

1 penny, and the proposed rate is -- is greater than that
2 forward-looking cost. So I -- I guess my difficulty is sort
3 of putting a label on the rate as being forward looking.

4 Q. I understand.

5 A. Yeah.

6 Q. In your testimony -- direct testimony page 18 at
7 lines 16 through 19 you state, in recent years switch vendors
8 have changed their pricing of digital switches so that most
9 switch costs now are driven by line capacity rather than
10 usage.

11 Mr. Schoonmaker addressed this in his rebuttal
12 testimony. Do you recall that discussion at -- he said
13 something to the effect of -- that this assertion is not
14 reflective of the Petitioners' activities.

15 A. I --- yes, I do recall that.

16 Q. Okay. Does his statement and his discussion around
17 that statement change your position at all?

18 A. No. In fact, it was curious to me that in his
19 justification for continuing with the 70 percent he said that
20 he -- and I'm paraphrasing his testimony. But he -- he
21 indicated that he had checked with engineers within his firm
22 and I believe the client companies to see what recent bids had
23 looked like.

24 We asked in our second Data Request to see evidence
25 of that, and none was provided. The -- what was provided --

1 and I believe this was called Exhibit 11 earlier, but it was a
2 response to the second Data Request. This was on page 1 of
3 the responses to second discovery Data Request by T-Mob--
4 T-Mobile.

5 Just by way of background, the issue here is
6 whether or not in today's world on a current cost basis or
7 looking forward switches would be priced on a per-line basis
8 in which the driver of cost is the number of lines you want.

9 So you tell the vendor, I need 10,000 lines. And
10 they give you a quote for that. Now, there may be other
11 things that would be included in the quote, such as additional
12 software or trunking equipment or other things of that sort.
13 But the predominant driver today is per line.

14 Now, if you roll -- were to roll back the clock
15 10 years ago, we've built up switches on a component basis.
16 So some of the equipment's driven by lines, some of it is
17 driven by the usage of the switch -- the minutes of use.

18 Mr. Schoonmaker has said, well, the ILECs still do
19 it the old way, that vendors would price to them on a
20 component basis.

21 When we got the response to question No. 1 on
22 page 1 asking for evidence, in the last sentence the response
23 states, in some cases the same vendor bid two or
24 three different switch configurations with prices on a
25 per-line basis ra-- varying over \$100 per line clearly

1 indicating that switches were being bid on something other
2 than a per-line basis.

3 That statement says two things to me. The first is
4 it says they're being bid on a per-line basis, but it also
5 doesn't tell me why the per-line prices are varying. Is it
6 because one company is looking for line number portability
7 software and other software that in-- increases the price of
8 the switch or is it another factor?

9 But if you take this for what it says, it says that
10 prices on a per-line basis, which is the argument that I'm
11 making, that in today's world, vendors would price on a
12 per-line basis.

13 The FCC in Virginia said, given that very little,
14 if any, of the switch cost should be attributed to usage.
15 That same position has been taken in other states as well.

16 Q. Okay. If an input is not representative of the
17 actual activity, should the actual value or the cost be used?

18 A. Could you repeat your question?

19 Q. Yes.

20 If, like, for instance, he was saying that
21 our -- our discussion that we just had was not representative
22 of the Petitioners' activities. If an input or -- if an input
23 is not representative of the actual activity, should the
24 actual value or cost be used?

25 A. I'll give you a two-part answer on that. The

1 question here that's important is for each of the four ILECs,
2 if they were to in -- in developing -- if they developed their
3 costs today for their networks, what would be their current
4 material prices from the vendors, what would be their costs of
5 maintenance and so on? So it should reflect the business
6 today in looking forward.

7 If that's different than their actual historical
8 values, then they shouldn't use the actual historical, but use
9 what they think will be the case today.

10 Q. Should not use?

11 A. Should not use the historical imbedded, but use
12 today's view of the world.

13 The second part of my answer, and I think this is
14 something I wanted to -- to clarify. Mr. Schoonmaker has
15 talked about the Hatfield Model reflecting -- being very
16 complex and reflecting the forward-looking most-efficient
17 network.

18 And I was curious, and as we prepared the second
19 round of Data Requests, to understand whether the ILECs
20 considered their current network configuration, the 3.64 miles
21 that Alma has to its point of interconnection, its DS3 system,
22 whether they considered that to be their forward-looking
23 economic most efficient way of building the network. And in
24 all four cases they said yes.

25 So that's a case in which, given that they're

1 telling me that what they have in place in terms of the kinds
2 of equipment, the size, although we want to use current costs,
3 not the historical costs, the system size -- if that's the
4 efficient forward-looking basis and it's different than the
5 Hatfield Model, that suggests to me that the Hatfield Model
6 can't be right.

7 And each of the four companies told us that what
8 they had in place is forward looking, is efficient, least
9 cost.

10 Q. Okay. On page 23 of your testimony you talk about
11 HAI Version 3. And that's on page -- or on lines 1 and 2 of
12 page 23.

13 A. Yes.

14 Q. Have you seen or used HAI Version 3?

15 A. No, I have not.

16 Q. Okay. And it was not used in this case, as far as
17 you know?

18 A. No, it was not.

19 Q. On page 26 at lines 19 through 22 you're talking
20 about using benchmark -- benchmark the costs against
21 Southwestern Bell.

22 Can you explain to me why it's appropriate to use
23 SBC as a benchmark for a rural LEC?

24 A. Obviously the -- the preferred -- the preferred
25 approach here would be for the -- for the four ILECs to have

1 used -- to -- to have developed costs and presented that cost
2 information in enough detail that -- that we could assess it.
3 That level of detail was not provided.

4 Given that it wasn't provided, I wanted to run, if
5 you will, a sanity check against their cost figures. And so
6 the -- the cost item that we were talking about is the link
7 for a 56 kilobit data circuit that runs from the central
8 office to a signal transfer point.

9 And I knew that SBC's costs in the UNE tariff are
10 based on forward-looking economic costs, and they're -- so
11 that was good public information.

12 And because those costs were presented in terms of
13 a fixed and a mileage component, I was able to increase the
14 mileage component so that it was more reflective of the rural.

15 So while it wasn't the kind of first-order
16 information that I might have liked to have had from the cost
17 study, it gave me a good benchmark to start with. So I used
18 it for that purpose.

19 Q. And then in your rebuttal testimony on page 6 at
20 line 18 you say, and Chariton Valley Telephone and
21 Mid-Missouri have a modest number of switches.

22 Can you define modest number for me?

23 A. Yeah. Modest here is in the context of the number
24 of switches of a regional Bell operated company, which can be
25 several hundred switches in -- in a state -- a large state

1 like Texas or California.

2 My recollection from the network diagram for
3 Chariton Valley is that they had fewer than 20 switches, which
4 may have been host and remotes switches as well. Now, it
5 could have been 25 or 18 -- 15, but it was -- it was a small
6 number relative to what you would expect to see for an RBOC,
7 which makes the modeling easier to do.

8 Q. Okay. And then I have one last question that I'd
9 like to refer you to the DPL, the decision point list.

10 On Issue 7, and there's 7A, B and so on and so
11 forth. Under the section that says T-Mobile language, it says
12 rate for termination of interMTA traffic is .015 per minute.

13 And what we have seen in your testimony and then
14 what you were discussing with Mr. Johnson on behalf of the
15 Petitioners was a rate around .007.

16 And I was wondering what the difference in those
17 two rates -- it appears to me that you're offering here
18 1.5 cent termination rate.

19 A. The -- the .007 dollars or 7/10ths of a cent would
20 be the rate that the Commission would be required to find as
21 the appropriate rate or the maximum rate per the FCC rules in
22 arbitration.

23 That is where the parties cannot come to an
24 agreement and -- and the rate is decided, then, based on the
25 FCC rules. At least that's my understanding.

1 T-Mobile and -- you know, for business purposes and
2 in order to -- to reach a resolution of these negotiations has
3 offered 1.5 cents, and they describe the position in the next
4 column over from that one.

5 Q. Okay. So just so I'm clear that if -- if the
6 Arbitrator would take T-Mobile's position, then the Arbitrator
7 would have to choose the .007 rate, but if the two parties
8 reach agreement, then the .015 could possibly be used?

9 A. That's a legal question, I think. And -- but it's
10 my understanding of the -- of the rules.

11 MS. DIETRICH: Okay. No further questions.

12 JUDGE PRIDGIN: Okay. Thank you.

13 Mr. Haas?

14 MR. HAAS: Yes, I have a few questions.

15 QUESTIONS BY MR. HAAS:

16 Q. Mr. Conwell, on page 17 of your rebuttal testimony
17 you discuss cost of capital.

18 A. Yes.

19 Q. What is your proposed overall cost of capital?

20 A. It comes out to 9.11 percent.

21 Q. And what are the percentages of debt and equity in
22 your proposed capital structure?

23 A. The debt is 45 percent, the equity is 55 percent.

24 Q. Please explain why you used that capital structure.

25 A. I based that on -- on two things. One is a -- a

1 study that was done by the University of California at
2 Berkeley, and I include the executive summary from that as
3 Exhibit WCC-7 rebuttal.

