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September 29, 2006

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Hon. Beth O'Donnell Executive Director Public Service Commission 211 Sower Blvd. P. O. Box 615 Frankfort, Kentucky 40601 SEP 2 9 2006

PUBLIC SERVICE COMMISSION

RE: Direct Testimony of William H. Brown on Behalf of Cingular Wireless and on Behalf of the Wireless Carriers PSC 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

Dear Ms. O'Donnell:

Enclosed please find twelve originals of the Direct Testimony of William H. Brown to be filed in the above-referenced cases. I am also enclosing seven (7) copies. Please return one copy marked filed to the person delivering these documents to you.

Thank you and please call if you have any questions.

Very truly yours,

Phyllis D. O'Malley

Assistant to Jeffrey J. Yost

/pom Enclosures

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### COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: Petition of Ballard Rural Telephone Cooperative Case No. 2006-00215 ) Corporation, Inc. for Arbitration of Certain Terms ) and Conditions of Proposed Interconnection ) Agreement With American Cellular f/k/a ACC ) Kentucky License LLC, Pursuant to the ) Communications Act of 1934, as Amended by the ) Telecommunications Act of 1996 ) Petition of Duo County Telephone Cooperative Case No. 2006-00217 ) Corporation, Inc. for Arbitration of Certain Terms ) and Conditions of Proposed Interconnection ) Agreement With 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 ) Petition of Logan Telephone Cooperative Case No. 2006-00218 ) Corporation, Inc. for Arbitration of Certain Terms ) and Conditions of Proposed Interconnection ) Agreement With American Cellular f/k/a ACC ) Kentucky License LLC, Pursuant to the ) Communications Act of 1934, as Amended by the Telecommunications Act of 1996 Case No. 2006-00220 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 )

SEP 2 9 2006

### PUBLIC SERVICE COMMISSION

Petition of North Central Telephone Cooperative Corporation for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) ) ) ) )	Case No. 2006-00252
Petition of South Central Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) ) ) ) ) ) ) ) )	Case No. 2006-00255
Petition of Brandenburg Telephone Company for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) ) ) ) ) )	Case No. 2006-00288
Petition of Foothills Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) ) ) ) ) )	Case No. 2006-00292

Petition of Gearheart Communications, Inc. d/b/a Coalfields Telephone Company for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) Case No. 2006-00294 ) ) ) ) ) ) )
Petition of Mountain Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) Case No. 2006-00296 ) ) ) ) ) )
Petition of Peoples Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) Case No. 2006-00298 ) ) ) ) ) )
Petition of Thacker-Grigsby Telephone Company, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	) Case No. 2006-00300 ) ) ) ) )

### DIRECT TESTIMONY OF WILLIAM H. BROWN ON BEHALF OF CINGULAR WIRELESS AND ON BEHALF OF THE WIRELESS CARRIERS

New Cingular Wireless PCS, LLC and Cincinnati SMSA Limited Partnership D/B/A Cingular Wireless ("Cingular Wireless") hereby file the Direct Testimony of William H. Brown on behalf of Cingular Wireless and all the CMRS Providers.

Respectfully submitted by:

Jeffrey J. Yost Mary Elisabeth Naumann JACKSON KELLY PLLC P. O. Box 2150 Lexington, KY 40588-9945 (859) 255-9500

John Paul Walters, Jr. 15 East 1<sup>st</sup> Street Edmond, OK 73034 (405) 359-1718 Counsel for New Cingular Wireless PSC, LLC, Successor to BellSouth Mobility LLC, BellSouth Personal Communications LLC and Cincinnati SMSA Limited Partnership d/b/a Cingular Wireless

Dated: September 29, 2006

By: <u>s/Kendrick R. Riggs</u> Kendrick R. Riggs Douglas F. Brent Stoll Keenon Ogden PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, KY 40202 and Philip R. Schenkenberg Briggs and Morgan, P.A. 2200 IDS Center Minneapolis, Minnesota 55402

Counsel for: T-Mobile USA, Inc., PowerTel/Memphis, Inc. and T-Mobile Central LLC ("T'Mobile") and Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated and Kentucky RSA No. Partnership ("Verizon Wireless")

Dated: September 29, 2006

By: <u>s/Quint McTyeire</u> Quint McTyeire, V Greenebaum Doll & McDonald PLLC 3500 National City Tower 101 South Fifth Street Louisville, KY 40202 and Leon M. Bloomfield Wilson & Bloomfield LLP 1901 Harrison Street Suite 1620 Oakland, California 94612

Counsel for: American Cellular Corporation

By: <u>s/John N. Hughes</u> John N. Hughes 124 West Todd Street Frankfort, KY 40601 and William R. Atkinson Sprint Nextel 3065 Cumberland Circle, SE Mailstop GAATLD0602 Atlanta, GA 30339

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

By: <u>s/Mark R. Overstreet</u> Mark R. Overstreet Stites & Harbison PLLC 421 West Main Street P. O. Box 634 Frankfort, KY 40602-0634 and Stephen B. Rowell Alltel Communications, Inc. One Allied Drive Little Rock, Arkansas 72202-2099

Counsel for: Alltel Communications, Inc.

Dated: September 29, 2006

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Dated: September 29, 2006

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was served on the parties listed below by electronic mail, or first class mail, postage prepaid, the 29th day of September, 2006.

John E. Selent Holly C. Wallace Edward T. Depp Linda Bandy Dinsmore & Shohl, LLP 1400 PNC Plaza 500 West Jefferson Street Louisville, KY 40202 john.selent@dinslaw.com Counsel for West Kentucky, Ballard Rural, South Central, Duo County, Brandenburg Telephone, **Foothills Rural. Gearheart Communications, Logan** Telephone, Mountain Rural, North Central, Peoples Rural, Thacker-Grigsby

NTCH-West, Inc. Suite E 1970 North Highland Avenue Jackson, TN 38305

James Dean Liebman Liebman & Liebman 403 West Main Street P. O. Box 478 Frankfort, KY 40602-0478 Thomas Sams NTCH, Inc. 1600 Ute Avenue, Suite 10 Grand Junction, Colorado 81501

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

Bhogin M. Modi Vice President ComScape Communications, Inc. 1926 10<sup>th</sup> Avenue, North Suite 305 West Palm Beach, FL 33461

Counsel for Cingular Wireless

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# DIRECT TESTIMONY OF WILLIAM H. BROWN ON BEHALF OF CINGULAR WIRELESS AND ON BEHALF OF THE WIRELESS CARRIERS

