.

18 **Q: CAN YOU PROVIDE AN EXAMPLE OF THIS ISSUE IN KENTUCKY?**

19 A: Yes. T-Mobile has facilities covering the area served by Ballard Rural, which is in the  
20 western part of the Commonwealth. We (like several other of the CMRS Providers) have  
21 local numbers that are assigned to BellSouth’s Paducah exchange. As is shown in  
22 Ballard’s local exchange tariff (Exhibit DRC-3) and its discovery responses (Exhibit  
23 DRC-4), customers within Ballard’s Heath and Kevil exchanges can call the Paducah  
24 exchange on a local basis. Local dialing parity requires that Ballard ensure that its

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1 customers in Heath and Kevil can also dial our Paducah numbers on a local basis, i.e.,  
2 without dialing extra digits or paying extra charges.

3 **Q: CAN BALLARD'S HEATH AND KEVIL CUSTOMERS DIAL T-MOBILE'S PADUCAH**  
4 **NUMBERS TODAY ON A LOCAL BASIS?**

5 A: We have run some test calls and confirmed that Ballard's customers in Heath and Kevil  
6 cannot dial T-Mobile's Paducah numbers on a local basis today. Customers must dial 11  
7 digits (1+270-243-XXXX) to reach T-Mobile's numbers, and must pay an interexchange  
8 carrier a long distance charge.

9 **Q: IF THE RLECS' POSITION ON THIS ISSUE IS ACCEPTED, WHAT WOULD THE RESULT BE?**

10 A: If the RLECs' position is accepted, Ballard would be able to choose to continue to require  
11 its customers in Heath and Kevil to dial extra digits and pay an interexchange carrier in  
12 order to reach wireless numbers in Paducah that are part of those customers' tariffed local  
13 calling area.

14 **Q: ARE THERE TECHNICAL LIMITATIONS TO THE PROPER RATING AND DELIVERY OF CALLS**  
15 **TO COMPETITIVE NUMBERS?**

16 A: To the best of my knowledge, no. The process is very straight-forward. A CMRS  
17 provider would obtain a number block and assign that number block as local to an RLEC  
18 exchange or an exchange that is within an EAS area. The RLEC would program its  
19 switch to recognize the numbers as local, and would deliver the calls to the CMRS  
20 provider using either an existing direct connection or over common transport facilities to  
21 the BellSouth or Windstream tandem switch.

22 **Q: WHO WOULD PAY BELL SOUTH OR WINDSTREAM TRANSIT CHARGES ON CALLS**  
23 **EXCHANGED INDIRECTLY?**

1 A: The originating carrier. For mobile-to-land calls the CMRS provider would pay the  
2 transit carrier, and for land-to-mobile calls the RLEC would pay the transit carrier. Each  
3 party would be responsible to pay for its own traffic.

4 **Q: HAVE COURTS OR STATE COMMISSIONS FOUND THAT RURAL TELEPHONE COMPANIES**  
5 **MUST PROVIDE LOCAL DIALING PARITY TO COMPETITIVE WIRELESS NUMBERS?**

6 A: Yes. Both the 10th Circuit Court of Appeals and the 8th Circuit Court of Appeals have  
7 held that an originating LEC must provide local dialing parity for a CMRS provider's  
8 local numbers, and is responsible to deliver the call to the CMRS provider at a serving  
9 tandem switch. *Atlas Tel. Co. v. Oklahoma Corp. Comm'n*, 400 F.3d 1256 (10th Cir.  
10 2005); *WWC License, L.L.C. v. Boyle*, 459 F.3d 880 (8th Cir. 2006). In addition, the  
11 Georgia Commission and the Florida Commission have recently issued similar rulings. *In*  
12 *re: Joint Petition of TDS Telecom et al.*, Florida PSC Docket No. 050119-TP, Order No.  
13 PSC-06-0776-FOF-TP, p. 22-24 (Sept. 18, 2006); *In re: BellSouth Telecommunications,*  
14 *Inc's Petition for a Declaratory Ruling Regarding Transit Traffic*, Georgia Public Serv.  
15 Comm'n Docket No. 16772-U, Order on Clarification and Reconsideration, p. 4 (May 3,  
16 2005).

17 **Q: YOUR PROPOSED LANGUAGE WOULD PROHIBIT THE RLECS FROM ASSESSING**  
18 **ADDITIONAL CHARGES ON LOCALLY-DIALED CMRS NUMBERS. WHY IS THAT**  
19 **APPROPRIATE?**

20 A: We believe this goes hand-in-hand with dialing parity. If an RLEC's customers can dial  
21 competitors' local numbers on a seven digit basis, but are then assessed additional per-  
22 minute charges for doing so, the purpose of requiring dialing parity will be frustrated. In  
23 addition, the Commission has the authority to determine how a LEC's local calling is  
24 determined. As a matter of regulatory policy, Brandenburg's Vine Grove local calling



1 area (for example) should include all of the numbers that are rated to Vine Grove, not just  
2 some of those numbers.

