

Exh. No. _____
Gary Godfrey Direct
Northeast
IO-2005-0468

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the Matter of the Petition of)	
Alma Telephone Company)	
for Arbitration of Unresolved)	Case No. IO-2005-0468, et al.
Issues Pertaining to a Section 251(b)(5))	(consolidated)
Agreement with T-Mobile USA, Inc.)	

DIRECT TESTIMONY

OF

GARY GODFREY

FILED
AUG 18 2005
Missouri Public
Service Commission

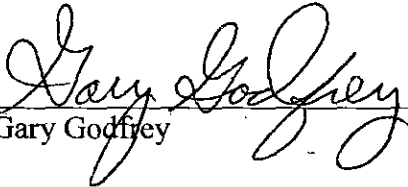
Jefferson City, Missouri
July 21, 2005

Exhibit No. 7
Date 8/11/05 Case No. IO-2005-0468
Reporter Slem

AFFIDAVIT OF GARY GODFREY


STATE OF MISSOURI)
) ss.
COUNTY OF SULLIVAN)

Gary Godfrey, of lawful age, on my oath states, that I have participated in the preparation of the foregoing direct testimony in question and answer form, consisting of 10 pages, to be presented in this case; that the answers in the foregoing testimony were given by me; that I have knowledge of the matters set forth in such answers; and that such matters are true to the best of my knowledge and belief.



Gary Godfrey

Subscribed and sworn to before me this 13th day of
July, 2005.



Notary Public

My Commission Expires: 9/26/08

LORI S. LEFAVER
Notary Public - State of Missouri
County of Sullivan
My Commission Expires Sep. 26, 2008

1 **Q. Please state your name, capacity, and business address.**

2 A. My name is Gary Godfrey. I am office manager for Petitioner Northeast Missouri
3 Rural Telephone Company (Northeast). My business address is P.O. Box 98, 718 South
4 West Street, Green City, MO 63545.

5 **Q. On whose behalf are you testifying.**

6 A. I am testifying on behalf of petitioner Northeast Missouri Rural Telephone
7 Company (Northeast).

8 **Q. Have you testified to the Commission before?**

9 A. Yes. I have testified several times in several proceedings, those
10 involving disputes with wireless carriers regarding mobile to landline traffic, and in rate
11 proceedings.

12 **Q. What topics will you address in this testimony?**

13 A. In this testimony I will address the amounts of past T-Mobile traffic terminating
14 to Northeast, traffic studies identifying the jurisdictional proportions T-Mobile traffic, the
15 rates applicable to such traffic, the amount of compensation due Northeast, and my views
16 as to whether Northeast should be responsible to compensate T-Mobile for landline to
17 mobile traffic provisioned by interexchange carriers (IXCs).

18 Mr. Schoonmaker will be presenting cost support for the prospective intraMTA
19 rate, and will also address whether mobile to landline IXC carried traffic is properly
20 reciprocal compensation traffic.

21 **Past Traffic**

22 **Q. What amount of T-Mobile traffic does Northeast show as being**
23 **uncompensated?**

1 A. 543,426 minutes of use.

2 **Q. What period did that traffic terminate?**

3 A. This traffic terminated between August 5, 2001 and April 13, 2005.

4 **Q. Why were those dates selected?**

5 A. Prior to February 5, 1998, SBC paid Northeast compensation for terminating
6 wireless traffic. After that date wireless carriers such as T-Mobile were to obtain
7 agreements and assume that responsibility. T-Mobile did not do so. Northeast billed T-
8 Mobile for this traffic. T-Mobile paid Northeast for traffic terminating between February
9 5, 1998 and August 5, 2001. Then for reasons not known to me, T-Mobile stopped
10 paying.

11 So August 5, 2001 was selected because that is the date uncompensated T-Mobile
12 traffic goes back to.

13 April 13, 2005 was selected because it was the most recent billing period used in
14 the negotiations with T-Mobile prior to filing the arbitration petition.

15 **Q. What records was this traffic volume taken from?**

16 A. Prior to the summer of 2004, we used SBC provided Cellular Terminating Usage
17 Summary Records (CTUSRs). After SBC terminated the CTUSR, we have used
18 electronic records SBC provides to us. Both types of records identified the T-Mobile
19 traffic by volume, but not by call jurisdiction. On a monthly basis Northeast converted
20 the SBC provided information into invoices which have been billed to T-Mobile, but
21 which have not been paid.

22

23

1 **Jurisdiction of Traffic**

2 **Q. Have you performed traffic studies to determine the proportions of traffic**
3 **that are interMTA and intraMTA in jurisdiction?**

4 Yes. We were ordered to do so for all wireless carriers in TC-2002-57, and complied.

5 **Q. With respect to T-Mobile, what did your traffic study reveal?**

6 A. The traffic study, attached hereto as Attachment 1 HC, showed that for the three
7 months constituting the 4th Quarter of 2001, Northeast received 2,250 T-Mobile calls, and
8 all of the traffic, 100 percent, was interMTA traffic.