4 And in that study they used a 45/55 percent split.
5 Secondly, 45/55 percent is -- is generally a -- in line with
6 forward-looking capital structures that you see in cases in
7 the telephone industry.

8 Q. What cost of debt did you use in your proposal?

9 A. I used a 5 percent cost to debt.

10 Q. Please explain why you used that cost of debt.

11 A. I used that for two reasons. The first is, is that
12 5 percent is what was used in the University of California
13 study. Secondly, it's also consistent with the cost of debt
14 that Northeast Missouri Rural incurred in new debt financing
15 that they had in -- last year. That financing ranged from
16 4.29 to 4.31 percent.

17 And given that that's what they most recently paid,
18 and interest rates are rising somewhat, I felt like 5 percent
19 was a -- that was in the California study was a reasonable
20 number.

21 Q. What cost of equity did you use in your proposed?

22 A. Used 12.5 percent.

23 Q. Please explain why you used that cost of equity.

24 A. Again, there are two reasons. The 12.5 percent was
25 in the University of California study. And then, secondly,

1 the 12.5 percent is at the lower end of the range of
2 reasonableness that the FCC established in the 1990
3 prescription of the cost of equity.

4 And it's also consistent with the paper that I
5 reference on Footnote 28 on page 18 where these authors
6 indicate that cost of capital have -- have dropped in recent
7 years.

8 So I -- I -- I feel very confident with the
9 9.1 percent cost of capital based on those authorities.

10 Q. What's the date on the University of California
11 data?

12 A. I believe it was a 2003 study, but I'm not -- I'm
13 not precisely sure on that.

14 MR. HAAS: That's all my questions.

15 JUDGE PRIDGIN: Mr. Haas, thank you.

16 Mr. Cecil?

17 MR. CECIL: Yes, I have a couple questions.

18 QUESTIONS BY MR. CECIL:

19 Q. Mr. Conwell, on page 26 of your testimony I'd like
20 to refer back to something that you spoke of earlier. The
21 last -- on the last three lines on that page you reference
22 using Southwestern Bell's costs as a sanity check.

23 The question that arises in my mind is that, is it
24 not possible for Southwestern Bell to be able to play to
25 economies of scale that are just not available to the smaller

1 companies?

2 A. Yes, I -- I think that's a possibility. Although I
3 should have pointed this out earlier, but we received some
4 additional information in response to our second Data Request
5 that serves as further support for the change that I made.

6 And it's generally consistent with using the
7 Southwestern Bell benchmark. I'd be happy to describe that if
8 you'd like.

9 Q. Would you please?

10 A. Sure.

11 On page 4 of the second set of Data Requests, Data
12 Request No. 8 it says, please provide the basis for the
13 \$686.54 and \$700 per A-link payments referred to on lines 21
14 and 22, on page 20 of Mr. Schoonmaker's rebuttal testimony.

15 And the information that was provided appears in
16 the appendix, and -- which follows page 11.

17 Q. Okay.

18 A. And what this represents, as I understand it, is an
19 in-- is an invoice from the provider of the signaling system 7
20 data links between Alma Telephone Company and its STP.

21 And here you -- you will see under the amount
22 column the number 686.54, which is the number that
23 Mr. Schoonmaker used.

24 But as I understand it, if you look over under
25 the -- to left of that, you see purchase order. And it says

1 SS7 T1 #1. And then below it you see the same 686.54, which
2 is for the second link. You have to have these in pairs, so
3 there's two of them. We have another SS7 T1 #2.

4 My reading of this is that the charge of 686.54 is
5 with for T1 circuit, that is 24 DS0s. The data link that's
6 required as is included in the signaling cost element is for
7 only one DS0 or 56 kilobit circuit.

8 So if you take the 686 and divide it by the number
9 of DS0s that would be used, that gives a figure that's closer
10 to what I have in the -- in the cost study.

11 At least that's my interpretation of what was
12 provided to us.

13 Q. Okay. I'm not certain where to go with this, but
14 on -- on the invoice that you're referencing, it has a total
15 of \$1,373.08 for -- for two T1s.

16 A. Right.

17 Q. Can you ex-- go ahead.

18 A. If you come back to my direct testimony, I'm
19 going -- I'm gonna describe sort of three figures, if you
20 will.

21 On page 26 at line 16 you see the statement monthly
22 costs basically for a voice grade channel in the range of 297
23 to 461 seem quite high. That -- those are the values that are
24 in the Hatfield study, 297 to 461. I found those values to be
25 high.

1 Mr. Schoonmaker came back in his rebuttal and said,
2 well, we checked the bids, and the bids indicate 686, which is
3 the figure that we just saw in the Data Request, okay?

4 Q. Okay.

5 A. But the 686, according to the response is for a T1.
6 So if you'll now then turn to page 27 of my testimony and look
7 on line 4 -- what I used in my corrections to the ILEC cost
8 studies is described beginning on line 4.

9 The resulting calculations indicate a CLEC
10 purchasing a 56 kilobit signaling link at the distance that I
11 assume would pay approximately 88.59 per month. So I think
12 88.59 for a DS0 if the 686 is for a T1 is probably a fairly
13 liberal cost.

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

15 JUDGE PRIDGIN: Mr. Cecil, thank you.

16 Any recross from Counsel? I'm sorry.

17 MR. CRAIG JOHNSON: No, Your Honor.

18 JUDGE PRIDGIN: Re-- redirect?

19 MR. MARK JOHNSON: No. Thank you.

20 JUDGE PRIDGIN: All right. Thank you.

21 (WITNESS EXCUSED.)

22 JUDGE PRIDGIN: It looks to be a convenient time to
23 take a break. I show the time on the clock on the wall to be
24 right at about three o'clock. Let's try to resume at 3:15.

25 We are off the record.

1 (A RECESS WAS TAKEN.)

2 JUDGE PRIDGIN: We're back on the record in Case
3 No. IO-2005-0468. If I understand correctly, we're down to
4 the last witness of Billy Pruitt; is that correct?

5 MR. MARK JOHNSON: That's correct.

6 JUDGE PRIDGIN: All right. Mr. Pruitt, if you
7 would come forward and be sworn.

8 And, Mr. Johnson for Respondent, if you'll get his
9 prefiled marked, I'd appreciate it.

10 MR. MARK JOHNSON: What number are we up to, 16?

11 JUDGE PRIDGIN: No. 16?

12 MR. MARK JOHNSON: Okay. Here is his direct.

13 (EXHIBIT NO. 16 WAS MARKED FOR IDENTIFICATION.)

14 MR. CRAIG JOHNSON: Let you carry your own trees
15 home.

16 MR. MARK JOHNSON: Yeah.

17 JUDGE PRIDGIN: Mr. Pruitt, if you'll raise your
18 right hand and be sworn, please.

19 (WITNESS SWORN.)

20 JUDGE PRIDGIN: Thank you very much, sir. If you
21 would, please, have a seat.

22 MR. MARK JOHNSON: Here -- here is his rebuttal, be
23 No. 17.

24 JUDGE PRIDGIN: Yes.

25 (EXHIBIT NO. 17 WAS MARKED FOR IDENTIFICATION.)

1 JUDGE PRIDGIN: And for Counsel's information, you
2 may see some of the Advisory Staff get up and leave here in a
3 moment. The Commission's agenda is set for 3:30, and they
4 need to -- to appear. So that's why -- that's why some of
5 them may get up here shortly. We will march ahead without
6 them.

7 BILLY PRUITT testified as follows:

8 DIRECT EXAMINATION BY MR. MARK JOHNSON:

9 Q. Sir, could you state your name, please.

10 A. Billy Pruitt.

11 Q. Mr. Pruitt, what is your business address?

12 A. 59 Lincord Drive, St. Louis, Missouri 63128.

13 MR. MARK JOHNSON: Mr. Arbitrator, I have caused to
14 be marked Exhibits 17 -- pardon me -- 16 and 17, which are
15 Mr. Pruitt's direct and rebuttal testimony. I ask that they
16 be admitted into evidence.

17 JUDGE PRIDGIN: Any objection?

18 MR. CRAIG JOHNSON: No, Your Honor.

19 JUDGE PRIDGIN: All right.

20 MR. MARK JOHNSON: And I tender Mr. Pruitt for
21 cross-examination.

22 JUDGE PRIDGIN: All right. Mr. Johnson for
23 Respondent, thank you. I'll note that Exhibits 16 and 17 are
24 admitted.