3 **Q: WHAT SHOULD THE COMMISSION ORDER REGARDING THE DELIVERY OF LAND-TO-**  
4 **MOBILE LOCAL TRAFFIC?**

5 A: The Commission should resolve Issue 16 in favor of the CMRS Providers and adopt the  
6 CMRS Providers' proposed contract language in Section 4.2 of the Interconnection  
7 Agreement, which states:

8 Dialing Parity. RLEC will ensure that its customers can make calls to  
9 CMRS Providers' customers; numbers in local and EAS exchanges  
10 without dialing extra digits or paying extra charges.

11 **Issue 23: Resolving Disputes Arising Out Of An**  
12 **Interconnection Agreement**

13 **Q: WHAT IS THE ISSUE REGARDING DISPUTE RESOLUTION PROCEDURES UNDER THE**  
14 **INTERCONNECTION AGREEMENT?**

15 A: The CMRS Providers accept the RLECs' language proposed in the RLECs' Issues Matrix  
16 filed on September 22. As a result, this issue is now resolved.

17 **Issue 27: Resolving Issues Arising Due To Invalidated Language**

18 **Q: WHAT IS THE DISPUTE BETWEEN THE PARTIES WITH RESPECT TO THE REPLACEMENT**  
19 **OF INVALIDATED LANGUAGE?**

20 A: In accordance with the RLECs' Issues Matrix filed on September 22, it appears that this  
21 issue is resolved.

22 **IV. TESTIMONY SPECIFIC TO T-MOBILE**

23 **Issue 13: IntraMTA Traffic Factors**

24 **Q: WHAT TESTIMONY ARE YOU PROVIDING FOR T-MOBILE ON ISSUE 13, WHICH IS THE**  
25 **APPROPRIATE INTRAMTA TRAFFIC FACTORS TO BE INCLUDED IN THE**  
26 **INTERCONNECTION AGREEMENT?**

27 A: T-Mobile is not able to measure and bill traffic it terminates from the RLECs at this time,  
28 and as a result it must obtain reciprocal compensation by application of a land-to-mobile

1 traffic factors. In addition, we are not able at this time to complete what we would  
2 consider to be reliable traffic studies to determine the amount of traffic received from an  
3 RLEC's network.

4 **Q: IF YOU COULD DETERMINE HOW MUCH LAND-TO-MOBILE TRAFFIC THERE IS TODAY,**  
5 **WOULD YOU PROPOSE USING THAT NUMBER TO ESTABLISH TRAFFIC FACTORS?**

6 A: No. As I noted above, many landline customers are today being required to pay long  
7 distance carriers to reach CMRS numbers within a local or EAS area. As dialing parity is  
8 implemented, and landline customers can reach CMRS numbers on a local basis, we  
9 would expect more land-to-mobile calls to be made. As a result, even if we had actual  
10 information based on current traffic, that information would understate the amount of  
11 land-to-mobile traffic we would expect during the term of the Parties' Interconnection  
12 Agreement.

13 **Q: WHAT DOES T-MOBILE PROPOSE?**

14 A: T-Mobile supports the testimony of Randy Farrar on this point, that in the absence of  
15 studies, a 70-30 traffic factor should be adopted by the Commission.

16 **Issue 15: Compensation For InterMTA Traffic**

17 **Q: WHAT IS THE ISSUE REGARDING COMPENSATION FOR INTERMTA TRAFFIC?**

18 A: Cingular's witness Bill Brown provides the CMRS Providers' position on how the parties  
19 should compensate each other for interMTA traffic.

20 **Q: DOES T-MOBILE'S NETWORK ENGINEERING IMPACT THE AMOUNT OF INTERMTA**  
21 **TRAFFIC THAT WILL BE DELIVERED UNDER THIS AGREEMENT?**

22 A: Yes it does. T-Mobile has a single mobile switching center ("MSC") that serves all of its  
23 cell sites in Kentucky as well as some cell sites in Southern Indiana and Southern Illinois.  
24 This area is predominately in the Louisville MTA. Calls from these sites will be  
25 switched through our MSC, and delivered to a BellSouth or Windstream tandem switch

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1 to be delivered to a RLEC for termination. While we cannot do sufficiently reliable  
2 studies to determine the exact percentages of interMTA traffic delivered to any RLEC,  
3 we would expect the percentages to be small.

4 **Q: WOULD TRAFFIC FROM OTHER PARTS OF THE COUNTRY BE DELIVERED UNDER THIS**  
5 **AGREEMENT?**

6 A: Not generally. If a T-Mobile subscriber in Chicago made a call to a Duo County  
7 customer (i.e., an interMTA call), we would hand that call to a wholesale interexchange  
8 carrier, which would deliver the call to Duo County in accordance with Duo's interstate  
9 access tariffs, and pay Duo's interstate access rate. Such a call would not be delivered  
10 under the parties' Interconnection Agreement and would not need to be accounted for  
11 under the Agreement.