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September 29, 2006

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Introduction1
Issue 2: Should the Interconnection Agreement apply to traffic exchanged directly, as well as to traffic exchanged indirectly through BellSouth or any other intermediary carrier?
Issue 5: Is each Party obligated to pay for the transit costs associated with the delivery of traffic originated on its network to the terminating Party's network? 8
Issue 6: Can the RLECs use industry standard records (e.g., EMI 11-01-01 records provided by transiting carriers) to measure and bill CMRS Providers for terminating mobile-originated Telecommunications Traffic?
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### **DIRECT TESTIMONY OF WILLIAM H. BROWN** 1 ON BEHALF OF CINGULAR WIRELESS AND ON BEHALF OF THE 2 3 WIRELESS CARRIERS 4 5 Introduction 6 7 O. State your name, address and occupation. 8 A. My name is William H. Brown. I am Senior Interconnection Manager for Cingular 9 10 Wireless ("Cingular"), and my office address is 5565 Glenridge Connector, Suite 1520, Atlanta, Georgia 30342. Cingular was formed as a result of the merger between the 11 wireless properties formerly held by SBC Communications and BellSouth Corporation. 12 O. Briefly state your education and experience as it relates to the provision of 13 telecommunications services generally and commercial mobile radio service in 14 15 particular. A. I have a Bachelor of Science Degree in Mathematics from North Georgia College and 16 a Master of Business Administration Degree from the University of Alabama in 17 18 Birmingham (UAB). I have been employed in the communications industry for 40 years and in wireless for 24 years. My work experience includes engineering, economic 19 analysis, rate and tariff development and filings, and regulatory responsibilities. I have 20 21 testified before a number of state commissions, including Georgia, Florida, Hawaii, Indiana, Wisconsin, Alabama, Louisiana, California, South Carolina, Massachusetts, 22 Mississippi, Tennessee, Missouri, Oklahoma and Kentucky. 23 O. What Cingular affiliates are currently providing commercial mobile radio 24 25 service in Kentucky? A. Cingular is currently providing Commercial Mobile Radio Service ("CMRS") in

A. Cingular is currently providing Commercial Mobile Radio Service ("CMRS") in
Kentucky through New Cingular Wireless PCS, LLC and Cincinnati SMSA Limited

# 1 Partnership d/b/a Cingular Wireless.

2	Q. What issues will you discuss in your testimony?
3	A. To avoid the duplication of having each wireless company witness discuss every issue
4	in these proceedings, the parties have agreed that individual wireless company testimony
5	will focus on only a subset of the total arbitration issues, and that such testimony may be
6	filed on behalf of all the CMRS Providers. In other words, the CMRS Providers have
7	divided the issues among their witnesses, in order to minimize/avoid duplicative
8	testimony, except insofar as certain issues require company-specific data. Accordingly,
9	my testimony will discuss the following issues on behalf of every CMRS Provider:
10 11 12 13	1. <u>Issue 2</u> : Should the Interconnection Agreement apply to traffic exchanged directly, as well as to traffic exchanged indirectly through BellSouth or any other intermediary carrier?
14 15 16 17	2. <u>Issue 5</u> : Is each Party obligated to pay for the transit costs associated with the delivery of traffic originated on its network to the terminating Party's network?
18 19 20	3. <u>Issue 6</u> : Can the RLECs use industry standard records (e.g., EMI 11-01-01 records provided by transiting carriers) to measure and bill CMRS Providers for terminating mobile-originated Telecommunications Traffic?
21 22 23 24	4. <u>Issue 13</u> : If a CMRS Provider does not measure intercarrier traffic for reciprocal compensation billing purposes, what intraMTA traffic factors should apply?
25 26 27 28	5. <u>Issue 14</u> : Should the Interconnection Agreement prohibit the Land-to- Mobile Traffic Factor from exceeding 50%?
29 30	6. <u>Issue 15</u> : What is the appropriate compensation for interMTA traffic?
31 32 33	7. <u>Issue 19</u> : Under what circumstances should a Party be permitted to block traffic or terminate the Interconnection Agreement?
35 34 35 36	8. <u>Issue 25</u> : Should the Interconnection Agreement require the Parties to maintain specific insurance not required by law?
30 37	Q. Will your testimony discuss any facts specific only to Cingular?

1 A. Yes. My testimony will discuss Cingular-specific facts in Issue 13.

Issue 2: Should the Interconnection Agreement apply to traffic exchanged directly,
as well as to traffic exchanged indirectly through BellSouth or any other
intermediary carrier?

5 6 O. Describe the dispute underlying this issue. 7 A. The Petitioners in this case, whom I will sometimes refer to as the RLECs (Rural 8 Local Exchange Carriers), have taken the position that Cingular and the other Wireless 9 Carriers must establish direct interconnection trunks with the Petitioners' networks. If 10 such direct interconnection trunks are not established. Petitioners have indicated that they 11 intend to block traffic from Cingular and the other Wireless Carriers. 12 O. Can you point to specific sections of the RLECs' proposed interconnection agreement that would require the Wireless Carriers to establish direct 13 14 interconnection trunks? A. The Issues Matrix attached to the Wireless Carriers' consolidated Response lists all 15 the contract sections that would require the establishment of direct interconnection 16 17 trunks. There are at least 23 different sections of the RLECs' proposed interconnection 18 agreement that would require such a result. I will comment on only a few, but all of them 19 need to be modified. 20 The title of the RLEC's proposed interconnection agreement is "Facilities-Based Network Interconnection for Transport and Termination of Telecommunication Traffic." 21 22 When the RLECs use the phrase "facilities-based," I believe they mean "direct interconnection." The RLECs' viewpoint, it appears to me, is that the exchange of traffic 23 24 through indirect interconnection (e.g., through a BellSouth tandem) is not "facilities-25 based."

1	Section 1.12 of the RLECs' proposed agreement would define "Interconnection"
2	to mean "the linking of the CMRS Provider and LEC networks for the delivery of
3	traffic." This definition defines "linking" to mean direct physical interconnection and
4	excludes indirect interconnection through a third-party's tandem.
5	This is stated directly in proposed section 3.1 which, if adopted as proposed by
6	the RLECs, would state:
7 8 9 10 11	This Agreement sets forth the terms, conditions and prices under which the Parties agree to interconnect the CMRS network of CMRS provider and the LEC network of LEC for the purposes of delivering certain traffic within the scope of this Agreement
12	Proposed section 4.1.1 is even more explicit:
13 14 15 16 17	The Parties agree to interconnect their respective networks within the incumbent LEC service area of LEC at one or more interconnection Points ("IPs") as established by LEC. Interconnection will be provided through an appropriate LEC tandem switching office.
18	Q. Why do you claim that the RLECs' proposed interconnection agreement would
19	prohibit Cingular and the other Wireless Carriers from exchanging traffic
20	indirectly with the RLECs?
21	A. Proposed section 4.1.2 of the RLEC's proposed contract would state:
22 23 24 25 26 27 28	Indirect Interconnection. CMRS Provider shall be permitted to use a third party carrier's facilities for purposes of establishing interconnection indirectly with LEC at the IPs. In such case, on behalf of CMRS Provider, the third party carrier will connect dedicated facilities with LEC at the IP(s). CMRS Provider shall be responsible for the payment to any third party carrier for any charges associated with the facilities.
29	By this proposed definition, the RLECs would define "indirect interconnection" to mean
30	the same as "direct interconnection," i.e., leasing facilities to connect directly to an
31	RLEC's switch.
32	This is not what "indirect interconnection" means. "Indirect interconnection"