25 (EXHIBIT NOS. 16 AND 17 WERE RECEIVED INTO

1 EVIDENCE.)

2 JUDGE PRIDGIN: Mr. Johnson for Petitioners, any
3 cross-examination?

4 MR. CRAIG JOHNSON: Yes, Your Honor.

5 CROSS-EXAMINATION BY MR. CRAIG JOHNSON:

6 Q. Mr. Pruitt, how are you doing?

7 A. I'm fine, Mr. Johnson.

8 Q. You are not an employee of T-Mobile, are you?

9 A. I am not.

10 Q. Have you ever been?

11 A. No, I have not.

12 Q. Have you ever been an employee of any commercial
13 mobile radio service provider?

14 A. Yes. I was on employee of Sprint PCS.

15 Q. Is Mr. Conwell currently an employee of T-Mobile?

16 A. I don't believe so.

17 Q. Let's -- on page 14 of your direct testimony, would
18 you turn to that, please?

19 A. Sure.

20 Q. And I -- to direct you, I want to talk -- spend
21 some time talking about the prospective traffic factors --

22 A. Okay.

23 Q. -- inter-- interMTA, interstate, intrastate that
24 sort of thing.

25 At -- at the time you filed your direct testimony,

1 had you been provided with the traffic studies that were
2 attached to our direct testimony?

3 A. Yes, I had been provided copies of --

4 Q. Okay.

5 A. -- the direct testimony of all of your witnesses.

6 Q. Lines 9 to 11 of your -- page 14 of your direct
7 testimony, you had indicated that our proposals were not based
8 upon empirical evidence, but rather on voluntary settlements
9 with other wireless carriers; is that right?

10 A. Yes.

11 Q. Are you talking about the 100 percent -- are you
12 talking about our offers to resolve the intraMTA traffic
13 factors, or are you talking about the numbers that the traffic
14 studies we performed actually revealed?

15 A. The -- I think that's a two-part answer. I think
16 the --

17 Q. Okay.

18 A. You know, my response was -- was more specifically
19 related to the offers, and that those were offered by other
20 wireless carriers. So I didn't know how relevant they were in
21 an arbitration.

22 But T-Mobile also, you know, just questioned the
23 studies that were provided in general.

24 Q. Okay. Do you understand that the studies that
25 out -- that Mid-Missouri, Northeast and Chariton Valley

1 performed were based upon actual call data they received on
2 the Southwestern Bell trunks?

3 A. Yes, but I also understand that the data was based
4 on study methodology developed by those companies. And as I
5 understand it, dated -- data, meaning that it was not based on
6 current call patterns. Excuse me.

7 Q. Well, is -- do you agree with me that in order to
8 come up with a prospective factor, you have to study traffic
9 terminated prior to the agreement becoming effective?

10 A. If I understand your -- your question, that
11 normally would you have data before a factor is developed
12 that's agreed to in a negotiation, I think the answer to that
13 is yes.

14 Q. Basically in a perfect situation, the parties would
15 negotiate a factor based upon historical traffic that they
16 thought was a fair approximation of what the future would be?

17 A. Yes. And generally in that scenario, the parties
18 would agree to, you know, the methodology used if you know
19 what the standards were for the study.

20 Q. Do you agree with the methodology that the
21 Petitioners used, regardless of the -- the -- how current the
22 data they -- that traffic they studied was, do you accept
23 their methodology?

24 A. I don't have a detailed analysis of how they did
25 their study, but it appears to me, from looking at the study,

1 that it was based on NPA and NXXs rather than cell sites, as
2 is normally required by paragraph 1044 of the first report and
3 order.

4 Q. And -- and let me put that -- spit that back to you
5 in my words to see if we're connecting here.

6 You understand that they performed their cost study
7 based on an assumption as to where the NPA/NXX associated with
8 the wireless caller, that that actually came from his home
9 MTA?

10 A. Yes.

11 Q. But you -- what you also as part of your answer you
12 indicated that the FCC, the feds -- the FCC has stated that
13 for purposes of determining what's intraMTA you look at the
14 originating cell tower location at the time the call is
15 initiated?

16 A. That's correct.

17 Q. Do you understand that in the traff-- traffic
18 information stream that we receive over the Bell trunk group,
19 we do not get any information that identifies the cell tower
20 that the wireless customer was at, at the time the call was
21 initiated?

22 A. Yes, I understand that.

23 Q. And would you agree with me that it's common in the
24 industry for the wireless carriers not to provide that
25 information to the intercarrier billing system?

1 A. Yes, I believe that's true.

2 Q. So you can't fault us, if you will, for what you
3 don't give us; is that fair? Can't fault --

4 A. It --

5 Q. -- us for not having what you don't give us?

6 A. It -- it -- it's somewhat -- somewhat fair. I
7 would -- I would just add that certainly there's a way to come
8 to agreement on what -- on -- on how you deal with that in any
9 given study.

10 Q. Do you agree with me that T-Mobile knows from its
11 switch reportings where those wireless call -- what -- what
12 cell tower or what tower those calls originate upon?

13 A. I believe on a current basis that there is probably
14 some information maintained for some short period of time that
15 tells them cell sites. From a historical perspective, I don't
16 believe that that data is maintained.

17 Q. I know it's not maintained. But for purposes of
18 billing your end-user, sometimes you need to know that in
19 order to know whether that call was placed within their local
20 calling area or whether it was a roaming call; is that
21 correct?

22 A. Yes, I believe so.

23 Q. In your -- your testimony when you refer to
24 empirical evidence, when you say the word "empirical," what
25 are you talking about? Is that actual call information or is

1 that statistical information? What is that?

2 A. It -- it could be both. But generally that would
3 mean actual call databased on some specific period of time
4 that's mutually agreed to that you could look at.

5 Q. And appropriate surrogates, what do you mean by the
6 word "appropriate surrogates"?

7 A. That it's -- that parties can sit down and look
8 at -- look at local service boundaries, look at
9 MTA boundaries, look at where switches are, look at any number
10 of different things to -- to take a good guess at what an
11 actual factor might be.

12 Q. Okay. Has T-Mobile put into the record in this
13 case any traffic studies for the wireless to landline traffic
14 terminating to these four Petitioners?

15 A. Not to my knowledge.

16 Q. So you haven't put any empirical evidence into the
17 record?

18 A. Not to my knowledge.

19 Q. In this case, as I understand it, you're suggesting
20 that we're responsible to compensate you for landline to
21 T-Mobile intraMTA calls that are carried by interexchange
22 carriers; is that right?

23 A. That's correct.

24 Q. Have you placed into evidence in this case any
25 empirical information as to how much of that traffic is

1 interMTA versus intraMTA?

2 A. Not to my knowledge.

3 Q. Okay. Of the landline to mobile IXC provision
4 traffic, have you placed into evidence any empirical
5 information as to how much of the interMTA traffic is
6 interstate or intrastate?

7 A. Not to my knowledge.

8 Q. And let me go -- did you have the position
9 statements or the DPL, the decision point list?

10 A. Yes, I do.

11 Q. Whatever we're calling this thing. Position
12 statement.

13 On page 5 of 7, I'm on issue No. 10, sir. I guess
14 to be fair the -- the box starts on page 10. And --

15 A. You mean we're looking at item -- Issue No. 10?

16 Q. Yes, sir.

17 A. Okay.

18 Q. Again, don't let me put words in your mouth if
19 they're not accurate.

20 But as I understand your position -- or T-Mobile's
21 position, they are proposing that we take the amount of
22 traffic that comes down the Bell trunks, the CTSR traffic,
23 divide that by 65 percent to come up with the total traffic
24 that's going both ways, whether it's carried by Bell or
25 whether it's carried by an IXC; is that right?

1 A. I think that's correct.

2 Q. And then of that total number, you're proposing
3 that we bill you for 65 percent of it, and that you bill us
4 for 35 percent of it; is that correct?

5 A. Yes, or -- or either have the LEC doing that bill.
6 But the answer is yes.

7 Q. So, yeah -- yeah, the net billing might result in
8 us billing you for 30 percent of the total?

9 A. Right.

10 Q. All right. Can you tell me where you came up with
11 the idea that it was -- well -- well, strike that. Let me
12 start over again.

13 How do you determine what relationship the total
14 volume of T-Mobile traffic coming down the Bell trunk has to
15 the traffic that's being exchanged through an IXC?

16 A. Since that traffic doesn't terminate over that same
17 trunk or it -- it really isn't all the traffic that's on that
18 trunk group.

19 Q. Is there any evidence in the record to support the
20 conclusion that the total amount of traffic is accurately
21 estimated by dividing the Bell terminating traffic by
22 65 percent?

23 A. There is no empirical evidence; however, that's a
24 standard that's commonly used throughout the industry.
25 And -- and certainly wireless carriers and rural LECs in other

1 states have agreed to factors in that range.