12 **Q: WHAT DO YOU PROPOSE ON ISSUE 15?**

13 A: T-Mobile supports the proposal made in Bill Brown's testimony.

14 **Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

15 A: Yes it does, subject to any rebuttal testimony I may decide to file.


16 1947671

**AFFIDAVIT OF DAVID R. CONN**

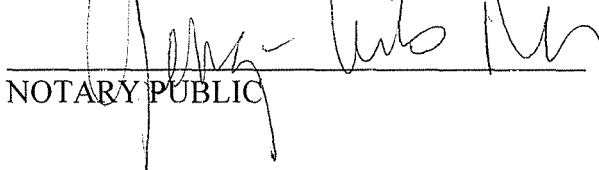
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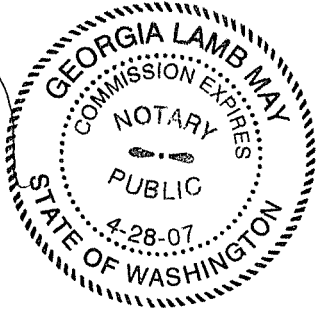
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David R. Conn, who being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of T-Mobile USA, Inc., Powertel/Memphis, Inc., and T-Mobile Central LLC ("T-Mobile"), and 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.

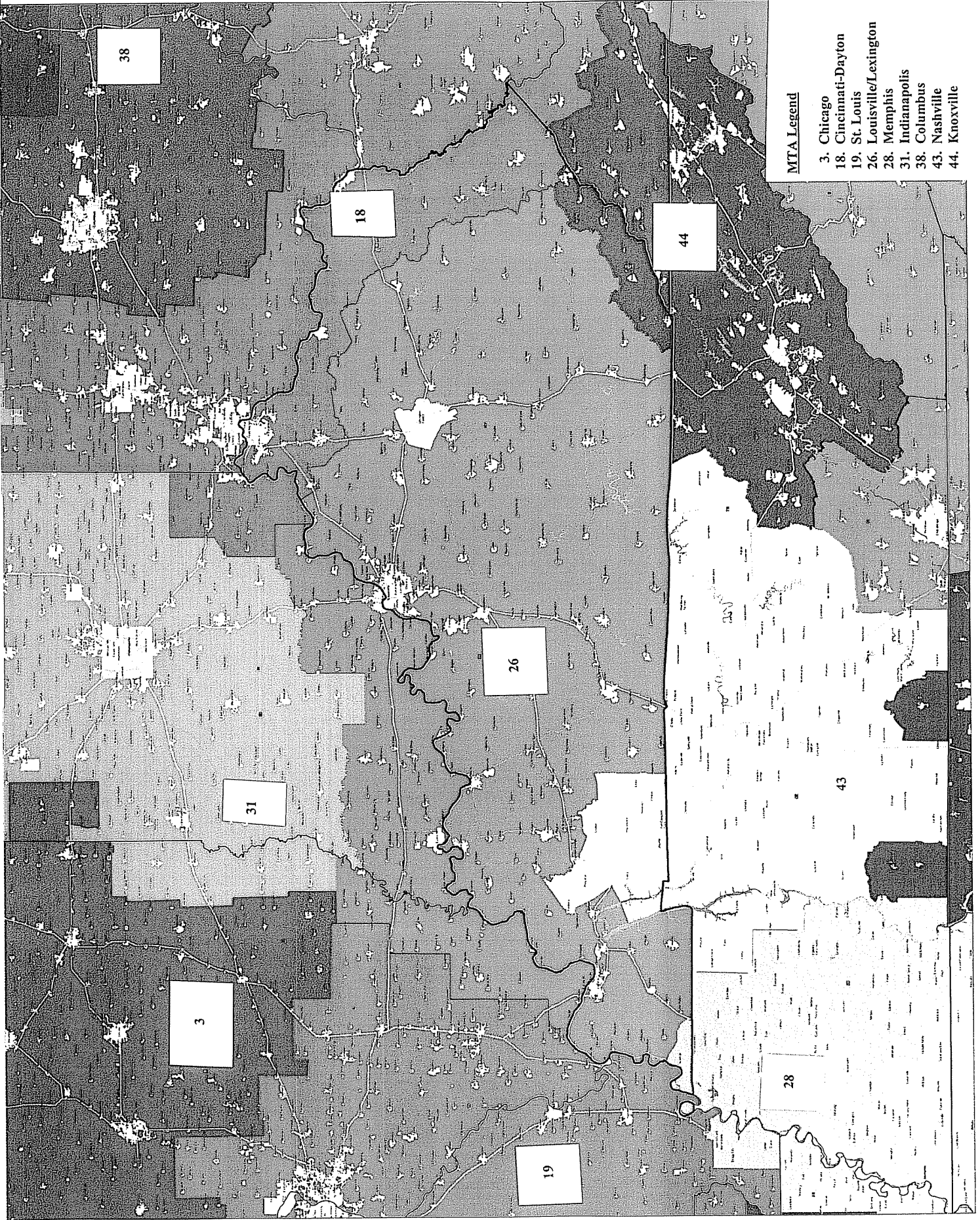
  
\_\_\_\_\_  
David R. Conn

SWORN TO AND SUBSCRIBED BEFORE  
ME THIS 25 DAY OF September, 2006.

  
\_\_\_\_\_  
NOTARY PUBLIC



DRC EXHIBIT 1



IN THE UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF MISSOURI  
CENTRAL DIVISION

ALMA COMMUNICATIONS COMPANY,)	)	
et al.,	)	
	)	
Plaintiffs,	)	
	)	Case No. 05-4358-CV-C-NKL
v.	)	
	)	
MISSOURI PUBLIC SERVICE	)	
COMMISSION, et al.,	)	
	)	
Defendants.	)	

ORDER

Pending before the Court are Alma Communication Company, et al.’s (“Plaintiffs”) Motion for Summary Judgment [Doc. # 17] and Defendant T-Mobile USA, Inc.’s (“T-Mobile”) Motion for Summary Judgment [Doc. # 20]. For the reasons set forth below, Plaintiffs’ Motion will be denied and T-Mobile’s Motion will be granted.