1	means that Cingular and an RLEC do not interconnect directly with each other but
2	instead interconnect directly with BellSouth – or some other third-party intermediary
3	carrier – and send each other traffic through that third party's network. The RLECs'
4	proposed contract would prohibit this.
5	Q. If the RLEC's proposed language on this issue were adopted, and Cingular
6	attempted to send traffic to an RLEC through the BellSouth network, what would
7	happen?
8	A. The RLECs have told us that they will attempt to block all such wireless traffic.
9	Moreover, such blocking would be allowed under proposed section 8.6.3(b), which
10	would define "default," allowing termination of the interconnection agreement, to include
11	"[a] Party's refusal or failure in any material respect properly to perform its obligations
12	under this Agreement, or the violation of any of the material terms and conditions of this
13	Agreement." We expect that the RLECs would treat a failure by Cingular or any other
14	wireless carrier to establish direct interconnection trunks to be a "failure to perform
15	. obligations under this Agreement."
16	Q. Is the RLECs' position consistent with the Act and FCC Rules?
17	A. No. Both the Telecommunications Act and FCC Regulations specifically allow
18	Wireless Carriers to connect indirectly with the RLECs. 47 U.S.C. § 251(a)(1) requires
19	all "Telecommunications Carriers," which includes the RLECs, "to interconnect directly
20	or indirectly with the facilities and equipment of other telecommunications carriers."
21	Likewise, 47 C.F.R. § 51.100(a) states that each "telecommunications carrier" has the
22	specific duty "to interconnect directly or indirectly with facilities and equipment of other
23	telecommunications carriers."

## 1 Q. Doesn't the RLECs' proposed interconnection agreement allow indirect

### 2 interconnection?

- 3 A. No. As I discussed above, the RLECs' proposed agreement would define "indirect
- 4 interconnection" so that it is functionally the equivalent of "direct interconnection." The
- 5 RLECs cannot avoid their statutory obligation to connect "indirectly" by defining the
- 6 term out of existence.
- 7 Q. Has the FCC defined "indirect interconnection" in a manner that makes clear

## 8 the RLECs' proposed definition is wrong?

- 9 A. Yes. The FCC has specifically stated:
- 10As noted above, that section [252(a)(1)] requires that each11telecommunications carrier "interconnect directly or indirectly with the12facilities and equipment of other telecommunications carriers." As we13have stated in the past, CMRS providers are obligated to comply with this14section, but that indirect interconnection (e.g., two carriers other than15incumbent LECs connecting with an incumbent LEC's network) satisfies16this obligation.117
- As the Commission recognized in the Intercarrier Compensation NPRM, 18 19 CMRS providers typically interconnect indirectly with smaller LECs via a 20 Bell Operating Company (BOC) tandem. In this scenario, a CMRS provider delivers the call to a BOC tandem, which in turn delivers the call 21 to the terminating LEC. The indirect nature of the interconnection enables 22 23 the CMRS provider and LEC to exchange traffic even if there is no interconnection agreement or other compensation arrangement between 24 the parties.<sup>2</sup> 25 26
- 27 Thus, the FCC clearly defined "indirect interconnection" to mean a wireless carrier's
- 28 interconnecting with another carrier (such as the RLECs in this case) through the
- 29 facilities of an incumbent LEC (BellSouth in the case of Cingular). Moreover, the FCC

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<sup>&</sup>lt;sup>1</sup> In the Matter of Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Service, Fourth Report and Order, CC 94-54, ¶ 13 (rel. July 24, 2000)(citations omitted).

<sup>&</sup>lt;sup>2</sup> In the Matter of Developing a Unified Intercarrier Compensation Regime, T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs, Declaratory Ruling and Report and Order, CC 01-92, ¶5 (rel. Feb. 24, 2005).

has clearly stated that such "indirect interconnection" satisfies the requirements of 47
 U.S.C. § 252(a)(1).

3 Q. Have federal courts ruled on this matter?

A. Yes. The Eighth Circuit Court of Appeals has recently ruled that RLECs must
provide indirect interconnection to Wireless Carriers, holding that "... the statutory
provision that imposes the duty to interconnect networks expressly permits direct or
indirect connections. 47 U.S.C. § 251(a)(1)."<sup>3</sup>

8

9 O. Apart from the legal issues discussed above, why do the Wireless Carriers object 10 to being required to establish direct interconnection facilities with the RLECs? A. It is often a question of economics. For example, Wireless Carriers must either 11 12 construct or lease direct interconnection facilities to an RLEC's network. Although the 13 costs of any such two-way facilities are shared, many times, the relatively small amount 14 of traffic exchanged between a wireless carrier and an RLEC does not justify the cost of 15 direct interconnection facilities. In other words, the cost saved by avoiding the transit charge is less than the cost of direct trunks. In such a case, a wireless carrier will 16 17 generally choose to exchange traffic indirectly. 18 Also, it would be highly inefficient for each wireless carrier to establish a separate direct interconnection trunk with every RLEC. Such a requirement would entail 19 20 enormous and unnecessary duplication of facilities at substantial expense. 21 O. Are there costs associated with indirect interconnection? A. Yes. For example, the Wireless Carriers pay a "transiting fee" to the intermediary 22 carrier. Cingular, for example, pays a transiting fee to BellSouth for transiting services. 23

<sup>3</sup> See WWC License, L.L.C. v. Boyle, 459 F.3d 880 (8th Cir. 2006).

