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July 24, 2009

**VIA COURIER**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

**RECEIVED**

JUL 24 2009

**PUBLIC SERVICE  
COMMISSION**

Re: BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, Complainant  
v. Brandenburg Telephone Company, Defendant  
PSC 2006-00546

Dear Mr. Derouen:

Enclosed for filing in this case are the original and four (4) copies of the Direct Testimony of J. Scott McPhee, Mark Neinast, and Tim Watts, witnesses for BellSouth Telecommunication Inc. d/b/a AT&T Kentucky in this case.

Portions of the Direct Testimony of Tim Watts are confidential and, pursuant to 807 KAR 5:001, § 7, AT&T Kentucky files herewith its Petition for Confidentiality requesting that the Commission afford confidentiality to that material. Specifically, AT&T Kentucky requests confidential treatment of the highlighted information on pages 8, 11, and 17 of Watts' Direct Testimony as well as the information filed on yellow paper, Attachments 1 and 2 of Watts' Direct Testimony. AT&T Kentucky also relies on its Petition for Confidentiality filed in this case on December 13, 2006, which requested confidential treatment of similar information.

Sincerely,

  
Mary K. Keyer

Enclosures

cc: Parties of Record

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**EDITED**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	)	
	)	
BELLSOUTH TELECOMMUNICATIONS, INC.	)	
D/B/A AT&T KENTUCKY	)	
Complainant	)	
	)	
v.	)	CASE NO.: 2006-00546
	)	
BRANDENBURG TELEPHONE COMPANY	)	
	)	
Defendant	)	

MOTION FOR CONFIDENTIALITY OF  
BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T KENTUCKY

Petitioner, BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky"), by counsel, hereby moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), pursuant to KRS 61.878 and 807 KAR 5:001, § 7, to classify as confidential certain information in the Direct Testimony of Tim Watts ("Watts"), one of AT&T Kentucky's witnesses in this case. Specifically, AT&T Kentucky requests that confidentiality be afforded to the information highlighted on pages 8, 11, and 17 of Watts Testimony and also to Attachments 1 and 2, which are filed on yellow paper, to his Testimony. The information highlighted and filed on yellow paper contains information specific to Brandenburg Telephone Company in the conduct of its business with AT&T Kentucky.

The Kentucky Open Records Act exempts certain information from the public disclosure requirements of the Act, including certain commercial information and also

information the disclosure of which is prohibited by federal law or regulation. KRS 61.878(1)(c)1 and 61.878(1)(k). To qualify for the commercial information exemption and, therefore, keep the information confidential, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors and the parties seeking confidentiality if openly discussed. KRS 61.878(1)(c)1; 807 KAR 5:001 § 7. The Commission has taken the position that the statute and rules require the party to demonstrate actual competition and the likelihood of competitive injury if the information is disclosed.

The information for which AT&T Kentucky seeks confidentiality contains customer-specific information. Specifically, the highlighted information on page 8 of Watts' Direct Testimony is the average amount of money per month which AT&T Kentucky compensated Brandenburg for terminating ACS Traffic through the ACS Settlements Process. The highlighted information on page 11 of Watts' Direct Testimony is the ACS Traffic overpayment reimbursement, including interest, that AT&T Kentucky is due for the relevant period. The highlighted information on page 17 of Watts' Direct Testimony is the Covered CMRS Provider Traffic overpayment, including interest, that AT&T Kentucky is due for the relevant period. In addition, Attachment 1 contains information regarding the amount of money that AT&T Kentucky compensated Brandenburg for terminating ACS Traffic through the ACS Settlements Process during the relevant period. Attachment 2 contains information regarding the amount of money that Brandenburg invoiced and AT&T Kentucky paid to Brandenburg for Covered CMRS Provided Traffic pursuant to the CMRS Agreement among AT&T Kentucky, the Rural LECs and the CMRS Providers during the relevant period. The Attachments also

contain interest amounts due AT&T Kentucky from Brandenburg pursuant to the respective agreements. All of this information is specific to Brandenburg Telephone Company in the conduct of its business with AT&T Kentucky. Information provided to the Commission concerning specific customers is customer proprietary network information ("CPNI") and should not be publicly disclosed without the approval of the individual customers. Disclosure of customer-specific information is subject to obligations under Section 222 of the Communications Act of 1937 as amended by the Telecommunications Act of 1996. Federal law imposes the obligation to maintain the confidentiality of such information from public disclosure when the disclosure of such information or records is prohibited by federal law or regulation. Therefore, because CPNI is protected from disclosure by federal law, this information should be afforded proprietary treatment.

Public disclosure of the identified information would provide competitors, namely CLECs and other CMRS Providers, with an unfair competitive advantage. The Commission should also grant confidential treatment of the information for the following reasons:

- (1) The information for which AT&T Kentucky is requesting confidential treatment is not known outside of AT&T;
- (2) The information is not disseminated within AT&T and is known only by those AT&T employees who have a legitimate business need to know and act upon the information;


(3) AT&T Kentucky seeks to preserve the confidentiality of this information through appropriate means, including the maintenance of appropriate security at its offices; and

(4) By granting AT&T Kentucky's petition, there would be no damage to any public interest.

(5) In addition, the Commission should grant confidentiality for the reasons set forth in its Order dated March 31, 2006, in Case No. 2005-00533, SouthEast Telephone, Inc., v. BellSouth Telecommunications, Inc.

For the reasons stated herein, AT&T Kentucky respectfully requests the Commission to grant AT&T Kentucky's request for confidential treatment of the information identified herein.

Respectfully submitted,

  
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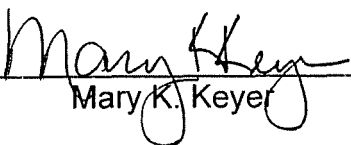
COUNSEL FOR BELL SOUTH  
TELECOMMUNICATIONS, INC.  
D/B/A AT&T KENTUCKY

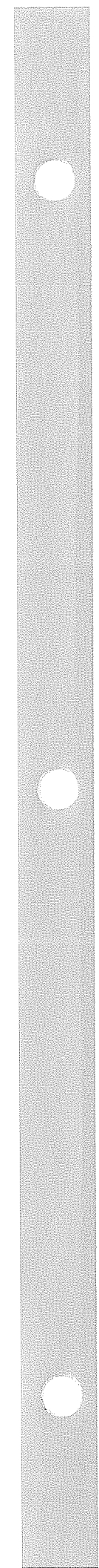
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**CERTIFICATE OF SERVICE -- KPSC 2006-00546**

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by placing same in the U.S. Mail, postage pre-paid, this 24th day of July, 2009.

John E. Selent  
Holly C. Wallace  
Dinsmore & Shohl, LLP  
1400 PNC Plaza  
500 West Jefferson Street  
Louisville, KY 40202  
John.Selent@dinslaw.com  
Holly.Wallace@dinslaw.com

  
\_\_\_\_\_  
Mary K. Keyer



KENTUCKY PUBLIC SERVICE COMMISSION

COUNTY OF CONTRA COSTA

STATE OF CALIFORNIA

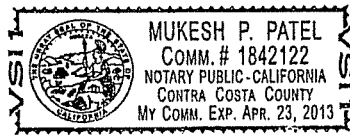
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared J. Scott McPhee, who being by me first duly sworn deposed and said that he is appearing as a witness on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky before the Kentucky Public Service Commission in Docket Number 2006-00546, *In the Matter of: BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky v. Brandenburg Telephone Company* and if present before the Commission and duly sworn, his statements would be set forth in the annexed direct testimony consisting of 8 pages and 0 exhibits.

