



STATE OF MISSOURI
LITIGATION
SERVICES
PUBLIC SERVICE COMMISSION

ARBITRATION HEARING

In the Matter of the Petition of Alma Telephone Company for
Arbitration of Unresolved Issues Pertaining to a Section 251(b)(5)
Agreement With T-Mobile USA, Inc.

Volume 2

Case No. IO-2005-0468

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Public Service Commission*

TRANSCRIPT OF PROCEEDINGS

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of Alma Telephone Company for)
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Section 251(b)(5) Agreement)
With T-Mobile USA, Inc.)

RONALD D. PRIDGIN, Presiding,
REGULATORY LAW JUDGE.

REPORTED BY:

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MIDWEST LITIGATION SERVICES

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Mid-Missouri Telephone Company.
Northeast Missouri Rural Telephone Company.

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FOR: Staff of the Missouri Public Service
Commission.

P R O C E E D I N G S

1
2 JUDGE PRIDGIN: Good morning. We're on the record.
3 This is the arbitration hearing in the Case No. IO-2005-0468,
4 in the matter of the petition of Alma Telephone Company for
5 arbitration of unresolved issues pertaining to a
6 Section 251(b)(5) agreement with T-Mobile USA, Incorporated.

7 I'll note that this case has been consolidated with
8 Case Nos. IO-2005-0469 through 0471 by my Order. I'm Ron
9 Pridgin. I'm a regulatory law judge with the Missouri Public
10 Service Commission. And the Commission has appointed me as
11 arbitrator over this case.

12 Serving with me is the Advisory Staff. And let me
13 introduce them, going from left to right. That is Natelle
14 Dietrich and bill Haas and Walter Cecil. They will be
15 potentially cross-examining witnesses and helping me with my
16 decision as well.

17 What I'd like to do is get oral entries of
18 appearance from Counsel. And then I will kind of go over what
19 I perceive to be the ground rules and get your feedback in
20 case you perceive this going another direction.

21 Let me get entry of appearance for the Petitioners,
22 please.

23 MR. CRAIG JOHNSON: Thank you, Your Honor.

24 It's Craig Johnson, Andereck, Evans, Milne, Peace &
25 Johnson, 700 East Capitol, Post Office Box 1438, Jefferson

1 City, Missouri 65102.

2 I'm here today on behalf of the Petitioners, alma
3 Telephone Company, Chariton Valley Telephone Corporation,
4 Mid-Missouri Telephone Company, Northeast Missouri Rural
5 Telephone Company.

6 Do you want me to introduce the witnesses as well,
7 Your Honor?

8 JUDGE PRIDGIN: That would be great. Thank you.

9 MR. CRAIG JOHNSON: Andy Heins is from Alma
10 Telephone Company, Gary Godfrey from Northeast Missouri Rural
11 Telephone Company, Denise Day from Mid-Missouri Telephone
12 Company, James Simon from Chariton Valley Telephone
13 Corporation. Also here is Robert Schoonmaker, who's with
14 GVNW.

15 JUDGE PRIDGIN: All right. Mr. Johnson, thank you.
16 And good morning to you all introduced.

17 Counsel for Respondent, please?

18 MR. MARK JOHNSON: Thank you, Mr. Arbitrator.

19 Mark P. Johnson of the law firm of Sonnenschein,
20 Nath & Rosenthal, 4520 Main Street, Suite 1100, Kansas City,
21 Missouri 64111, appearing on behalf of the Respondent T-Mobile
22 USA, Incorporated.

23 With me as witnesses today are W. Craig Conwell --

24 MR. CONWELL: Good morning.

25 MR. MARK JOHNSON: -- and Billy Pruitt. Also with

1 me today is Ms. Janet Selby, who is a legal consultant with
2 T-Mobile.

3 JUDGE PRIDGIN: Ms. Selby, good morning. Thank
4 you.

5 All right. Thank you.

6 And, for the record, I will -- if -- if I refer to
7 Petitioner only as Alma, I will mean, unless we state
8 otherwise, all of the Petitioners. I -- it's just easy for me
9 to look down and see that name.

10 If anybody has any concerns with that, please alert
11 me about that. And I'll try to use the generic, Petitioners,
12 because I know we have more than one company.

13 Also I realize both Counsels have a last name of
14 Johnson. So, for the record, I will try to remember to
15 address you as Mr. Johnson for Petitioners or
16 Mr. Johnson for Respondent, for T-Mobile or something like
17 that, just so we can be as clear as possible.

18 Looking at the filed testimony, I would presume --
19 and somebody correct me if I'm wrong -- that the bulk of the
20 questions will be for Witnesses Pruitt, Conwell and
21 Schoonmaker, because they -- that was the bulk of the prefiled
22 testimony.

23 And I state that to -- to state that I -- I'm
24 wondering if we should -- since we don't have an order, you
25 know, setting how to go, if we could get these other witnesses

1 on the stand and cross-examined, and then get them out of the
2 way, if you will, and then spend the rest of the time on these
3 other three witnesses.

4 Do -- do counsel or Advisory Staff any -- have any
5 comments or -- or preferences about that?

6 MR. CRAIG JOHNSON: Mr. Mark Johnson from
7 T-Mobile -- I feel like I'm a victim of some identity theft
8 here. He's stolen my last name, and his witness has my first
9 name.

10 We had a tentative discussion a few days ago about
11 pre-marking and pre-admitting the -- the prefiled testimony,
12 and then just putting the witnesses up for cross-examination.
13 And I -- we were prepared to put those four individuals on
14 initially and save the three major witnesses for later.

15 JUDGE PRIDGIN: All right.

16 MR. CRAIG JOHNSON: So I'm -- I'm amenable to what
17 you suggest.

18 JUDGE PRIDGIN: Okay.

19 MR. MARK JOHNSON: And -- and on behalf of
20 T-Mobile, I agree with -- with what Craig Johnson just said.
21 For scheduling purposes, the one issue is that Mr. Conwell
22 would like to be sure to finish today.

23 JUDGE PRIDGIN: All right.

24 MR. MARK JOHNSON: He has a flight early in the
25 morning. I don't -- I -- I would -- even if he didn't have a

1 flight early in the morning, I don't anticipate having --
2 getting him on or off today would be difficult. I anticipate
3 calling him as my first witness.

4 JUDGE PRIDGIN: All right. Well, with that then,
5 what I'd like to do is get the other witnesses, you know --
6 and I think the -- the file that I have Mr. Simon,
7 Mr. Godfrey, Ms. Day, Mr. Heins, I think -- are those the only
8 other witnesses that --

9 MR. CRAIG JOHNSON: Yes, Your Honor.

10 JUDGE PRIDGIN: -- Counsel intend to call?

11 Okay. If we can get them on and off the stand in
12 whatever order, you know, we agree to, and then we -- we would
13 begin with Mr. Conwell as the first T-Mobile witness after
14 those.

15 I'm seeing heads. Is that -- does that work for
16 Counsel?

17 (NO RESPONSE.)

18 JUDGE PRIDGIN: All right.

19 MR. CRAIG JOHNSON: That's fine. I didn't realize
20 Mr. Conwell needed to --

21 MR. MARK JOHNSON: That works for Mr. Conwell.

22 I'm sorry. I -- I -- Mr. -- did you say that
23 Mr. Schoonmaker would be called before Mr. Conwell? I just
24 wanted to make sure that --

25 MR. CRAIG JOHNSON: It -- it -- it really doesn't

1 matter to me, Your Honor. As far as I'm concerned, we can
2 take anybody in any order to accommodate a travel schedule.
3 I'd like to get finished today. I am somewhat optimistic
4 about being able to do so, but not certain.

5 So if -- if you want to put Mr. Conwell on first or
6 after these four and then save Mr. Schoonmaker for after
7 that --

8 MR. MARK JOHNSON: I don't think -- I don't think
9 we need to do that.

10 MR. CRAIG JOHNSON: Okay. Well, we can put
11 Schoonmaker on before Conwell.

12 JUDGE PRIDGIN: All right. That's fine. I'll
13 just -- I'll stumble ahead. If Counsel has a concern about
14 schedules, travel, whatever, please alert me. I'm -- I'm here
15 for the whole thing anyway, so it doesn't matter to me.

16 Anything else Counsel needs to alert me about
17 before we go on with opening statement, and then getting some
18 witnesses on?

19 MR. MARK JOHNSON: I believe we have resolved
20 one issue.

21 JUDGE PRIDGIN: All right.

22 MR. MARK JOHNSON: And that is that we are -- I
23 believe we're -- pardon me -- in agreement that the traffic
24 termination agreements, which result from this arbitration,
25 will have an effective date of January 13, 2005.

1 We've -- we've agreed on that. That's -- that's
2 certainly in rebuttal testimony.

3 MR. CRAIG JOHNSON: Yes, Your Honor, I think that
4 is an agreement.

5 JUDGE PRIDGIN: All right. Thank you. I'll note
6 that.

7 MR. CRAIG JOHNSON: I think there's also an
8 agreement between T-Mobile and Alma as to the traffic
9 jurisdictions?

10 MR. MARK JOHNSON: That's correct.

11 JUDGE PRIDGIN: I think I recall seeing that.

12 MR. CRAIG JOHNSON: The purpose of the agreement.

13 JUDGE PRIDGIN: Yes, I thin I recall seeing that in
14 the -- in the DPL.

15 All right. Very good. Any -- anything else from
16 Counsel before I hear any opening statements?

17 MR. MARK JOHNSON: Well, I -- I wondered if it
18 would be possible to simply admit the testimony by stipulation
19 and swear the witnesses en masse, again, just to save time.

20 MR. CRAIG JOHNSON: That's fine, Your Honor.

21 JUDGE PRIDGIN: That's fine with me.

22 I see I have Simon, Godfrey, Day and Heins, these
23 are all -- Mr. Johnson for Petitioners, these are all your
24 witnesses, correct?

25 MR. CRAIG JOHNSON: Yes, that's correct, Your

1 Honor.

2 JUDGE PRIDGIN: Any -- I guess it doesn't matter to
3 anyone what -- in what order we call these?

4 MR. CRAIG JOHNSON: We've talked about doing
5 Mr. Godfrey first --

6 JUDGE PRIDGIN: All right.

7 MR. CRAIG JOHNSON: -- Ms. Day second, Mr. Simon
8 third and Mr. Heins last of -- of those four.

9 JUDGE PRIDGIN: All right. We can do that.

10 MR. CRAIG JOHNSON: I'm saying we. That's internal
11 to my group only.

12 JUDGE PRIDGIN: That's -- that's fine with me
13 unless I hear objections or --

14 MR. MARK JOHNSON: That's fine.

15 JUDGE PRIDGIN: Maybe I should -- Mr. Johnson, go
16 ahead, for Petitioners.

17 MR. CRAIG JOHNSON: You mentioned an opening
18 statement. I'm perfectly happy to try to cobble one together,
19 but I didn't come prepared -- prepared with one.

20 JUDGE PRIDGIN: And I was just about to ask. You
21 can -- you certainly aren't required to. I was just gonna
22 give you the opportunity. If you wish to waive --

23 MR. CRAIG JOHNSON: The only real precedent I have
24 in -- towards an arbitration proceeding is what I've learned
25 secondhand from the SBC M2A arbitration.

1 It was my understanding there where there were so
2 many parties and so many issues, that they did not do one.
3 But if you want me to, I will certainly give you one.

4 JUDGE PRIDGIN: That's -- that's up to you. I just
5 didn't want to not give Counsel the chance to -- to make an
6 opening, but --

7 MR. CRAIG JOHNSON: Okay.

8 JUDGE PRIDGIN: If -- if I'm -- what I'm hearing
9 correctly, we can proceed on to the witnesses, then?

10 MR. MARK JOHNSON: That would be fine.

11 MR. CRAIG JOHNSON: Yes.

12 JUDGE PRIDGIN: All right. Then in that case, it
13 looks like the first witness we will call will be Gary
14 Godfrey.

15 Mr. Godfrey, if you'll come forward to be sworn and
16 sit up here next to the court reporter in this witness area.

17 MR. CRAIG JOHNSON: And, Your Honor, I brought
18 five copies. And I don't know how you want me to distribute
19 those.

20 JUDGE PRIDGIN: If you can give -- as long as the
21 Advisory Staff have copies and I have a copy. Is this just a
22 copy of his prefiled?

23 MR. CRAIG JOHNSON: Yes, Your Honor.

24 JUDGE PRIDGIN: Okay. That's fine. I -- I have a
25 copy.

1 MR. CRAIG JOHNSON: Because I need one for the
2 court reporter to mark?

3 JUDGE PRIDGIN: Yes, sir.

4 THE REPORTER: Do I just start with 1, Judge?

5 JUDGE PRIDGIN: Yes, ma'am, please.

6 (EXHIBIT NO. 1 WAS MARKED FOR IDENTIFICATION.)

7 JUDGE PRIDGIN: I'm sorry. Mr. Godfrey, if I could
8 ask you to raise your right hand and be sworn.

9 (WITNESS SWORN.)

10 JUDGE PRIDGIN: Thank you very much, sir.

11 Now that you're seated at the witness area, and,
12 Mr. Johnson for Petitioners, when ever you're ready, sir.

13 MR. CRAIG JOHNSON: Thank you, Your Honor. I think
14 we've agreed just to pre-admit the exhibit and not go through
15 the litany, whereby he identifies himself and says this is his
16 testimony, and the questions and answers will be the same
17 today and if -- I'm trying to speed this up.