**I. Introduction**

Plaintiffs are appealing an October 6, 2005, arbitration decision by the Missouri Public Service Commission (“the Commission”) which determined that local telephone companies are required to pay reciprocal compensation to wireless phone companies for calls from a local landline phone to a mobile phone even if the connection was made by a

third-party long-distance company. Plaintiffs and their *Amici*<sup>1</sup> argue that the statutes and regulations requiring reciprocal compensation do not apply to calls in which the local company connects to a wireless customer through an intermediary long distance carrier because such three-party calls are compensated under a different, mutually exclusive regulatory scheme. The Commission and T-Mobile counter that the number of parties involved is not the issue, but rather whether the call originates and terminates within the same relevant geographical area. Resolution of this issue turns on an interpretation of federal communications law and the supporting regulations promulgated by the FCC.

**A. Nomenclature**

As in any case involving an interpretation of statutory or regulatory language, it is important to clarify terms. Plaintiffs and their *Amici* are Local Exchange Carriers (“LECs”), what one commonly thinks of as the local phone company providing traditional landline phone service to a private residence or business establishment. LECs may be either Incumbent (“ILECs”), the original local phone companies resulting from the break up of Ma Bell in the 1980s; or they may be Competitive (“CLECs”), newcomers allowed to compete with the ILECs by the Telecommunications Act of 1996, 47 U.S.C. §§ 151-614. An LEC typically serves a small area using a few local exchanges (the first three digits of a seven-digit phone number), within which the customer need not dial a 1+ before dialing the seven-digit number.

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<sup>1</sup>The Missouri Small Telephone Company Group, a consortium of local telephone companies, received leave from the Court to file an *amicus curiae* brief as the Commission’s decision has had a direct impact on their operations and finances.

Before the Telecommunications Act of 1996, all the customers in a given area were served by the same ILEC, so all calls between customers within the area would be connected by the ILEC itself. With the advent of CLECs, the two customers at either end of the call were no longer necessarily served by the same LEC. Thus, the LEC served by the caller was now required to connect to the LEC of the person called. Since both LECs have costs associated with connecting the call, Congress required LECs to enter into Reciprocal Compensation Arrangements in which they compensate each other for calls made between their customers. *See* 47 U.S.C. § 251(b)(5).

When an LEC customer calls outside the area, what one would traditionally think of as a “long-distance” call, there may be no direct interconnection between the LEC of caller and the LEC of the person called. In that case, the call is routed through a “long-distance” company, like AT&T or Sprint, chosen in advance by the dialing customer as their long distance carrier. These long-distance companies are called Interexchange Carriers (“IXCs”) in the jargon of telecommunication regulations. When a long distance call is made between two traditional landline customers, the dialing customer’s LEC transfers the call to that customer’s IXC, who in turn transfers it to the LEC of the call’s recipient for connection. In such cases, the LECs are not paid through reciprocal compensation arrangements since neither LEC bills the customer for the call. Instead, both LECs are paid through “access compensation” by the IXC, who bills the dialing customer and then compensates both the dialer’s LEC for originating the call and the recipient’s LEC for terminating it.



The compensation regime may be complicated further if one of the parties to the call is using a cell phone instead of a landline. “Wireless” customers go through a Commercial Mobile Radio Service (“CMRS”) instead of an LEC. If the landline customer’s LEC is able to connect directly to the wireless customer’s CMRS, then both companies must enter into a reciprocal compensation agreement as provided by 47 U.S.C. § 251(b)(5). If the landline customer and the wireless customer are in different Major Trading Areas<sup>2</sup> (“MTAs”), the calls are connected through an IXC like any other long-distance call and are not subject to reciprocal compensation.

All parties to the present litigation agree as to the compensation regimes governing the foregoing examples. Where they differ, and what the Court must decide, is whether calls *from* an LEC customer *to* a CMRS customer, both of whom are within the same MTA, are subject to reciprocal compensation even when the LEC routes the call through the dialing customer’s IXC.

**B. Procedural History**

This case began in negotiations between Plaintiff ILECs and Defendant T-Mobile to fashion Reciprocal Compensation Arrangements as required by 47 U.S.C. § 251(b)(5). The parties were not able to agree on all aspects of the Arrangement so each of the Plaintiffs filed petitions for arbitration with the Commission under 47 U.S.C. § 252. The

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<sup>2</sup>MTAs are large geographical divisions contemplated by the regulations. Most of Missouri, except for a few counties in the extreme northeast and southeast corners of the state, fall into either the St. Louis MTA or the Kansas City MTA.

dispute was arbitrated and the decision of the arbitrator was largely adopted by the Commission in its Arbitration Report of October 6, 2005.