2 Q. Well, whenever I say I want company-specific
3 information, you tell me about industry standards; when I say
4 I want to use an industry standard, you say, oh, we've got to
5 have company-specific costs.

6 I'm -- do you have to support that 6 -- that
7 65 percent with empirical evidence under your own standard
8 you'd apply to us?

9 A. Yes.

10 Q. And you failed to do that; is that right?

11 A. Yes, we failed to provide any empirical data. But
12 again, that could be an item that's subject to negotiation
13 between the parties.

14 Q. Did you help T-Mobile prepare answers to my Data
15 Requests in this case?

16 A. I reviewed them, but I did not actually provide any
17 input to the responses.

18 Q. Did you see the Data Requests where we asked for
19 your information with respect to the traffic coming over the
20 Bell trunks to us, as well as the traffic being carried by the
21 IXC's?

22 A. Yes, I -- I remember reviewing that.

23 Q. And is it correct that T-Mobile objected to
24 providing us that data?

25 A. I believe that's the case, yes.

1 Q. So to the extent our call studies that looked at
2 the actual calls coming down the Bell trunks, you would agree
3 that that meets your test of using empirical evidence?

4 A. No, I don't agree with that. I -- I don't think
5 those -- again, those calls aren't based on current call
6 patterns. And -- and then, again, they're based on something
7 other than the south side standard.

8 Q. Okay. Let me ask you some questions. Do you
9 understand that Northeast's traffic study showed 100 percent
10 of the traffic being interMTA?

11 A. Yes.

12 Q. Now, I'm not asking you to accept the validity of
13 that.

14 But you also understand that as a result of the
15 negotiations that took place in prior complaints, as well as
16 this interconnection negotiation, Northeast has offered a
17 20 -- 22.5 percent factor?

18 A. Yes, I'm aware that that's what they've offered.

19 Q. Are you wanting the Commission to -- if the
20 Commission feels like the 100 percent is the only factor
21 supported by a traffic study, do you think they have the
22 authority to accept the 22.5 percent that was offered?

23 A. I'm not an attorney. I don't know what authority
24 they -- they would have.

25 Q. I understand that in -- in -- in going back to the

1 DPL that T-Mobile's position with respect to Northeast is that
2 they -- that they would acc-- T-Mobile would accept
3 11.25 percent?

4 A. Yes, I believe that's correct.

5 Q. And can you tell me how you came up with that
6 number?

7 A. Half of the number proposed by that LEC.

8 Q. So, again, it's -- it's not supported by empirical
9 data, it's just half of what the company offered?

10 A. Yeah, and -- and we believe that it's reasonable
11 based on interMTA factors, you know, that we've agreed to in
12 other states.

13 Q. Would you agree with me that traffic patterns or
14 the jurisdictions of traffic between a small rural ILEC and
15 T-Mobile -- I'm sorry. Let me start that again.

16 That the traffic patterns are going to be different
17 between T-Mobile and different ILECs?

18 A. They may or not -- may not be. I think it depends
19 on the circumstances.

20 Q. Isn't it true that most of T-Mobile's customers in
21 the Missouri's -- in the MTAs that include Missouri are Kansas
22 City and St. Louis?

23 A. Without having -- I haven't actually seen traffic
24 data to say that. But that's -- the T-Mobile switches are in
25 St. Louis and Kansas City, so that would be a good assumption.

1 Q. That's where they market and that's --

2 A. Yes.

3 Q. -- where they have their agencies and that's where
4 they sell their phones and that's where they have their
5 presence?

6 A. Yes.

7 Q. And wouldn't you agree with me that if most of the
8 customers live in Kansas City or St. Louis, that they would
9 have a higher proportion of intra-- intraMTA traffic they swap
10 with Southwestern Bell, who also serves Kansas City and
11 St. Louis?

12 A. I'm not sure I followed the analogy.

13 Q. Okay.

14 A. Mea-- meaning that if they're both in the
15 intraMTA -- in the same MTA, it's intraMTA traffic for both.

16 Q. Would you agree with me that Southwestern Bell --
17 let's use Kansas City. I think it's the most pertinent LATA
18 and MTA for purposes of this discussion.

19 I think all of the Petitioners are served by Bell
20 through the McGee tandem, which is its LATA tandem that --
21 that sends traffic to these Petitioners.

22 Is that consistent with your knowledge?

23 A. That's my understanding.

24 Q. Okay. Even though we have some exchanges in
25 different MTAs, we're served out of the McGee tandem that

1 serves the Kansas City LATA, right?

2 A. Yes.

3 Q. Okay. So would you agree with me that most of the
4 Bell customers in Kansas City are going to be in the Kansas
5 City LATA?

6 A. I haven't seen any demand figures and -- but I
7 think the answer would likely be yes.

8 Q. Do you know whether you can buy a T-Mobile phone
9 out in the areas where my clients serve?

10 A. I --

11 Q. I don't mean buy a phone. Can you get a signal and
12 have it work? Can you get service?

13 A. I believe so, either through cell -- T-Mobile
14 provided cell sites or through roaming agreements.

15 Q. Okay. Would you -- wouldn't you expect the
16 proportion of intraMTA traffic that T-Mobile exchanges with
17 Bell in Kansas City to be higher than the proportion of
18 intraMTA traffic that Northeast exchanges with T-Mobile?

19 A. Again, I think it's a matter of volume. Certainly
20 SBC is bigger. Whether the proportions of inter versus
21 intraMTA are significantly different.

22 Q. If -- if Northeast only has 30 landline customers
23 out of 8,000 that are even in the Kansas City MTA, wouldn't
24 you expect most of the traffic they exchange with the T-Mobile
25 customers in the Kansas City area are interMTA calls?

1 A. I'm not sure I followed your -- your -- your last
2 statement.

3 Q. That's okay.

4 The pro-- the proposed intraMTA factor that you
5 made for Chariton Valley was 13 percent. Did you use the same
6 methodology as you did for Northeast, half of what Northeast
7 had offered?

8 A. Yeah, we thought that was reasonable.

9 Q. Same for Mid-Missouri?

10 A. Yes, I believe so.

11 Q. But, again, you have no empirical information to
12 support either of those two factors either?

13 A. No, I do not.

14 Q. Do you know, Mr. Pruitt, has T-Mobile ever --
15 T-Mobile ever performed a traffic study of the traffic that
16 they send to Northeast, Chariton Valley, Mid-Missouri or Alma?

17 A. Not to my knowledge.

18 Q. Okay. Have you asked, and told it's never been
19 done?

20 A. No, I have not.

21 Q. You just haven't asked?

22 A. (Witness shaking head.)

23 Q. Okay. I want to ask you some questions about the
24 IXC traffic issue. You've -- you've discussed that in your
25 testimony; is that right?

1 A. That's correct.

2 Q. Okay. And for logic sake, I think I'm gonna try to
3 break it down a little bit. When I talk about landline to
4 mobile, I'm talking about a call that's dialed with a 1-plus
5 from a Petitioner exchange that an IXC carries to T-Mobile.

6 Can I -- can I -- I just want to ask you some
7 questions about that first.

8 A. Okay.

9 Q. Do you know if Southwestern Bell is paying T-Mobile
10 for landline to wireless IXC traffic?

11 A. They are not.

12 Q. To your knowledge, is any ILEC in Missouri paying
13 T-Mobile reciprocal compensation for 1-plus landline to
14 IXC traffic?

15 A. Could you re-- ask the question again, please?

16 Q. In Missouri -- any Missouri ILEC paying T-Mobile
17 recip comp on a landline to wireless intraMTA IXC call?

18 A. I don't -- I don't know.

19 Q. But you know Bell is not?

20 A. I believe that's true.

21 Q. Do you know whether or not Century is?

22 A. I don't know.

23 Q. Spectra?

24 A. I'm --

25 Q. Not sure?

1 A. I don't -- I don't know.

2 Q. What about Sprint Missouri, Inc., do you know if --

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

4 Q. Have you reviewed -- reviewed the agreements that
5 T-Mobile has signed with Seneca, Goodman, Ozark, Choctaw and
6 MoKan Dial?

7 A. I have -- a few months back I had looked at one or
8 two of those agreements.

9 Q. Do you agree with me that in those agreements the
10 ILEC is not responsible to pay T-Mobile for landline to
11 wireless intraMTA IXC carried traffic, if you -- if you know?

12 A. I don't know specifically. As I understood it, it
13 was part of a negotiated package.

14 Q. That's fair enough.

15 Again, I'm still talking about -- give me an idea
16 of your background and experience. Do you have any background
17 and training with how ILECs provision 1-plus traffic, equal
18 access, dialing parity, that kind of stuff?