18 JUDGE PRIDGIN: Certainly.

19 MR. CRAIG JOHNSON: What I would do is I would
20 offer Exhibit 1, and tender the witness for cross-examination.

21 JUDGE PRIDGIN: All right. Any objection?

22 MR. MARK JOHNSON: No objection.

23 JUDGE PRIDGIN: Exhibit No. 1 is admitted.

24 (EXHIBIT NO. 1 WAS RECEIVED INTO EVIDENCE.)

25 JUDGE PRIDGIN: And let me go ahead and see what

1 kind of cross-examination that we have. Mr. Johnson for
2 Respondent?

3 MR. MARK JOHNSON: Thank you, Judge.

4 GARY GODFREY testified as follows:

5 CROSS-EXAMINATION BY MR. MARK JOHNSON:

6 Q. Mr. Godfrey, good morning.

7 A. Good morning.

8 Q. Now, for the purposes of the hearing, I -- I want
9 to make sure we understand where your company Northeast --
10 where its service area lies.

11 And I have here a map of Missouri, which -- and
12 you'll have to excuse my handwriting. But I believe that I
13 have marked on this map where Northeast's service territory
14 lies.

15 And I'd ask if you would agree with me, if you look
16 at the map, and I direct your attention to the northeast part
17 of the state, there are cross hatched areas.

18 Would you agree with me that's where your --

19 A. That looks very approximate to our 14 exchanges in
20 northeast Missouri.

21 MR. MARK JOHNSON: So you have a total of
22 14 exchanges.

23 And, Judge, let me show you so you can see where --

24 JUDE PRIDGIN: Thank you.

25 MR. MARK JOHNSON: -- the service territory lies.

1 BY MR. MARK JOHNSON:

2 Q. Now, Mr. Godfrey, would you agree with me that the
3 service area for wireless carriers, such as T-Mobile, is based
4 on MTAs or major trading areas?

5 A. As I understand the rules, there are MTAs that
6 identify the areas that wireless carriers serve.

7 Q. And is it true that it -- that it's the FCC that
8 determines the size and scope of the MTAs?

9 A. That's my understanding.

10 Q. It's not the Missouri Commission that does that?

11 A. That's my understanding --

12 Q. And that's not --

13 A. of the FCC.

14 Q. I -- I'm sorry.

15 And that's not determined by any tariffs that
16 anyone files with the Missouri Commission?

17 A. If -- if there are tariffs or MTAs, I'm not aware
18 of that.

19 Q. Now, if you look at the map, would you agree with
20 me that it contains lines which delineate where the MTAs in
21 Missouri lie?

22 You'll see black lines running essentially down the
23 middle of the state, and then a black line up -- the northeast
24 corner of the state, and a black line in the southeast corner
25 of the state.

1 Would you agree with me that those lines delineate
2 the MTA boundaries which are relevant to Missouri?

3 A. I'm most familiar with the lines that effect the
4 exchanges in our area. And you have identified Linn County in
5 the Kansas City MTA.

6 Q. Right.

7 A. The bulk of our exchanges in St. Louis and that
8 exchange over in the northeast corner, Le Roy and the
9 Des Moines, Washington.

10 Q. And for sake of shorthand, would you -- would you
11 agree with me that it's appropriate to refer to the MTA that's
12 essentially in the eastern half of the state as the St. Louis
13 MTA, and the MTA in the western half of the state as the
14 Kansas City MTA?

15 A. That's the way we refer to it.

16 Q. Okay. And is it also true that part of Northeast's
17 service territory lies in an MTA which is largely in Iowa?

18 A. That's correct.

19 Q. And that is -- I believe it's one county. It's the
20 most northeastern county in Missouri?

21 A. Clar-- Clark County, Missouri.

22 Q. And how many of Northeast exchanges lie in that
23 MTA?

24 A. We have one exchange, Le Roy exchange that lies
25 within that MTA.

1 Q. Okay.

2 A. And that's a rather small exchange in population.

3 Q. Now, Mr. Godfrey, is it correct that you are
4 providing testimony in support of your company's position on
5 the jurisdiction of traffic between T-Mobile and Northeast?

6 A. Yes, I am.

7 Q. That's on a going-forward basis; is that correct?

8 A. We studied historical data, but we're applying that
9 to a going-forward basis.

10 Q. Precisely.

11 Is it true that that applies to both intrastate and
12 interstate traffic?

13 A. Tell me how -- how it applies. We -- we studied
14 the data as it came to us from outside the MTA, and then we
15 looked at the precise calls to see how many of those came
16 across state boundaries.

17 Q. Okay. More precisely, is it correct that you are
18 sponsoring, on behalf of your company, a proposal that
19 includes a split of traffic between the interstate
20 jurisdiction and the intrastate jurisdiction?

21 A. We are, yes.

22 Q. That's the 80/20 split; is that correct?

23 A. That's what we've agreed to accept -- or we've
24 offered to accept.

25 Q. Right. 80 percent intrastate, 20 percent

1 interstate; is that correct?

2 A. Of the part that's interMTA, yes.

3 Q. Of the part -- yes, precisely.

4 And the -- I guess you'd say the second part of the
5 traffic proposal that you're making on behalf of Northeast
6 relates to traffic that does or does not cross MTA
7 boundaries -- interMTA/intraMTA, correct?

8 A. Yes.

9 Q. And just to make sure that the Arbitrator, you
10 know, can graphically understand what we're talking about when
11 we talk about inter- and intraMTA, as we will throughout the
12 course of this hearing, if a call is placed from an
13 exchange -- let's say from the -- oh, which exchange is it?
14 Is there a Covinger exchange?

15 A. There's a Novinger.

16 Q. Novinger. I -- I'm sorry. If it's from the
17 Novinger exchange, which is one of Northeast's --

18 A. Correct.

19 Q. -- exchanges?

20 And that call is placed to a party in St. Louis,
21 that does -- that call does not cross an MTA boundary.

22 Would you agree with me?

23 A. I -- I would agree in that case. I -- I might add
24 we never saw any calls like that. Every call in our study --

25 Q. I -- I'm just using --

1 A. -- did not cross the --

2 Q. -- this for purposes of illustration.

3 A. Yes.

4 Q. And that would be an intraMTA call?

5 A. Correct.

6 Q. On the other hand, if that party in the Novinger
7 exchange called somebody in Kansas City, that call would cross
8 an MTA boundary.

9 Would you agree with me?

10 A. That's correct.

11 Q. And that would be in interMTA call?

12 A. Correct.

13 Q. But in those circumstances, neither of those calls
14 leaves the state, so those would be intrastate calls?

15 A. That's also correct.

16 Q. Okay. The call from Novinger to St. Louis,
17 intrastate/intraMTA?

18 A. Correct.

19 Q. The call from Novinger to Kansas City,
20 intrastate/interMTA?

21 A. Correct.

22 Q. Finally, if that person in the Novinger exchange
23 calls New York City -- calls somebody in New York City, that
24 would be an interstate call also crossing an MTA boundary, so
25 that would be interstate/interMTA?

1 A. That's correct.

2 Q. And is it correct that on behalf of your company,
3 you are sponsoring jurisdictional allocations of traffic for
4 all of those calls, intrastate/intraMTA, intrastate/interMTA
5 and interstate/interMTA?

6 A. That's all correct. I -- I mean, we're talking
7 just about the cellular calls that we pass off and they come
8 to us that's a dispute in this argument.

9 I would also say, you know, when you're using MTAs
10 and interMTAs, we're not applying that to landline traffic.
11 There's a different definition for jurisdictions for landline
12 traffic.

13 Q. I just want to -- I -- I'm just, again, using this
14 for purposes of illustration so the Arbitrator can understand
15 graphically --

16 A. Yes.

17 Q. -- what we're gonna be talking about?

18 A. Yes.

19 Q. Thank you.

20 Now, would you agree with me that interMTA calls,
21 whether or not they are intrastate or interstate, are subject
22 to access charges?

23 A. Yes.

24 Q. Okay. If a call, an interMTA call, doesn't leave
25 Missouri; in other words, it's intrastate, that call is

1 subject to Northeast's intrastate access charge?

2 A. Yes.

3 Q. The call from Novinger to New York City leaves the
4 state, crosses an MTA boundary, so it's interstate/interMTA,
5 that would be subject to Northeast's interstate access
6 charges?

7 A. That's correct.

8 Q. And those are permanent charges; is that correct?

9 A. Yes.

10 Q. And just so we understand what the differences are
11 in the levels of those charges, is it correct that Northeast's
12 intrastate access charge is 14.94 cents per minute?

13 A. Our -- our terminating intrastate access charge
14 approved by this Commission -- by the Public Service
15 Commission is 14.9 cents.

16 Q. On the other hand, you're terminating interstate
17 access charge is 1.87 cents per minute?

18 A. That is the -- the -- we -- we are in the NECA
19 Tariff. We use the NECA Tariff, and that is their terminating
20 rate for interstate calls.

21 Q. Okay. On the other hand, wou-- would you agree
22 with me -- and -- and the amount of those access charges is
23 not at issue in this arbitration. The Commission has already
24 decided what those charges are.

25 A. Correct.

1 Q. Okay. On the other hand, would you agree with me
2 that it is an issue in this case what the amount of the
3 intraMTA charge should be?

4 A. Correct.

5 Q. Now, is it correct that Mr. Schoonmaker is
6 providing the evidence to support your company's position on
7 what that charge should be?

8 A. Mr. -- Mr. Schoonmaker presented evidence about a
9 model charge of 5.71 cents for our company. We offered to
10 accept a much lower rate, much lower than the 14.9 cent rate
11 we have on terminating calls for landline, much lower than the
12 actual cost that we thought was justified, 5.71 cents.

13 For negotiating purposes, we offered a lower
14 rate -- a lower rate to try to settle this of 3.5 cents.

15 Q. But is it correct that in this arbitration that
16 Mr. Schoonmaker is providing the evidence that supports your
17 position -- your company's position that 3.5 cents is an
18 appropriate rate for intraMTA?

19 A. He's presenting evidence that's a very reasonable
20 rate, yes.

21 Q. Now, on the other hand, you are not providing
22 evidence to support that rate; is that correct?

23 A. Not in my testimony, no.

24 Q. Just wanted to make sure we understood that.

25 But on the other hand, Mr. Schoonmaker is not

1 providing evidence on what the jurisdictional allocation of
2 the traffic should be; in other words, the 80/20 split for
3 interstate/intrastate. That's you -- you're providing that
4 testimony?

5 A. I provided that testimony, yes.

6 Q. Okay. So would you agree with me, that to the
7 extent the Arbitrator wants to find evidence in support of
8 your company's position on the jurisdiction of traffic between
9 T-Mobile and your company, he should look to your testimony?

10 A. Yes. I think I offered evidence to that, and we
11 prepared a study and presented that as part of my testimony.

12 Q. Okay. Thank you.

13 Now, Mr. Godfrey, a moment ago we -- we talked
14 about the amount of the access charges your company charges
15 for interMTA traffic; is that correct?

16 A. Yes.

17 Q. Okay. And would you agree with me that the
18 intrastate access charge is higher than the interstate access
19 charge?

20 A. Yes.

21 Q. By several -- you know, it's several times higher;
22 is that correct?

23 A. 14.9 compared to 1.87, approximately.

24 Q. It's about seven times higher, give or take?

25 A. Sounds correct.

1 Q. Okay. Would you agree with me that your company
2 derives more revenues from a -- from a minute of intrastate
3 access than from a minute of interstate access?

4 A. You would almost have to get into the explanation
5 of how we derive revenues from interstate. The access we
6 charge we turn over to NECA.

7 There's a settlement process in USF that -- that we
8 actually derive our interstate revenues from. The -- there's
9 a pooling effect with the access rates on the interstate
10 tariff with NECA.

11 So our revenues really don't correlate to the
12 access charge.

13 Q. Okay. But -- but based on your position in
14 management at Northeast, wouldn't you agree with me that your
15 company does derive greater revenues from intrastate access
16 than interstate access?

17 A. I'm not -- I'm trying to clarify that, because
18 those access revenues we charge on the interstate side, we
19 give to NECA. They're really not our revenues.

20 On the state side, we charge those access charges,
21 we put them in our bank. So there's a difference. The access
22 charges on the interstate side really aren't Northeast
23 revenues.

24 Q. Okay. Well, then --

25 A. So the customer pays -- or the carrier pays less

1 for an interstate minute of use than they do for a state
2 minute of use. But there's other funding mechanisms on the
3 interstate side that have allowed those access rates to be
4 lower, the subscriber line charge and other charges.

5 Q. Okay. I -- I understand that.

6 But just to make sure we're -- we're clear on it,
7 Northeast gets all of the revenues derived from intrastate
8 access?

9 A. Yes.

10 Q. But it doesn't get all of the revenues derived from
11 interstate access?

12 A. Those belong to NECA, and we turn those over in the
13 cost settlement procedures.

14 Q. But do you get some funds back from NECA?

15 A. Certainly.

16 Q. Have you ever calculated what percentage of the
17 interstate access that you turn over to NECA that you actually
18 get back?

19 A. We get all of it back, plus more.

20 MR. MARK JOHNSON: Okay. Mr. -- Mr. Godfrey, I'm
21 gonna hand you a copy -- if I may approach the witness --

22 JUDGE PRIDGIN: You may.

23 MR. MARK JOHNSON: -- of what, I believe, is your
24 company's annual report for 2004. Hand a copy to the
25 Arbitrator and Counsel for Respondents (sic).