J. Scott McPhee  
J. Scott McPhee

SWORN TO AND SUBSCRIBED BEFORE ME  
THIS 20<sup>th</sup> DAY OF JULY, 2009

Mukesh P. Patel  
Notary Public

My Commission Expires: APRIL 23<sup>RD</sup> 2013





1 AT&T KENTUCKY

2 DIRECT TESTIMONY OF J. SCOTT MCPHEE

3 BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

4 CASE NO. 2006-00546

5 JULY 24, 2009

6

7

8 **I. INTRODUCTION AND PURPOSE**

9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 A. My name is J. Scott McPhee. My business address is 2600 Camino Ramon,  
11 San Ramon, California 94583.

12 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

13 A. I am an Associate Director – Wholesale Regulatory Policy & Support for Pacific  
14 Bell Telephone Company d/b/a AT&T California. I work on behalf of the AT&T  
15 incumbent local exchange carriers (“ILECs”) throughout AT&T’s 22-state  
16 Regional Bell Operating Company region, including BellSouth  
17 Telecommunications Inc. d/b/a AT&T Kentucky (“AT&T Kentucky”). I am  
18 responsible for providing regulatory and witness support relative to various  
19 wholesale products and pricing, supporting negotiations of local interconnection  
20 agreements (“ICAs”) with competitive local exchange carriers (“CLECs”)and  
21 Commercial Mobile Radio Service (“CMRS”) providers, participating in state and  
22 judicial proceedings, and guiding compliance with the Federal  
23 Telecommunications Act of 1996 (“Act”) and its implementing rules.

1 **Q. PLEASE OUTLINE YOUR WORK EXPERIENCE.**

2 A. I began employment with SBC in 2000 in the Wholesale Marketing – Industry  
3 Markets organization as Product Manager for Reciprocal Compensation  
4 throughout SBC’s 13-state region. My responsibilities included identifying policy  
5 and product issues to assist negotiations and witnesses addressing SBC’s  
6 reciprocal compensation and interconnection arrangements, as well as SBC’s  
7 transit traffic offering. In June of 2003, I moved into my current role as an  
8 Associate Director in the Wholesale Marketing Product Regulatory organization.  
9 In this position, my responsibilities include helping define AT&T’s positions on  
10 certain issues for Wholesale Marketing, and ensuring that those positions are  
11 consistently articulated in proceedings before state commissions. Prior to joining  
12 SBC, I spent nine and a half years working in the insurance industry, primarily as  
13 an underwriter of worker’s compensation insurance.

14 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

15 A. I received my Bachelor of Arts degree with a double major in Economics and  
16 Political Science from the University of California at Davis.

17 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY**  
18 **COMMISSIONS?**

19 A. Yes, I have filed testimony and/or appeared in regulatory proceedings in 12 of  
20 the 13 former SBC states where AT&T provides local service, as well as in the  
21 states of Alabama, Georgia, Louisiana, North Carolina and South Carolina.

1 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

2 A. My testimony discusses certain provisions contained in the Agreement in effect  
3 between Brandenburg and AT&T Kentucky during the time period in dispute.  
4 This agreement addressed the treatment of Commercial Mobile Radio Service  
5 ("CMRS") traffic delivered to Rural Local Exchange Carriers ("LECs") from AT&T  
6 Kentucky. Specifically, I will describe the audit provision in the multi-company  
7 settlement agreement that includes Brandenburg as a signatory to the  
8 agreement, and discuss how Brandenburg has misinterpreted those provisions in  
9 this dispute.

10 **II. THE AGREEMENT**

11 **Q. WERE BRANDENBURG AND AT&T KENTUCKY OPERATING UNDER A**  
12 **CONTRACTUAL AGREEMENT ADDRESSING THE TREATMENT OF CMRS**  
13 **TRAFFIC EXCHANGED BETWEEN THE PARTIES DURING THE PERIOD IN**  
14 **DISPUTE?**

15 A. Yes, they were. Pursuant to KPSC Case No. 2003-00045<sup>1</sup>, the Parties entered  
16 into a settlement agreement for treatment of CMRS traffic delivered to  
17 Brandenburg by AT&T Kentucky ("CMRS Agreement"). The CMRS Agreement,  
18 which became effective on May 1, 2004 and expired December 31, 2006,  
19 specified the routing and compensation for CMRS traffic originated by signatory  
20 CMRS providers that transited the AT&T Kentucky network and terminated to  
21 Rural LECs, including Brandenburg. The CMRS Agreement provided the terms

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<sup>1</sup> *In the Matter of: Petition of BellSouth Telecommunications, Inc., Seeking Resolution of Third Party Transit Traffic Issues, Kentucky Public Service Commission, Case No. 2003-00045, Effective 05/01/2004.*

1 and conditions under which AT&T Kentucky agreed to compensate Brandenburg  
2 for the termination of signatory CMRS provider traffic.

3 **Q. WHAT IS THE BASIS FOR COMPENSATION OF BRANDENBURG-**  
4 **TERMINATED CMRS TRAFFIC IN THE AGREEMENT?**

5 A. Section 2.07 of the CMRS Agreement provides for the treatment of "Covered  
6 CMRS Provider Traffic," which is defined in Section 1.05 as "CMRS Provider  
7 Traffic of a Signatory CMRS Provider for which [AT&T Kentucky] generates and  
8 delivers to the terminating Rural LEC accurate industry standard call detail  
9 records identifying the originating CMRS Provider and minutes of use for such  
10 CMRS Provider Traffic (currently known as "110101 format message and billing  
11 records)." Section 2.07 provides that "the Signatory CMRS Providers and the  
12 Rural LECs agree to accept [AT&T Kentucky's] measurement of minutes of use  
13 and industry standard call detail records as the basis for billing from and  
14 compensation to the Rural LECs for Covered CMRS Provider Traffic as set forth  
15 in this Section."

16 Simply put, all Parties to the CMRS Agreement agreed to accept and use  
17 AT&T Kentucky's Exchange Message Interface ("EMI") 110101 records  
18 whenever they were available for traffic exchanged between the Signatory CMRS  
19 Providers and the Rural LECs. Brandenburg was a signatory to the CMRS  
20 Agreement. As AT&T Kentucky provided call detail records for Signatory CMRS  
21 Provider traffic terminated to Brandenburg, Brandenburg is contractually  
22 obligated to use those records to invoice AT&T Kentucky for CMRS traffic  
23 terminated to Brandenburg.

1 Q. DID BRANDENBURG USE AT&T KENTUCKY'S EMI 110101 RECORDS FOR  
2 INVOICING CMRS TRAFFIC CREDITS TO AT&T KENTUCKY?

3 A. No. As AT&T Kentucky witness Tim Watts explains in his direct testimony,  
4 Brandenburg used some sort of hybrid calculation using Brandenburg's switch  
5 recordings and AT&T Kentucky's EMI 110101 records to identify the amount of  
6 CMRS traffic credits owed to AT&T Kentucky.

7 Q. DOES THE CMRS AGREEMENT CONTAIN ANY PROVISION TO ALLOW A  
8 PARTY TO VERIFY THE ACCURACY OF AT&T KENTUCKY'S  
9 MEASUREMENTS OF MINUTES OF USE AND CALL DETAIL RECORDS?

10 A. Yes. Section 2.07 allows "any party may request an audit of such measurements  
11 within twelve months of the applicable billing date."

12 Q. WHAT DOES IT MEAN TO "REQUEST AN AUDIT"?

13 A. Presumably, one Party would notify another Party that it intended to investigate,  
14 check and review past transactions or records to ensure they were accurate. In  
15 most cases, the Parties may work together to exchange information. Sometimes,  
16 an independent third party auditor would work with both Parties to gather all  
17 pertinent information in order to provide an unbiased analysis of the requested  
18 review. At the very least, a "request for an audit" would put both Parties on  
19 notice of the pending investigation. And until the audit was complete and the  
20 results reported, the Parties would follow the terms of the Agreement and "accept  
21 [AT&T Kentucky's] measurement of minutes of use and industry standard call  
22 detail records as the basis for billing from and compensation to the Rural LECs  
23 for Covered CMRS Provider Traffic" as set forth in Section 2.07.