9 **Q. Have you done a more recent study?**

10 A. No. It is a laborious undertaking. There has been no request to perform another
11 since then.

12 **Q. In TC-2002-57 did T-Mobile directly contradict this traffic study?**

13 A. As I recall, T-Mobile did not retain traffic information, and had no traffic records
14 or study contradicting Northeast's study. T-Mobile did challenge the validity of the
15 study.

16 **Q. Has the Commission ever accepted the validity of a traffic study such as this**
17 **one?**

18 A. Yes, in its January 27, 2005 Report and Order in TC-2002-1077, the Commission
19 approved the same type of traffic study performed by Mark Twain Rural Telephone
20 Company, even though the study resulted in a higher interMTA traffic percentage than
21 parties had agreed to.

22 **Q. Why in your arbitration petition did you request that an interMTA factor of**
23 **22.5%, instead of 100.0%, be approved?**

1 A. These negotiations were initiated prior to the Commission's January, 2005
2 decision in TC-2002-1077 accepting the validity of Mark Twain's traffic study. The
3 negotiations were also initiated prior to the FCC's February, 2005 Decision rejecting T-
4 Mobile's request to declare the application of state tariffs to wireless traffic unlawful¹.
5 Northeast had previously settled with other wireless carriers, and as I understand the
6 system Northeast is obligated to make the terms available to other carriers. In the
7 negotiations Northeast had already made traffic proportion and rate offers that were less
8 than what these decisions later indicated we were entitled to. It is my understanding of
9 the negotiation and arbitration rules that it would not have demonstrated good faith to
10 have negotiated "upwards" after those decisions.

11 **Q. Is Northeast willing to accept an interMTA factor of 22.5%?**

12 A. Yes, that is what we offered prior to arbitration.

13 **Q. Of the interMTA traffic, what interstate and intrastate proportions are you**
14 **requesting?**

15 A. That 80% of the interMTA traffic be rated at intrastate rates, and 20% be rated at
16 interstate rates.

17 **Q. Why do you propose these proportions?**

18 A. These are the proportions that had been agreed to with Cingular, Sprint PCS,
19 Alltel, and US Cellular. We offered the same to T-Mobile. When you review the
20 interMTA traffic identified in the study, Attachment 1HC, the proportion of interstate
21 seconds to total seconds is 22.5%.

¹ See the February 17, 2005 Declaratory Ruling regarding T-Mobile's Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs, CC Docket No. 01-92, In the Matter of Developing a Unified Intercarrier Compensation Regime.

1 **Q. Is Northeast willing to use the 22.5% interMTA factor, and the 80/20**
2 **intrastate/interstate proportions of interMTA traffic prospectively in the Traffic**
3 **Terminating Agreement?**

4 A. Yes.

5 **Rates to Apply**

6 **Q. What rates are you requesting be applied to this past traffic?**

7 A. Terminating intrastate access rates should be applied to terminating intrastate
8 interMTA traffic. Northeast's tariffed rate is \$0.149367 per minute. Terminating
9 interstate access rates should be applied to terminating interstate interMTA traffic.
10 Northeast's tariffed rate is \$0.0187 per minute. With respect to intraMTA traffic,
11 Northeast requests that a "compromise" rate of \$0.092184 be awarded.

12 **Q. Please explain this "compromise" rate?**

13 A. We used a "compromise" rate analysis to settle with Cingular, Sprint PCS, Alltel,
14 and US Cellular. These were done prior to the FCC decision upholding the application of
15 state tariffs to wireless traffic terminating in the absence of an agreement. The
16 compromise rate was a compromise between the agreement's 3.5 cent intraMTA rate and
17 access rates applicable to wireless traffic terminating prior to the agreement. We offered
18 it to T-Mobile as well. Actually, because T-Mobile is the last wireless carrier to
19 complete, the "compromise" rate we offered to T-Mobile may be lower than the ones
20 used with the other wireless carriers. It represents a "splitting of the difference" between
21 the 3.5 cent intraMTA² rate and our 14.9 cent intraLATA rate.

22

² T-Mobile and other CMRS providers have agreed to a 3.5 cent rate in about 60 agreements with small rural ILECs. See Attachment 2 hereto.

1 **Compensation Due**

2 **Q. Taking these rates and traffic jurisdictions, how much is Northeast**
3 **requesting that T-Mobile pay for this past traffic?**

4 A. The total is \$43,890.00.

5 **Q. If Northeast assumed that both the Commission's decision regarding traffic**
6 **studies and the FCC's decision upholding state tariffs applied, what would the total**
7 **amount due for this past traffic be?**

8 A. If you rate 80 percent of the traffic at intrastate access rates, and 20% at interstate
9 access rates, T-Mobile would owe Northeast \$66,967.00. I believe Northeast's request
10 that \$43,890 be awarded is reasonable.