1 BY MR. MARK JOHNSON:

2 Q. Would you agree with me that this is the annual
3 report filed with the Missouri Public Service Commission?

4 A. The cover sheet is our cover sheet for the annual
5 report, yes.

6 JUDGE PRIDGIN: And, Mr. Johnson, I'm sorry. But
7 do the Advisors also have copies?

8 MR. MARK JOHNSON: Oh, sure.

9 JUDGE PRIDGIN: Sorry.

10 BY MR. MARK JOHNSON:

11 Q. Is -- is that the annual report filed with the --

12 A. Yes.

13 Q. -- Public Service Commission?

14 Okay. I want to refer you to a couple of the
15 schedules on the report. First, let me refer you to
16 Schedule 7, page 1 of 7.

17 Do you have that in front of you?

18 A. Yes, I do.

19 Q. Okay. And the heading at -- at the top, it says
20 income statement?

21 A. Yes.

22 Q. Would you agree with me that this report indicates
23 that for 2004 your company derived about \$1.1 million from the
24 provision of local service to your customers?

25 A. Yes.

1 Q. And I -- and now I want to understand what your
2 switched access revenues are. If you look down to about the
3 middle of the page next to F -- the FCC No. 5082, it says
4 switched access revenue?

5 A. Yes.

6 Q. And that indicates that your company for 2004
7 received a total of \$4,759,380 in switched access revenues; is
8 that correct?

9 A. Those are actually interstate switched access on
10 this line. And that's where we get into play with these
11 settlements.

12 That would not only be all the access charges we
13 charge to interstate -- to carriers through interstate
14 traffic, but also settlement dollars above the access charges
15 that NECA paid to us because we're a high-cost serving area.

16 Q. All right. Now, if you go down a couple of lines
17 where it says state access revenue, and I think we have a
18 figure of about \$3.5 million.

19 Are -- are those the revenues derived from
20 intrastate access?

21 A. Yes, from -- from any state tariff charges other
22 than local. So, yes, state access charges.

23 Q. Okay.

24 A. Missouri access charges.

25 Q. Okay. Now, let me refer you to a schedule near

1 the -- the end of the report to Schedule 11. The heading here
2 is operational statistics (annual totals). And if you --
3 there are a set of figures appearing at the bottom under
4 terminating minutes of use.

5 Do you see that?

6 A. Yes.

7 Q. Would you agree with me that, in looking at the
8 numbers here, that it indicates that for intrastate
9 terminating minutes of use if you add interLATA and intraLATA,
10 you come up with about 12 million minutes for 2004?

11 A. That -- yes, I would agree with that.

12 Q. And that would -- that would be intrastate minutes
13 subject to terminating access charges?

14 A. Correct.

15 Q. And below that you -- is a -- an entry for
16 interstate. And that's approximately 11.5 million minutes; is
17 that correct?

18 A. Yes.

19 Q. And would that be calls coming from out of the
20 state to your customers in your exchanges in the northeast
21 part of the state?

22 A. Correct.

23 Q. And those would be minutes subject to terminating
24 access based on the interstate --

25 A. That's correct.

1 Q. -- access charge?

2 MR. MARK JOHNSON: Okay. I think we need to mark
3 this as an exhibit. What -- how would you like to mark this,
4 Your Honor?

5 JUDGE PRIDGIN: We could call this Exhibit No. 2
6 for identification purposes.

7 (EXHIBIT NO. 2 WAS MARKED FOR IDENTIFICATION.)

8 MR. MARK JOHNSON: Your Honor, I offer Exhibit 2
9 into evidence.

10 MR. CRAIG JOHNSON: No objection.

11 JUDGE PRIDGIN: All right. We'll show Exhibit
12 No. 2 as admitted.

13 (EXHIBIT NO. 2 WAS RECEIVED INTO EVIDENCE.)

14 BY MR. MARK JOHNSON:

15 Q. Okay. And, Mr. Godfrey, would you agree with me
16 that your company is proposing a division of interstate versus
17 intrastate traffic of 80 percent interstate -- pardon me
18 intrastate, 20 percent interstate?

19 A. Yes, we've offered that.

20 Q. Okay. And is it correct that you proposed these
21 splits because other wireless carriers have agreed to them?

22 A. Correct.

23 Q. In -- in negotiated traffic termination agreements?

24 A. Correct.

25 Q. To your knowledge, have any of those agreements

1 resulted from an arbitration before the Commission?

2 A. We started an arbitration with another carrier, but
3 then negotiated after the arbitration was started.

4 Q. Was there a hearing in that case?

5 A. No.

6 Q. Okay. Now, in your prefiled testimony, you -- you
7 refer to a traffic study which your company conducted; is
8 that --

9 A. Correct.

10 Q. Is that correct?

11 Is it true that that traffic study was conducted in
12 2001?

13 A. Yes.

14 Q. Okay.

15 A. The -- the -- pardon me. The traffic study was
16 conducted approximately a year ago, but it used 2001
17 historical data as the data source.

18 Q. Okay. So the -- the -- the data that went into the
19 analysis came from the fourth quarter of 2001; is that right?

20 A. Correct.

21 Q. All right. And your company has not conducted a
22 study based on data that's newer -- that's more recent than
23 the fourth quarter of 2001; is that corr--

24 A. Not for T--

25 Q. Is that true?

1 A. Not for T-Mobile terminating traffic.

2 Q. Now, isn't it also correct, Mr. Godfrey, that
3 you're providing testimony concerning the jurisdiction of
4 traffic between the interMTA and intraMTA intrastate --

5 A. Yes.

6 Q. -- jurisdiction?

7 And in your testimony you refer to the traffic
8 study we just talked about as the -- the evidentiary support
9 for that proposal; is that --

10 A. That's --

11 Q. -- right?

12 A. -- correct.

13 Q. Do you know whether T-Mobile was marketing service
14 in Northeast Missouri's service area back in the
15 fourth quarter of 2001?

16 A. I'm not aware if -- if they were or weren't.

17 Q. Okay. Does your testimony include a specification
18 as to the methodology used in performing that traffic study?

19 A. I don't know that we explained in detail how we
20 went about it, but I'm prepared to, if you would like.

21 Q. Since performing the traffic study -- and you said
22 you did it about a year ago; is that right?

23 A. Yes.

24 Q. Has your company performed a traffic study on
25 wireless to landline traffic?

1 A. No.

2 Q. Has your company performed a traffic study on
3 landline to wireless traffic at any time?

4 A. No.

5 MR. MARK JOHNSON: That's all I have. Thank you,
6 Mr. Godfrey.

7 JUDGE PRIDGIN: Mr. Johnson, thank you.

8 Let me see if we have any questions from the
9 Advisory Staff.

10 Ms. Dietrich?

11 MS. DIETRICH: Yes. Do you want me to stay here?

12 JUDGE PRIDGIN: Wherever you're comfortable.

13 QUESTIONS BY MS. DIETRICH:

14 Q. Okay. I just wanted to clarify, first of all, on
15 something that Mr. Johnson asked you on behalf of T-Mobile
16 when he was having you take a look at the map.

17 You said that -- I believe it was Linn County
18 exchange is in the Kansas City MTA; is that correct?

19 A. That's correct.

20 Q. Is that the -- the entire exchange --

21 A. No.

22 Q. -- or partial?

23 A. Just that -- a part of the exchange. As I
24 remember, there's approximately 30 customers. Out of our
25 8,000-plus access lines there's approximately 30 customers in

1 the Kansas City -- Kansas City MTA.

2 Q. Okay. And then in the Iowa MTA, is that -- you
3 said that was an entire exchange that falls over there?

4 A. It's -- it's all but 3 or 4. So the exchange, as I
5 recall, is between 200 and 300. I can get the exact number,
6 and it's probably even in our annual report.

7 So of an exchange that has between 200 and
8 300 access lines, all but a handful are in that Des Moines,
9 Quad City MTA. And I can get those precise numbers if you
10 need them.

11 Q. No, that's fine.

12 Okay. Then I'd like to turn to your direct
13 testimony.

14 A. Okay.

15 Q. On page 8, starting at line 11, you're talking
16 about landline to -- to mobile IXC traffic. And I just have a
17 couple questions on that for you.

18 Technically speaking, can Northeast include
19 T-Mobile NPA/NXXs in its local calling scope?

20 A. No. It's not in our tariff, it's not in our switch
21 database. I -- I can't imagine how that would work. It just
22 makes no sense to me doing something like.

23 It would be a major change, and I don't know any
24 place in Missouri where that's happening today.

25 Q. When you say it would be a major change, I assume

1 to the switch?

2 A. To -- yes, to our switch. We -- legally I don't
3 know how we'd do it through our tariff, and to all of our
4 switch databasing. And as you know, there's several NPA/NXXs
5 that are divided between landline and wireless. And I don't
6 know how you'd split those out into different number groups.

7 I just don't know how they'd work. Doesn't make
8 any sense.

9 Q. Okay. And then just put -- putting aside the legal
10 issues, would it be -- what would be involved in transporting
11 calls outside your local calling scope from your customers to,
12 say, T-Mobile?

13 A. Currently that traffic belongs to the IXC. When a
14 customer dials a 1, our switch recognizes that it's a toll
15 interexchange call.

16 We have very specific rules on offering the
17 customer options of what carriers to choose. Whatever
18 carriers they've chosen for that NPA/NXX is the carrier that
19 handles that call. That call belongs to that carrier.

20 We're out of it. The carrier has to provide
21 facilities through our tandem. That call belongs to them.
22 And that's the way it works now, and that's the way it makes
23 sense to us.

24 Q. And if the Arbitrator would decide that those calls
25 should be local calls then, is it switch translations or is it

1 more than that? And again, not getting into the legal issues.

2 A. I -- I guess I haven't thought through all of the
3 ramifications, but there'd definitely be switch translation
4 issues. There would be le-- several legal issues you'd have
5 to work through, because now we're required to give that call
6 to the carrier.

7 We -- we have identified what is a local call
8 within our tariff. I assume there would be many changes
9 there. The carrier's already getting compensated. The
10 customer's paying for the call to the carrier.

11 Both parties, T-Mobile and our company, are being
12 compensated through access or -- or other negotiated
13 agreements to terminate those calls.

14 It -- it works now. I don't know why you'd want to
15 change it.

16 Q. Okay. In-- instead of an IXC, can those calls be
17 transported using a third-party transit carrier, such as
18 SBC or Sprint?

19 A. I haven't thought through that to think about all
20 the ramifications in our switch and -- and tariff. I -- I
21 don't know how that would work, cuz right now we identify that
22 call as a -- as an interexchange call when they dial that 1,
23 and we dump that to the interexchange carrier that they have
24 chosen.

25 Bell is not an exchange carrier in our area that a

1 customer can choose as -- as a long distance carrier.

2 Q. And all these carriers -- I mean, all these calls
3 would be 1-plus, is that correct --

4 A. Yes.

5 Q. -- from your customers to T-Mobile?

6 A. As -- as our -- as everything works today with our
7 switch and our tariff, they are 1-plus calls.

8 Q. Okay. Do you have the DPL with you?

9 A. I'm sorry. I don't know what you --

10 Q. The decision point list, the matrix?

11 A. No.

12 Q. If you could take a look at No. 9.

13 A. Page 9?

14 Q. Issue No. 9. It's page 4 of 7.

15 A. Okay.

16 Q. Can you explain that issue to me?

17 A. I think that's the issue that we've just been
18 discussing about whether that is an IXC call under our current
19 tariffs and rules or if that would be handled in some other
20 way.

21 MS. DIETRICH: Okay. That's all I have.

22 JUDGE PRIDGIN: Ms. Dietrich, thank you.

23 Mr. Haas?

24 MR. HAAS: No questions.

25 JUDGE PRIDGIN: Mr. Cecil?

1 QUESTIONS BY MR. CECIL:

2 Q. Mr. Godfrey, could you explain to me -- I may be a
3 little slow here. But could you explain to me what it is that
4 your traffic study is explicitly trying to tell me?

5 A. We -- we not only did a traffic study for T-Mobile,
6 we did it for all of the wireless carriers at that time. So
7 we looked at every single call that went out of our switch
8 during that fourth quarter, and -- or every call -- I'm
9 sorry -- every call that came in over the Bell trunk group.
10 Now I'm on track. Every call that came over the Bell trunk
11 group we studied.

12 We went to the LURG and to our consultants, and
13 identified what NPA/NXXs belonged to different carriers. And
14 then we categorized them. These calls were the ones that were
15 categorized into T-Mobile.

16 We looked at where the calls came from, based on
17 just the phone number of the call, the originating phone
18 number of the call. We had no information on what cell tower
19 that call might have started from, but we knew the phone
20 number -- so those with T-Mobile identified phone numbers.

21 And we looked at all those calls. And out of
22 2,250 calls, as I recall, every single one of them came to us
23 across an MTA boundary.

24 In an effort to try to settle this thing, because
25 we've been at it so long trying to get agreements from all the

1 carriers -- in an effort to settle, we said, look, 100 percent
2 of the traffic showed up as interMTA, we're gonna say, you
3 know, that we'll just use the same factors we've used with
4 some other carriers. We'll use 22.5 percent.

5 So that was just an offer we made trying to get
6 this thing resolved. The traffic study that we did says
7 100 percent of the calls should be full access, and we just
8 offered to settle trying to get this thing behind us.

9 Q. Okay. Well, I -- I heard you mention the -- the --
10 at least it was my understanding that you said that all of
11 this traffic was T-Mobile traffic on this study?