1 Q. DID BRANDENBURG EVER REQUEST AN AUDIT PURSUANT TO THE  
2 TERMS OF THE CMRS AGREEMENT?

3 A. No, it did not.

4 Q. HAS BRANDENBURG INDICATED TO AT&T KENTUCKY WHY  
5 BRANDENBURG WAS INVOICING AT&T KENTUCKY AT AMOUNTS  
6 DIFFERENT FROM THE AGREED-UPON EMI 110101 RECORDS?

7 A. Yes, it has. As described by AT&T witness Tim Watts in his direct testimony,  
8 Brandenburg has indicated that Brandenburg's hybrid monthly process  
9 essentially constitutes an "audit" of the AT&T Kentucky-provided EMI 110101  
10 records, and that Brandenburg is therefore entitled to invoice AT&T Kentucky  
11 using CMRS traffic volumes that are not consistent with the agreed-upon "[AT&T  
12 Kentucky] measurement of minutes of use and industry standard call detail  
13 records."

14 Q. IN YOUR OPINION, DOES BRANDENBURG'S HYBRID MONTHLY  
15 PROCESS, BASED UPON BRANDENBURG'S OWN INTERNAL  
16 COMPUTATIONS, RESULT IN AN "AUDIT" AS INTENDED BY THE CMRS  
17 AGREEMENT?

18 A. No, it does not. The Brandenburg monthly process is just that: an internally  
19 developed process used to arrive at the number of CMRS minutes of use for  
20 which Brandenburg owes a credit to AT&T Kentucky. The CMRS Agreement  
21 between the Parties is clear: AT&T Kentucky's EMI 110101 records are to be  
22 used for billing from and compensation to Brandenburg. Any attempt by  
23 Brandenburg to credit AT&T Kentucky at an amount different than what is

1 indicated by the AT&T Kentucky EMI records is a violation of Section 2.07 of the  
2 CMRS Agreement. The Brandenburg situation is the very situation the CMRS  
3 Agreement language sought to avoid. The CMRS Agreement established a  
4 common CMRS traffic source to be used by all Parties, i.e., the AT&T Kentucky  
5 provided EMI 110101 records. Plus, if a given Party felt that the EMI records  
6 were inaccurate, the CMRS Agreement gave that Party the right to request an  
7 audit of the EMI records. Thus, if Brandenburg felt the AT&T Kentucky EMI  
8 records were inaccurate, Brandenburg should have requested an audit of the  
9 EMI records. Brandenburg did not have the right to establish a self-defined  
10 CMRS record processing method in lieu of using the AT&T Kentucky EMI  
11 records.

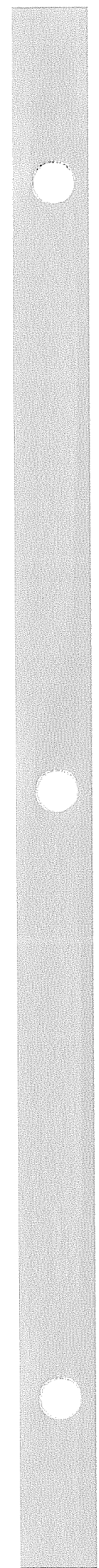
12 **Q. HOW SHOULD THE COMMISSION RULE IN THIS COMPLAINT?**

13 A. With regard to Brandenburg's invoicing AT&T Kentucky for Covered CMRS  
14 Provider Traffic at amounts different than AT&T Kentucky's measurements of  
15 minutes of use via its EMI 110101 records, this Commission should find  
16 Brandenburg in violation of the terms of Section 2.07 of the CMRS Agreement.  
17 The Commission should also dismiss Brandenburg's claim that its monthly  
18 internal hybrid process constitutes the audit intended by the CMRS Agreement.  
19 Brandenburg simply invoiced AT&T Kentucky at an unjustified amount suitable to  
20 Brandenburg. Furthermore, the Commission should order Brandenburg to  
21 reimburse AT&T Kentucky for the CMRS traffic overpayments Brandenburg  
22 received from AT&T Kentucky, including interest.

23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

1 A. Yes.



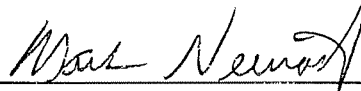


KENTUCKY PUBLIC SERVICE COMMISSION

COUNTY OF DALLAS

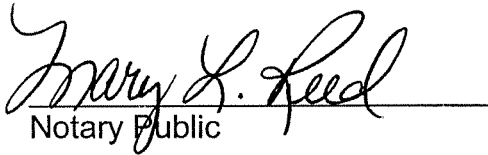
STATE OF TEXAS

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Mark Neinast, who being by me first duly sworn deposed and said that he is appearing as a witness on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky before the Kentucky Public Service Commission in Docket Number 2006-00546, *In the Matter of: BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky v. Brandenburg Telephone Company* and if present before the Commission and duly sworn, his statements would be set forth in the annexed direct testimony consisting of 6 pages and 1 exhibits.

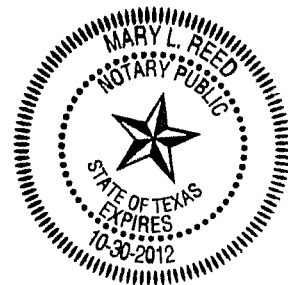


Mark Neinast

SWORN TO AND SUBSCRIBED BEFORE ME  
THIS 22<sup>ND</sup> DAY OF JULY, 2009

  
Notary Public

My Commission Expires: 10-30-2012



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AT&T KENTUCKY  
DIRECT TESTIMONY OF MARK NEINAST  
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION  
CASE NO. 2006-00546  
JULY 24, 2009

**Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T, AND YOUR BUSINESS ADDRESS.**

A. My name is Mark Neinast. My business address is 308 S. Akard, Dallas, Texas 75202. I am employed by AT&T Services, Inc. as an Associate Director – Network Regulatory in AT&T's Network Planning and Engineering Department. My primary responsibility is to represent AT&T's various operating companies, including BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky"), in the development of network policies, procedures, and plans from both a technical and regulatory perspective. I assist in developing corporate strategy associated with 911, interconnection, switching, Signaling System 7 ("SS7"), call-related databases, and emerging technologies such as Internet Protocol ("IP")-based technologies and services. I am also responsible for representing the company's network organization in negotiations and arbitrations with Competitive Local Exchange Carriers ("CLECs") and Wireless Carriers.

1 **Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.**

2 A. I have been employed by AT&T for 34 years, primarily in the Network  
3 organization. This includes seven years in non-management positions in  
4 central offices as a technician. I also spent two years as a training  
5 instructor for electronic switching systems and then four years managing  
6 technicians in central offices and a Network Operations Center ("NOC"). I  
7 worked as a staff manager for the North Texas Network Operations  
8 Division for five years. In that role, I supported Network Operations  
9 Center functions and managed major switching system projects.  
10 Subsequently, as an Area Manager in a NOC Translations Center for over  
11 seven years, I was responsible for managing the switch translations for  
12 over 100 switches. I successfully managed many major network projects,  
13 such as Local Number Portability, Dual PIC, Network Operations Center  
14 consolidations, tandem rehomes and over 60 analog-digital switching dial-  
15 to-dial conversions, as well as the conversion of 16 AT&T E911 selective  
16 routers from analog to digital technology. I have a Bachelor of Science  
17 degree in Business Administration from the University of Texas at Dallas,  
18 with a double major in Management Information Systems and Behavioral  
19 Management.

20 **Q. HAVE YOU PREVIOUSLY PARTICIPATED IN OTHER REGULATORY**  
21 **PROCEEDINGS?**

22 A. Yes, I have participated in numerous dockets at the following state  
23 commissions in Alabama, Arkansas, California, Connecticut, Florida,

1 Illinois, Indiana, Kansas, Ohio, Oklahoma, Texas and Washington, as well  
2 as the FCC.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

4 A. In my testimony, I explain the network and technical aspects relating to the  
5 routing of traffic from AT&T Kentucky to Brandenburg Telephone  
6 exchanges in this billing complaint. The reason that the routing of traffic is  
7 pertinent to this complaint is the type of calls, i.e. local, toll, or Area Calling  
8 Service (ACS), is directly related to the type of billing record created by  
9 Brandenburg Telephone and ultimately the overpayment to Brandenburg  
10 Telephone. AT&T Kentucky witness Tim Watts discusses the billing  
11 aspects of this complaint more fully.