19 A. Yes. In 1983 when I was working for SBC, I was in
20 a network job and was put into an access cost job, and was
21 involved with the initial access tariffs and the initial
22 access cost and rates. And, again, aging myself here, but --

23 Q. I -- I had forgotten that you had worked for SBC.
24 I think you just qualified yourself, yeah.

25 A. Yes.

1 Q. Would you agree with me that if I am an ILEC
2 customer and if I dial a call with a 1, that the ILEC has to
3 give that call to the interexchange carrier I have chosen to
4 carry that call for me?

5 A. I believe that's -- that that's the case.

6 Q. And when I make that call, I have to pay that
7 IXC its end-user rates whether they're in a tariff or a
8 contract with me?

9 A. I'm not sure I understand the question. But the --

10 MR. MARK JOHNSON: You know, I -- I guess I should
11 object. That -- that calls for a legal conclusion that he --
12 he would have to pay.

13 JUDGE PRIDGIN: Well, I'll -- I'll -- I -- I don't
14 think he understood the question. I'll overrule it and let
15 him ask it again.

16 BY MR. CRAIG JOHNSON:

17 Q. Okay. I'm gonna back up. Maybe I've lost myself
18 and confused myself, and it's a bad thing to do. It's not
19 fair to you for me to do that.

20 I thought you just told me that if I'm a customer
21 of an ILEC and I dial a call with a 1, the ILEC has to give
22 that to my chosen carrier, is that right, picked carrier?

23 A. Yes, generally those long distance calls will go
24 to -- to the picked carrier per the subscription rules.

25 Q. Would you agree with me that if I -- if I'm the

1 ILEC and I don't give that call to the chosen or picked
2 interexchange carrier, if I give it to another carrier or
3 myself, that's considered a slam?

4 A. No, I -- I would not agree with that terminology.

5 Q. Is there a word that you would use?

6 A. Well, we're -- we're -- from what's happening in
7 this case, we're talking about a scenario where the question
8 is, how is a particular call handed off to a wireless carrier?

9 And the -- the question is, is it handed off to an
10 IXC pursuant to 1-plus or is -- should this call be treated as
11 a transit local call pursuant to the FCC rules?

12 And the -- the LECs today follow the guidelines of
13 handing this off to an IXC. I -- I don't know that that's
14 appropriate, but that's what happens.

15 Q. What I was trying to get at was, that when I make
16 that call, that 1-plus call and the call does get routed to my
17 chosen IXC, I pay that IXC's toll rates as its end-user.

18 Do you agree with that?

19 A. I agree that that's what happens. I don't know
20 that it's appropriate to pay --

21 Q. Okay.

22 A. -- a toll for what is an intraMTA call.

23 Q. Where I -- where I was trying to go with that,
24 Mr. Pruitt, is that that -- if you agreed with me, I was gonna
25 try to get you next agree then that becomes the IXC's call for

1 compensation purposes.

2 Would you agree with me that it's the IXC's
3 responsibility to pay originating and terminating compensation
4 for that call?

5 MR. MARK JOHNSON: Objection; calls for a legal
6 conclusion.

7 JUDGE PRIDGIN: I'll overrule.

8 THE WITNESS: No, I don't agree with that.

9 BY MR. CRAIG JOHNSON:

10 Q. Are you saying the IXC has no responsibility to
11 compensate any of the carriers involved in that call -- or let
12 me make it easier for you.

13 Are you saying that, in addition to the IXC's
14 compensation responsibility, we can have reciprocal
15 compensation responsibilities for that call?

16 A. I -- I actually believe that that call -- and
17 again, it gets back to the fundamental basis of handing off
18 that call, should that call be handled (sic) off on a toll
19 basis in the first place?

20 Could an IXC perform a more standard transit
21 function rather than a toll function under which the scenario
22 changes, I think the answer is yes.

23 In that case, the originating access wouldn't be
24 paid to the originating LEC, and -- and the originating
25 carrier here being -- being the LEC would pay the appropriate

1 transit charges.

2 Q. When you say transit, can you tell me what you
3 mean?

4 A. A transit scenario is simply a scenario where there
5 is a third-party provider between the originating
6 telecommunications carrier and the terminating
7 telecommunications carrier.

8 Q. Would you agree with me that for the T-Mobile calls
9 terminating the Petitioners in this case that you give to Bell
10 to come down the Bell trunk star exchanges, that what Bell
11 provides for you there is a transit function?

12 A. Yes, pursuant to the interconnection agreement
13 between Bell and T-Mobile, that's a transit function pursuant
14 to the agreement.

15 Q. And do you agree with me that when Bell does that,
16 they provide that transit function in their role as a local
17 exchange company?

18 A. Yes, I believe that to be the case.

19 Q. Now, do you also agree with me that we don't
20 negotiate reciprocal compensation arrangements with
21 interexchange carriers such as AT&T, MCI, Sprint long
22 distance?

23 A. Could you define for me we? I'm --

24 Q. Under the act --

25 A. Certainly you can talk to an IXC and, you know, do

1 a wholesale agreement to transport traffic that's -- that's,
2 you know, not traditional IXC traffic.

3 Q. Have you ever seen an interexchange carrier in
4 Missouri submit to the Missouri Commission for approval a
5 Section 251(b)(5) reciprocal compensation agreement in which
6 it was a party?

7 A. No, I have not.

8 Q. So I guess my question to you is, do you think that
9 when an IXC provides a transport function, it's the same thing
10 as when a LEC provides a transit function?

11 A. No, I don't believe it's the -- the -- the same
12 thing.

13 Q. Okay.

14 A. They're both intermediate carriers. But because of
15 the way that he -- the process works today, one is treated
16 differently.

17 Q. Is it your position in this case that for that
18 landline to mobile intraMTA IXC call that Petitioners should
19 receive originating access and pay you terminating reciprocal
20 compensation?

21 A. It's -- it's not -- it's -- it's not the T-Mobile
22 position that that's what should happen. That is what's
23 happening. And if -- if, in fact, the -- the -- the LEC is
24 going to continue to hand off the traffic on a 1-plus basis,
25 and that doesn't change, we are still owed reciprocal

1 compensation for that traffic, because that is an
2 intraMTA call and subject to reciprocal compensation, you
3 know, pursuant to 51.701(b)(2).

4 Q. Are you saying that we're paying you reciprocal
5 compensation today for that call?

6 A. No, you are not.

7 Q. Okay. Let's talk about the reverse just -- for
8 just a discreet second here.

9 Does T-Mobile give some of its intraMTA calls to
10 IXC's for termination in Petitioners' exchanges?

11 A. Yes.

12 Q. Is it true that T-Mobile, in order to do that,
13 contracts with the interexchange carrier to carry that traffic
14 for them?

15 A. Yes, normally they enter into wholesale services
16 agreement for the transport of that traffic. And generally
17 that includes language which requires T-Mobile to pay the
18 terminating acc-- terminating access billed to the IXC by the
19 LEC.

20 Q. You pay it to the IXC?

21 A. Yes.

22 Q. But you're not today paying us reciprocal
23 compensation in addition to the access that the IXC is paying
24 us?

25 A. Not for calls delivered to an IXC. But -- but

1 again, we are paying for the terminating access, and it
2 wouldn't be appropriate for us to pay for that twice.

3 Q. So you pay access compensation on an intraMTA call?

4 A. Yes.

5 Q. Carried by an IXC?

6 A. Yes.

7 Q. With respect to the landline to T-Mobile
8 IXC carried call, do you agree that the FCC has ruled that
9 T-Mobile is entitled to recover compensation from the
10 interexchange carrier, the Sprint PSC versus AT&T declaratory
11 judgment ruling?

12 A. That's a qualified yes.

13 Q. Yeah. I mean --

14 A. Because the FCC basically said that, in theory,
15 there's a right to bill for that traffic, but there had to be
16 a contract between the parties.

17 Q. Welcome to our world. We say you're entitled to
18 compensation, but you've got to go get into a contract after
19 the fact with the person that's sending the traffic. It's not
20 an easy situation, is it?

21 A. Well, in that particular case, it wasn't.

22 Q. Yeah. Have you got any contracts with AT&T yet?

23 A. I can't speak to what Sprint is doing.

24 Q. Is -- has T-Mobile -- is it an eligible
25 telecommunications carrier or an ETC anywhere in the United

1 States today?

2 A. I don't know.

3 Q. Okay. Do you know -- do you understand that the
4 wireless carrier that receives an ETC designation is required
5 to offer equal access to its customers?

6 A. I'm not sure from a legal perspective that --
7 and -- and I'm not an attorney. I'm not sure that I would
8 necessarily agree with that.

9 Q. I just want to stop that -- that line of
10 questioning altogether, and I want to go back to something I
11 think's lingering from earlier in the day.