12 A. On the spreadsheet that I attached to our
13 testimony, that is T-Mobile traffic. We had numerous
14 spreadsheets for other carriers that --

15 Q. Okay.

16 A. -- we used in negotiations.

17 Q. So area communication was all T-Mobile?

18 A. At the time we did this study, it was my
19 understanding they were under the T-Mobile umbrella.

20 MR. CECIL: Okay. Okay. That's all I have. Thank
21 you.

22 JUDGE PRIDGIN: Mr. Cecil, thank you.

23 Let me see if we have any recross.

24 Mr. Johnson for Respondent?

25 MR. MARK JOHNSON: Let me make sure I understand

1 the rules for recross. Based solely on issues raised by
2 Advisory Staff; is that -- is that correct?

3 JUDGE PRIDGIN: Yes, please.

4 MR. MARK JOHNSON: Okay. I'll limit it to that.

5 JUDGE PRIDGIN: Thank you.

6 RECROSS-EXAMINATION BY MR. MARK JOHNSON:

7 Q. Mr. Godfrey, Ms. Dietrich asked you some questions
8 about this 1-plus dialing pattern --

9 A. Yes.

10 Q. -- is that right.

11 And I think I want to make sure we kind of flesh
12 that out so we understand what that's all about.

13 Is it correct that every call from a landline
14 customer of your company to a T-Mobile phone requires 1-plus
15 dialing?

16 A. That's correct.

17 Q. Okay. Is it correct that your network recognizes
18 every one of those calls as an interexchange call?

19 A. That's correct.

20 Q. Is it correct that your customer placing that call
21 has to pay his or her pre-subscribed interexchange carrier
22 toll charges for that call to the T-Mobile customer?

23 A. Those calls belong to the carrier, and I assume
24 every one of them is charged a toll call.

25 Q. Okay. Is it correct that your company derives

1 originating access revenues from every call made by your
2 customers to T-Mobile customers?

3 A. And any other interexchange call, that's correct.

4 Q. Okay. Well, let me ask you this: Is it correct
5 that every call made by your landline customers to any
6 wireless carrier is a 1-plus call?

7 A. Wireless carriers have the option to interconnect
8 with us and get local numbers. None of them -- none of them
9 have chosen that option, so every originating call in our
10 territory going to a wireless carrier is charged an access
11 charge and is an interexchange call.

12 Q. And that's true without regard to where the called
13 party is actually located at the time the call is made?

14 A. That's correct. It's an interexchange call.

15 Q. So, in theory, if I lived in the Novinger exchange
16 and I'm calling from my office in my house, and my wife has a
17 T-- is a T-Mobile customer, I call her phone, and she happens
18 to be in the kitchen 30 feet away from me, that's a
19 long -- that -- that is considered by your company as a long
20 distance call; is that correct?

21 A. I'm not sure we'd see that call. I didn't fully
22 understand it.

23 Q. Okay. I'm sorry. I'll -- I'll explain it.

24 If I'm in my home office and I live in the
25 Novinger --

1 A. Okay.

2 Q. -- exchange --

3 A. All right. That was the part I was --

4 Q. Very good.

5 I live in the Novinger exchange. I'm not -- I'm
6 not in Kansas City.

7 A. Okay.

8 Q. I've moved.

9 A. All right.

10 Q. And I -- and -- and I want to call my wife.

11 A. All right.

12 Q. Time to go pick up the kids. And unbeknownst to
13 me, she's in the kitchen. And I call her cell phone -- her
14 T-Mobile cell phone, first I have to dial 1-plus --

15 A. Uh-huh.

16 Q. -- to get to her. And second, as I understand it,
17 your company's network would recognize that as an
18 interexchange call?

19 A. Because T-Mobile has not taken the option of
20 negotiating an interconnection agreement with us and getting
21 local numbers since you -- since T-Mobile does not have local
22 numbers, that's an interexchange call, and that would be
23 charged as a long distance charge.

24 Q. Is there any wireless carrier in Missouri that is
25 directly connected to your company's network?

1 A. No.

2 Q. So for any wireless carrier in Missouri, not just
3 T-Mobile -- for any wireless carrier, that phone call I just
4 described to you would be considered an interexchange call by
5 your company?

6 A. That's correct, because they've not gotten local
7 numbers from us.

8 Q. Okay. Is -- is your company affiliated with a
9 wireless carrier?

10 A. No.

11 MR. MARK JOHNSON: That's all I have. Thank you
12 very much.

13 JUDGE PRIDGIN: Mr. Johnson for Respondent, thank
14 you.

15 Mr. Johnson for Petitioners, any redirect?

16 MR. CRAIG JOHNSON: Yes, just -- just a few
17 questions, Your Honor.

18 REDIRECT EXAMINATION BY MR. CRAIG JOHNSON:

19 Q. Mr. Godfrey, let's turn to that traffic study
20 that's attached to your testimony. And I -- I want to -- I
21 want you to tell us what it is and what it's not.

22 First of all, does that traffic study encompass any
23 IXC provision traffic?

24 A. No, it does not.

25 Q. Does it -- does that traffic study encompass any

1 traffic that originated from a Northeast exchange?

2 A. No.

3 Q. Can you describe, again, what traffic that study
4 specifically studied?

5 A. This specific T-Mobile study studied any call that
6 we identified that was in a NPA/NXX controlled or owned by
7 T-Mobile that terminated to our company over the Southwestern
8 Bell trunk group.

9 Q. And using some of the characterizations of the
10 past, that would be SBC transited traffic?

11 A. That's correct.

12 Q. It wouldn't be any IXC traffic that was terminated
13 to Northeast?

14 A. No, it would not.

15 Q. Was this study submitted in the pending complaint
16 case, TC-2002-57?

17 A. I believe it was, yes.

18 Q. And as I understand it, the traffic study shows
19 100 percent of the T-Mobile traffic terminating over the Bell
20 trunk as being interMTA?

21 A. That's correct.

22 Q. Could you explain to the Arbitrator and the
23 Advisory Staff what happened in the complaint case that
24 resulted in proposing a lower factor for the T-Mobile traffic?

25 A. As I understand it, there were other options of --

1 of identifying how much interMTA traffic there was. There was
2 a tower count methodology that was presented. It showed
3 somewhat less -- it showed less than 100.

4 I don't remember the exact percentage, but it
5 showed a lower percentage when you looked at towers in
6 Missouri.

7 So this was basically a negotiated number, an
8 arrived-at number as something acceptable to our company, to
9 PSC Staff, who I believe provided the tower count methodology.
10 And we just agreed to it, thinking that would be a very
11 reasonable offer.

12 Q. Did T-Mobile agree to it in that case?

13 A. It was my understanding they did verbally. They
14 did not -- it was my understanding there was some verbal
15 agreement, but there was nothing ever signed on it. But I
16 wa-- could be wrong on that.

17 Q. Looking at the Schedule 1 to your testimony, could
18 you describe which of the calls are identified as interMTA
19 calls and which ones are identified as intraMTA?

20 Well, I guess you have no intra.

21 A. Zero intra.

22 Q. Can you describe how you prepared the -- or you --
23 or measured the proportions of the interMTA traffic that were
24 interstate in jurisdiction versus intrastate in jurisdiction?

25 A. There is a column on this study that just

1 identified the state of that NPA/NXX. So we went through and
2 identified the quantities, the seconds, in this case. You
3 could convert them to minutes if you chose.

4 But we looked at any state, other than Missouri,
5 added up those seconds and looked at it as a relationship to
6 the total seconds. And it came out to be 22.5 percent of the
7 calls came to us from outside the State of Missouri.

8 Q. For example, if I look at the third and
9 fourth columns over on the first very first row, it shows the
10 originating city is Wichita, Kansas, and the terminating
11 MTA is St. Louis?

12 A. That's correct.

13 Q. And that would be interstate?

14 A. That's correct.

15 Q. And can you go down and point out another row that
16 would be inter-- intrastate traffic?

17 A. I think the -- the first one I come to is Sedalia,
18 Missouri is intrastate, and that would be on line 9. On
19 line 9 there's a group of calls that came from Sedalia, a
20 total of 101 calls. And those would be considered an
21 intrastate call.

22 Q. Mr. Godfrey, one other thing. I believe Mr. Mark
23 Johnson asked you early on about the significance of the major
24 trading area or MTA, and I believe your answer was that that
25 was the area the FCC has designated as being local; is that

1 correct?

2 A. For wireless traffic, yes.

3 Q. Is that the area that's designated by the FCC as
4 being local for intercompany compensation purposes or for
5 purposes of deciding what local offerings are made to the
6 end-user customers of the wireless carriers or the landline
7 carriers?

8 MR. MARK JOHNSON: I have to object. That calls
9 for a legal conclusion from the witness.

10 JUDGE PRIDGIN: Could you ask your question again,
11 Mr. Johnson?

12 BY MR. CRAIG JOHNSON:

13 Q. To your knowledge, Mr. Godfrey, does the MTA apply
14 to intercompany compensation or reciprocal compensation, as
15 opposed to determining that T-Mobile has to offer its
16 customers the entire MTA as part of their local service
17 offering, or do you -- does Northeast have to offer the entire
18 MTA as part of its customers' local service operator?

19 JUDGE PRIDGIN: I'll overrule the objection.

20 THE WITNESS: We and any tariffs or any directives
21 from FCC or PSC do not have to offer that as a local call for
22 our customers.

23 BY MR. CRAIG JOHNSON:

24 Q. Do you have whether or not T-Mobile offers its
25 customers the entire MTA -- if that -- if the MTA boundaries

1 are defined for the local calling scope for a T-Mobile
2 customer-originated call?

3 A. I -- I really don't know.

4 Q. Okay. Thank you.

5 Do you know where T-Mobile interconnects with SBC?

6 A. I have seen that, but I don't recall. Most of the
7 wireless carriers connect at Kansas City at McGee switch, as I
8 understand it. But I -- I'm not certain of that.

9 Q. Is the McGee switch SBC's LATA tandem?

10 A. My understanding, yes.

11 MR. CRAIG JOHNSON: That's all I have, Your Honor.

12 JUDGE PRIDGIN: Mr. Johnson for Petitioners, thank
13 you.

14 Anything else from the Advisory Staff.

15 MS. DIETRICH: Nothing.

16 JUDGE PRIDGIN: All right. Seeing nothing, may
17 this witness be excused?

18 (NO RESPONSE.)

19 JUDGE PRIDGIN: Mr. Godfrey, thank you very much
20 for your time and your testimony, sir.

21 THE WITNESS: Thank you.

22 (WITNESS EXCUSED.)

23 JUDGE PRIDGIN: All right. Do I understand that,
24 Mr. Johnson for Petitioners, your next preferred witness is
25 Ms. Day.

1 MR. CRAIG JOHNSON: Yes.

2 JUDGE PRIDGIN: All right. Ms. Day, if you would
3 come forward and be sworn, please.

4 And, Mr. Johnson for Petitioners, do I understand
5 you're going to offer her prefiled as -- as No. 3?

6 MR. CRAIG JOHNSON: Yes, Your Honor.

7 JUDGE PRIDGIN: All right. Let's go ahead and mark
8 that for identification purposes.

9 (EXHIBIT NO. 3 WAS MARKED FOR IDENTIFICATION.)

10 Ms. Day, if you'll raise your right hand and be
11 sworn, please.

12 (WITNESS SWORN.)

13 JUDGE PRIDGIN: All right. Thank you very much,
14 ma'am.

15 Mr. Johnson for Petitioners?

16 MR. MARK JOHNSON: Thank you, Your Honor.

17 JUDGE PRIDGIN: Oh, I'm sorry.

18 MR. CRAIG JOHNSON: Oh, I would offer her
19 testimony --

20 JUDGE PRIDGIN: Oh.

21 MR. MARK JOHNSON: I'm sorry.

22 JUDGE PRIDGIN: That's all right.

23 MR. CRAIG JOHNSON: -- and tender her for
24 cross-examination.

25 JUDGE PRIDGIN: All right. Mr. Johnson for

1 Petitioners, thank you.

2 Exhibit No. 3 for identification purposes is
3 offered. Mr. Johnson for Respondent, any objection?

4 MR. MARK JOHNSON: No.

5 JUDGE PRIDGIN: All right. Thank you.

6 We'll show that as admitted.

7 (EXHIBIT NO. 3 WAS RECEIVED INTO EVIDENCE.)

8 JUDGE PRIDGIN: And, Mr. Johnson for Respondent,
9 cross-examination?

10 MR. MARK JOHNSON: Thank you, Your Honor.

11 DENISE DAY testified as follows:

12 CROSS-EXAMINATION BY MR. MARK JOHNSON:

13 Q. Now, Ms. Day, let -- let's first establish where
14 your company provides service in Missouri. And you'll see
15 that my unique color-coding system, I believe, indicates that
16 Mid-Missouri's service territory is in red.

17 Do you see that?

18 A. Yes.

19 Q. And would you agree with me that Mid-Missouri's
20 service territory is -- is in a number of exchanges in central
21 Missouri?

22 A. That's correct.

23 Q. It appears to me that a -- two or three of the
24 southernmost exchanges of Mid-Missouri might lie in one or
25 more MTAs; is that -- is that correct?

1 A. That's correct.

2 Q. Which exchanges are --

3 A. We have --

4 Q. -- line --

5 A. -- roughly -- we have roughly 2.5 exchanges that
6 are in the St. Louis MTA. The MTA boundary runs through the
7 middle of the Fortuna exchange.

8 Q. How many exchanges in total --

9 A. 12.

10 Q. -- does Mid-Missouri have?

11 12.

12 A. Uh-huh.

13 Q. So the other 9 exchanges are all in the Kansas City
14 MTA?

15 A. That's correct.

16 Q. So, just to summarize, Mid-Missouri has 9 exchanges
17 in the Kansas City MTA, 2 in the St. Louis MTA and 1 that lies
18 in both?