11 **Landline to Mobile IXC Traffic**

12 **Q. In its response to the arbitration petition, T-Mobile claims Northeast should**
13 **be responsible to pay T-Mobile reciprocal compensation when Northeast customers**
14 **make a 1+ call to call a T-Mobile customer. Do you agree?**

15 A. No. T-Mobile has chosen to directly interconnect with SBC, and send its traffic
16 to Northeast indirectly. Without a T-Mobile facility connected to Northeast, Northeast
17 does not offer its subscribers the ability to dial T-Mobile customers on a "local" basis.
18 Northeast does not own the facilities to do this, does not desire to purchase the use of
19 other carriers' facilities, and therefore does not offer T-Mobile NPA/NXXs as part of the
20 local calling scope of Northeast local subscribers.

21 Northeast local subscribers must dial a "1+" in order to reach T-Mobile
22 customers. As an ILEC under federal and state rules, Northeast is required to route all
23 such "1+" calls to the facilities of the customers chosen interexchange carrier (IXC).

1 These calls are the provisioning and compensation responsibility of the chosen IXC, not
2 Northeast. The IXC gets the end user revenue, pays Northeast originating compensation,
3 and to my understanding is obligated to pay T-Mobile terminating compensation.

4 It is the IXC, not Northeast, that is deemed to have "originated" such calls. It is
5 the IXC, not Northeast, that is responsible to pay associated intercarrier compensation.

6 **Q. T-Mobile characterizes this as a situation where Northeast is attempting to**
7 **exempt itself from reciprocal compensation obligations by choosing to send calls**
8 **Northeast originates but then sends to an intermediate carrier. Do you agree?**

9 A. No. Northeast is not required to provide local calling that includes the expense of
10 purchasing other carriers' facilities. Northeast's tariffs determine its customer's local
11 calling scope. The local NPA NXXs do not include T-Mobile numbers. Our rate
12 structure is based upon local calling within the areas set forth in Northeast tariffs.

13 If receiving reciprocal compensation for these calls is important to T-Mobile, T-
14 Mobile should do what it did with larger ILECs such as SBC. It should order and provide
15 a direct connection to Northeast facilities. Calls going to T-Mobile would thereafter not
16 have to leave Northeast exchange facilities, and could be delivered to T-Mobile as locally
17 dialed calls without having to be routed to interexchange facilities.

18 **Q. Do you believe T-Mobile is losing compensation rights if this traffic is not**
19 **reciprocal compensation traffic?**

20 A. No. It is my understanding that the IXC delivering these calls to T-Mobile is
21 obligated to compensate T-Mobile, so T-Mobile should be receiving intercarrier
22 compensation for this traffic. I believe it is also true that T-Mobile gets paid by its end
23 users for receiving these calls. If Northeast were responsible to pay reciprocal

- 1 compensation as well, you could argue T-Mobile is getting paid three times for this
- 2 traffic; twice by intercarrier compensation and once by end user compensation.
- 3 **Q. Does that conclude your direct testimony?**
- 4 **A. Yes.**

NORTHEAST MISSOURI RURAL TELEPHONE COMPANY

T-MOBILE USA, INC.

USAGE PERIOD: 4th QUARTER 2001 (October 1 - December 31, 2001)

Note: The shaded areas (in grey) are InterMTA numbers.