12 **Q. CAN YOU DESCRIBE THE NETWORK CONNECTIONS AND TRAFFIC**  
13 **FLOW BETWEEN AT&T KENTUCKY AND BRANDENBURG**  
14 **TELEPHONE COMPANY?**

15 A. Yes. Attached in MN Exhibit 1 is a diagram that shows the trunk groups  
16 between AT&T Kentucky and Brandenburg Telephone Company. There  
17 are two types of connections for traffic to route between AT&T Kentucky  
18 and Brandenburg Telephone. The first one is a Common Transport Trunk  
19 Group (CTTG) that utilizes a tandem switch and serves as an aggregation  
20 point for other switches not directly connected to each other. The second  
21 is a Direct End Office Trunk Group or Basic Local trunk group that routes  
22 traffic directly between two switches serving end users. With this second  
23 type, there is no aggregation and it typically involves a high usage of calls

1 between the two communities, since the calls are local and part of an  
2 Extended Area Service (EAS).

3

4 There are certain exchanges (cities) of AT&T Kentucky and Brandenburg  
5 Telephone that have local calling between them and all of these calls are  
6 routed over the two trunk groups labeled "Local Calling Trunk Group" on  
7 MN Exhibit 1. All other calls between AT&T Kentucky and Brandenburg  
8 Telephone are toll or Area Calling Service traffic ("ACS Traffic"), which are  
9 the calls that are at issue in this complaint, and are routed over the CTTG.

10 **Q. DID AT&T KENTUCKY ROUTE ACS TRAFFIC TO BRANDENBURG**  
11 **TELEPHONE OVER THE TWO BASIC LOCAL ("EAS") TRUNK**  
12 **GROUPS BETWEEN THE PARTIES?**

13 A. No. I verified with AT&T Kentucky Trunk Planning and Engineering  
14 personnel and Network Translations Center personnel that ACS Traffic is,  
15 and was during the times relevant to this complaint, routed over the  
16 CTTG. In addition, I reviewed the Translations Work Instruction records  
17 back to February, 2000, and validated that there were no subsequent  
18 orders to change the routing of ACS Traffic over any facility other than the  
19 CTTG. These records show that from at least February 2000 to the  
20 present no ACS Traffic was routed over the Local EAS trunks.

21 **Q. WHY IS IT IMPORTANT TO KNOW HOW ACS TRAFFIC WAS ROUTED**  
22 **TO BRANDENBURG TELEPHONE?**

1 A. In AT&T Kentucky's complaint, AT&T Kentucky states that it compensated  
2 Brandenburg Telephone for ACS Traffic via the AT&T Kentucky settlement  
3 process (see Exhibit 2 of the AT&T Complaint). AT&T Kentucky also  
4 states that AT&T Kentucky compensated Brandenburg Telephone for this  
5 same ACS Traffic via the Brandenburg Telephone CABS invoices for the  
6 claim period from April 2002 through March 2004. Brandenburg  
7 Telephone refused, however, to reimburse AT&T Kentucky for the  
8 overpayment of ACS Traffic because AT&T Kentucky could not provide  
9 the Call Detail Records ("CDRs") that "proved" AT&T Kentucky sent the  
10 ACS Traffic to Brandenburg Telephone over the CTTG trunk group rather  
11 than over the two local EAS trunk groups. AT&T Kentucky could not  
12 provide these CDRs because the CDRs had rolled off the AT&T CDR  
13 retention system by the time AT&T received the request from  
14 Brandenburg Telephone. Therefore, in lieu of providing the CDRs, AT&T  
15 Kentucky validated through its network records that its ACS Traffic routing  
16 translations did in fact send the ACS Traffic to Brandenburg Telephone via  
17 the CTTG trunk group.

18 **Q. DID THE TRAFFIC ROUTING CHANGE AS A RESULT OF**  
19 **BRANDENBURG'S NEW CABS BILLING PROCESS?**

20 A. No, billing systems are part of each respective company's accounting  
21 departments and have no impact on the routing of telephone calls. Billing  
22 systems are impacted only after the calls have been completed.  
23 Brandenburg Telephone Company's installation of a new billing system

1 would not impact the routing of ACS Traffic. The ACS calls have always  
2 been routed to Brandenburg Telephone via the CTTG trunk groups. As I  
3 explained earlier in my testimony, I reviewed the Translations Work  
4 Instructions that determine the routing of traffic and the routing did not  
5 change from at least February 2000 to the present, which is the time  
6 period for which I reviewed those records. Therefore, AT&T Kentucky's  
7 network records prove that the ACS Traffic was in fact routed over the  
8 CTTG during the claim period of April 2002 through March 2004.

9 **Q. HOW SHOULD THE COMMISSION RULE IN THIS COMPLAINT?**

10 A. The Commission should rule that AT&T Kentucky has over compensated  
11 Brandenburg Telephone for ACS Traffic and that Brandenburg Telephone  
12 is to reimburse AT&T Kentucky for the over compensation, plus interest,  
13 for the months of April 2002 through March 2004.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

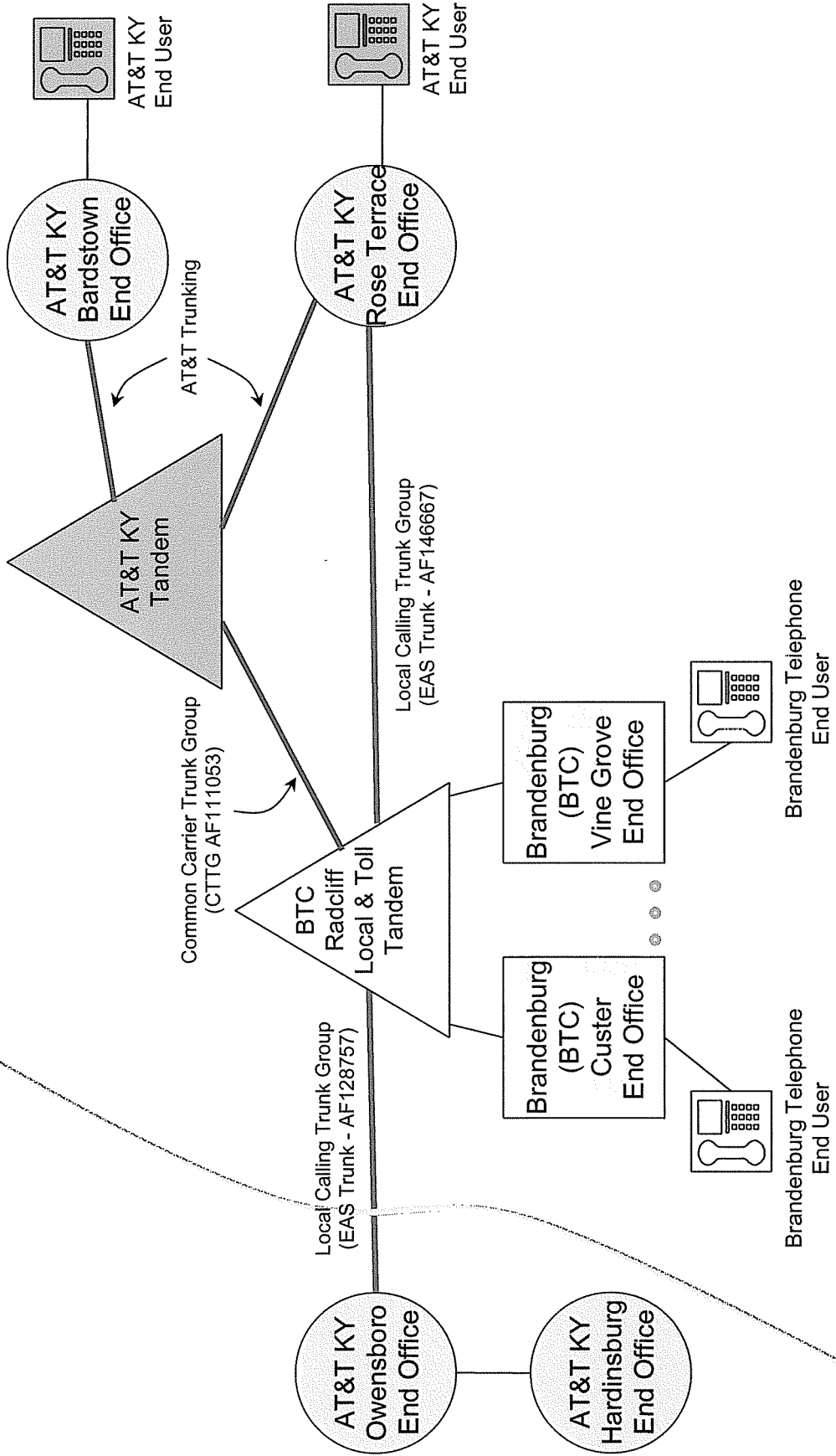
15 A. Yes.