19 A. That's correct.

20 Q. Okay. Is it correct that you are sponsoring
21 testimony on behalf of your company with respect to the
22 jurisdictional allocation of traffic between T-Mobile and your
23 company?

24 A. Yes.

25 Q. That's on a going-forward basis?

1 A. Yes.

2 Q. And it -- it applies not just to interMTA and
3 intraMTA, but also interstate and intrastate jurisdictions?

4 A. Yes.

5 Q. Okay. And I believe you heard the -- the testimony
6 of Mr. Godfrey a few moments ago in which we talked about the
7 fact that interMTA calls are subject to access charges.

8 And do you agree with that?

9 A. Yes.

10 Q. Okay. Is it correct that the intrastate access
11 charge, which your company has approved by the -- the Public
12 Service Commission, is 12.49 cents per minute for -- for
13 terminating access?

14 A. For terminating access that is our rate approved by
15 the Missouri Commission.

16 Q. On the other hand, for interstate terminating
17 access, Mid-Missouri's charge is 1.7 cents per minute?

18 A. Yes, that is the NECA rate.

19 Q. Okay. And just to make sure that we're clear on
20 one point. You are not providing any evidence in support of
21 your company's proposal that 3.5 cents per minute be charged
22 for intraMTA traffic?

23 A. That is provided in Mr. Schoonmaker's testimony.

24 Q. Thank you.

25 Would you agree with me that your company's

1 intrastate access charge for terminating access is about
2 6 times higher than your charge for interstate terminating
3 access?

4 A. That's correct.

5 Q. And I'm -- and you -- I'm -- you heard Mr.
6 Godfrey's testimony about how on the interstate side you --
7 his company remits those funds to NECA from the interstate
8 access charge; is that correct?

9 A. Yes, those -- those access charges are remitted
10 back to NECA.

11 Q. And -- and -- and the same is true for
12 Mid-Missouri?

13 A. That is correct.

14 Q. Does Mid-Missouri receive payments back from NECA?

15 A. Yes.

16 Q. And that includes revenues from the interstate
17 access charge, as well as other revenues; is that right?

18 A. That is correct. We're -- we're just like
19 Northeast.

20 Q. Okay. Now, with respect to the revenues from
21 intrastate access charges, does Mid-Missouri keep all of
22 those?

23 A. Yes, we do.

24 Q. So would it be fair to say that Mid-Missouri
25 derives more revenues from intrastate access than interstate

1 access?

2 A. Well, it -- it -- you'd really have to look at
3 the -- the whole settlement process. I mean, the intrastate
4 access we bill it, and that goes to the bank, as Mr. Godfrey
5 said. The interstate is remitted back to NECA, and then it
6 goes through the settlement process.

7 Q. Another way to look at it, for a minute of
8 intrastate terminating access, Mid-Missouri gets 100 percent
9 of those revenues, right?

10 A. Uh-huh.

11 Q. For a minute of interstate terminating access,
12 those revenues go to NECA, and then as a part of the
13 settlement process, some or all of those revenues come back --

14 A. All in --

15 Q. -- to Mid-Missouri?

16 A. All plus some.

17 MR. MARK JOHNSON: All plus some.

18 Okay. I'm gonna hand you a copy of what I will ask
19 the court reporter to mark, for purposes of identification, as
20 Exhibit 4.

21 (EXHIBIT NO. 4 WAS MARKED FOR IDENTIFICATION.)

22 BY MR. MARK JOHNSON:

23 Q. Ms. Day, can you tell us what Exhibit 4 is?

24 A. This looks to be a copy of our annual -- 2004
25 annual report.

1 Q. Is it correct that you signed that on behalf of
2 Mid-Missouri?

3 A. Yes, that's correct.

4 Q. And, in fact, if you look at the last page of the
5 report, is it correct that you verified the accuracy of the
6 report on behalf of Mid-Missouri?

7 A. Yes, that's correct.

8 Q. And this contains information that covers Calendar
9 Year 2004; is that correct?

10 A. That's correct.

11 Q. Is this the most current statistical information
12 concerning the operation of your company that's available to
13 the public in Missouri, as far as you know?

14 A. As far as I know, yes.

15 Q. Let me refer you to Schedule 7 of Exhibit 4, in
16 particular page 1 of 7.

17 Do you have that in front of you?

18 A. Yes.

19 Q. Would you agree with me that Schedule 7, page 1
20 indicates that your company derives about \$613,000 -- or
21 derived about \$613,000 of revenues in 2004 from the provision
22 of local service to your customers?

23 A. That -- that's correct.

24 Q. Okay. And would you agree with me that this
25 schedule also indicates that your company received several

1 million dollars in access revenues in 2004?

2 A. Yes.

3 Q. Okay. Can you tell me from this schedule how much
4 your company received in access revenues in 2004?

5 A. Intrastate?

6 Q. Let's do intrastate first, yes. That's fine.

7 Thank you.

8 A. Interstate revenues \$2,091,041.

9 Q. And interstate access revenues?

10 A. Okay. It would be the remaining. The switched access
11 revenue is 3,537,171.

12 Q. Okay. So the -- is it fair to say that in 2004,
13 your company received approximately \$5.6 million in access
14 revenues?

15 A. That would be correct.

16 Q. Okay. Now, let me refer you to Schedule 11, which
17 is near the end of Exhibit 4. And I -- and a moment ago I
18 asked Mr. Godfrey concerning the contents of Schedule 11 of
19 the Northeast annual report.

20 It appears that in the Mid-Missouri annual report
21 that the Company took the position that the data requested on
22 this schedule has been filed under seal, and is not available
23 for public disclosure.

24 Was -- was -- is there some -- was there some
25 reason that this data was not included for public consumption?

1 A. Yes.

2 Q. And can you tell me what that reason is?

3 A. We feel like that is competitive data. And we're
4 in a competitive marketplace, so --

5 Q. Okay. Is Mid-Missouri affiliated with another
6 wireless carrier?

7 A. No, we are not.

8 Q. You're not -- you're not affiliated with
9 Mid-Missouri Wireless?

10 A. No, we are not. Not at this time.

11 Q. Not at this time.

12 Were -- were you at some point?

13 A. Yes, in the past.

14 Q. When -- when was that?

15 A. We officially are no longer affiliated with them as
16 of December of '04. Prior to that point, we were sister
17 companies.

18 Q. Were you commonly owned?

19 A. Yes.

20 Q. For how long was -- was that the case?

21 A. I believe since 1989.

22 Q. Okay. Is that when Mid-Missouri Wireless was
23 founded?

24 A. Yes.

25 Q. Is Mid-Missouri Wireless directly interconnected to

1 Mid-Missouri Telephone?

2 A. No, they are not.

3 Q. Do calls that go from a Mid-Missouri Telephone
4 customer to a Mid-Missouri Wireless customer re-- require the
5 1-plus dialing that we've heard about earlier this morning?

6 A. Yes, they do.

7 Q. Is -- is any wireless carrier directly
8 interconnected to Mid-Missouri Telephone?

9 A. No, they are not.

10 Q. So is it correct that it -- then, that all calls
11 going from a Mid-Missouri Telephone customer to a wireless
12 telephone customer require 1-plus dialing?

13 A. That's correct.

14 Q. Ms. Day, I'm sorry. I -- I digressed a moment.
15 But back to the annual report.

16 Is there, to your knowledge, any information
17 publicly available which would allow us to determine how many
18 minutes of terminating access Mid-Missouri provided in 2004?

19 A. I'm not aware of any report like that.

20 Q. And that would be both interstate terminating
21 access and intrastate terminating access; is that correct?

22 A. There is -- there may be some interstate reports
23 that would have that information. I'm just -- I'm just not
24 for certain.

25 Q. Okay. Can you tell us why Mid-Missouri considers

1 that information to be competitively sensitive?

2 A. Well, as I said, telecommunications is a
3 competitive marketplace. And so we felt like that was
4 something that we just wanted to keep --

5 Q. Okay.

6 A. -- under our --

7 Q. Are there -- are there competitive local exchange
8 carriers providing service and competition with Mid-Missouri?

9 A. Landlines, no, there are not.

10 Q. Okay. What -- what -- what companies are providing
11 telecommunications services in competition?

12 A. Wireless companies.

13 Q. I'm sorry?

14 A. Wireless companies.

15 Q. Wireless companies.

16 And as far as you know, those companies are not
17 subject to regulation by the Public Service Commission; is
18 that right?

19 A. That's my understanding.

20 Q. Does T-Mobile provide service in the Mid-Missouri
21 service territory?

22 A. I believe they do.

23 Q. Okay. Do you know how long they have?

24 A. I -- I don't know that.

25 Q. Now, in your testimony you refer to a traffic study

1 which Mid-Missouri performed; is that correct?

2 A. That's correct.

3 Q. Is it correct that that traffic study was based on
4 one month of -- I'm sorry. This has to do with -- with
5 traffic coming to Mid-Missouri from T-Mobile --

6 A. On the Bell --

7 Q. -- right?

8 A. -- trunk rate.

9 Q. And as I understand it, that traffic study involved
10 one month, from May 16, 2003 to June 15, 2003?

11 A. That's correct.

12 Q. When did Mid-Missouri actually, you know, analyze
13 that data to -- as a part of the traffic study?

14 A. I don't recall the exact dates when we did that. I
15 would guess it would be sometime in 2004. But I'm just not
16 for sure.

17 Q. Okay. Has Mid-Missouri performed a traffic study
18 concerning traffic coming from T-Mobile based on data
19 any -- you know, more recent than the 2003 data?

20 A. No, we have not.

21 Q. Has Mid-Missouri ever performed a traffic study
22 concerning calls originating from Mid-Missouri customers and
23 going to T-Mobile customers?

24 A. No, we have not.

25 Q. Is it correct that you also provide evidence

1 concerning the jurisdiction of traffic between interMTA and
2 intraMTA calls?

3 A. That -- on the -- on this traffic study, that's
4 correct.

5 Q. And that -- and you anticipated my question.

6 And -- and your testimony on that issue is based on
7 the traffic study that's described in your testimony?

8 A. That's correct.

9 Q. Does your testimony specify how that traffic study
10 was conducted?

11 A. I don't -- as Mr. Godfrey said, I don't believe it
12 spells out exactly how we conducted it, but it was done in
13 exactly the same manner that Northeast's study was done.

14 Q. So your testimony doesn't include any information
15 concerning the methodology that was used to perform the study?

16 A. No. It was performed exactly as Northeast did
17 theirs.

18 Q. Now, to shift for a moment to the issue of
19 compensation for land to mobile traffic, as you understand,
20 that's an issue in this case?

21 A. Uh-huh.

22 Q. Now, we've established that T-Mobile and your
23 company, Mid-Missouri, are not directly connected; is that
24 right?

25 A. That's correct.

1 Q. So they're indirectly connected?

2 A. Yes. Correct.

3 Q. And that means there isn't a direct link between
4 the Mid-Missouri network and the T-Mobile network; is that
5 right?

6 A. That's my understanding, yes.

7 Q. Can you describe for us what would be involved in
8 establishing a direct connection between Mid-Missouri and a
9 wireless carrier?

10 A. I'm not a network expert, but I would assume that
11 that would require a fair amount of work.

12 Q. Okay.

13 A. I'm not sure --

14 Q. And --

15 A. -- what would be involved.

16 Q. Would it require the installation of some types of
17 facilities, right?

18 A. I would assume that would be correct, yes.

19 Q. Do you have any idea of what the cost of direct
20 connection is?

21 A. I -- no, I do not.

22 Q. Were T-Mobile to say we would like to directly
23 connect with your company, would your company assume any of
24 the expense of creating that direct connection?

25 A. I would not anticipate us agreeing to that, no.

1 Q. Has any wireless carrier approached T-Mob-- I'm
2 sorry -- has approached Mid-Missouri to directly connect with
3 Mid-Missouri?

4 A. I don't believe so. There may have been some talk
5 about that at some point with Mid-Missouri Cellular. But I
6 just -- I don't believe that we ever talked -- went very far
7 with that.

8 Q. Now, is it correct that your company's position as
9 espoused, I believe in your testimony, is that Mid-Missouri
10 will pay reciprocal compensation to T-Mobile only if it is
11 directly connected to the Mid-Missouri network?

12 A. That's correct.

13 Q. And, further, that your company would only pay
14 reciprocal compensation to calls -- assuming T-Mobile is
15 directly connected, would only pay reciprocal compensation for
16 calls that terminate within the Mid-Missouri local calling
17 scope?

18 A. I believe that's correct.

19 Q. Okay. So even if T-Mobile became directly
20 connected to your company's network, a call originating in the
21 Bunceton exchange going to Kansas City, which is within the
22 same MTA, that -- but because that call would leave the
23 Mid-Missouri local calling area, that would be considered an
24 interexchange call and Mid-Missouri would not pay T-Mobile
25 compensation; is that correct?

1 A. I have not really studied this, but that would be
2 my understanding.

3 Q. All right. Do your customers pay long distance
4 charges on all calls which they dial on their landline phone
5 to a wireless carrier?

6 A. Yes.

7 Q. All of those calls are recognized by your network
8 as being interexchange calls; is that --

9 A. Yes.

10 Q. -- correct?

11 A. Uh-huh.

12 Q. All of those calls go to the customers'
13 pre-subscribed interexchange carrier?

14 A. That is correct. We do have some customers that
15 are -- that use a VOIP-type long distance product, but they
16 would go to that product instead of an IXC.