The only aspect of the Commission's Arbitration Report that is on appeal before this Court is the Commission's finding that the Petitioners were required to provide reciprocal compensation to T-Mobile for landline-to-mobile intraMTA calls even when connected by IXC. The Commission explained its decision as follows:

The Commission has only that authority which the Congress has expressly delegated to it. The obligation to apply federal law applies even if state law precedent differs from federal law. The Eighth Circuit has stated: "We must defer to the FCC's view . . . . The new regime for regulating compensation in this industry is federal in nature, and while Congress has chosen to retain a significant role for the state commissions, the scope of that role is measured by federal, not state law." . . .

. . . As local exchange carriers, Petitioners have the federal statutory "duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications." FCC implementing rules, affirmed on appeal, define the scope of this duty. Specifically, FCC Rule 51.701 provides in relevant part:

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

(b) Telecommunications traffic. For purposes of this subpart, telecommunications traffic means:

\* \* \*

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

Although federal appellate courts have held that the “mandate expressed in these provisions is clear, unambiguous, and on its face admits of no exceptions,” Petitioners nonetheless ask the Commission to create a new exception. Specifically, they claim that they should be excused from paying reciprocal compensation for intraMTA traffic they deliver to interexchange carriers (“IXCs”). But the Commission may not rewrite or ignore FCC rules.

October 6, 2005, Arbitration Report.

### **C. Standard of Review**

Because this appeal presents a purely legal issue involving the Commission’s interpretation of federal law, both parties agree that this Court should review the Commission’s interpretation of Federal law *de novo*. *Qwest Corp. v. Koppendrayner*, 436 F.3d 859, 863 (8th Cir. 2006); *Atlas Tel. Co. v. Oklahoma Corp. Comm’n*, 400 F.3d 1256, 1262 (10th Cir. 2005); *Southwestern Bell Tel. Co. v. Apple*, 309 F.3d 713, 717 (10th Cir. 2002).

## **II. Discussion**

The Telecommunications Act of 1996 (“the Act”) imposes upon all telecommunications carriers (both LECs and CMRSs) a duty to interconnect their networks either directly or indirectly with the facilities and equipment of other telecommunications carriers. 47 U.S.C. § 251(a). The act also imposes upon LECs in particular a duty “to establish reciprocal compensation arrangements for the transport and termination of telecommunications.” *Id.* § 251(b)(5). To implement this mandate, the FCC promulgated rules requiring “reciprocal compensation for transport and termination

of telecommunications traffic between LECs and other telecommunications carriers.” 47

C.F.R. § 51.701(a). The obligation to pay reciprocal compensation applies to both:

(1) Telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access; . . . [and]

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

*Id.* § 51.701(b)(1)-(2).

T-Mobile and the Commission argue that the calls at issue in the present case are governed by the latter of these two subsections, as they are “telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area.” Consequently, the calls are subject to the reciprocal compensation duty, irrespective of whether they are connected through an IXC, so long as they originate and terminate within the same MTA.

Plaintiffs disagree. They argue that calls made by their customers to T-Mobile’s customers, even within the same MTA, are not “exchanged between a LEC and a CMRS provider” because they are first handed off to the LEC customer’s IXC. Plaintiffs in fact argue that the IXC originates the call by accessing the Plaintiffs’ network. Therefore, long distance access rules apply to this situation and not reciprocal compensation rules.

**A. *Atlas Tel. Co. v. Oklahoma Corp. Comm’n***

There is no Eighth Circuit precedent on this question; however, the Tenth Circuit has decided a case under these same regulations with facts nearly identical to those before

this Court. *See Atlas Tel. Co. v. Oklahoma Corp. Comm'n*, 400 F.3d 1256 (10th Cir. 2005). In *Atlas*, several Oklahoma LECs and CMRS providers had attempted to negotiate interconnection agreements with each other that allowed, but did not require, CMRS providers to establish physical connections between their networks and the LEC networks in the same geographical area. *Id.* at 1260. If they opted not to establish physical connections, the CMRSs and LECs could instead connect their customers through an IXC. *Id.* The negotiations broke down over the appropriate means to handle compensation for the IXC-transferred calls. *Id.* The CMRS providers turned to the Oklahoma Corporation Commission (“OCC”) to arbitrate the dispute, as provided under 47 U.S.C. 252(b)(1). The OCC determined that intraMTA traffic between an LEC and a CMRS was subject to the reciprocal compensation duty of 47 U.S.C. § 251(b)(5) even if the calls went through an intermediary IXC. That decision was affirmed by the U.S. District Court in Oklahoma and proceeded to the Tenth Circuit.

The Court of Appeals began by tracing the creation and codification of the FCC regulations implementing the reciprocal compensation duty of 47 U.S.C. § 251(b)(5). The Court noted that in its First Report and Order, “the FCC concluded that ‘reciprocal compensation obligations should apply only to traffic that originates and terminates within a local area.’” *Atlas*, 400 F.3d at 1263 (quoting First Report and Order P 1034). The FCC left state commissions to define “local area” with regard to calls exchanged between one LEC and another, but for the purposes of calls between LEC and CMRS customers, the FCC defined “local area” as coterminous with the Major Trading Areas.

*Id.* Finally, the Court observed that the codified regulations governing “reciprocal compensation for transport and termination of telecommunications traffic” defined “transport” as

the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an [ILEC].

*Atlas*, 400 F.3d at 1264 (quoting 47 C.F.R. § 51.701(c))(alteration by Tenth Circuit).