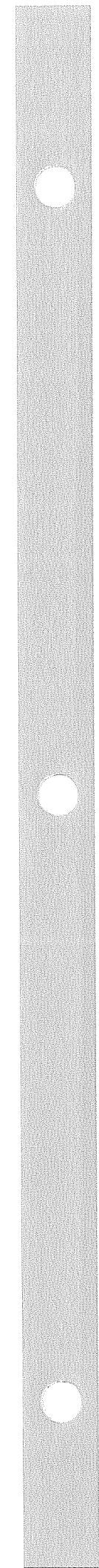


ACS Traffic Flow

Louisville LATA

Owensboro LATA



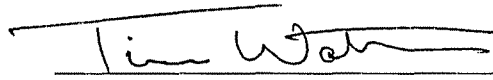


KENTUCKY PUBLIC SERVICE COMMISSION

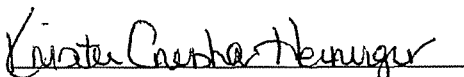
COUNTY OF JEFFERSON

STATE OF ALABAMA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Tim Watts, who being by me first duly sworn deposed and said that he is appearing as a witness on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky before the Kentucky Public Service Commission in Docket Number 2006-00546, *In the Matter of: BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky v. Brandenburg Telephone Company* and if present before the Commission and duly sworn, his statements would be set forth in the annexed direct testimony consisting of 20 pages and 2 exhibits.

  
\_\_\_\_\_  
Tim Watts

SWORN TO AND SUBSCRIBED BEFORE ME  
THIS 22nd DAY OF JULY, 2009

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 5/7/13

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**AT&T KENTUCKY**  
**DIRECT TESTIMONY OF TIM WATTS**  
**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 2006-00546**  
**JULY 24, 2009**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T, AND YOUR BUSINESS ADDRESS.**

A. My name is Tim Watts. I am employed by AT&T Global Business Services, a subsidiary of AT&T, Inc., as a Lead Financial Analyst. My business address is Room 8-D3, 600 19<sup>th</sup> Street North, Birmingham, Alabama, 35203.

**Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE AND DESCRIBE YOUR CURRENT RESPONSIBILITIES.**

A. I attended Auburn University and received an Electrical Engineering Bachelor of Science Degree. I have held several assignments in Regulatory, Interconnection Services and Finance since joining AT&T Alabama in 1977. As Lead Financial Analyst, I am currently responsible for working with various interconnecting carriers to resolve interconnection billing disputes relative to interconnection agreements between AT&T and interconnecting carriers.

**EDITED**

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE STATE  
2 REGULATORY COMMISSIONS?

3 A. No.

4 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

5 A. My testimony sets forth AT&T Kentucky's (f/k/a BellSouth) position  
6 regarding the complaint filed by AT&T Kentucky against Brandenburg  
7 Telephone Company ("Brandenburg") with the Kentucky Public Service  
8 Commission ("Commission") on December 13, 2006 ("Complaint"). The  
9 Complaint addresses two separate billing disputes for:

- 10 1. Overpayments made by AT&T Kentucky to Brandenburg for  
11 terminating Area Calling Service traffic ("ACS Traffic"), and
- 12 2. Overpayments made by AT&T Kentucky to Brandenburg for certain  
13 Commercial Mobile Radio Service ("CMRS") traffic.

14 I will provide in my testimony support for AT&T Kentucky's position that  
15 it is entitled to recover the overpayments made to Brandenburg  
16 regarding both these disputes.

17 **II. AREA CALLING SERVICE COMPLAINT**

18 Q. BRIEFLY DESCRIBE WHAT THE AREA CALLING SERVICE  
19 COMPLAINT INVOLVES.

20 A. The Area Calling Service Complaint (ACS Complaint) addresses  
21 overpayments made by AT&T Kentucky to Brandenburg for  
22 Brandenburg's termination of AT&T Kentucky-originated ACS Traffic.  
23 AT&T Kentucky over compensated Brandenburg for terminating the

1 same ACS Traffic – once through a settlements process (“Settlement  
2 Process”) described in the Agreement for the Provision of  
3 Telecommunications Services and Facilities entered into between  
4 AT&T Kentucky and Brandenburg effective January 1, 1985 (“ICO  
5 Agreement”) and a second time through payment of Carrier Access  
6 Billing Service (CABS) invoices received from Brandenburg. The ICO  
7 Agreement is provided as Exhibit 1 to AT&T Kentucky’s Complaint.  
8 AT&T Kentucky requests reimbursement of the amount overpaid via the  
9 Settlement Process to Brandenburg (plus interest) for the claim period  
10 of April 2002 through March 2004.

11 Q. **WHAT IS “ACS TRAFFIC”?**

12 A. The term “ACS Traffic” as used in this docket is a generic term that  
13 refers to traffic included in AT&T Kentucky’s expanded local calling  
14 areas under optional local calling plans such as Area Plus. To help  
15 explain this, some background information may be helpful. Calls made  
16 within communities of interest (typically noted in each carrier’s tariffs)  
17 are local calls. Calls made within these local calling areas between  
18 AT&T Kentucky and Brandenburg are routed between the parties over  
19 the local calling trunks, also referred to as “EAS Trunks”. In or around  
20 July 1, 1996, AT&T Kentucky implemented optional local calling plans,  
21 known as Area Plus, that expanded the local calling areas beyond their  
22 local boundaries. Calls between the parties placed to the areas beyond

1 the local calling areas are considered ACS Traffic and are routed over  
2 the Common Transport Trunk Group ("CTTG"), not the EAS Trunks.

3 **Q. HOW HAS AT&T KENTUCKY COMPENSATED BRANDENBURG**  
4 **FOR THE TERMINATION OF ACS TRAFFIC?**

5 There are two methods by which AT&T Kentucky has compensated  
6 Brandenburg for the termination of ACS Traffic over the years.

7

8 One is through Brandenburg's Carrier Access Billing Service (CABS)  
9 bills. In or around 1995,<sup>1</sup> Brandenburg began issuing CABS invoices to  
10 AT&T Kentucky for minutes of use that AT&T Kentucky delivered to  
11 Brandenburg over the Common Transport Trunk Group ("CTTG")  
12 between the AT&T Kentucky Louisville Access Tandem Switch and the  
13 Brandenburg switching network. This configuration is diagrammed in  
14 MN Exhibit 1 to Mark Neinast's Direct Testimony. Because ACS Traffic  
15 is traffic that is routed over the Common Transport Trunk Group (see  
16 Neinast Direct Testimony), it is included in the minutes of use billed by  
17 Brandenburg through its CABS invoices to and paid by AT&T Kentucky.