ORIG. NPA/NXX	ORIG MTA	CO TYPE	CITY	ST	LATA	OCN CODE & NAME	CALLS	SECONDS	TERMINATING SECONDS TO			TOTAL INTERMTA SECONDS
									ST. LOUIS MTA	KANSAS CITY MTA	DES MOINES/ QUAD CITIES MTA	
316993	46	65	WICHITA	KS	532	6529 T-MOBILE USA, INC.	1	171.50	171.50	0.00	0.00	171.50
405408	41	65	OKLA CITY	OK	536	6529 T-MOBILE USA, INC.	1	115.90	115.90	0.00	0.00	115.90
469360	7	65	GRANDPRARI	TX	552	6529 T-MOBILE USA, INC.	2	328.10	44.00	284.10	0.00	328.10
480332	27	04	MESA	AZ	666	6529 T-MOBILE USA, INC.	1	149.80	149.80	0.00	0.00	149.80
480570	27	04	TEMPE	AZ	666	6529 T-MOBILE USA, INC.	1	37.90	37.90	0.00	0.00	37.90
512554	7	65	AUSTIN	TX	558	6529 T-MOBILE USA, INC.	1	110.10	110.10	0.00	0.00	110.10
515771	32	65	DES MOINES	IA	632	6529 T-MOBILE USA, INC.	6	1,211.60	1,211.60	0.00	0.00	1,211.60
612532	12	65	MINNEAPOLS	MN	628	6701 AERIAL COMMUNICATIONS	4	251.60	251.60	0.00	0.00	251.60
660221	34	65	SEDALIA	MO	524	6701 AERIAL COMMUNICATIONS	101	71,354.90	71,354.90	0.00	0.00	71,354.90
660229	34	65	MARSHALL	MO	524	6701 AERIAL COMMUNICATIONS	19	3,046.50	3,042.60	0.00	3.90	3,046.50
660238	34	65	WARRENSBG	MO	524	6701 AERIAL COMMUNICATIONS	4	881.80	881.80	0.00	0.00	881.80
660525	34	65	CLINTON	MO	524	6701 AERIAL COMMUNICATIONS	15	3,965.20	3,965.20	0.00	0.00	3,965.20
660909	34	65	WARRENSBG	MO	524	6701 AERIAL COMMUNICATIONS	512	185,148.50	184,879.50	0.00	269.00	185,148.50
719321	22	67	COLORDOSPG	CO	658	6529 T-MOBILE USA, INC.	1	118.30	118.30	0.00	0.00	118.30
785418	34	65	OTTAWA	KS	534	6701 AERIAL COMMUNICATIONS	1	52.60	52.60	0.00	0.00	52.60
785979	34	65	LAWRENCE	KS	534	6701 AERIAL COMMUNICATIONS	41	11,312.80	11,312.80	0.00	0.00	11,312.80
816217	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	58	28,127.40	28,127.40	0.00	0.00	28,127.40
816258	34	65	HARRISONVL	MO	524	6701 AERIAL COMMUNICATIONS	3	628.40	628.40	0.00	0.00	628.40
816263	34	65	ODESSA	MO	524	6701 AERIAL COMMUNICATIONS	2	1,174.70	1,174.70	0.00	0.00	1,174.70
816267	34	65	OAK GROVE	MO	524	6701 AERIAL COMMUNICATIONS	8	168.40	168.40	0.00	0.00	168.40
816405	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	178	72,221.50	72,194.00	0.00	27.50	72,221.50
816419	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	88	38,553.70	38,553.70	0.00	0.00	38,553.70
816456	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	127	43,504.00	43,178.40	0.00	325.60	43,504.00
816517	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	35	17,442.00	17,442.00	0.00	0.00	17,442.00
816529	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	69	48,641.40	48,641.40	0.00	0.00	48,641.40
816616	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	120	30,663.10	30,663.10	0.00	0.00	30,663.10
816617	34	65	ST JOSEPH	MO	524	6701 AERIAL COMMUNICATIONS	94	36,448.40	36,448.40	0.00	0.00	36,448.40
816682	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	90	43,395.90	43,395.90	0.00	0.00	43,395.90
816694	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	24	10,732.40	10,732.40	0.00	0.00	10,732.40
816699	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	80	50,659.80	50,659.80	0.00	0.00	50,659.80
816716	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	91	61,747.70	61,747.70	0.00	0.00	61,747.70
816726	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	100	40,479.90	40,479.90	0.00	0.00	40,479.90
816739	34	65	KANSAS CITY	MO	524	6701 AERIAL COMMUNICATIONS	74	32,071.20	31,063.90	0.00	1,007.30	32,071.20
913206	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	22	8,590.90	8,590.90	0.00	0.00	8,590.90
913244	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	32	15,526.30	15,526.30	0.00	0.00	15,526.30
913271	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	31	11,638.70	11,638.70	0.00	0.00	11,638.70

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ORIG. NPA/NXX	ORIG MTA	CO TYPE	CITY	ST	LATA	OCN CODE & NAME	CALLS	SECONDS	TERMINATING SECONDS TO			TOTAL INTERMTA SECONDS
									ST. LOUIS MTA	KANSAS CITY MTA	DES MOINES/ QUAD CITIES MTA	
913306	34	65	LEAVENWTH	KS	524	6701 AERIAL COMMUNICATIONS	7	1,008.30	1,008.30	0.00	0.00	1,008.30
913406	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	66	60,530.50	60,530.50	0.00	0.00	60,530.50
913636	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	37	39,232.10	39,232.10	0.00	0.00	39,232.10
913709	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	18	16,666.80	16,666.80	0.00	0.00	16,666.80
913710	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	33	24,948.30	24,948.30	0.00	0.00	24,948.30
913963	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	22	20,339.00	20,339.00	0.00	0.00	20,339.00
913980	34	65	KANSAS CITY	KS	524	6701 AERIAL COMMUNICATIONS	30	26,405.80	26,405.80	0.00	0.00	26,405.80
TOTALS:							2,250	1,059,803.70	1,057,886.30	284.10	1,633.30	1,059,803.70

Total InterMTA % =

100.