After concluding that the reciprocal compensation regulations were “clear, unambiguous, and on [their] face admit[] of no exceptions,” the Tenth Circuit held that “[n]othing in the text of these provisions provides support for the [LECs’] contention that reciprocal compensation requirements do not apply when traffic is transported on an IXC network.” *Id.* The Court reasoned that “[r]egulation 51.701(b)(1) specifically excludes from reciprocal compensation requirements landline traffic exchanged between a LEC and a non-CMRS carrier ‘that is *interstate or intrastate exchange access*’ in nature.” *Id.* at 1265 (emphasis added by Tenth Circuit). It noted that the FCC chose not to carry forward that same exception into regulation 51.701(b)(2), which governs landline-to-wireless traffic between an LEC and a CMRS. *Id.* Instead, the second subsection applies the reciprocal compensation requirements to every landline-to-wireless call that, at the time it is made, “originates and terminates within the same Major Trading Area.” 47 C.F.R. § 51.701(b)(2). Had the FCC intended to exempt intraMTA landline-to-wireless calls made through an IXC (and apply intrastate exchange access compensation to such

calls instead), it would have added the limiting language from section 51.701(b)(1) to section 51.701(b)(2). Since the FCC omitted the exception contained in the previous subsection, it must have intended no such exception for landline-to-wireless calls within the same MTA.

The *Atlas* decision is on all fours with the appeal currently pending before this Court. The Commission in the present case concluded that calls made by an LEC customer to a CMRS customer within the same MTA, whether connected directly from the LEC to the CMRS or indirectly through an IXC, were subject to reciprocal compensation requirements under the plain language of 47 U.S.C. § 251(b)(5) and 47 C.F.R. § 51.701(b)(2). That decision is in accord with the Tenth Circuit's reasoning in *Atlas*, which this Court finds persuasive. The same conclusion has been reached by other U.S. District Courts as well. *See, e.g., WWC License, L.L.C. v. Boyle*, 2005 U.S. Dist. LEXIS 17201, 8-9 (D. Neb. 2005) ("reciprocal compensation obligations apply to all calls originated by Great Plains and terminated by Western Wireless within the same MTA, regardless of whether the calls are delivered via an intermediate carrier such as Qwest").

**B. FCC's First Report and Order**

Rather than distinguishing *Atlas*, Plaintiffs argue that it was incorrectly decided and "devoid of any consideration of the statutes, rules, and FCC decisions indicating the FCC has not considered IXC traffic to be subject to reciprocal compensation." Pl. Sugg. in Supp. [Doc. # 18] at 39. They cite various paragraphs from the FCC's First Report and Order, 11 FCC Rcd 15499 (Aug. 8, 1996), as evidence that the FCC never intended

intraMTA landline-to-wireless calls connected through an IXC to be subject to reciprocal compensation. For example, Plaintiffs note that the FCC “preserves the legal distinctions between charges for transport and termination of local traffic and interstate and intrastate charges for termination of long-distance traffic.” First Report and Order P 1033. They further cite the FCC’s explanation of the difference between reciprocal compensation and access compensation:

Access charges were developed to address a situation in which three carriers—typically, the originating LEC, the IXC, and the terminating LEC—collaborate to complete a long-distance call. As a general matter, in the access charge regime, the long-distance caller pays long distance charges to the IXC, and the IXC must pay both LECs for originating and terminating access service. By contrast, reciprocal compensation for transport and termination of calls is intended for a situation in which two carriers collaborate to complete a local call. In this case, the local caller pays charges to the originating carrier, and the originating carrier must compensate the terminating carrier for completing the call. This reading of the statute is confirmed by section 252(d)(2)(A)(I), which established the pricing standards for section 251(b)(5). Section 252(d)(2)(A)(I) provides for ‘recovery by each carrier of costs associated with the transport and termination on each carrier’s network facilities of calls that originate on the network facilities of the other carrier. We note that our conclusion that long distance traffic is not subject to the transport and termination provision of section 251 does not in any way disrupt the ability of IXCs to terminate their interstate long-distance traffic on LEC networks. Pursuant to section 251(g), LECs must continue to offer tariffed interstate access services just as they did prior to enactment of the 1996 Act. We find that the reciprocal compensation provisions of section 251(b)(5) for transport and termination of traffic do not apply to the transport or termination of interstate or intrastate interexchange traffic.

*Id.* at P 1034. Plaintiffs argue that, because the wireless traffic at issue in the present case involves three parties (LEC, CMRS, and IXC) rather than just two (LEC and CMRS), it



constitutes a “long-distance” rather than “local” call and must be governed by access compensation rather than reciprocal compensation.

This argument might be persuasive were it not for the FCC’s explanation of the difference between local and long-distance calls two paragraphs later:

[I]n light of this Commission's exclusive authority to define the authorized license areas of wireless carriers, we will define the local service area for calls to or from a CMRS network for the purposes of applying reciprocal compensation obligations under section 251(b)(5). Different types of wireless carriers have different FCC-authorized licensed territories, the largest of which is the “Major Trading Area” (MTA). Because wireless licensed territories are federally authorized, and vary in size, we conclude that the largest FCC-authorized wireless license territory (i.e., MTA) serves as the most appropriate definition for local service area for CMRS traffic for purposes of reciprocal compensation under section 251(b)(5) as it avoids creating artificial distinctions between CMRS providers. Accordingly, traffic to or from a CMRS network that originates and terminates within the same MTA is subject to transport and termination rates under section 251(b)(5), rather than interstate and intrastate access charges.