18

19 The second method by which AT&T Kentucky compensated  
20 Brandenburg for the termination of ACS Traffic is through the

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<sup>1</sup> While AT&T Kentucky indicated in its Complaint that Brandenburg began CABS billing in or around 1998, Brandenburg stated in its Answer that it was actually in 1995. This difference has no impact on AT&T Kentucky's claims because AT&T Kentucky is not asking Brandenburg to reimburse the overpayments going back to that time period, but is only asking for reimbursement of its overpayments made in the two-year period prior to AT&T Kentucky discovering the overpayments in May 2004.

1 Settlement Process. This involves AT&T Kentucky netting out amounts  
2 due to and from Brandenburg for various services and remitting any  
3 balance due to Brandenburg after the netting process. After AT&T  
4 Kentucky implemented its Area Plus service in or around 1996, the  
5 Settlement Process began including as part of the netting process the  
6 ACS Settlement System by which AT&T Kentucky paid Brandenburg for  
7 the termination of ACS Traffic.<sup>2</sup> Samples of the monthly Form SN642-  
8 ACS that reflect the amount of dollars paid by AT&T Kentucky for ACS  
9 Traffic are attached as Exhibit 2 to AT&T Kentucky's Complaint.  
10 Payments by AT&T Kentucky to Brandenburg for ACS Traffic through  
11 the Settlement Process were made from approximately 1997 until May  
12 2004, when AT&T Kentucky discovered the overpayment.

13  
14 Therefore, AT&T Kentucky compensated Brandenburg for the  
15 termination of ACS Traffic through both the Settlement Process and  
16 through CABS billing from at least December 1997 through March  
17 2004.

18

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<sup>2</sup> Brandenburg in Paragraph 3 of its Answer to the Complaint states that it received its first payment from AT&T Kentucky for ACS Traffic in December 1997. This date has no impact on AT&T Kentucky's claims because AT&T Kentucky is not asking Brandenburg to reimburse the overpayments going back to that time period, but is only asking for reimbursement of its overpayments made in the two-year period prior to AT&T Kentucky discovering the overpayments in May 2004.



1 Q. FOR WHAT TIME PERIOD IS AT&T KENTUCKY CLAIMING  
2 REIMBURSEMENT FROM BRANDENBURG?

3 A. Although AT&T Kentucky over compensated Brandenburg for ACS  
4 Traffic for a much longer period, AT&T Kentucky is only requesting  
5 reimbursement for the overpayment plus interest for the two-year period  
6 from April 2002 through March 2004.

7 Q. WHY IS THAT?

8 Section XI of the ICO Agreement states that no claims under the  
9 Agreement "may be made more than two years after the date of the  
10 event that gave rise to the claim, except where such limitations are  
11 contrary to law." The ICO Agreement is attached as Exhibit 1 to the  
12 Complaint filed in this docket. While AT&T Kentucky believes it could  
13 have legally claimed reimbursement for the full amount under Kentucky  
14 law, it chose to limit its claim to the two-year period referenced in the  
15 ICO Agreement in an effort to be reasonable. Also, while AT&T  
16 Kentucky would be entitled under the ICO Agreement (see Section VIII)  
17 to .05 percent interest per day through today's date if AT&T Kentucky  
18 prevails on its claim, AT&T Kentucky is trying to be reasonable in its  
19 claim and is only requesting interest as reflected in the Complaint itself  
20 (see Exhibit 4 of the Complaint).

21

22 AT&T Kentucky and the independent telephone companies in  
23 Kentucky, one of which is Brandenburg, have a long-standing history of

1 working together to resolve their differences or disputes. It has been  
2 common practice in our relationships to bring forward to each other  
3 errors that have occurred and to get them corrected in a timely and fair  
4 manner. AT&T Kentucky attempted to do this when it discovered the  
5 overpayment and immediately notified Brandenburg and requested  
6 reimbursement for overpayment going back only two years, instead of  
7 the eight years that the overpayments occurred.

8 **Q. WHEN DID AT&T KENTUCKY DISCOVER THE OVERPAYMENT**  
9 **AND NOTIFY BRANDENBURG?**

10 A. AT&T Kentucky discovered that it was compensating Brandenburg for  
11 ACS Traffic via the ACS Settlement System in May 2004.

12 **Q. WHAT DID AT&T KENTUCKY DO AFTER IT DISCOVERED THE**  
13 **OVERPAYMENT IN MAY 2004?**

14 A. On May 11, 2004, AT&T Kentucky sent a letter to Brandenburg  
15 informing Brandenburg that:

- 16 1. AT&T Kentucky had discovered the over payments via the ACS  
17 Settlement System,
- 18 2. AT&T Kentucky was immediately stopping the ACS Settlement  
19 System compensation to Brandenburg, and
- 20 3. Pursuant to Section XI of the ICO Agreement, AT&T Kentucky  
21 was requesting reimbursement for the overpayment to Brandenburg  
22 for the previous two-year period.

1 A copy of the May 11, 2004, is attached as Exhibit 2 to AT&T  
2 Kentucky's Complaint filed in this docket.

3 **Q. WHAT DID BRANDENBURG DO IN RESPONSE TO AT&T**  
4 **KENTUCKY'S NOTIFICATION?**

5 A. Brandenburg refused to reimburse AT&T Kentucky for the  
6 overpayments. It is important to note that Brandenburg did not object to  
7 AT&T Kentucky's ceasing of the ACS Settlement System payments.  
8 Since the ACS Settlement System payments to Brandenburg averaged  
9 ██████████ per month during the claim period, I am confident Brandenburg  
10 would have quickly objected to AT&T Kentucky's stopping payment if  
11 Brandenburg did not know that they were already receiving ACS Traffic  
12 compensation via the Brandenburg CABS invoices.

13 **Q. HOW DOES AT&T KENTUCKY KNOW THAT IT OVER**  
14 **COMPENSATED BRANDENBURG FOR TERMINATION OF THE**  
15 **SAME ACS TRAFFIC?**

16 A. The reason AT&T Kentucky knows that AT&T Kentucky over  
17 compensated Brandenburg for the same ACS Traffic is that:

18 1. Brandenburg issued a CABS bill to AT&T Kentucky for all traffic  
19 delivered to Brandenburg from the AT&T Kentucky network via  
20 the Common Transport Trunk Group.

21 2. AT&T Kentucky routes ACS Traffic to Brandenburg via the  
22 Common Transport Trunk Group. Therefore, ACS Traffic is  
23 being included in Brandenburg's CABS bills to AT&T Kentucky.

1 ACS Traffic routing is discussed in Mark Neinast's Direct  
2 Testimony.

3 3. AT&T Kentucky also compensated Brandenburg for ACS Traffic  
4 via the ACS Settlement System. A copy of the ACS Settlement  
5 System payments to Brandenburg for the ACS Traffic is provided  
6 as Exhibit 2 to AT&T Kentucky's Complaint.

7 **Q. WHAT WAS BRANDENBURG'S RESPONSE TO AT&T**  
8 **KENTUCKY'S NOTIFICATION OF THE ACS TRAFFIC**  
9 **OVERPAYMENT?**

10 A. Brandenburg refused to reimburse AT&T Kentucky for this overpayment  
11 by claiming AT&T Kentucky could not provide Call Detail Records to  
12 "prove" that AT&T Kentucky sent the ACS Traffic to Brandenburg via  
13 the Common Transport Trunk Group rather than over the local calling  
14 (EAS) trunk groups for the claim period.