1	Thus, at some point, as traffic between Cingular and an RLEC grows, the cost of the
2	transiting fee exceeds the cost of direct interconnection facilities. When that point is
3	reached, Cingular and the other Wireless Carriers will often establish direct
4	interconnection trunks with an RLEC – under appropriate circumstances.
5	Also, Cingular and other Wireless Carriers pay facilities' costs to transport
6	wireless-originated traffic to the third-party transit provider. As discussed below in Issue
7	5, RLECs have the same obligations regarding traffic originated on their network.
8	Q. How should the Commission rule on this issue?
9	A. The Commission should rule in favor of Cingular and the other Wireless Carriers,
10	holding that the interconnection agreements with the RLECs must include provisions for
11	indirect interconnection. Because the contract proposed by the RLECs is full of offensive
12	language in this regard, it is very important for the Commission to rule that <u>all</u> of the
13	language proposed by the Wireless Carriers should be adopted for each contract section
14	listed in the matrix for Issue 2.
15	
16	Issue 5: Is each Party obligated to pay for the transit costs associated with the delivery of traffic originated on its network to the terminating Party's network?
16 17	delivery of traffic originated on its network to the terminating Party's network?
16 17 18	delivery of traffic originated on its network to the terminating Party's network? Q. Describe this issue.
16 17 18 19	<ul><li>delivery of traffic originated on its network to the terminating Party's network?</li><li>Q. Describe this issue.</li><li>A. When the Wireless Carriers and the RLECs exchange traffic indirectly (i.e., through a</li></ul>
16 17 18 19 20	<ul><li>delivery of traffic originated on its network to the terminating Party's network?</li><li>Q. Describe this issue.</li><li>A. When the Wireless Carriers and the RLECs exchange traffic indirectly (i.e., through a third-party tandem), the third-party tandem provider is entitled to compensation for the</li></ul>
16 17 18 19 20 21	<ul> <li>delivery of traffic originated on its network to the terminating Party's network?</li> <li>Q. Describe this issue.</li> <li>A. When the Wireless Carriers and the RLECs exchange traffic indirectly (i.e., through a third-party tandem), the third-party tandem provider is entitled to compensation for the use of its facilities. Typically, the transiting carrier will assess a usage-based charge</li> </ul>

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1	As discussed above, it appears to me that the RLECs believe that they can force
2	the Wireless Carriers to establish direct interconnection facilities, and if the Wireless
3	Carriers fail to do so, the RLECs appear to believe that they can block wireless traffic. If
4	the RLECs lose that argument, as they must, then the RLECs claim, as a fall-back
5	position, that they cannot be required to pay the transiting charge (arising out of indirect
6	interconnection) for RLEC-originated traffic. Instead, the RLECs claim that the Wireless
7	Carriers should be required to pay the transit charge for RLEC-originated traffic.
8	In other words, the RLECs claim that in cases of indirect interconnection, if
9	indirect interconnection is forced upon them, that the Wireless Carriers are required to
10	pay the transiting charge for all wireless-originated traffic and also for all RLEC-
11	originated traffic. The Wireless Carriers always pay, and the RLECs never pay.
12	Q. What language in the RLECs' proposed interconnection agreement embodies
12 13	Q. What language in the RLECs' proposed interconnection agreement embodies this dispute?
13	this dispute?
13 14	<ul><li>this dispute?</li><li>A. As discussed above, the RLECs take the position that they cannot be required to</li></ul>
13 14 15	<ul><li>this dispute?</li><li>A. As discussed above, the RLECs take the position that they cannot be required to interconnect indirectly. Thus, the RLECs' proposed interconnection agreement contains</li></ul>
13 14 15 16	<ul><li>this dispute?</li><li>A. As discussed above, the RLECs take the position that they cannot be required to interconnect indirectly. Thus, the RLECs' proposed interconnection agreement contains no language whatever regarding indirect interconnection. The Wireless Carriers have</li></ul>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	<ul> <li>this dispute?</li> <li>A. As discussed above, the RLECs take the position that they cannot be required to interconnect indirectly. Thus, the RLECs' proposed interconnection agreement contains no language whatever regarding indirect interconnection. The Wireless Carriers have therefore proposed the following language in section 4.1.2.1 that would clearly establish</li> </ul>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	<ul> <li>this dispute?</li> <li>A. As discussed above, the RLECs take the position that they cannot be required to interconnect indirectly. Thus, the RLECs' proposed interconnection agreement contains no language whatever regarding indirect interconnection. The Wireless Carriers have therefore proposed the following language in section 4.1.2.1 that would clearly establish the obligations of the parties for paying transiting charges:</li> <li>Each Party shall be responsible for (a) all transit charges, if any, generated by calls originated on its network, and (b) all costs of the facilities linking</li> </ul>

### 1 Q. Currently, who pays the transiting charge for wireless-originated traffic sent to

### 2 the RLECs through a third-party tandem?

A. The Wireless Carriers all pay this charge as they are required to do pursuant to their
respective agreements with the transiting carriers.

5 Q. Do the Wireless Carriers object to paying the transiting charge for RLEC-

6 originated traffic?

7 A. Yes. The Wireless Carriers believe that the originating carrier should pay the 8 transiting charge, whether the call originates from a wireless or landline phone. The 9 Wireless Carriers should pay the transiting charge for wireless-originated traffic, and the 10 RLECs should pay the charge for RLEC-originated traffic. This would require the 11 originating carrier to be financially responsible for the cost of carrying the call all the 12 way to the terminating carriers' network. I may be stating the obvious, but this is fair 13 because it applies equally to each party; that is, each carrier is responsible for the cost of 14 delivering its traffic to the other party. It is also fair because, with a fee based on usage, 15 each party incurs a transiting fee directly related to the amount of traffic originated on its 16 network.

In my opinion, the RLECs are attempting to evade financial responsibility for
calls originated on their networks and to force the Wireless Carriers to pay for such calls.
This is inappropriate simply as a matter of fairness.

Q. Do any statutes, regulations, administrative rulings or judicial decisions deal
with this issue?

A. Yes. Petitioners' position on this issue is contrary to all authority with which I amfamiliar.

1	(1) Petitioners' Position Is Incompatible with FCC Rules. 47 C.F.R. § 51.703(b)
2	specifically states that "[a] LEC may not assess charges on any other telecommunications
3	carrier for telecommunications traffic that originates on the LEC's network." In other
4	words, the originating carrier cannot require the terminating carrier to pay the cost to
5	deliver the originating carrier's calls. Indeed, it would be logically inconsistent for the
6	terminating carrier (rather than the originating carrier) to pay the cost to receive the call,
7	but then for the originating carrier to compensate the terminating carrier for the costs of
8	switching and transport once the land-to-mobile traffic reaches the wireless network. Yet
9	FCC Rules clearly require the RLECs to pay compensation for the Wireless Carriers'
10	costs of transporting and terminating RLEC-originated traffic. <sup>4</sup> Under such a system, it
11	makes no sense to claim that the terminating carrier should pay the transiting charge.
12	(2) Petitioners' Position Is Incompatible with the FCC's Interpretation of Its Own
13	Rules. The FCC's General Counsel has explained FCC rules to one federal appellate
14	court as follows:
15 16 17 18	Under the current intercarrier compensation rules, then, when a wireless customer calls a rural LEC customer, the wireless carrier is responsible for transporting the call and paying the cost of this traffic. And, conversely, when a rural LEC customer calls a wireless customer, the rural LEC is

19 responsible for transporting the call and paying the cost of this transport.<sup>5</sup>

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<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 51.701(d)("For purposes of this subpart, termination is the switching of telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises."). 47 C.F.R. § 51.701(c)("[T]ransport is 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 incumbent LEC.").