*Id.* at P 1036. Reading these paragraphs together, the Tenth Circuit noted that, “Although in a preceding paragraph, . . . the FCC noted the continuing application of interstate and intrastate access charges in the context of landline communications, it omitted such language when referring to the CMRS communications. We will not ignore the clear distinction drawn by the agency.” *Atlas*, 400 F.3d at 1266. Moreover, the FCC’s definition of “Transport” as used in 47 U.S.C. § 251(b)(5) includes

the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an [ILEC].

47 C.F.R. § 51.701(c). The addition of the phrase “or equivalent facility provided by a carrier other than an LEC” suggests that the involvement of an IXC in the connection of calls between LEC and CMRS customers does not negate the reciprocal compensation duty as long as the call originates and terminates within the same MTA. Contrary to the Plaintiffs’ assertions, the *Atlas* court did consider the statutes, rules, and FCC decisions when it rejected the same arguments Plaintiffs raise in the present case.

In support of their position, Plaintiffs cite Paragraph 1043 of the FCC’s First Report and Order which explains that “[u]nder our existing practice, most traffic between LECs and CMRS providers is not subject to interstate access charges unless it is carried by an IXC . . . .” Plaintiffs argue that this language indicates an exception to the reciprocal compensation obligation for all landline-to-wireless calls connected through an IXC. But Paragraph 1043 does not address reciprocal compensation. Nor does it say anything about calls between wireless and landline customers within the same state. Rather, Paragraph 1043 is exclusively about interstate access charges. It says that calls between landline and wireless customers in different states are not necessarily subject to interstate access charges unless the call is connected through an IXC. This is because the Major Trading Areas, many of which encompass more than one state, are what define which wireless calls are local and which are long-distance. For example, when a wireless customer in Kansas City, Missouri, calls a landline customer in Kansas City, Kansas, the call still originates and terminates within the same MTA and is considered a local call and not subject to interstate access charges. By contrast, when a wireless customer in Kansas

City, Kansas, calls a landline customer in Cheyenne, Wyoming, the call is most likely routed through an IXC and is therefore subject to interstate access charges. In short, Paragraph 1043 has no impact on intrastate calls or interstate calls originating and terminating within the same MTA. Such calls are instead governed by Paragraph 1036's provision that "traffic to or from a CMRS network that originates and terminates within the same MTA is subject to transport and termination rates under section 251(b)(5), rather than interstate and intrastate access charges."

### C. Remaining Arguments

Plaintiffs and their *Amici* raise several other cases<sup>3</sup> and arguments, but none is sufficient to overcome the plain language of 47 U.S.C. § 251(b)(5) and 47 C.F.R. § 51.701. In particular, they rely on language from the FCC's March 2005 Notice of Proposed Rulemaking ("NPRM"), 20 FCC Rcd 4685 (FCC 2005), as evidence that the current rules do not yet provide for reciprocal compensation where landline-to-wireless calls are connected through an IXC. For example, they quote the following language as

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<sup>3</sup>For Example, Plaintiffs cite *Competitive Telecommunications Ass'n v. FCC*, 117 F.3d 1068, 1072 (8th Cir. 1997), to argue that the Eighth Circuit has already held that the FCC intended to keep access for IXC traffic separate and distinct from reciprocal compensation. However, this case involved the FCC's definition of "interconnection" as it appears in 47 U.S.C. § 251(c)(2). That section of the Act is not in dispute in the present case. The Commission rejected the applicability of *CompTel* for the same reasons. Arbitration Order at 17. Plaintiffs also cite the FCC's May 31, 2000, Memorandum and Order issued *In the Matter of TSR Wireless, LCC v. US West*, FCC 00-194. That case was considered and rejected by the Tenth Circuit in *Atlas*, 400 F.3d at 1267. Finally, Plaintiffs cite footnote 3 from this Court's August 24, 2005, Order in *VoiceStream PCS II Corp. v. BPS Telephone Co.*, Case. No. 05-4037-CV-C-NKL, which stated that "[a] call that originates from an MTA that does not correspond with a local telephone carrier's region is considered a "toll call" and a different system of compensation exists." *Voicestream* does not support Plaintiffs' argument. The cited footnote language only points out that wireless calls made or received from an MTA other than the one in which the other party's LEC is located are considered "toll calls." The Court's language in that case is in no way inconsistent with its present conclusion that intraMTA (local wireless) calls are subject to reciprocal compensation.

proof that all IXC connected calls are subject to access charges rather than reciprocal compensation:

Federal and state access charge rules govern the payments that interexchange carriers (IXCs) and commercial mobile radio service (CMRS) providers make to local exchange carriers (LECs) that originate and terminate long-distance calls, while the reciprocal compensation rules established under section 251(b)(5) of the Act generally govern the compensation between telecommunications carriers for the transport and termination of calls not subject to access charges.