15 **Q. DID AT&T KENTUCKY SEND THE ACS TRAFFIC TO**  
16 **BRANDENBURG OVER THE COMMON TRANSPORT TRUNK**  
17 **GROUP DURING THE CLAIM PERIOD?**

18 A. Yes.

19 **Q. HOW DO YOU KNOW THAT?**

20 A. Telephone traffic is sent (routed) to another carrier based upon  
21 parameters programmed into a switch. This programming, generically  
22 termed "translations", is used to determine how a call is routed between  
23 carriers. AT&T Kentucky reviewed, in detail, its switch routing

1 translations to confirm that AT&T Kentucky had routed ACS Traffic to  
2 Brandenburg via the Common Transport Trunk Group during the claim  
3 period. This detail review confirmed that AT&T Kentucky had, in fact,  
4 routed ACS Traffic to Brandenburg over the Common Transport Trunk  
5 Group, and not via the two local EAS trunk groups as alleged by  
6 Brandenburg. Mark Neinast addresses this issue in his Direct  
7 Testimony filed in this docket.

8 Q. **CAN AT&T KENTUCKY PRODUCE THE CALL DETAIL RECORDS**  
9 **FOR THE CLAIM PERIOD AND, IF NOT, WHY NOT?**

10 A. No. Due to the sheer volume of traffic that traverses the AT&T network,  
11 AT&T cannot keep more than 60 days worth of Call Detail Records at  
12 any one time. At the time Brandenburg requested the AT&T Kentucky  
13 Call Detail Records, the requested Call Detail Records had rolled off the  
14 system and AT&T Kentucky could not provide them.

15 Q. **IS IT NECESSARY TO PROVIDE CALL DETAIL RECORDS FOR**  
16 **THE CLAIM PERIOD TO PROVE AT&T SENT ACS TRAFFIC TO**  
17 **BRANDENBURG VIA THE COMMON TRANSPORT TRUNK**  
18 **GROUP?**

19 A. No. Mark Neinast of AT&T is testifying before this Commission that  
20 AT&T Kentucky did send ACS Traffic to Brandenburg via the Common  
21 Transport Trunk Group during the claim period.

1 Q. **WHAT IS THE UPDATED AMOUNT THAT AT&T KENTUCKY**  
2 **CLAIMS BRANDENBURG OWES AT&T KENTUCKY FOR THIS**  
3 **OVERPAYMENT?**

4 A. Although AT&T Kentucky could legally claim an amount that includes  
5 interest up through the current date (which through July 2009 would be  
6 [REDACTED]), AT&T Kentucky is willing to accept the payment  
7 amount requested at the time the Complaint was filed, which is  
8 [REDACTED]. (See Attachment 1 for the requested payment amount.)

9 **Q. WHAT DOES AT&T KENTUCKY WANT THIS COMMISSION TO DO?**

10 A. AT&T Kentucky requests the Commission to order Brandenburg to  
11 reimburse AT&T Kentucky for the overpayments made for ACS Traffic  
12 for April 2002 through March 2004 plus applicable interest.

13 **III. CMRS CREDIT COMPLAINT**

14 **Q. BRIEFLY DESCRIBE WHAT THE CMRS CREDIT COMPLAINT**  
15 **INVOLVES.**

16 A. The CMRS Credit Complaint addresses overpayments made by AT&T  
17 Kentucky to Brandenburg for certain Commercial Mobile Radio Service  
18 ("CMRS") originated minutes of use delivered to Brandenburg during  
19 the period May 2004 through May 2005. These CMRS overpayments  
20 were the result of Brandenburg's failure to deduct the appropriate levels  
21 of CMRS minutes from their CABS bill to AT&T Kentucky as required by  
22 the Kentucky CMRS Transit Traffic Settlement Agreement ("CMRS

1 Agreement") approved by the Commission on April 29, 2004 in KPSC  
2 Case No. 2003-0045.

3

4 Pursuant to the CMRS Agreement, AT&T Kentucky provides  
5 intermediary tandem switching and transport services to CMRS  
6 providers for the delivery of CMRS provider traffic to the networks of  
7 rural local exchange carriers, such as Brandenburg, for termination.  
8 Section 2.07 of the CMRS Agreement sets forth the rate per minute of  
9 use to be charged for such termination. It further provides that  
10 Brandenburg, as a party to the CMRS Agreement, agreed to "accept  
11 [AT&T Kentucky's] measurement of minutes of use and industry  
12 standard call detail records as the basis for the billing from and  
13 compensation to" Brandenburg for Covered CMRS Provider Traffic as  
14 set forth in Section 2.07. By signing the CMRS Agreement,  
15 Brandenburg agreed to use AT&T Kentucky's records to determine the  
16 CMRS minutes of use that Brandenburg would deduct from its CABS  
17 bills to AT&T Kentucky. Brandenburg refused, however, to use these  
18 records as required by Section 2.07 thereby causing AT&T Kentucky to  
19 be billed for more minutes of use than it should have been and resulted  
20 in AT&T Kentucky's overpayment for CMRS traffic.

21 Q. **CAN YOU SUMMARIZE THE POINTS OF SECTION 2.07 INVOLVED**  
22 **IN THIS COMPLAINT?**

23 A. The key points of Section 2.07 are:

- 1           1. The Rural LECs would deduct from their CABS billing to AT&T
- 2           Kentucky the Covered CMRS Provider Traffic minutes of use.
- 3           2. The Rural LECS would use the AT&T Kentucky provided EMI
- 4           110101 Call Detail Records to identify the Covered CMRS
- 5           Provider Traffic minutes of use to be deducted.
- 6           3. Any party could request an audit of the EMI 110101 records
- 7           within 12 months of the applicable billing date.

8

9           Specifically, Section 2.07 states “the Signatory CMRS and the Rural

10          LECs agree to accept AT&T Kentucky’s measurement of minutes of

11          use and industry standard call detail records as the basis for the billing

12          from and compensation to the Rural LECs for Covered CMRS Provider

13          Traffic as set forth in this Section. Notwithstanding the foregoing, any

14          party may request an audit of such measurements within twelve months

15          of the applicable billing date. The Rural LECs will deduct the minutes of

16          use for Covered CMRS Provider Traffic described in this Section from

17          the total KRSP facility minutes of use which is billed to (or due through

18          settlements), and due from, AT&T Kentucky.”

19    **Q.    TO WHAT “INDUSTRY STANDARD CALL DETAIL RECORDS”**

20    **DOES SECTION 2.07 REFER?**

21    **A.**    The AT&T Kentucky “measurement of minutes of use and industry

22          standard call detail records” identified in Section 2.07 are the AT&T

23          Kentucky EMI 110101 Call Detail Records that have been provided to



1 the Rural LECs, CMRS carriers and facilities-based CLECs for  
2 numerous years.

3 **Q. SO WHAT IS AT&T KENTUCKY'S COMPLAINT?**

4 **A.** The complaint is simply this:

5 Brandenburg did not use the AT&T Kentucky EMI 110101 records as  
6 required under the CMRS Agreement because Brandenburg claimed  
7 these records were overstating the number of Covered CMRS Provider  
8 Traffic minutes to be deducted from its bill to AT&T Kentucky. So, in  
9 lieu of requesting an audit of the EMI 110101 records as required by the  
10 CMRS Agreement, Brandenburg unilaterally created an internal (and  
11 flawed) process to determine how many Covered CMRS Provider  
12 Traffic minutes to deduct. The flawed process created by Brandenburg  
13 resulted in a substantial understatement of the CMRS minutes of use to  
14 be deducted from Brandenburg's CABS bills and thus an overpayment  
15 of the number of CMRS minutes of use.

16 **Q. CAN YOU BRIEFLY DESCRIBE THE PROCESS IMPLEMENTED BY**  
17 **BRANDENBURG?**

18 Yes. Brandenburg took its own terminating switch AMA Call Detail  
19 Records and compared those against the AT&T Kentucky-provided EMI  
20 110101 Call Detail Records to identify how many Covered CMRS  
21 minutes of use it claimed were terminated by Brandenburg.  
22 Brandenburg then used this hybrid number of CMRS minutes of use,  
23 rather than those minutes of use reflected in AT&T Kentucky's EMI

1 110101 records. Brandenburg's process of identifying and using its  
2 own hybrid records, rather than those of AT&T Kentucky as required by  
3 the CMRS Agreement, is inconsistent with the terms of the CMRS  
4 Agreement to which both parties agreed, and introduced errors which  
5 caused the overpayment by AT&T Kentucky.