12 The major trading area, do you agree with me that
13 the FCC set forth that as the area within which traffic was
14 considered local -- wireless to landline or landline to
15 wireless traffic was considered local for purposes of
16 intercompany compensation?

17 A. I -- I -- I struggle with the -- the use of the
18 term "local," because certainly 51.701(b)(2) talks about the
19 telecommunications traffic within an -- within an intra--
20 within an MTA being subject to recip comp.

21 Q. You would agree with me that reciprocal
22 compensation applies to the intraMTA calls that the wireless
23 and the ILEC exchange?

24 A. Yes.

25 Q. Within an M-- within a major trading area?

1 A. Yes.

2 Q. Okay. So maybe I shouldn't have used the word
3 "local." I should have used, it's subject to reciprocal the
4 compensation.

5 A. Correct.

6 Q. Would you agree with me that the FCC does not
7 require the Petitioners, the ILECs in this case, to offer
8 their customers the entire MTA as part of their landline local
9 calling scope?

10 A. No, I -- I don't think I would agree with that.

11 Q. Do you think the FCC requires us to let all of our
12 customers call anywhere within the major trading area as part
13 of our local calling scope?

14 A. The -- the FCC has defined the MTA as the scope
15 traffic subject to reciprocal compensation. And, you know,
16 the question becomes for that -- for that traffic if it's
17 intraMTA and it's landline originated, how should it be
18 handled?

19 And does that change the fact that 51.701(b)(2) has
20 no exclusions. It says, you know, traffic that originates and
21 terminates within the MTA is subject to recip comp.

22 Q. I guess what I'm trying to differentiate is -- in
23 my mind, and you may not agree with me -- is that I perceive a
24 difference in how companies compensate thems-- each other for
25 calls exchanged within an MTA and what end-user arrangements

1 the companies have to offer their end-users.

2 And my -- I guess to turn this question around now,
3 do you think that T-Mobile has to offer its wireless customers
4 the entire MTA as a part of its local calling scope?

5 A. Well, since the -- the --

6 Q. Is that --

7 A. -- calling scopes are -- are defined by the FCC,
8 you know, they've determined that, you know, traffic within
9 the MTA is subject to recip comp, and the carriers basically
10 have many plans that even -- or even national plans. So --

11 Q. Well, I thought T-Mobile offered a variety of
12 calling plans.

13 A. Absolutely.

14 Q. And some of those calling plans you can get maybe,
15 for example, the Kansas City area, some of those you can get
16 half of Kansas and half of Missouri, some of those you can get
17 Missouri or -- I'm kind of using that as a hypothetical.

18 Sometimes you can buy a package from us that gives
19 you so many minutes and you can call nationwide for this flat
20 rate that we charge you under that plan.

21 But as I interpret your last answer, you think the
22 FCC requires you -- requires T-Mobile to give a T-Mobile
23 customer the ability to call anybody in a major trading area
24 as part of the local calling scope he gets with his plan?

25 I'm not talking about intercompany compensation.

1 I'm talking about what your customer gets from you.

2 A. I don't know that I have ever seen a specific rule
3 that says that that's -- that's -- that's what happens.

4 Q. What is it that defines the end-user relationship
5 that T-Mobile has with their end-users? What kind of calling
6 scopes they get for what prices, isn't that your contract with
7 it?

8 A. Yes.

9 Q. It's not the FCC MTA rules? Those rules apply to
10 reciprocal compensation, right?

11 A. That's to the service plan that's -- that's chosen
12 by the end-user customer.

13 Q. And when you were with Southwestern Bell, it was
14 Southwestern Bell's tariffs that determined the terms and
15 conditions of their relationships with their end-users; isn't
16 that right?

17 A. Yes, their end-users for their numbers.

18 Q. Okay. Maybe I've lost myself here. I need to get
19 back on track.

20 The landline to mobile IXC carried intraMTA
21 traffic, is it your position that the IXC owes you terminating
22 compensation -- terminated access compensation, and the ILEC
23 owes you terminating reciprocal comp for that call?

24 A. No.

25 Q. Okay. With respect to the land -- the -- the

1 wireless to landline IXC carried calls that we talked about
2 where you have contracted with an interexchange carrier and
3 they pay us access on that, do you think you have an
4 obligation to pay us reciprocal compensation for that same
5 call?

6 A. No. As I've stated before, we're already paying
7 for termination of that call. So it would seem ludicrous to
8 have to pay it twice.

9 Q. So would it be fair to say that if access is paid
10 on the call, then reciprocal compensation does not have to be
11 paid on the call?

12 A. Well, there's payment in lieu of the reciprocal
13 compensation being made by -- by us actually paying for
14 the -- the terminating access bill by the terminating LEC.

15 Q. Do you -- do you agree with me that access -- the
16 access regime and the reciprocal compensation regime are
17 two separate compensation regimes, mutually exclusive?

18 A. I -- I think cer-- certainly there are separate
19 sets of rules for access and reciprocal compensation. Whether
20 they're always mutually exclusive, I don't know that I agree
21 that 100 percent.

22 Q. Do you think it would be appropriate on the same
23 call to apply both access compensation and reciprocal
24 compensation?

25 A. I think the answer is, yes, if -- depending on who

1 the entities are that are -- are involved in the call.
2 From -- from an end-user perspective if the end-user has a
3 relationship with the IXC and they pay the toll charges,
4 that's -- that's fine.

5 It's T-Mobile's position, however, that that
6 doesn't relieve that originating LEC from the reciprocal
7 compensation obligation pursuant to 51.701(b)(2).

8 Q. Without going through all these individual
9 FCC rules, would you agree with me that some of the FCC rules
10 seem to contemplate that reciprocal compensation is for
11 traffic exchanged between two carriers?

12 A. No.

13 Q. Do you agree with me that they define
14 interconnection as the linking of two networks?

15 MR. MARK JOHNSON: Objection; calls for a legal
16 conclusion.

17 JUDGE PRIDGIN: Overruled.

18 THE WITNESS: There are -- there are two forms of
19 interconnection identified in the FCC rules, direct and
20 indirect. You know, 51.100 talks about both direct and
21 indirect interconnection.

22 BY MR. CRAIG JOHNSON:

23 Q. Do you remember whether or not FCC Rule 47.51.5
24 defines interconnection for purposes of Section 251 of the Act
25 as the linking of two networks? If you don't remember, that's

1 fine. I mean --

2 A. I -- I believe that may be what the language says.

3 Q. Would you agree with me that when an IXC provisions
4 the traffic from Petitioner to T-Mobile or like -- likewise
5 from T-Mobile to Petitioner there are three different networks
6 involved and there are two different -- at least two different
7 direct connections?

8 A. In the scenario you described, there are
9 three networks involved.

10 Q. Is it true that T-Mobile has a direct connection
11 with SBC in Missouri?

12 A. Yes.

13 Q. Okay. Is it at McGee -- McGee tandem of SBC?

14 A. Yes, I would assume they have a direct connection
15 in St. Louis also.

16 Q. Why would they do that in St. Louis? Why would
17 they also have -- why would they have two direct connections
18 in Missouri?

19 A. Because they have two separate switches there and
20 to connect to the closest tandems in those -- to those
21 two switches.

22 Q. So you have two different direct connections with
23 SBC in Missouri?

24 A. Yes. There's a connection from the MSC in Kansas
25 City -- I'm sorry -- mobile switching center in Kansas City,

1 and a connection between the mobile switching center in
2 St. Louis and -- and that tandem.

3 Q. Are there any other RBOCs in the United States that
4 T-Mobile has direct connections with?

5 A. Yes. I would assume they have direct connections
6 with most of them in those markets where they're -- where
7 they're -- where they have switches.

8 Q. Can you explain to me why, under T-Mobile's theory
9 of indirect interconnection, T-Mobile would have connected
10 with more than one RBOC?

11 Why didn't you just go to the first RBOC and say, I
12 have got a direct connection with you, you're indirectly
13 connected with every other LEC in the United States, send the
14 traffic to them and we'll exchange compensation over that kind
15 of connection?

16 A. Well, I don't agree with the assumption that
17 they're connected to every other -- to every other switch. I
18 mean, the -- the -- the line of tandems are connected to end
19 offices and other carriers within that given market area.

20 Q. Do you think that Northeast Missouri Rural is
21 indirectly connected to Qwest?

22 A. I don't know what the connection between Northeast
23 Missouri Rural and Qwest are. But I think Qwest does serve
24 areas in Iowa that may -- that may impact their
25 interconnection.

1 Q. Let me ask -- I'm -- I'm back to the -- I'm gonna
2 change gears again and go back to the use of the 65 percent
3 figure to divide into the total traffic, the -- the SBC trunk
4 traffic to come up with this total of traffic that's going
5 both ways.