<sup>&</sup>lt;sup>5</sup> Brief for the Federal Communications Commission, *United States Telecom Ass 'n* v. *FCC*, Nos. 03-1414. 1443, at 35 (D.C. Cir., filed July 9, 2004).

1	Thus, the FCC has specifically stated in filed pleadings that LECs cannot require
2	Wireless Carriers to pay the cost of delivering LEC-originated, intraMTA traffic to
3	CMRS Providers for termination. FCC decisions have reached the same conclusion:
4 5 6	Section 51.703(b), when read in conjunction with Section 51.701(b)(2), requires LECs to deliver, without charge, traffic to CMRS providers anywhere within the MTA in which the call originated $\dots^{6}$
7	Likewise, the FCC has specifically rejected the "financial POI" concept
8	advocated by Petitioners. In the Virginia Arbitration Order, the incumbent LEC asked
9	the FCC to approve its "virtually geographic relevant interconnection point" ("VGRIP")
10	proposal. <sup>7</sup> Under this proposal, competitive carriers would have been required to
11	"designate one or more 'interconnection points' (IPs) within each LATA" and the
12	competitive carrier's "IP, which may be different from the physical POI, would function
13	as a point of demarcation of financial responsibility for the further transport of traffic
14	delivered to its network." <sup>8</sup> The FCC rejected the incumbent's VGRIP proposal as being
15	incompatible with its "current rules governing points of interconnection and reciprocal
16	compensation":
17 18 19 20 21 22 23	We find that the petitioners' proposed language more closely conforms to our existing rules and precedent than do [the incumbent's] proposals [U]nder the petitioners' proposals, each party would bear the cost of delivering its originating traffic to the point of interconnection designated by the competitive LEC. The petitioners' proposals, therefore, are more consistent with the Commission's rules for section 251(b)(5) traffic, which prohibit any LEC from charging any other carrier for traffic originating on

24 that LEC's network.<sup>9</sup>

<sup>&</sup>lt;sup>6</sup> TSR Wireless v. US WEST, 15 FCC Rcd 11166, 11184 ¶ 31 (2000), aff'd Qwest v. FCC, 252 F.3d 462 (D.C. Cir. 2001).

<sup>&</sup>lt;sup>7</sup> Virginia Arbitration Order, 17 FCC Rcd 27039 (2002).

<sup>&</sup>lt;sup>8</sup> Id. at 27057 ¶ 37.

<sup>&</sup>lt;sup>9</sup> *Id.* at 27063-64 ¶ 51, 27064-65 ¶ 53.

1	(3) <u>Petitioners' Position Is Incompatible with a Recent Federal Appellate Court</u>
2	Decision. Federal court interpretations of the Communications Act and FCC
3	implementing rules are important because it will be a federal court that entertains any
4	appeals of this Commission's arbitration order. See 47 U.S.C. §§ 252(e)(4), (6).
5	In an appeal of an Oklahoma Corporation Commission arbitration decision, the
6	rural LECs made the same argument Petitioners repeat here: they should not be
7	responsible for paying the transiting charge to the intermediary carrier. The Tenth Circuit
8	Court of Appeals summarily rejected this argument:
9 10 11	The [rural LECs'] argument that CMRS providers must bear the expense of transporting [rural LEC]-originated traffic on the [intermediary] network must fail. <sup>10</sup>
12	In short, the originating carrier, not the terminating carrier, is responsible for the costs of
13	transport of traffic originating on the originating carrier's network.
14	Q. Is Petitioners' position on this issue inconsistent with the Position taken by a
15	rural LEC trade association?
16	A. Yes. The National Telecommunications Cooperative Association, which represents
17	more than 560 small and rural LECs, <sup>11</sup> has told the FCC: "Typically, the carrier that
18	originates the call will pay for the transiting function." <sup>12</sup>
19	Q. How should the Commission rule on this issue?

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<sup>&</sup>lt;sup>10</sup> Atlas Telephone v. Oklahoma Corporation Comm'n, 400 F.3d 1256, 1266 (10<sup>th</sup> Cir. 2005).

<sup>&</sup>lt;sup>11</sup> See www.ntca.org.

<sup>&</sup>lt;sup>12</sup> NTCA Ex Parte, CC Docket No. 01-92 (March 10, 2004), attaching NTCA, Bill and Keep: Is It Right for Rural America, at 40 (March 2004).

A. The Commission should adopt the Wireless Carriers' proposed language in section 1 2 4.1.2.1, making clear that the originating party is required to pay the transiting fee in all cases of indirect interconnection. 3 Issue 6: Can the RLECs use industry standard records (e.g., EMI 11-01-01 records 4 provided by transiting carriers) to measure and bill CMRS Providers for 5 terminating mobile-originated Telecommunications Traffic? 6 7 8 O. Please, explain this issue. 9 A. As I discussed above, the RLECs do not want to accept traffic from the Wireless Carriers through indirect interconnection. Thus, the RLECs' proposed contract does not 10 11 contain any language regarding the method of obtaining usage information, in the case of 12 indirect interconnection, for billing purposes. 13 **O.** Have the Wireless Carriers proposed any language to deal with this situation? 14 A. Yes. In section 5.5, the Wireless Carriers have proposed language that would allow 15 the RLECs to base their intercarrier bills, in cases of indirect interconnection, upon either 16 17 (1) actual usage measured at the RLEC switch, or (2) industry standard EMI 11-01-01 18 records. 19 Q. What are EMI 11-01-01 records. 20 A. These are billing records produced by the intermediary transiting carrier. In the case of the RLECs, the 11-01-01 records would be produced by BellSouth and would show 21 the minutes of use sent to each RLEC by Cingular and the other Wireless Carriers 22

23 through the BellSouth network.

### 24 Q. Do RLECs in other states use 11-01-01 records to bill Cingular and other

25 Wireless Carriers?

A. Yes. RLECs across the country use 11-01-01 records (or their equivalent) to bill
 Cingular and other Wireless Carriers in the case of indirect interconnection. Use of such
 records is standard industry practice.

4 (

### Q. Explain the nature of 11-01-01 records.

A. BellSouth's 11-01-01 records are produced by BellSouth tandems. The format and
content of these records are defined by the Alliance for Telecommunications Industry
Solutions ("ATIS"), an industry standards body. Among other activities, ATIS manages
standardization activities for wireless and wireline networks, including interconnection
standards, number portability, toll-free access, telecom fraud, and order and billing
issues. ATIS is accredited by the American National Standards Institute ("ANSI").

Attached to my testimony as Exhibit 1 is the response of BellSouth to a Data Request of the Tennessee Regulatory Authority, inquiring about the reliability of 11-01-01 records for intercarrier billing purposes. Included in the attachment are actual 11-01-01 records for calls from customers of three Tennessee RLECs to Cingular, and calls from Cingular customers to customers of three Tennessee RLECs. The names of the Tennessee RLECs have been redacted from the exhibit.