NPRM P 5, 20 FCC Rcd at 4687-4688. Plaintiffs overlook the qualifying phrase “long-distance calls.” As explained at length above, “long-distance” in the context of CMRS wireless traffic means calls to or from somewhere outside the caller’s MTA.

Plaintiffs also point to Paragraph 137, which provides:

We also note that carriers have disagreed regarding the meaning of the existing intraMTA rule. Many rural LECs argue that intraMTA traffic between a rural LEC and a CMRS provider must be routed through an IXC and therefore is subject to access charges, rather than reciprocal compensation. CMRS providers, however, argue that all CMRS traffic that originates and terminates within a single MTA is subject to reciprocal compensation. In the event that we retain the rule and interpret its scope in the more limited fashion advocated by the rural LECs, should the rule be changed so that all intraMTA traffic to or from a CMRS provider is subject to reciprocal compensation? Under such an approach, would LECs be required to route all such intraMTA traffic to CMRS carriers rather than to IXCs, even if dialed on a 1+ basis? We seek comment on the relative merits and drawbacks of such an approach, and ask parties to identify any technical impediments to such routing requirements.

20 FCC Rcd at 4745-4746 (emphasis added by Plaintiffs). Plaintiffs suggest that the use of the phrase “should the rule be changed” implies that “all intraMTA traffic to or from a CMRS provider” is not currently subject to reciprocal compensation. However, the first part of the quoted sentence reads, “In the event that we retain the rule and interpret its

scope in the more limited fashion advocated by the rural LECs, should the rule be changed . . .?” This language suggests that the FCC has not yet interpreted the rule’s scope “in the more limited fashion advocated by the rural LECs.” Rather, the FCC is merely asking what would need to be done if it adopted that narrower interpretation advocated by the rural LECs.

The language Plaintiffs quote from the FCC’s NPRM is ambiguous. The language of the FCC’s already adopted regulations governing reciprocal compensation, 47 C.F.R. § 51.701(b)(2) is not. Perhaps after the FCC receives and compiles the comments to its Notice of Proposed Rulemaking, it will restructure the compensation regimes between the parties. Until then, however, the Court must consider the statutes and the rules presently before it. The plain language of 47 U.S.C. § 251 and 47 C.F.R. § 51.701 require telecommunications carriers to enter into reciprocal compensation agreements for the transport and termination of telecommunications traffic exchanged between an LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area. There is no exception in either the statute or the regulations for intraMTA calls connected through an IXC.

Finally, Plaintiffs and their *Amici* argue that the Commission’s Arbitration Report is at odds with some 90 previous arbitration decisions the Commission has made. It is unnecessary for the Court to consider whether and to what extent this is true, however, as state commissions are not the final interpreters of federal law. What matters in the present case is whether the Commission’s current Arbitration Order is in accord with

federal law. The Court concludes that it is. The Commission's Arbitration Report is therefore affirmed.

**III. Conclusion**

Accordingly, it is hereby

ORDERED that Plaintiffs Motion for Summary Judgment [Doc. # 17] is DENIED,  
and it is

ORDERED that T-Mobile's Motion for Summary Judgment [Doc. # 20] is  
GRANTED.

s/ Nanette K. Laughrey  
NANETTE K. LAUGHREY  
United States District Judge

Dated: May 19, 2006  
Jefferson City, Missouri

GENERAL SUBSCRIBER SERVICES TARIFF

Ballard Rural Telephone Cooperative Corporation, Inc.

Section C  
Original Sheet 6

C. BASIC LOCAL EXCHANGE SERVICE

C.1 Local Exchange Rates (Cont'd)

C.1.2 Monthly exchange service rates as authorized by the Kentucky Public Service Commission (Cont'd)

4. (Cont'd)

The rates specified herein entitle subscribers to an unlimited number of messages to all parties as identified in the Toll Free Calling Areas identified below:

<u>EXCHANGE</u>	<u>TOLL FREE CALLING AREAS</u>
Heath	Bandana Barlow Gage Kevil La Center Wickliffe Paducah (Bell)
Kevil	Bandana Barlow Gage Heath La Center Wickliffe Paducah (Bell)
La Center	Bandana Barlow Gage Heath Kevil Wickliffe

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
APR 01 2000

PURSUANT TO 607 KAR 5011,  
SECTION 9 (1)  
BY: [Signature]  
SECRETARY OF THE COMMISSION

Issued: March 1, 2000

Effective: April 1, 2000

By: Harlon E. Parker

Title: General Manager

Ballard Rural Telephone Cooperative Corporation

Type of Service?	Name of Company?	Exchange?	CLLI? (originating)	Connecting (if different, i.e. tandem) (terminating)	If has EAS to...? (identify exchange)	One-way, or two-way?	Bill and Keep?	Written Agreement?	Filed with PSC? (if written and not filed, provide a copy)	If not Bill and Keep, what is the transport and termination rate?
EAS	BellSouth & Cinergy	Heath	HETHKYYXARSI	LACTKYXA02T	488-Paducah	Two-way	Yes	Yes BellSouth & Cinergy	Yes	\$.00
EAS	BellSouth & Cinergy	Kevil	KEVLKYYXARSI	LACTKYXA02T	462-Paducah	Two-way	Yes	Yes BellSouth & Cinergy	Yes	\$.00