17 Q. Okay. And for each of those calls, your company
18 derives originating access revenues?

19 A. On the calls that go to an IXC, we derive
20 originating access; on the calls that go to the VOIP product
21 we do not.

22 Q. And that's an issue that every local exchange
23 carrier has with the VOIP carriers --

24 A. That's correct.

25 Q. -- is that correct?

1 So to that extent, your -- your company isn't
2 unique?

3 A. Right.

4 MR. MARK JOHNSON: Thank you. That's all I have.

5 JUDGE PRIDGIN: Thank you, Mr. Johnson for
6 Respondent.

7 MR. MARK JOHNSON: Could I offer Exhibit 4?

8 JUDGE PRIDGIN: You may.

9 MR. MARK JOHNSON: Sorry.

10 MR. CRAIG JOHNSON: No objection.

11 JUDGE PRIDGIN: All right. Exhibit No. 4 is
12 admitted.

13 (EXHIBIT NO. 4 WAS RECEIVED INTO EVIDENCE.)

14 JUDGE PRIDGIN: Ms. Dietrich?

15 QUESTIONS BY MS. DIETRICH:

16 Q. Ms. Day, could you take a look at your testimony,
17 please?

18 A. Uh-huh.

19 Q. On page 6 at lines 12 through 14 you say, when you
20 review the interMTA traffic identified in the study,
21 Attachment 1HC, the proportion of interstate traffic to total
22 traffic is 19.259 percent. And then you talk about rounding
23 that.

24 A. Uh-huh.

25 Q. Is that T-Mobile traffic only that you are

1 referencing there?

2 A. Yes. That is the -- it's based on the same study
3 that's attached to our testimony.

4 Q. And then later on in your attached -- or in your
5 testimony starting on page 7 you talk about landline to
6 IXC calls, and I just had a couple questions about that.

7 A. Uh-huh.

8 Q. I think you said that all calls from T-Mobile
9 customers to -- or from your customers to T-Mobile customers
10 are 1-plus customers, that's correct?

11 A. That's correct.

12 Q. Can T-Mobile NPA/NXXs be included in Mid-Missouri's
13 local calling scope?

14 A. We would have the same issue that Northeast did, I
15 would imagine. I mean, I can't imagine how that would
16 work -- how the translations would work, how you would
17 differentiate the different connections, the legal issues, the
18 local calling scopes.

19 Just -- I've never heard -- I don't know of
20 any -- any LEC in Missouri that's doing anything like that on
21 an indirect -- indirect connection such as ours.

22 Q. Okay. And then I don't know if you can answer
23 this, because you said earlier that you were not a technical
24 expert.

25 But do you know what would be involved in

1 transporting calls outside of Mid-Missouri's local calling
2 scope?

3 A. I don't know.

4 Q. Okay.

5 A. I would assume it would require money and
6 investment.

7 Q. And then do you know if instead of the calls going
8 to an IXC, they would go to a third-party transit carrier,
9 such as SBC or Sprint?

10 A. Could our -- our originating calls go to -- the way
11 I understand that, the trunk is that it's a one way only
12 terminating in.

13 So I don't know how we'd have to set that up to try
14 to make it go both directions. SBC is not an IXC in our
15 exchanges.

16 Q. Okay. And then one last question to -- a couple
17 questions, perhaps, to clarify something that Mr. Johnson from
18 T-Mobile was asking you.

19 He was talking about if T-Mobile was directly
20 connected with Mid-Missouri. And I think what you said was
21 that reciprocal compensation would only apply to T-Mobile
22 calls if those calls were in the Mid-Missouri calling scope;
23 is that correct?

24 A. As I said, I've not studied that issue, but that
25 would be my understanding.

1 Q. And would -- does that mean, as far as you
2 understand, that the T-Mobile customer would -- when making
3 the call, would have to be in the exchange or could they be,
4 say, for instance, in New York but have the NPA/NXX assigned
5 to Mid-Missouri and it would count as a local call?

6 A. I believe they'd have to be in our exchanges.

7 Q. Okay.

8 A. But I'm not certain on that.

9 MS. DIETRICH: Okay. Thank you.

10 JUDGE PRIDGIN: Ms. Dietrich, anything further?

11 MS. DIETRICH: No.

12 JUDGE PRIDGIN: Okay. Mr. Haas?

13 MR. HAAS: No questions.

14 JUDGE PRIDGIN: Mr. Cecil?

15 MR. CECIL: I have no questions.

16 JUDGE PRIDGIN: All right. Thank you.

17 Any recross, Mr. Johnson for --

18 MR. MARK JOHNSON: No.

19 JUDGE PRIDGIN: -- Respondent?

20 MR. MARK JOHNSON: Thank you.

21 JUDGE PRIDGIN: Redirect?

22 MR. CRAIG JOHNSON: Just one topic.

23 REDIRECT EXAMINATION BY MR. CRAIG JOHNSON:

24 Q. Ms. Day, can you -- I think you testified as to the
25 difference between intrastate carrier revenues, excluding

1 local revenues, and interstate. And you made the comment that
2 you get more back from NECA than your access tariffs and
3 minutes alone would derive?

4 A. That is correct.

5 Q. And I kind of wanted to explain -- or would like
6 for you to explain how that -- how that happens. What all
7 goes into the NECA settlements that you receive?

8 A. Anything that we collect from the customers that is
9 considered interstate revenue, whether it's the end-user line
10 charge or appears on the customers' bill or -- or the money
11 that we receive from the IXC's for interstate access is
12 reported to NECA and essentially paid back to NECA every
13 month.

14 The money that we receive for interstate
15 settlements is solely derived from a revenue requirement that
16 is calculated as on our cost study.

17 Q. The end-user line charge, is that a charge that the
18 federal government has imposed?

19 A. Yes.

20 Q. And who all -- how much is that line charge?

21 A. I believe it's 6.50, but it's -- that's sad, but I
22 don't know the answer to that. But I believe it's 6.50 a
23 customer.

24 Q. Who is that line charge assessed to?

25 A. Every customer on every line.

1 Q. How often?

2 A. Once a month.

3 Q. And where does that money go to?

4 A. That is reported to NECA every month. That is
5 interstate revenue.

6 Q. So some of the revenues you get back from the
7 federal government may include proceeds of the end-user line
8 charges that run through the Universal Service Fund and
9 high-cost support mechanisms?

10 A. That's correct.

11 Q. Do you know whether for Mid-Missouri you get more
12 revenues from federal settlements than you get from intrastate
13 carrier revenues?

14 A. We get more from interstate than from -- interstate
15 settlements than USF settlements.

16 Q. Even though your interstate access rate is
17 six times less than your intrastate access rate, you end up
18 getting more revenues from the federal jurisdiction than the
19 state jurisdiction?

20 A. That's correct.

21 MR. CRAIG JOHNSON: That's all I have, Your Honor.

22 JUDGE PRIDGIN: Mr. Johnson for Petitioners, thank
23 you.

24 Anything else from the Advisory Staff?

25 MS. DIETRICH: I do.

1 JUDGE PRIDGIN: Ms. Dietrich?

2 FURTHER QUESTIONS BY MS. DIETRICH:

3 Q. Just to follow up on what Mr. Johnson for
4 Petitioners was asking. He was asking you about the 6.50
5 subscriber line charge. And I think he asked you if that was
6 imposed by the FCC?

7 A. Well, it's a -- it's part of the -- the NECA -- or
8 I guess it is the FCC charge, yes.

9 Q. And is that a charge that the FCC requires you
10 to --

11 A. Yes.

12 MS. DIETRICH: -- collect?

13 Okay. Thank you.

14 JUDGE PRIDGIN: Ms. Dietrich, anything further?

15 MS. DIETRICH: No.

16 JUDGE PRIDGIN: Okay. Recross?

17 MR. MARK JOHNSON: No, Your Honor.

18 JUDGE PRIDGIN: Redirect?

19 MR. CRAIG JOHNSON: No, Your Honor.

20 JUDGE PRIDGIN: All right. Thank you.

21 Anything else?

22 (NO RESPONSE.)

23 JUDGE PRIDGIN: All right. Can this witness be
24 excused?

25 MR. CRAIG JOHNSON: Yes.

1 JUDGE PRIDGIN: All right. Ms. Day, thank you very
2 much for your time and your testimony.

3 (WITNESS EXCUSED.)

4 JUDGE PRIDGIN: This looks to be a convenient time
5 to break. I show the clock up here by the wall to be 5 until
6 10. So let's resume at 10:10, please.

7 We will go off the record.

8 (RECESS WAS TAKEN.)

9 JUDGE PRIDGIN: All right. We're back -- we're
10 back on the record in Case No. IO-2005-0468.

11 Just to kind of give Counsel a -- an idea where
12 we're going. At the pace we're going, it looks like we'll go
13 with Mr. Simon next, and then Mr. Heins.

14 And then, depending upon the length of
15 cross-examination, that may be a convenient time to break for
16 lunch. But we'll see -- we'll see how that goes. And I'll
17 certainly take Counsels' suggestions if we want to do
18 something else.

19 And, Mr. Simon, if you're ready to start, will you
20 raise your right hand and be sworn?

21 (WITNESS SWORN.)

22 (EXHIBIT NO. 5 WAS MARKED FOR IDENTIFICATION.)

23 JUDGE PRIDGIN: Thank you very much, sir.

24 Mr. Johnson for Petitioners, same procedure? Do
25 you wish to --

1 MR. CRAIG JOHNSON: Yes, I would offer Exhibit 5,
2 and tender Mr. Simon.

3 MR. MARK JOHNSON: No objection.

4 JUDGE PRIDGIN: All right. Very well. Exhibit
5 No. 5, that being Mr. Simon's direct testimony, if I'm not
6 mistaken?

7 MR. CRAIG JOHNSON: Yes, Your Honor.

8 JUDGE PRIDGIN: All right. That is admitted
9 without objection.

10 (EXHIBIT NO. 5 WAS RECEIVED INTO EVIDENCE.)

11 JUDGE PRIDGIN: And Mr. Johnson for Respondent,
12 when you're ready, sir.

13 MR. MARK JOHNSON: Thank you.

14 JAMES SIMON testified as follows:

15 CROSS-EXAMINATION BY MR. MARK JOHNSON:

16 Q. Mr. Simon, let's first establish where your
17 company, Chariton Valley, provides service. And on my map, I
18 believe, Chariton Valley is in green.

19 Do you see that?

20 A. Yes, I do. I looked at it during the break, and it
21 is correct.

22 Q. Okay. Thank you very much.

23 And, for the Arbitrator, your company, is it
24 correct, provides service in the north central part of the
25 state?

1 A. That's correct.

2 Q. How many exchanges does your company have?

3 A. 18.

4 Q. And can you tell us what the split of exchanges is
5 between the Kansas City and St. Louis MTAs?

6 A. Well, 3 of the exchanges are in the Kansas City
7 MTA and a portion of the Bucklin, New Boston, New Cambria are
8 kind of on the boundary line.

9 Q. Okay. So the 3 exchanges that you just referred
10 to --

11 A. Hale --

12 Q. -- are Hale --

13 A. -- Bosworth and De Witt.

14 Q. -- Bosworth and De Witt?

15 And the -- and the other exchanges, Bucklin, New
16 Cambria -- and what was the other one?

17 A. New Boston, I believe, may cross into part of the
18 St. Louis.

19 Q. All right. And the rest are in the St. Louis MTA?

20 A. That's correct.

21 Q. Now, Mr. Simon, is it correct that on behalf of
22 your company, Chariton Valley, you are sponsoring the proposal
23 concerning the jurisdictional split of traffic between
24 T-Mobile and Chariton Valley?

25 A. Yes.

1 Q. And that's on a going-forward basis?

2 A. Yes.

3 Q. Covering both interstate and intrastate traffic?

4 A. Yes.

5 Q. And also interMTA and intraMTA traffic?

6 A. That's correct.

7 Q. And you've heard the testimony earlier today
8 concerning the imposition of access charges on interMTA calls.
9 Is that the practice with Chariton Valley as well?

10 A. Yes.

11 Q. Now, to -- to look at the distinction between the
12 intrastate and interstate access charges for Chariton Valley,
13 is it correct that your company's tariffed intrastate access
14 charge is 7.9 cents per minute?

15 A. That's correct.

16 Q. And is it correct that your company's tariffed
17 interstate access charge is 1.4 cents per minute?

18 A. That's correct.

19 Q. And I believe you've heard the testimony of the
20 earlier witnesses concerning the remittance of interstate
21 access charge revenues to NECA.

22 Does your company do that as well?

23 A. Well, our company is slightly different, in that we
24 participate in the NECA common-line pool. But we do not
25 participate in the NECA traffic-sensitive pool.

1 Q. And -- and how is -- how does that make your
2 company's situation different from -- from Northeast and --
3 and Mid-Missouri? Excuse me.

4 A. Our traffic-sensitive access rates on the
5 interstate basis would be bill and keep, and common-line
6 access or end-user charges would be pooled. And we would
7 receive payments back similar to the other companies.

8 Q. And the pool revenues go to NECA?

9 A. That's correct.

10 Q. Is that correct?

11 A. Uh-huh.

12 Q. Now, on the other hand, the in-- the revenues from
13 intrastate access charges stay with Mid-Missouri?

14 A. That's correct.

15 MR. MARK JOHNSON: I'm gonna hand you a copy of
16 what I'll ask the court reporter to mark as Exhibit -- I guess
17 we're at 6 now?