As the BellSouth response indicates, EMI 11-01-01 records are sent by BellSouth to RLECs electronically, either on a weekly or daily schedule. The records are not part of the "real time" signaling that accompanies each call.

Q. Has the Tennessee Regulatory Authority found that BellSouth EMI 11-01-01
records are appropriate for intercarrier billing when parties are interconnected
indirectly?

1	A. Yes. In an arbitration between several wireless carriers (including Cingular) and
2	several Tennessee RLECs, the Authority specifically ruled that 11-01-01 records could be
3	used for intercarrier billing purposes. <sup>13</sup>
4	Q. Does the language proposed by the Wireless Carriers allow the RLECs, in cases
5	of indirect interconnection, to bill from measurements made by an RLEC's switch?
6	A. Yes, provided that RLEC switching equipment can be verified as capable of
7	accurately measuring traffic originated by the Wireless Carriers that is subject to
8	reciprocal compensation.
9	Q. Why have the Wireless Carriers included language requiring that RLEC
10	switches be verified as capable of accurate measurements?
11	A. Most LECs are currently unable to verify at the switch wireless carrier numbers that
12	have been ported to another carrier. The same is true for so-called "pooled" numbers that
13	may have been originally assigned to a wireless carrier but are being used by another
14	carrier. Without the ability to distinguish these numbers, RLECs will bill the Wireless
15	Carriers for calls not the responsibility of the Wireless Carriers. Billing based on 11-01-
16	01 records does not cause this problem, because the records are based on individual
17	wireless carrier trunk groups, which insures that ported and pooled numbers are not
18	improperly billed. This can be seen in Exhibit 1 attached hereto.
19	Q. How should the Commission rule on this issue?
20	A. The Commission should adopt the Wireless Carriers' proposed language in section
21	5.5 and reject the RLECs' proposed language, which would limit the interconnection

22 agreement to direct interconnection only.

<sup>&</sup>lt;sup>13</sup> In re Petition for Arbitration of Cellco Partnership d/b/a Verizon Wireless, Tennessee Regulatory Authority, Docket No. 03-00585, Order of Arbitration Award, p. 54 (Jan. 12, 2006).

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

3 4

### Q. What does this issue involve?

A. Some of the Wireless Carriers, including Cingular, lack a system that can parse the
call detail records and produce intercarrier bills for reciprocal compensation. Such
systems on the landline side are based upon CABS (Carrier Access Billing System), but
Cingular does not have access to such a system or its equivalent.

### 9 Q. Is Cingular working to establish such a system?

10 A. Yes. But the expense and time involved are considerable, and the system is not yet in11 place.

# Q. What is industry standard practice for carriers such as Cingular that lack a billing system?

14 A. In every interconnection agreement that Cingular has entered into, except for 15 agreements requiring bill and keep, Cingular bases its bills to landline providers off the 16 landline providers' bills to Cingular.

### 17 Q. How does such a system work?

A. Except for bill and keep agreements, Cingular's contracts all contain intraMTA traffic ratios that stipulate what portion of total exchanged traffic is landline-originated, and what portion of such traffic is wireless-originated. For example, several of Cingular's contracts contain provisions stipulating that 70 percent of total traffic is wirelessoriginated, and 30 percent is landline-originated.

### 23 Q. In such a case, how does Cingular's billing work?

A. Cingular will use the stipulated traffic factor to base its bill to the landline carrier off of the landline carrier's bill to Cingular. For example, assume that in one month, the landline carrier bills Cingular for 70 minutes of use. Assume that the agreed traffic ratio
 is 70 percent wireless-originated and 30 percent wireline-originated. Cingular will apply
 the appropriate formula and bill the landline carrier for 30 minutes of use. This allows
 Cingular to bill the landline carrier, even though Cingular cannot measure the landline
 carrier's traffic.

### 6 Q. You say the use of such traffic ratios is standard industry practice?

7 A. Yes, Cingular and other Wireless Carriers use traffic ratios throughout the country.

### 8 Q. How are the traffic ratios determined?

9 A. Although Cingular lacks the capability to measure RLEC traffic for intercarrier 10 billing purposes, Cingular does have the ability to conduct limited traffic studies to 11 determine traffic ratios. Cingular's contracts with landline carriers are now based upon 12 those Cingular traffic studies.

### 13 Q. Has Cingular conducted traffic studies in the present case, and if so, what were

### 14 the results of those studies?

15 A. Yes, Cingular has conducted traffic studies with the four RLECs that have filed 16 petitions for arbitration against Cingular. The studies were conducted from January 20 to

- 17 February 18 of 2006. The results were:
- Ballard: 56% Wireless-Originated / 44% Wireline-Originated
  Duo County: 88% Wireless-Originated / 12% Wireline-Originated
  West Kentucky: 58% Wireless-Originated / 42% Wireline-Originated
  South Central: 73% Wireless-Originated / 27% Wireline-Originated
- 21 22
- 23 Q. Does Cingular propose that the above intraMTA traffic ratios be used in its
- 24 contracts with the above-four RLECs?

25 A. Yes. Cingular believes the studies to be accurate. The RLECs have not produced any

26 studies of their own to indicate otherwise.

1 **O.** 1

# Q. How should the Commission rule on this issue?

A. The Wireless Carriers have proposed language in section 5.5 that would allow the use of traffic factors for those providers, such as Cingular, that cannot measure traffic. That language should be adopted. The traffic factors themselves would be included in Appendix A to each interconnection agreement. The Commission should adopt the factors listed above for Cingular's interconnection agreements with each of the four RLECs.

# 8 Issue 14: Should the Interconnection Agreement prohibit the Land-to-Mobile 9 Traffic Factor from exceeding 50%?

10

11 Q. Is this issue any longer in dispute?

A. No. In adding their position statements to the issues matrix, the RLECs have agreed
to drop this issue.

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

# 15 Q. What does this issue involve?

16 A. Issue 15 involves traffic exchanged between an RLEC and a CMRS provider that

17 does not originate and terminate, at the beginning of the call, within the same MTA.

18 Such traffic is often referred to as "interMTA" traffic.

19 Q. How is this issue generally handled in the industry?

20 A. Generally, negotiated interconnection agreements designate a small percentage (e.g.,

21 0% -3%) of the total mobile-originated traffic as compensable interMTA traffic.

# 22 Q. Typically, what rate applies to interMTA traffic?

23 A. Typically, as a business accommodation, the parties agree to use the RLEC's

24 interstate and/or intrastate terminating access rates.

# 25 Q. Why do parties generally assume that only a small portion of exchanged traffic

### 1 is compensable interMTA traffic?

A. MTAs are usually very large, often covering all or most of an entire state. Experience
tells us that most calls are made within consumers' communities of interest which tend to
be geographically limited and thus usually within the MTA.