6 Are you -- are you -- are you with me? I'm trying
7 to change directions --

8 A. Yes.

9 Q. -- and I want to reorient you.

10 A. Yeah.

11 Q. Who decides -- when we're talking about wireless to
12 landline calling and the wireless calls that a T-Mobile
13 customer makes, who decides or whose switch decides or whose
14 tower decides whether that call is sent to SBC for termination
15 or whether it's sent to an interexchange carrier that T-Mobile
16 contracts with?

17 A. I -- I will preface this statement by saying I am
18 in the a network engineer nor a ex-- nor an expert in
19 translations. But it's my understanding that that
20 determination is made by the T-Mobile mobile switching center
21 to decide whether this call needs to go to POCN or this
22 some -- an interMTA call that needs to go to some other
23 jurisdiction.

24 Q. And so the -- the T-Mobile personnel that program
25 the switching center's translations that would, in effect,

1 make those decisions?

2 A. Yes.

3 Q. And would you agree with me that one of the drivers
4 of that decision may be where it's gonna be cheapest to have
5 the call terminated, least cost routing?

6 A. I haven't talked to the T-Mobile engineers, but --
7 but that's a -- that's a common -- common standard in the
8 industry.

9 Q. And I -- I think we've agreed that there's no
10 empirical evidence in the record suggesting that with respect
11 to the traffic that T-Mobile sends to either -- any one of
12 these four Petitioners, that the traffic proportions are truly
13 represented by the 65 percent dividing formula? There's no
14 studies in the record to support that?

15 A. That is correct.

16 Q. If that number were true, if -- if -- if you
17 divided the total amount of traffic coming from the Bell trunk
18 by 65 percent, you come up with the total volume that the
19 companies are exchanging both through Bell and through IXC's,
20 would T-Mobile be in a position the change that if the costs
21 change?

22 A. That's, you know, to me somewhat of a legal
23 question. But kind of the laymen's response is that, you
24 know, if there was an interconnection agreement that we were
25 in and -- that we would live up to the terms of the

1 interconnection agreement. And if there were options to
2 change the factors based on empirical data or other language
3 in the agreement, then I -- I think that could happen.

4 Q. Would you agree with me that so far that Bell has
5 charged T-Mobile 4/10ths of a penny per minute to transit
6 traffic to the Petitioners' exchanges?

7 A. I'm not exactly sure what the -- the current
8 SBC transit rates are. But it -- it's probably somewhere in
9 that range.

10 Q. If the Commission, for example, awarded an
11 intraMTA rate of 3.5 cents so now the total cost to send the
12 traffic to Bell for termination became 3.9 cents, couldn't
13 that drive the decision for T-Mobile to send the call to an
14 IXC if it were cheaper?

15 A. As a hypothetical question, I assume that that
16 could be looked at and --

17 Q. And if T-Mobile decided to do that, then the basis
18 for the 65 percent would be gone, because they've changed the
19 way they do the translations; is that right?

20 A. Yes, but -- but, again, pursuant to the
21 interconnection agreement and, you know, how the -- the
22 numbers actually change after the fact would be pursuant to
23 the agreement.

24 MR. CRAIG JOHNSON: I think that's all the
25 questions I have, Judge Pridgin.

1 JUDGE PRIDGIN: All right. Mr. Johnson for
2 Petitioners, thank you very much.

3 Let me see if we have any questions from the
4 Advisory Staff. And -- and, Ms. Dietrich, I've been starting
5 with you, but I know you had to leave the hearing room for
6 agenda.

7 Do you have questions now or do you need to wait?

8 MS. DIETRICH: Well, I -- I have some questions
9 now. I don't know if they've already been asked.

10 QUESTIONS BY MS. DIETRICH:

11 Q. Mr. Pruitt, on your -- in your direct testimony on
12 page 17?

13 A. Okay.

14 Q. At lines 8 through 17 you're talking about an
15 interim rate. What is that rate interim to?

16 A. An interim rate is -- would generally be a rate
17 that would apply for the period from the time negotiations
18 began until a final rate was approved. That's pursuant to
19 51.715 of the rules.

20 In some cases interim rates could be used just as a
21 surrogate rate even -- even beyond some initial period.

22 Q. So in this case you're proposing this interim rate
23 from January 'til, say, September or whenever this is
24 finalized?

25 A. Yes, that's my understanding.

1 Q. Okay. And then on page 29 of your testimony.

2 THE WITNESS: Mark, do you have a current copy
3 of -- of my testimony? I -- this version I have the lines are
4 off slightly.

5 JUDGE PRIDGIN: Mr. Johnson, do you need a copy?

6 MR. MARK JOHNSON: Direct?

7 THE WITNESS: Yeah.

8 MR. MARK JOHNSON: Excuse me.

9 THE WITNESS: I'm sorry. I --

10 MR. MARK JOHNSON: That's okay.

11 THE WITNESS: The -- the lines weren't matching up.

12 BY MS. DIETRICH:

13 Q. Okay. Page 29.

14 A. Okay. I'm there.

15 Q. At lines 21 through 24 you say for CMR-- for
16 CMRS provider-originated traffic routed through a third-party
17 provider.

18 Do you see that?

19 A. Yes.

20 Q. Who is that third-party provider that you're
21 referencing?

22 A. That could be any intermediate provider.

23 Q. An IXC or a LEC?

24 A. Yes.

25 Q. Okay. And then on page 30 you -- at lines 6

1 through 9 you say, yes. And you quote a federal regulation
2 there. States that "a LEC may not assess charges on any other
3 telecom carriers for telecommunications traffic that
4 originates on the LEC's network." This rule codifies the
5 general principle that the calling party's network pays for
6 the costs associated with the calls it generates.

7 Are the Petitioners proposing to charge T-Mobile
8 for LEC to CMRS traffic?

9 A. I -- the -- the answer I believe is, no, that they
10 aren't proposing to charge us for the traffic. That
11 particular line was just meant to -- to -- to confirm the rule
12 that the originating party's generally responsible for the
13 cost of transporting the traffic and paying the terminating
14 carrier for terminating the call.

15 Q. Okay. And then on page 31 in that little bit of
16 discussion at the beginning there, are you suggesting that
17 LECs should or can allow costs to be dialed on 7 digit numbers
18 instead of 1-plus numbers?

19 A. Yes, we believe it's technically feasible and
20 certainly could occur.

21 Q. And in that case, who would carry the calls from
22 the LEC to the CMRS provider?

23 A. It could be done any number of ways. It -- it
24 could be contracted through an IXC to -- under a wholesale
25 services arrangement. It could be handled by a transit

1 provider, such as SBC or Century. So -- and I would -- I
2 would guess there are probably other carriers that would be
3 willing to carry the traffic.

4 Q. Okay. And then if we could turn to your rebuttal
5 testimony. At page 4 --

6 A. Okay.

7 Q. -- lines 19 through 21 you say, no. For starters
8 and so the record is clear, T-Mobile does not receive
9 compensation from IXC's for terminating intraMTA calls that
10 originate on the RLEC networks. Why not?

11 A. Because -- because there is no contract between
12 T-Mobile and the IXC's for that to happen. And generally the
13 IXC's have refused to pay any compensation to wireless carrier.

14 Q. Has T-Mobile attempted to negotiate contracts?

15 A. I -- I don't know.

16 Q. On page 10 at Footnote 5 the citation starts with
17 brief for Federal Communications Commission. Do you know
18 whose brief that's referencing?

19 A. It was an FCC staff member. I didn't -- I don't
20 recall his name off the top of my head.

21 Q. Okay. And then on page -- oh, no, no reference.
22 What is TSR wireless order?

23 A. That -- that was an -- and FCC order dealing with
24 issues between TSR Wireless and Qwest.

25 Q. Do you have the citation in your testimony

1 somewhere?

2 A. I believe it is. It's on page 8.

3 Q. Of your rebuttal?

4 A. Yes.

5 Q. Okay. And then I have a couple questions for you
6 about the DPL.

7 A. Okay.

8 Q. On Issue No. 6 -- and let's just take a look at 6A.

9 A. Okay.

10 Q. Under T-Mobile position -- or T-Mobile -- T-Mobile
11 language is 13 percent interMTA and 87 percent intraMTA. And
12 then under T-Mobile's position the last sentence says, rather
13 than request zero percent interest in the absence of such
14 supporting data, T-Mobile believes 13 percent is a reasonable
15 percentage.

16 How was that 13 percent calculated?

17 A. It's simply half of the 26 percent proposed by the
18 rural LECs.

19 Q. And is that the same for each one of them? It
20 would be just half of the rural ILECs proposal?

21 A. Yes.

22 Q. Okay. And then on 6E it says that for this
23 particular carrier T-Mobile's language is 50 percent
24 interstate and 50 percent intrastate, and there's no position.
25 Can you fill in the position on that one?