18 JUDGE PRIDGIN: Yes, sir.

19 MR. MARK JOHNSON: Okay.

20 (EXHIBIT NO. 6 WAS MARKED FOR IDENTIFICATION.)

21 MR. MARK JOHNSON: Could you -- could you hand him
22 the copy?

23 THE REPORTER: I'm sorry.

24 BY MR. MARK JOHNSON:

25 Q. Mr. Simon, could you tell us what Exhibit 6 is?

1 A. That is the Chariton Valley annual report to the
2 Missouri Public Service Commission.

3 Q. For Calendar Year 2004?

4 A. That's correct.

5 Q. To your knowledge, is the information contained in
6 this report accurate?

7 A. Yes.

8 Q. Let me refer you to Schedule 7, page 1. Would --

9 A. Schedule 7?

10 Q. Yes. To the top right.

11 A. Okay.

12 Q. Page 1.

13 A. Uh-huh.

14 Q. Would you agree with me that Schedule 7, page 1
15 indicates that your company in 2004 derived approximately
16 \$1.7 million in revenues from the provision of local exchange
17 service?

18 A. Yes.

19 Q. Now, in the -- in the middle of that page there's
20 information concerning access service revenues, do you agree?

21 A. That's correct.

22 Q. Item 5082, switched access revenue, there's zero in
23 the Missouri jurisdiction, but figure of 5.58 million in total
24 company revenues.

25 Can you tell us why there is zero in the Missouri

1 jurisdiction column?

2 A. Not right off the top of my head. I would have to
3 do some checking on that to find out.

4 Q. Okay. Now, if -- if you go down two rows to state
5 access revenue, and that indicates that Mi-- pardon me --
6 Chariton Valley received approximately \$2.5 million in state
7 access revenues in 2004.

8 Do you agree with that?

9 A. Yes.

10 Q. Is that, as far as you know, for the provision of
11 intrastate access services?

12 A. As far as I know, that's correct. Yes.

13 Q. Now, if you will look at Schedule 11, which is near
14 the end of the annual report. At the bottom of
15 Schedule 11 -- I'm sorry.

16 And this is the page with the heading operational
17 statistics. Do you have that now?

18 A. This copy ends with Schedule -- here it is. Okay.
19 I'm sorry.

20 Okay.

21 Q. Okay. And if you'll look at the bottom, for
22 terminating minutes of use, would you agree with me that this
23 schedule indicates that in Calendar Year 2004, Chariton Valley
24 had approximately 17 million minutes of intrastate terminating
25 minutes --

1 A. Yes.

2 Q. -- of use?

3 And that in same year, Calendar Year 2004, Chariton
4 Valley has 12.3 million minutes of interstate terminating
5 minutes of use?

6 A. That's correct.

7 Q. And is it correct that the minutes we've just
8 talked about are minutes which yield revenues based on
9 terminating access charges?

10 A. Yes.

11 MR. MARK JOHNSON: I offer Exhibit 6 into evidence.

12 MR. CRAIG JOHNSON: No objection.

13 JUDGE PRIDGIN: All right. Exhibit No. 6 is
14 admitted?

15 (EXHIBIT NO. 6 WAS RECEIVED INTO EVIDENCE.)

16 BY MR. MARK JOHNSON:

17 Q. Now, I believe that in your testimony you propose
18 that there be a split between the interMTA and
19 intraMTA jurisdiction of 80 percent for intrastate, 20 percent
20 for interstate, correct?

21 A. That's correct.

22 Q. Is it correct that you propose those splits because
23 of other wire -- wireless carriers have agreed to them?

24 A. That's correct.

25 Q. And those have been agreed to and negotiated

1 traffic termination agreements?

2 A. Yes.

3 Q. Has -- has Chariton Valley been involved in an
4 arbitration where this 80/20 split has been at issue?

5 A. We did not completely go through an arbitration.
6 One was started, but settled before arbitration.

7 Q. Was it settled before a hearing?

8 A. Yes.

9 Q. So, as far as you know, there has been no
10 evidentiary hearing concerning whether the 80/20 split is
11 appropriate?

12 A. As far as I know.

13 Q. Okay. Is it correct that Chariton Valley conducted
14 a traffic study of traffic sent by T-Mobile to Chariton Valley
15 customers?

16 A. That's correct.

17 Q. Is it correct that that traffic study was based on
18 data gathered for the months of December -- pardon
19 me -- November and December of 2001?

20 A. That is correct.

21 Q. When was the traffic study actually done? When was
22 the analysis performed?

23 A. Sometime last year in 2004.

24 Q. But it was performed based on analysis accumulated
25 for the -- this two-month period in 2001?

1 A. Yes.

2 Q. Okay. Has Chariton Valley conducted a traffic
3 study based on traffic data of a more recent vintage than the
4 November and December 2001 period?

5 A. No.

6 Q. Has Chariton Valley ever conducted a traffic study
7 for land to mobile traffic going to T-Mobile?

8 A. No.

9 Q. Now, in your testimony you also provide evidence
10 concerning the split of traffic between the interMTA and
11 intraMTA jurisdictions; is that correct?

12 A. Uh-huh.

13 Q. And that would be intrastate traffic within the
14 MTA or outside of the MTA, right?

15 A. Yes.

16 Q. Okay. Is it correct that the proposal that you are
17 sponsoring on behalf of Chariton Valley concerning that split
18 in jurisdiction is based on the traffic study we talked about
19 a moment ago?

20 A. The traffic study, I believe, shows a higher
21 percentage of interMTA than that proposed.

22 Q. But in -- in terms of the evidence in support of
23 the proposal, that evidence is the traffic study that's
24 discussed in your testimony?

25 A. Yes.

1 Q. Now, to move on to the other issue that -- that I
2 believe you provided testimony about, and that's compensation
3 for land to mobile traffic; in other words, compensation from
4 your company to T-Mobile.

5 And you -- you testify about that as well --

6 A. Yes.

7 Q. -- is that correct?

8 Is your company indirectly connected to T-Mobile?

9 A. In -- yes --

10 Q. Okay. There is --

11 A. -- through 1-plus.

12 Q. There is no direct connection between your -- your
13 company's network and T-Mobile's network?

14 A. No, there is not.

15 Q. Are all of the calls which your company's customers
16 originate on their landline phones going to T-Mobile cellular
17 phones -- 1-plus dialed calls?

18 A. Yes, they are.

19 Q. Without regard to where the T-Mobile customer is
20 located at the time the call is made?

21 A. Yes, that's correct.

22 Q. Okay. Does your network, then, recognize those
23 calls as interexchange calls?

24 A. Yes.

25 Q. Does your network send those calls to the

1 customers' pre-subscribed interexchange carrier?

2 A. Yes.

3 Q. And that interexchange carrier pays your company
4 originating access?

5 A. Yes.

6 Q. And that originating access, if it's an intrastate
7 call, that's at the, what, 7.9 cent level or -- is that
8 correct?

9 A. Yes.

10 Q. I -- I guess one thing I didn't establish is, your
11 company's intrastate access charges for originating and
12 terminating access, are they the same?

13 A. No, I don't think so. There's a slight difference
14 there. I --

15 Q. Is it a matter of a few tenths of a cent per
16 minute?

17 A. It might be a few cents. I -- I can't remember off
18 the top of my head.

19 Q. Are origi-- is originating access higher or lower
20 than terminating access?

21 A. I believe it's lower.

22 Q. But to get back to the example of the -- the -- the
23 call we were just talking about a moment ago, your customer,
24 your local exchange customer would pay long distance revenues
25 to the interexchange carrier for that call to a T-Mobile

1 customer; is that right?

2 A. Yes --

3 Q. Okay.

4 A. -- I assume they would.

5 Q. Does any wireless carrier have a direct connection
6 to Chariton Valley?

7 A. Yes.

8 Q. And which -- which wireless carrier?

9 A. Chariton Valley Wireless.

10 Q. Okay. So Chariton Valley wireless, is -- is that a
11 company that's affiliated with Chariton Valley Telephone?

12 A. Yes.

13 Q. Are they -- what, are the two companies commonly
14 owned?

15 A. Yes.

16 Q. Is there some holding company that owns both of
17 them?

18 A. No. Chariton Valley Telephone owns Chariton Valley
19 Wireless.

20 Q. Okay. So your company owns Chariton Valley
21 Wireless?

22 A. (Witness nodding.)

23 Q. Is that right?

24 A. Yes.

25 Q. Do calls that go to a Chariton Valley Telephone

1 customer to a Chariton Valley Wireless customer require
2 1-plus dialing?

3 A. No.

4 Q. That's considered a local call?

5 A. Yes.

6 Q. Is that the case even if the call goes outside the
7 Chariton Valley Telephone local calling scope?

8 A. Do you mean if the wireless customer is off network
9 roaming elsewhere?

10 Q. Not necessarily. Let -- let -- let me break that
11 down a little bit.

12 A. Okay.

13 Q. So we have the Chariton Valley Telephone local
14 calling area in green here on this map?

15 A. Yes.

16 Q. Is the -- to your knowledge, is Chariton Valley
17 Wireless local calling area coterminous with the Chariton
18 Valley Telephone local calling area or is it bigger or
19 smaller, do you know?

20 A. It's slightly larger.

21 Q. Slightly larger.

22 Okay. So for a call that goes from one of the
23 Chariton Valley Telephone customers to a Chariton Valley
24 Wireless customer, but goes outside the Chariton Valley
25 Telephone local calling area, is that a local call?

1 A. Yes.

2 Q. And so does -- and -- and -- and how is
3 compensation handled for that? Does Chariton Valley Telephone
4 compensate Chariton Valley Wireless for terminating it or it
5 handled on a -- a bill and keep basis?

6 A. It's a reciprocal comp agreement at 3.5 cents.

7 Q. 3.5 cents?

8 A. Uh-huh.

9 Q. So for terminating -- for -- for a call originating
10 from your customers in your local calling area going to a
11 Chariton Valley Wireless customer in the Chariton Valley
12 Wireless local calling area, but outside your company's local
13 calling area, you pay -- you -- you will pay 3.5 cents a
14 minute to Chariton Valley Wireless?

15 A. Yes.

16 Q. And is the same true for a call that does not leave
17 your local calling area, you'll pay Chariton Valley Wireless
18 3.5 cents to terminate that -- 3.5 cents a minute to terminate
19 that call?

20 A. There's not -- within the 18 exchanges?

21 Q. Right.

22 A. Yes.

23 Q. So then -- okay. I think we've got that.

24 For a call coming from a Chariton Valley Wireless
25 customer to a Chariton Valley Telephone customer within your

1 exchange -- your local calling scope, does Chariton Valley
2 Wireless pay Chariton Valley Telephone 3.5 cents a minute?

3 A. Yes.

4 Q. Does any company -- any wireless company, other
5 than Chariton Valley Wireless, have a direct connection with
6 Chariton Valley Telephone?

7 A. No.

8 Q. For those -- for those other carriers, T-Mobile
9 obviously being one of them, all calls going to the customers
10 of those carriers from a Chariton Valley Telephone customer,
11 those are 1-plus calls?

12 A. Yes.

13 Q. Those are recognized as interexchange calls by
14 Chariton Valley Telephone?

15 A. Yes.

16 Q. Regardless of whether the call goes to a wireless
17 customer who is inside the Chariton Valley Telephone local
18 calling scope or outside of it?

19 A. That's correct.

20 Q. Okay. Does your wireless carrier -- carrier
21 affiliate market the ability to make calls without 1-plus
22 dialing as -- you know, as a competitive advantage over other
23 wireless carriers?

24 A. Within the -- within that local calling scope?

25 Q. At all.

1 A. At all.

2 The wireless -- please -- I want to make sure I
3 understand your question.

4 Q. Okay. I'll -- I'll clarify it.

5 A. Okay.

6 Q. To your knowledge, does Chariton Valley Wireless
7 have ads that say, get service from us because the folks
8 who -- with Chariton Valley Telephone won't have to dial
9 1-plus to get to you?

10 A. No, there's no ads to that effect, that I'm aware
11 of.

12 Q. Would you -- do you view the fact that Chariton
13 Val-- that your customers can call Chariton Valley Wireless
14 customers without dialing 1-plus is a competitive advantage to
15 Chariton Valley Wireless?

16 A. Sure.

17 Q. Okay. Do -- for -- for purposes of accounting, do
18 the revenues and the profits and the like of Chariton Valley
19 Wireless redound to the benefit of Chariton Valley Telephone?

20 A. They would, yes. Uh-huh.

21 Q. Okay. Chariton Valley Telephone's a privately
22 owned company?

23 A. No, it's a member-owned cooperative.

24 Q. It's -- it's -- it's a mutually owned company, is
25 that another way of putting it?

1 A. That's one way to put it.

2 Q. So the -- the Chariton Valley Telephone customers
3 own the company?

4 A. That's correct.

5 Q. The -- the payments which Chariton Valley Telephone
6 receives from Chariton Valley Wireless, are those based -- you
7 know, the 3.5 cents a minute, are those based on actual
8 usage -- actual minutes of use?