### 5 Q. How would the RLECs' proposed contractual language treat interMTA traffic.

6 Section 5.4 as proposed by the RLECs would do two things. First, it would require a 7 Wireless Carrier to pay access charges to an RLEC for (1) <u>all</u> wireless-originated 8 interMTA traffic, and (2) <u>all</u> landline-originated interMTA traffic. Second, it would 9 exonerate the RLEC from paying access charges to the wireless carrier for <u>any</u> interMTA 10 traffic.

Appendix A, as proposed by the RLECs, would assume that all compensable interMTA traffic should be subject to intrastate access charges, and none to interstate access charges.

### 14 Q. Why is proposed section 5.4 objectionable?

15 A. There is no basis that I am aware of in the Act to impose a unilateral obligation to pay 16 interMTA compensation only on the Wireless Carriers. Also, proposed section 5.4 would require Cingular and the other Wireless Carriers to pay both originating and 17 18 terminating access to the RLECs. If that language were adopted, the RLECs would 19 receive double access charges for all interMTA traffic, whether landline or wireless-20 originated, handed off to an interexchange carrier - one from the long distance carrier, and one from the Wireless Carrier. The RLECs should not receive compensation from a 21 22 Wireless Carrier if they are also receiving compensation from an interexchange carrier. Also, the idea that an RLEC should receive originating access charges from a Wireless 23

. . .

Carrier for a <u>landline-originated</u> call is completely contrary to the "calling party's
 network pays" philosophy of the Act.

### **Q.** Do the Wireless Carriers object to the assumption in the proposed Appendix A 3 that all compensable interMTA traffic would be billed at the intrastate access rate? 4 5 A. Yes, The RLECs have presented no evidence that all compensable interMTA traffic occurs solely in Kentucky. Nearly all of Kentucky lies within one MTA, making it likely 6 7 that most interMTA traffic is interstate. However, since interMTA traffic cannot be 8 measured, parties generally reach agreement on how much interMTA traffic should be 9 billed out of the interstate tariff, and how much should be billed out of the intrastate 10 tariff. As a compromise, the Wireless Carriers propose that fifty percent be billed out of 11 each tariff.

# 12 Q. What language do the Wireless Carriers propose to correct the problems 13 described above?

A. The Wireless Carriers have proposed language in section 5.4 that would state: "To the extent interMTA traffic is originated on either Party's network and is delivered pursuant to the terms of this Agreement to the other Party for termination, the Party on whose network the interMTA traffic originated will provide compensation to the terminating Party at the applicable rates set forth in Appendix B.2."

### 19 Q. What is the effect of the proposed language?

A. This language recognizes that both Wireless Carriers and RLECs have responsibility to pay intercarrier compensation for interMTA traffic. The language also makes clear that the compensation obligation applies only to the termination of traffic, never to the origination of such traffic.

# Q. The RLECs have proposed an interMTA factor of five percent. Can the Wireless Carriers agree to this factor?

A. No. This amount is too high compared to the general industry practice. Most of Cingular's contracts contain lower interMTA factors – typically zero or one or two percent. As a compromise, the Wireless Carriers would agree to an interMTA factor of three percent.

### 7 Q. How should the Commission rule on this issue?

A. The Commission should accept the Wireless Carriers proposed revisions to section 5.4 and Appendix A. If that is done, the interconnection agreements would provide for an interMTA factor of three percent (of total wireless-originated traffic) to be paid by the wireless carriers to the RLECs, with 50 percent of that traffic to be billed at interstate access rates, and 50 percent at intrastate rates.

### 13 Q. Is there any precedent for such a result?

A. Yes. Recently, several Wireless Carriers were involved in an arbitration with a
number of Tennessee RLECs. The Tennessee Regulatory Authority requested the parties
to make a post-hearing attempt to resolve this issue. The Wireless Carriers and RLECs.
thereafter agreed upon an interMTA factor of three percent.

### 18 Issue 19: Under what circumstances should a Party be permitted to block traffic or 19 terminate the Interconnection Agreement?

20

### 21 Q. Is this issue still in dispute?

A. No. The RLECs have proposed compromise language in the issues matrix. The
Wireless Carriers accept that compromise language.

Issue 25: Should the Interconnection Agreement require the Parties to maintain
 specific insurance not required by law?

26

# 1 Q. Is Issue 25 still in dispute?

A. No. The Wireless Carriers are willing to accept the RLECs' proposed language in
section 7.8.

- .

- 4 Q. Does this conclude your testimony?
- 5 A. Yes.

#### **AFFIDAVIT**

STATE OF Greefic COUNTY OF <u>Cobb</u>

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

He is appearing as a witness on behalf of Cingular Wireless and other Wireless Carriers 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.

mit. Brown

William H. Brown

SWORN TO AND SUBSCRIBED BEFORE ME THIS \_\_\_\_\_\_ DAY OF \_\_\_\_\_, 2006.

Mour Huptupe

Expires 5/25/2007 Commission



BellSouth Telecommunications, Inc. 333 Commerce Street Suite 2101 Nashville, TN 37201-3300

September 20, 2004

Guy M. Hicks General Counsel

615 214 6301 Fax 615 214 7406

guy.bicks@bellsouth.com

VIA HAND DELIVERY

Mr. Aster Adams Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238

> Re: Petition of Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996 Consolidated Docket No. 03-00585

Dear Mr. Adams:

Enclosed is BellSouth's response to your data request of August 30, 2004. Copies of the enclosed are being provided to counsel of record.

Very truly yours, GUV M. Hicks

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BellSouth Telecommunications, Inc. Tennessee Regulatory Authority Docket No. 03-00585 Staff Data Request August 30, 2004 Item No. 1 Page 1 of 1

- **REQUEST:** Do BellSouth Tennessee tandems currently send the necessary information either in the SS7 data stream or in the call record, to small rural independents subtending those tandems, which can be used to facilitate the independent's ability to identify and bill back the company originating the traffic? If so, please describe in detail what specific data is contained in this information.
- **RESPONSE:** Yes. BellSouth provides ICOs EMI 11-01-01 records, which are recorded in the BellSouth tandem. The format and content of these records are defined by the Allance for Telecommunications Industry Solutions ("ATIS"), an industry standards body. Among other activities, ATIS manages standardization activities for wireless and wireline networks, including interconnection standards, number portability, toll-free access, telecom fraud, and order and billing issues. ATIS is accredited by the American National Standards Institute ("ANSI").

Exhibit No. 1 shows the format and data content of an EMI 11-01-01 record. This format came from the ATIS July 2004 update of the Exchange Message Interface Guidelines, Issue 21, Revision 2, page 3-297. Exhibit No. 2 shows actual 11-01-01 records for calls from customers of three ICOs to Cingular, and calls from Cingular customers to customers of three ICOs. A column on page 4 of this Exhibit has been shaded to show the originating operating company identification (orig ocn).