1 A. The -- T-Mobile's position is simply that -- that
2 we believe that to be a more reasonable percentage, and that's
3 a percentage that we recently agreed to in a -- in our -- in
4 an arbitration proceeding in Tennessee.

5 Q. So in this case it's not 50 percent or half of the
6 Petitioners'?

7 A. That's correct.

8 Q. And then which company is that being proposed for
9 or is that for all of them?

10 A. I believe that is for all of them.

11 Q. On Issue 10, is this issue discussed in T-Mobile
12 testimony somewhere where I can find out how the formula was
13 derived? Do you --

14 A. I believe it was -- yes.

15 Q. Do you know?

16 A. I -- I would have -- I would have to look. I --
17 I -- I don't know whether it was actually in my testimony. I
18 know it was in -- I think it was in the brief on the -- and
19 the -- and the offer.

20 Q. But you -- you're not sure if it was in your
21 testimony?

22 A. I don't -- I don't believe it was in my testimony.

23 MS. DIETRICH: Okay. No more questions.

24 JUDGE PRIDGIN: Ms. Dietrich, thank you.

25 Mr. Haas?

1 MR. HAAS: Yes, thank you.

2 QUESTIONS BY MR. HAAS:

3 Q. Mr. Pruitt, please describe the direct
4 interconnections between an ILEC and a wireless carrier.

5 A. A direct interconnection means a facility placed
6 between a wireless carrier switch and another carrier switch
7 on a direct basis.

8 Q. Please describe an indirect connection between an
9 ILEC and a wireless carrier.

10 A. In an indirect interconnection there is generally a
11 third party involved, so that the connections are between that
12 third party, meaning one party is connected, for instance,
13 using Southwestern Bell, as an example -- a LEC could be
14 connected to Southwestern Bell. Southwestern Bell has their
15 transport and facilities.

16 T-Mobile could -- would be connected to
17 Southwestern Bell. And that, by definition, is an indirect
18 interconnection.

19 Q. Are you familiar with classification of an
20 interconnection as being a Type 1 or Type 2?

21 A. Yes.

22 Q. And can you describe those terms?

23 A. Yes. A Type 2A interconnection is an
24 interconnection between a mobile switching center and a -- and
25 a LEC tandem. A Type 2B interconnection is a connection

1 between a wireless carrier and a LEC end office.

2 A Type I interconnection is a connection between an
3 MSC and a LEC end office. And as Mr. Schoonmaker indicated,
4 in that scenario the numbers being used by the wireless
5 carrier are gen-- are provided by the LEC.

6 Q. What type of interconnection has T-Mobile requested
7 in this proceeding?

8 A. T-Mobile in -- in this proceeding is simply
9 requesting an indirect interconnection pursuant to the
10 FCC rules that permit indirect interconnection.

11 And basically the -- the connection that -- we have
12 a direct connection with SBC, you know, in the markets to
13 their tandem. The -- that that tandem is then connected to
14 multiple end offices, including -- including the LEC offices.

15 So that is, by definition, an indirect
16 interconnection. The connection between T-Mobile and the
17 SBC switch is -- is a two-way interconnection.

18 Q. Would you address the wireline-originated call?
19 What type of interconnection do we have for that?

20 A. I'm not sure I understand the question. But,
21 generally, we would be connected to a -- to a LEC via whatever
22 type of arrangement we have, either a 2A, 2B or a Type 1
23 interconnection.

24 And for LEC-originated calls, they would generally
25 use that same interconnection facility. Those are generally

1 two-way facilities to carry LEC-originated traffic as well as
2 wireless-originated traffic, if that answers your question.

3 MR. HAAS: That's all my questions.

4 JUDGE PRIDGIN: Mr. Haas, thank you.

5 Mr. Cecil?

6 MR. CECIL: They've been asked. Thank you.

7 JUDGE PRIDGIN: All right. Thank you.

8 Any recross?

9 MR. CRAIG JOHNSON: Yeah. Yeah, just really brief.

10 RECROSS-EXAMINATION BY MR. CRAIG JOHNSON:

11 Q. Mr. Pruitt, would you agree with me that the Type 1
12 connection where the mobile switch connection to the line side
13 of the LEC end office and the LEC provides numbers out of its
14 numbering system -- that that is a type of direct
15 interconnection?

16 A. Yes.

17 Q. The Type 2B where the mobile switch connects to the
18 trunk side of the LEC end office, would you agree that that's
19 also a direct connection?

20 A. Yes.

21 Q. And would you agree with me that a Type 2A where
22 the mobile switch connects to the LEC's access tandem, that is
23 also a direct connection?

24 A. That is a -- that is a direct connection between
25 the Samara (phonetic sp.) switch and -- and -- and the -- and

1 the LEC switch, yes.

2 Q. So and all three of those are
3 engineering -- they've been engineered and they're industry
4 standard types of direct interconnections?

5 A. Yes, it -- you know, pursuant to the historical
6 guidelines for LEC CMRS interconnection.

7 Q. Would you agree with me that there aren't any
8 engineering standards that describe what consists of an
9 indirect interconnection?

10 A. No, I -- I don't think I do agree with that.

11 Q. Okay. If T-Mobile has a Type 2 direct tandem
12 connection with SBC at McGee, do you think that T-Mobile has
13 an indirect connection, then, with any other company that
14 SBC's facilities can carry that call to?

15 A. Yes, meaning Southwestern Bell will provide its
16 tandem service, which includes tandem switching and switching
17 of that to the third party.

18 MR. CRAIG JOHNSON: That's all I have.

19 JUDGE PRIDGIN: Mr. Johnson for Petitioners, thank
20 you.

21 Any redirect?

22 MR. MARK JOHNSON: No. Thank you.

23 JUDGE PRIDGIN: Thank you.

24 May this witness be excused?

25 (NO RESPONSE.)

1 JUDGE PRIDGIN: All right. Thank you.

2 (WITNESS EXCUSED.)

3 JUDGE PRIDGIN: Mr. Johnson for Respondent, any
4 further evidence?

5 MR. MARK JOHNSON: No.

6 JUDGE PRIDGIN: All right.

7 MR. MARK JOHNSON: That's it.

8 JUDGE PRIDGIN: If I'm not mistaken, that is the
9 close of the evidence. And in -- instead of getting closing
10 arguments because I've already ordered briefs, I'd rather have
11 your -- the parties briefs instead of closing unless you can
12 be -- unless you're just really, really chomping at the bit to
13 give a closing and be very quick about it.

14 MR. MARK JOHNSON: I'm not.

15 JUDGE PRIDGIN: All right.

16 MR. CRAIG JOHNSON: I've got no bits and no chomps.

17 JUDGE PRIDGIN: Very good.

18 And if I'm not mistaken, my order -- and the
19 schedule compensates getting those briefs in by the 24th --

20 MR. MARK JOHNSON: Yes.

21 JUDGE PRIDGIN: -- if I'm not mistaken. And
22 whenever you submit those, if you would also submit Word
23 copies to me via email, so I can work from those, I would
24 appreciate it.

25 Is there anything else further from the Staff,

1 anything from Counsel we need to address before we go off the
2 record?

3 MR. CRAIG JOHNSON: What was the date, Your Honor,
4 of the briefs?

5 JUDGE PRIDGIN: I believe -- correct me if I'm
6 wrong. I recall my order saying the 24th.

7 MR. CRAIG JOHNSON: I'm not -- I just can't
8 remember.

9 JUDGE PRIDGIN: Yeah. If -- if my order says
10 otherwise, please use that date. But I believe it's -- let me
11 see if I can find my order here.

12 MR. MARK JOHNSON: It is the 24th. That is what I
13 had.

14 JUDGE PRIDGIN: Yes, I do see it as the 24th.

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

16 JUDGE PRIDGIN: All right. Anything further?

17 Mr. Haas?

18 MR. HAAS: I was just checking, Judge Pridgin, when
19 will the transcript be available?

20 JUDGE PRIDGIN: That's -- I'm glad you brought that
21 up. I did ask the court reporter to expedite this. I guess
22 that's something we can -- we can talk about off the record.

23 Is there anything else we need to -- need on the
24 record?

25 (NO RESPONSE.)

1 JUDGE PRIDGIN: All right. If not, that will
2 conclude this hearing. We are off the record in Case
3 No. IO-2005-0468. Thank you very much.

4 WHEREUPON, the arbitration hearing was concluded.
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Incumbent Local Exchange Carrier annual report for period ending December 31, 2004 for Northeast Missouri Telephone Company		
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1 Exhibit No. 10	163	164
2		
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4 Exhibit WCC-1, Comparison		
5 of original and revised transport		
6 and termination costs provided		
7 by the ILECS to T-Mobile		
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10 Exhibit No. 11	168	173
11 Responses to second		
12 discovery/Data Requests from		
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