9 A. Yes.

10 MR. MARK JOHNSON: That's all I have. I offer
11 Exhibit -- what are we -- is it 6?

12 JUDGE PRIDGIN: I've said that it's already been
13 offered --

14 MR. MARK JOHNSON: Oh, I'm sorry.

15 JUDGE PRIDGIN: -- and received.

16 MR. MARK JOHNSON: Okay. I'm sorry.

17 JUDGE PRIDGIN: That's quite all right.

18 MR. CRAIG JOHNSON: You can't get it in the record
19 twice.

20 MR. MARK JOHNSON: I've got to -- what?

21 MR. CRAIG JOHNSON: You can't get it into the
22 record twice.

23 JUDGE PRIDGIN: Just in case, I'll show that it --
24 it is offered.

25 And, Mr. Johnson for Petitioners, any objection?

1 MR. CRAIG JOHNSON: No, Your Honor.

2 JUDGE PRIDGIN: All right. We'll make sure that
3 Exhibit No. 6 is admitted into evidence without objection.

4 Ms. Dietrich, any cross?

5 MS. DIETRICH: Yes, please.

6 QUESTIONS BY MS. DIETRICH:

7 Q. Mr. Simon, a couple of follow-ups to what
8 Mr. Johnson was asking you on behalf of T-Mobile.

9 He was talking to you about your interstate
10 revenues, and you said that for your company you have the NECA
11 common-line pool, but not the traffic -- traffic-sensitive
12 pool, and that you use bill and keep for the traffic-sensitive
13 portions of the call?

14 A. That's correct.

15 Q. How is the arrangement for bill and keep
16 established? Is it through a contract with IXC's or --

17 A. No. We do file an interstate tariff, and the
18 interstate tariff rates are based on our cost study.

19 Q. Okay.

20 A. There's just no pooling that takes place.

21 Q. Okay. And then the discussion that you just had
22 about Chariton Valley Wireless versus Chariton Valley
23 Telephone and a 3.5 cent recip comp rate, is that based on the
24 same methodology that's being proposed in this case, as far as
25 determining the 3.5 cents -- the cost -- the cost studies and

1 that type of thing?

2 A. Well, the 3.5 cents is the rate that we've used in
3 our other compensation arrangements so that we used the same
4 rate.

5 Q. So that was based on the previous negotiations?

6 A. Yeah.

7 Q. Okay. And then if you could turn to your
8 testimony.

9 A. Okay.

10 Q. On page 4 at line 20 you say, 73 percent of the
11 traffic values were interMTA?

12 A. Yes.

13 Q. Is that T-Mobile only or is that all wireless?

14 A. That's just of the -- of the traffic study and the
15 exhibit attached.

16 Q. So that's just T-Mobile?

17 A. Just T-Mobile.

18 Q. Okay. And then on page 6, lines 12 to 13 you say,
19 the proportion of interstate seconds to total seconds is
20 15.9 percent. Is that also T-Mobile only?

21 A. Yes.

22 Q. Okay. And then is it possible to offer T-Mobile
23 NPA/NXXs in your local calling scope?

24 A. I would assume it would be possible.

25 Q. Is there a reason that it's not being done, then?

1 A. They haven't asked.

2 Q. Okay. And technically -- technically speaking,
3 what would be involved in transporting calls outside your
4 local calling scope of wire -- your -- your customers' call to
5 a T-Mobile call?

6 A. Well, there would have to be an interconnection
7 agreement and interconnection trunks established between the
8 Chariton Valley landline switch and the wireless switch.

9 Q. And has any of that taken place with Chariton
10 Valley?

11 A. No.

12 Q. Have there been any requests?

13 A. No.

14 Q. Okay. And is it -- is it possible for the calls
15 that are going from your company to T-Mobile to use a
16 transiting carrier, as opposed to an IXC, for instance, SBC or
17 Sprint?

18 A. Oh, I don't know the answer to that.

19 MS. DIETRICH: Okay. That's all. Thank you.

20 JUDGE PRIDGIN: Ms. Dietrich, thank you.

21 Mr. Haas?

22 MR. HAAS: No questions.

23 JUDGE PRIDGIN: Mr. Cecil?

24 MR. CECIL: No, thank you.

25 JUDGE PRIDGIN: Mr. Johnson for Respondent?

1 MR. MARK JOHNSON: No. Thank you very much.

2 JUDGE PRIDGIN: Mr. Johnson for Petitioners?

3 MR. CRAIG JOHNSON: Yes, just -- just a few,
4 please.

5 REDIRECT EXAMINATION BY MR. CRAIG JOHNSON:

6 Q. Mr. Simon, I want to --

7 MR. CRAIG JOHNSON: Should I be standing, Your
8 Honor?

9 JUDGE PRIDGIN: Wherever you're comfortable.

10 BY MR. CRAIG JOHNSON:

11 Q. I want to ask you a few questions about the
12 interconnection between Chariton Valley Wireless and Chariton
13 Valley Telephone Company.

14 First of all, is that a direct interconnection?

15 A. Yes.

16 Q. Where does Chariton Valley Wireless interconnect
17 with Chariton Valley Telephone?

18 A. At the tandem switch in Huntsville, Missouri.

19 Q. And who owns that tandem switch at Huntsville?

20 A. It's owned by Chariton Valley Communication.

21 Q. Is that in the -- is that designated as the
22 Chariton Valley Telephone tandem?

23 A. Yes.

24 Q. With respect to the calls that your -- or that
25 Chariton Valley Telephone customers make destined for Chariton

1 Valley Wireless subscribers, who is responsible for carrying
2 that traffic on the wireless side of that direct connection at
3 Huntsville?

4 A. On the wireless side, Chariton Valley Wireless is
5 responsible.

6 Q. And so Chariton Valley Telephone Company, does it
7 pay anything to Chariton Valley Wireless to transport landline
8 to mobile calls beyond the Huntsville tandem?

9 A. No.

10 Q. Chariton Valley Wireless is responsible for that?

11 A. Yes.

12 Q. Is it the direct connection that Chariton Valley
13 Wireless has in the Huntsville tandem that allows you to
14 provision -- allows Chariton Valley Telephone to do the
15 translations and allow the calls to be dialed locally by
16 Chariton Valley Telephone customers?

17 A. Yes.

18 Q. If T-Mobile brought their facility to the
19 Huntsville tandem, could you do the same for them?

20 A. Possibly. I would have to check with our
21 translations people, but it's pos-- I believe it's possible.

22 Q. As long as T-Mobile leaves its connection within
23 the landline network at the McGee tandem in Kansas City, is
24 Chariton Valley Telephone willing to be responsible for the
25 transport between Huntsville and McGee?

1 A. No.

2 Q. How far is that between Huntsville and McGee?

3 A. I think air miles -- it's, like, 112 air miles.

4 MR. CRAIG JOHNSON: That's all I have, Your Honor.

5 JUDGE PRIDGIN: Mr. Johnson, thank you.

6 Anything from Staff -- anything further?

7 (NO RESPONSE.)

8 JUDGE PRIDGIN: All right. Very good.

9 Mr. Simon, thank you very much for your testimony,
10 sir.

11 (WITNESS EXCUSED.)

12 JUDGE PRIDGIN: I imagine the next witness, then,
13 would be Mr. Heins.

14 MR. CRAIG JOHNSON: Yes, Your Honor.

15 JUDGE PRIDGIN: All right. Mr. Heins, if you'll
16 come forward and be sworn, sir.

17 If you'll raise your right hand and be sworn,
18 please.

19 (WITNESS SWORN.)

20 (EXHIBIT NO. 7 WAS MARKED FOR IDENTIFICATION.)

21 JUDGE PRIDGIN: Thank you very much, sir.

22 The same arrangement, I assume?

23 MR. CRAIG JOHNSON: Yes, Your Honor.

24 JUDGE PRIDGIN: This will be offered at Exhibit
25 No. 7, and then we'll proceed directly to cross-examination.

1 Any objection?

2 MR. MARK JOHNSON: No.

3 JUDGE PRIDGIN: All right. Exhibit No. 7 is
4 admitted into evidence.

5 (EXHIBIT NO. 7 WAS RECEIVED INTO EVIDENCE.)

6 JUDGE PRIDGIN: Mr. Johnson for Respondent, when
7 you're ready, sir.

8 MR. MARK JOHNSON: Thank you.

9 ANDY HEINS testified as follows:

10 CROSS-EXAMINATION BY MR. MARK JOHNSON:

11 Q. Mr. Heins, let's first establish where your
12 company's service area is. And we'll go back to the map. And
13 I believe that your ser-- company service area is in blue?

14 A. Yes.

15 Q. Do you agree with that?

16 A. Yes.

17 Q. Have you looked at the map?

18 A. Yes, I did.

19 Q. And would you agree that Alma has a single exchange
20 in sort of west central Missouri?

21 A. That would be correct.

22 Q. Okay. And that's Alma's one and only exchange?

23 A. One and only exchange.

24 Q. All right. It lies in the Kansas City LAT-- MTA --
25 Kansas City MTA?

1 A. That's correct.

2 Q. It's also in the Kansas City LATA, but we'll put
3 that aside for the moment.

4 And you're sponsoring on behalf of Alma Telephone
5 the proposal concerning the split of -- of traffic between the
6 interstate and intrastate and interMTA and
7 intraMTA jurisdictions; is that right?

8 A. That's correct.

9 Q. And is it correct that T-Mobile and Alma have
10 reached agreement as to the split between interMTA and
11 intraMTA?

12 A. I believe that would be correct.

13 Q. And there is zero that -- that the percentage of
14 traffic that's interMTA in nature is zero, and so it's
15 100 percent intraMTA?

16 A. That would be correct.

17 Q. And would you, then, agree that that makes the --
18 that that also takes out of dispute any issue relating to
19 interstate versus intrastate calls?

20 A. That would be correct.

21 Q. All calls that are placed from your customers of
22 which there are, what, about 300 or so, as I --

23 A. That's correct.

24 Q. -- as I understand, to a T-Mobile phone are
25 recognized by your company's network as being 1 -- 1-plus

1 interexchange calls; is that right?

2 A. That's correct.

3 Q. And all of those calls require a 1-plus dialing
4 pattern?

5 A. That is correct.

6 Q. If you're calling, for example, me in Kansas City
7 where my MPA is 816 --

8 A. Uh-huh.

9 Q. -- a customer in your company's exchange would have
10 to dial 1 plus 816 plus my -- the other 7 digits --

11 A. Yeah --

12 Q. -- of the phone number?

13 A. -- that's correct.

14 Q. The same would be true for a resident in the Alma
15 exchange who's a T-Mobile customer; is that right? You'd have
16 to dial 1-plus to reach that person's --

17 A. Yes, to dial --

18 Q. -- cellular number?

19 A. -- that T-Mobile customer would be a 1-plus call.

20 Q. Regardless of where that wireless phone is located
21 at the time the call was placed?

22 A. That's correct.

23 Q. And that's because T-Mobile is not directly
24 connected to your company, right?

25 A. That -- that is correct.

1 Q. Is any wireless company directly connected to Alma?

2 A. No, they are not.

3 Q. Has any wireless company inquired about becoming
4 directly connected with Alma?

5 A. To my knowledge, no one has requested that.

6 Q. Do you know what would be involved in creating a
7 direct connection between Alma and a wireless carrier?

8 A. I'm not 100 percent familiar with the -- the
9 translations and everything involved. But I would assume it
10 would be, you know, somewhat similar to some of the other
11 witnesses in that there'd be switch translations, and if it's
12 even possible.

13 Q. I mean, when -- when you talk about switch
14 translations, that's for -- another way of putting it, you'd
15 have to do some reprogramming, right?

16 A. Correct.

17 Q. That's software related, is that right, for the
18 most part?

19 A. I would suppose it would be.

20 Q. Would any hardware have to be installed as well, to
21 your knowledge?

22 A. I'm unsure of that.

23 Q. So you wouldn't know what the creation of a direct
24 connection would cost; is that correct?

25 A. Not to my knowledge.

1 Q. The calls that your customers place to T-Mobile
2 phones being a 1-plus and being recognized as interexchange
3 calls, those yield originating access revenues for your
4 company; is that correct?

5 A. That's correct.

6 Q. And they also yield usage-sensitive long distance
7 revenues to whoever the interexchange carrier carrying that
8 call is; is that right?

9 A. I -- I would suppose that's correct.

10 Q. And your company's network, in recognizing that
11 call as an interexchange call, sends the call to the calling
12 customers' pre-subscribed IXC?

13 A. That would be correct.

14 Q. Okay. And then the IXC, in turn, sends the call to
15 T-Mobile in whatever way it's connected -- it -- it -- it
16 sends calls to the T-Mobile network; is that right?

17 A. I suppose that would be the case, yes.

18 Q. And your -- your company's not affiliated with any
19 wireless carrier, is it?

20 A. No, we are not.

21 Q. Okay. So there is no wireless carrier that your
22 customers can call on a local basis; is that --

23 A. No.

24 Q. -- is that right?

25 A. No, there is not.

1 Q. Have -- have either you or anybody at your company
2 ever given thought to whether your company would agree to pay
3 the cost of the facilities and sof-- and switch translations
4 necessary to create a direct connection?

5 A. I don't know that anybody's ever contemplated it,
6 and I don't know that that is something we'd be willing to do.

7 MR. MARK JOHNSON: That's all I have. Thanks very
8 much.

9 JUDGE PRIDGIN: Mr. Johnson for Respondent, thank
10 you.

11 Ms. Dietrich?

12 MS. DIETRICH: Just a couple.

13 QUESTIONS BY MS. DIETRICH:

14 Q. I've asked this of all of the witnesses. Is it
15 possible to approve T-Mobile MTA access in the Alma local
16 calling area?

17 A. I'm unsure of that without checking with -- with
18 the -- the switch manufacturer on a technical level, and then
19 legally like -- I think it's been stated before of whether we
20 can even do that under our tariffs.

21 Q. Okay. And what would be required to transport
22 calls outside of your service area?

23 A. I suppose, you know, like I said already, there'd
24 be some -- I guess there would be some switching involved and
25 transport facility. But I'm -- it's not something I've really