In addition to the EMI 11-01-01 information provided to the ICOs, BellSouth provides Signaling System 7 ("SS7") signaling to ICOs. BellSouth follows industry standards for SS7, and its signaling and other traffic information contain all of the industry standard information to the extent such information is provided in the call stream from the originating carrier. Such signaling and traffic information, which is provided in real time for call set-up purposes, is not typically used by companies for the purpose of generating billing. Nonetheless, such information could be used by the ICO for comparison with the EMI 11-01-01 records that it receives from BellSouth. BellSouth does not use such signaling data in this fashion and believes the process may be time consuming. However, it is correct that such information could be useful in comparison and verification of the accuracy of the EMI 11-01 records.

BellSouth Telecommunications, Inc. Tennessee Regulatory Authority Docket No. 03-00585 Staff Data Request August 30, 2004 Item No. 2 Page 1 of 1

- **REQUEST:** How is this information sent:
  - a. In the call detail over the feature group C trunks; or
  - b. Through the SS7 signaling?
- **RESPONSE:** The EMI 11-01-01 records are not sent via "feature group C trunks", or through the SS7 signaling. Rather, EMI 11-01-01 records are sent by BellSouth to the ICOs electronically, either on a weekly or daily schedule. These records are not part of the "real time" signaling accompanying the call.

The SS7 signaling data is part of the real-time call set-up process. As discussed in the response to Item No. 1, SS7 data is not typically used for the purpose of generating billing. While SS7 data could be useful for verifying the accuracy of the EMI 11-01-01 records, SS7 data may not supply all of the information needed for accurate billing.

With regard to Feature Group C trunks, this question presumes that the connection between BellSouth and the ICOs can be accurately described as a "feature group C trunk". BellSouth disagrees with this description because Feature Group C trunks are technically defined to work with non-equal access end offices, which is not the case here. Rather, the important point is that the interconnection trunks currently connecting BellSouth's tandems with ICO switches are the same type of trunks that connect BellSouth's network to CLECs and to CMRS providers. Further, billing information for calls routed over these interconnection trunks is provided in the EMI 11-01-01 record. BellSouth is unaware of any trunk group type with signaling that provides the same billing information as the industry standard EMI 11-01-01 record.

BellSouth Telecommunications, Inc. Tennessee Regulatory Authority Docket No. 03-00585 Staff Data Request August 30, 2004 Item No. 3 Page 1 of 1

- **REQUEST:** Is it necessary for BellSouth to upgrade its tandem trunking, used to pass traffic to Tennessee small rural independents subtending those tandems, to feature group D or to upgrade its switch software in order to send a record type to the independent that contains the originating carrier ID in the terminating record?
- **RESPONSE:** No. As discussed in the response to Item 2, billing information is provided in the EMI 11-01-01 record as defined by ATIS, the industry standards group. Further, BellSouth is unaware of any trunk group type or switch upgrade feature that can provide the same information as contained in the standard EMI 11-01-01 record.

BellSouth Telecommunications, Inc. Tennessee Regulatory Authority Docket 03-00585 August 30, 2004 Item No. 1 Exhibit No. 1

### CARRIER ACCESS USAGE NORTH AMERICAN ORIGINATED AND TERMINATED (BSA / FEATURE GROUP C) - MESSAGE TELEPHONE SERVICE

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## **CERTIFICATE OF SERVICE**

I hereby certify that on September 20, 2004, a copy of the foregoing document was served on the parties of record, via the method indicated:

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Russ Mitten, Esquire Citizens Communications 3 High Ridge Park Stamford, CT 06905 <u>Rmitten@czn.com</u>

Mark J. Ashby Cingular Wireless 5565 Glenridge Connector, #1700 Atlanta, GA 30342 mark.ashby@cingular.com

Marin Fettman, Esquire T-Mobile, USA, Inc. 12920 SE 38<sup>th</sup> Street Bellevue, WA 98006 marin.fettman@t-mobile.com

Jon E. Hastings, Esquire James L. Murphy, III, Esquire Boult, Cummings, et al. P. O. Box 198062 Nashville, TN 37219-8062 imurphy@boultcummings.com

Henry Walker, Esquire Boult, Cummings, et al. P. O. Box 198062 Nashville, TN 37219-8062 hwalker@boultcummings.com

Ed Phillips, Esq. United Telephone - Southeast 14111 Capitol Blvd. Wake Forest, NC 27587 ed.phillips@mail.sprint.com

Clay Phillips, Esquire Miller & Martin 150 4<sup>th</sup> Avenue, #1200 Nashville, TN 37219 <u>cphillips@millermartin.com</u>

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Martha Ross-Bain, Esquire AT&T 1200 Peachtree St., NE Atlanta, GA 30309 Ross-bain@att.com

Donald L. Scholes, Esquire Branstetter, Kilgore, et al. 227 Second Ave., N Nashville, TN 37219 <u>dscholes@branstetterlaw.com</u>

Timothy Phillips, Esquire Office of Tennessee Attorney General P. O. Box 20207 Nashville, TN 37202 Timothy.phillips@state.tn.us

Bill Ramsey, Esquire Neal & Harwell, PLC 150 Fourth Avenue North, #2000 Nashville, Tennessee 37219-2498 ramseywt@nealharwell.com

Stephen G. Kraskin, Esquire Kraskin, Lesse & Cosson, LLP 2120 L Street NW, Suite 520 Washington, D.C. 20037 <u>skraskin@klctele.com</u>

J. Gray Sasser, Esquire Miller & Martin LLP 150 Fourth Ave., N., #1200 Nashville, TN 37219-2433 gsasser@millermartin.com

Suzanne Toller, Esquire Davis Wright Tremaine LLP One Embarcadero Center, #600 San Francisco, CA 39111-3611 suzannetoller@dwt.com

Beth K. Fujimoto, Esquire AT&T Wireless Services, Inc. 7277 164<sup>th</sup> Ave., NE Redmond, WA 90852 Beth.fujimoto@attws.com

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Elaine Critides, Esquire Verizon Wireless 1300 I Street, NW, #400W Washington, DC 20005 elaine.critides@verizonwireless.com

Paul Walters, Jr., Esquire 15 E. 1<sup>st</sup> Streets Edmond, OK 73034 <u>pwalters@sbcglobal.net</u>

Monica M. Barone, Esquire Sprint Spectrum 6450 Sprint Parkway Overland Park, KS 66251 mbaron02@sprintspectrum.com

Mr. Tom Sams ClearTalk 1600 Ute Avenue Grand Junction, CO 81501 toms@cleartalk.net

Ken Woods, Esquire MCI Telecommunications Six Concourse Parkway, Suite 600 Atlanta, GA 30328 Ken.woods@mci.com