6 **Q. WHY IS THE PROCESS USED BY BRANDENBURG A PROBLEM?**

7 A. First, Brandenburg's internal process was fatally flawed. At the request  
8 of AT&T Kentucky, Brandenburg provided to AT&T Kentucky a sample  
9 of the output data derived from the Brandenburg monthly process.  
10 AT&T Kentucky identified six (6) significant problem areas of the  
11 Brandenburg process. An outline of these flaws was provided to  
12 Brandenburg on October 12, 2005, and is contained in Exhibit 7 of  
13 AT&T Kentucky's Complaint. Second, Brandenburg's unilateral and  
14 internal process is just that - a monthly process (not an audit) using its  
15 own internal records, rather than AT&T Kentucky's EMI 110101 records  
16 as agreed to by Brandenburg in the CMRS Agreement.

17 **Q. IF BRANDENBURG DISAGREED WITH THE EMI 110101 RECORDS,**  
18 **WHAT SHOULD IT HAVE DONE PURSUANT TO THE CMRS**  
19 **AGREEMENT?**

20 A. At the very least, an effort satisfactory to both parties to determine if the  
21 EMI records were correct should have been undertaken. If that failed,  
22 Brandenburg should have requested an audit as provided for in Section  
23 2.07 of the CMRS Agreement.

1 Q. **HOW DID AT&T KENTUCKY RESPOND TO BRANDENBURG'S**  
2 **FAILURE TO ABIDE BY THE PROVISIONS OF THE CMRS**  
3 **AGREEMENT?**

4 In order to stop the overpayments to Brandenburg, AT&T Kentucky  
5 started adjusting the AT&T Kentucky payments to Brandenburg to  
6 properly reflect the Covered CMRS minutes of use identified by the  
7 AT&T Kentucky EMI 110101 records instead of those identified by the  
8 Brandenburg hybrid process.

9 Q. **DID AT&T KENTUCKY AND BRANDENBURG ATTEMPT TO**  
10 **SETTLE THIS DISPUTE?**

11 A. Yes. Pursuant to Section 11.0 of the CMRS Agreement, AT&T  
12 Kentucky and Brandenburg attempted to reach a settlement of this  
13 dispute but failed to do so after multiple attempts. The primary  
14 stumbling block of reaching a settlement was that Brandenburg would  
15 not agree to 1) use the AT&T Kentucky-provided EMI 110101 records  
16 to identify the Covered CMRS Provider Traffic minutes of use to be  
17 deducted from the Brandenburg CABS bill to AT&T Kentucky, and 2)  
18 request an audit of the EMI 110101 records as specified in Section 2.07  
19 of the CMRS Agreement. Brandenburg refused both actions and  
20 insisted that its unilateral and internally defined and flawed process  
21 constitutes an "audit" identified in the CMRS Agreement.

1 Q. **WHAT IS THE UPDATED AMOUNT THAT AT&T KENTUCKY**  
2 **CLAIMS BRANDENBURG OWES AT&T KENTUCKY FOR THIS**  
3 **OVERPAYMENT?**

4 A. Although AT&T Kentucky could legally claim an amount that includes  
5 interest up through the current date (which through July 2009 would be  
6 [REDACTED]), AT&T Kentucky is willing to accept the payment amount  
7 requested at the time the Complaint was filed, which is [REDACTED].  
8 (See Attachment 2 for requested payment amount.)

9 Q. **WHAT ARE YOU ASKING THE COMMISSION TO DO RELATIVE TO**  
10 **THE CMRS DISPUTE?**

11 A. AT&T Kentucky requests the Commission to order Brandenburg to  
12 reimburse AT&T Kentucky for the overpayments made for the Covered  
13 CMRS Provider Traffic for the claim period, plus applicable interest.  
14 The interest is calculated at one and one-half percent per month in  
15 accordance with Section 2.12 of the CMRS Agreement. (See  
16 Attachment 2 for the requested payment amount.)

17 **IV. SUMMARY AND RECOMMENDATION**

18 Q. **PLEASE SUMMARIZE THE KEY POINTS RELEVANT TO THE AT&T**  
19 **KENTUCKY COMPLAINT.**

20 A. **ACS Complaint Key Points:**

21 1. For the period April 2002 through March 2004, AT&T Kentucky  
22 compensated Brandenburg for Brandenburg's termination of  
23 AT&T Kentucky-originated ACS Traffic via both a) the AT&T

1 Kentucky ACS Settlement System and b) the Brandenburg  
2 CABS invoices to AT&T Kentucky.

3 2. AT&T Kentucky stopped compensating Brandenburg for ACS  
4 Traffic via the ACS Settlement System in April 2004 and going  
5 forward, and requested reimbursement of the overpayment plus  
6 interest pursuant to the terms of the ICO Agreement.

7 3. Although Brandenburg did not object to AT&T Kentucky's  
8 stopping the ACS Settlement System compensation to  
9 Brandenburg, Brandenburg refused to reimburse AT&T Kentucky  
10 for the ACS Traffic overpayments stating that AT&T Kentucky  
11 could not provide Call Detail Records that would prove that AT&T  
12 Kentucky routed the ACS Traffic to Brandenburg via the  
13 Common Transport Trunk Group rather than the local calling  
14 (EAS) trunk groups. By the time Brandenburg requested the  
15 AT&T Kentucky Call Detail Records, the Call Detail Records had  
16 rolled off the AT&T Kentucky switch AMA record storage system.

17 4. In lieu of the Call Detail Records, however, AT&T Kentucky  
18 offered assurance from the AT&T Kentucky Network routing  
19 group that AT&T Kentucky had at all times relevant to this  
20 complaint routed ACS Traffic to Brandenburg via the Common  
21 Transport Trunk Group.

22 **CMRS Credit Complaint Key Issues:**

- 1           1. Section 2.07 of the CMRS Agreement a) called for Brandenburg  
2           to use the AT&T Kentucky provided EMI 110101 records to  
3           determine the amount of CMRS minutes to deduct from  
4           Brandenburg CABS bills to AT&T Kentucky, and b) allowed the  
5           involved Parties to “request an audit of such measurements  
6           within twelve months of the applicable billing date”.
- 7           2. In lieu of using the AT&T Kentucky provided EMI 110101 records  
8           as required by Section 2.07, Brandenburg unilaterally imposed a  
9           self-defined internal (and flawed) process that resulted in  
10          unwarranted increases of CMRS minutes of use billed to AT&T  
11          Kentucky on the Brandenburg CABS invoices, thereby causing  
12          the overpayment by AT&T Kentucky.
- 13          3. Brandenburg did not request an audit as provided for in Section  
14          2.07 of the CMRS Agreement, but instead self-proclaimed its  
15          unilaterally imposed and flawed internal process as an “audit”  
16          under Section 2.07. Notwithstanding AT&T Kentucky’s adamant  
17          disagreement with that position, AT&T Kentucky reviewed  
18          Brandenburg’s process in an effort to resolve the dispute, and  
19          identified six (6) major flaws. Even so, Brandenburg continued to  
20          use its internal process under the claim that its process was the  
21          “audit” of Section 2.07, resulting in substantial overpayments by  
22          AT&T Kentucky for CMRS traffic.

23    **Q.    HOW SHOULD THE COMMISSION RESOLVE THE COMPLAINTS?**

1 A. The Commission should order Brandenburg to reimburse AT&T  
2 Kentucky for the ACS Traffic and CMRS Traffic overpayments, plus  
3 interest for the relevant claim periods.

4 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A. Yes.

**Attachments 1 and 2 are proprietary.  
There are no edited versions.**