

Exhibit No.:  
Issues: Blocking of Traffic  
Witness: Jack Jones  
Type of Exhibit: Direct  
Sponsoring Party: Iamo  
Telephone Corporation  
Case No.: TC-2012-0331

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

**Case No. TC-2012-0331**

**Direct Testimony of Jack Jones**

**On Behalf of Iamo Telephone Corporation**

**June 4, 2012**

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

HALO WIRELESS, INC., )  
 )  
Complainant, )  
 )  
v. )  
 )  
CRAW-KAN TELEPHONE )  
COOPERATIVE, INC., et al., )  
 )  
Respondents. )

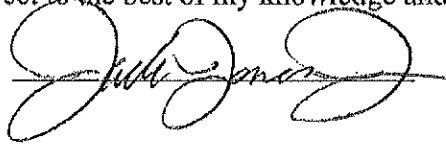
Case No. TC-2012-0331

STATE OF IOWA )  
 ) ss  
COUNTY OF Page )

**AFFIDAVIT OF JACK JONES**

Jack Jones, of lawful age, being duly sworn, deposes and states as follows:

1. My name is Jack Jones. I am employed as General Manager and Chief Executive Officer with Iamo Telephone Corporation, and am authorized to testify on behalf of Iamo Telephone Corporation in this proceeding.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.



Subscribed and sworn to before me this 1 day of June, 2012.

Tamara LePorte Notary Public

My Commission expires: 7-20-2014



**DIRECT TESTIMONY  
OF  
JACK JONES**

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**Q. State your name and business address.**

A. My name is Jack Jones. My business address is 104 Crook Street, Coin, Iowa 51636.

**Q. By whom are you employed and in what capacity?**

A. I am employed by Iamo Telephone Corporation (Company) as General Manager and Chief Executive Officer.

**Q. Please describe the nature of your duties and responsibilities as General Manager and CEO of Iamo Telephone Corporation (Company).**

A. As General Manager and CEO, I am responsible for managing all aspects of the Company's operations. Working under the supervision of a nine (9) member board, I am responsible for carrying out their policy directives. I also design and plan corporate strategy and present such plans to the Board for their review and approval. Additional major job responsibilities include: review of financial statements and sales reports, manage and direct the work of the various personnel, determine staffing requirements including interviewing and hiring, and coordinating operations to maximize customer service and efficiency.

**Q. Would please briefly describe your education and work experience?**

A. I began my career in the telecommunications industry in the United States Air National Guard with 7 months of telephone switching training between May and November of 1976. In December of 1976, I began work with Chickasaw Telephone Company in Sulphur, Oklahoma. I began work primarily in residential and business installation and repair, and subsequently began primarily working with key systems and PBX equipment.

1 After divestiture occurred in 1984, my role changed and I became responsible for local  
2 sales, service, and engineering of enterprise, equipment for the geographical area of  
3 Oklahoma including contracts for the State Of Oklahoma and federal contract at military  
4 facilities in Oklahoma. I was supervisor of the enterprise and interconnect operations  
5 with oversight of as many as 13 technicians. In March 2005, I began work at my current  
6 position as GM and CEO of Iamo Telephone Corporation.

7 Q. **Are you authorized to testify on behalf of the Company in this matter?**

8 A. Yes.

9 Q. **Please describe your Company and the nature of its business.**

10 A. The Company is an Iowa corporation, with its office and principal place of business  
11 located in Coin, Iowa. The Company is an incumbent local exchange carrier providing  
12 local exchange and exchange access services to approximately 1000 access lines in and  
13 around the communities of Burlington Junction, Elmo, Claremont, Westboro, and  
14 Quitman, Missouri.

15 Q. **What is the purpose of your testimony?**

16 A. The purpose of my testimony is to explain and support the Company's request to AT&T  
17 Missouri (AT&) to block the traffic terminating from Halo Wireless Inc. (Halo) in  
18 accordance with the Missouri Public Service Commission's (Commission) Enhanced  
19 Record Exchange (ERE) Rules.

20 Q. **Is Halo delivering traffic to your Company for termination to your customers?**

21 A. Yes.

22 Q. **How do you know Halo is delivering traffic to your Company?**

1 A. Each month we receive records from AT&T Missouri that identify the amount of traffic  
2 (i.e., Minutes of Use or MOU) that transits the AT&T tandem switch and is delivered to  
3 our Company for termination to our customers.

4 Q. **How is Halo's traffic delivered to your Company?**

5 A. It is my understanding that Halo has a direct interconnection with AT&T at its tandem  
6 switch in St. Joseph, Missouri. AT&T then sends that traffic, along with other wireless,  
7 CLEC and intraLATA toll traffic, over common trunk groups through the CenturyLink  
8 tandem in Maryville, Missouri, to our Company. This jointly owned network of common  
9 trunks that exists between our Company, CenturyLink and the AT&T tandem is  
10 sometimes referred to as the "LEC-to-LEC Network" or the "Feature Group C Network".

11 Q. **Did Halo or AT&T notify your Company, in advance, that Halo would be delivering**  
12 **wireless traffic to it?**

13 A. No. The only way that we knew we were receiving Halo traffic was after-the-fact when  
14 we began receiving records of that traffic from AT&T.

15 Q. **Has Halo ever requested permission or an agreement with your Company to**  
16 **terminate its traffic on your local exchange network?**

17 A. No.

18 Q. **Once you became aware of the fact that Halo was terminating traffic to your**  
19 **Company, did you request to begin negotiations with Halo to establish an agreement**  
20 **for the termination of this traffic?**

21 A. Yes. Our attorneys sent correspondence to Halo requesting to begin negotiations toward  
22 a traffic termination agreement. Copies of the request are attached to my testimony as  
23 Exhibit 1.

1 Q. **Did Halo agree to negotiate a traffic termination agreement with your Company?**

2 A. No. It is my understanding that Halo refused to negotiate primarily because our  
3 Company did not specifically “request interconnection” with Halo.

4 Q. **What compensation does your Company receive when it terminates traffic from  
5 other carriers?**

6 A. Our Company receives either access charges (intrastate or interstate) for terminating  
7 interexchange traffic or reciprocal compensation rates for terminating local wireless  
8 traffic.

9 Q. **How are your Company’s access charges and reciprocal compensation rates set?**

10 A. Our access charges are contained in tariffs that are filed with and approved by the FCC  
11 (for interstate traffic) and the Missouri Public Service Commission (for intrastate traffic).  
12 Our reciprocal compensation rates are set forth in the traffic termination agreements we  
13 have with wireless carriers and which are filed with and approved by the Missouri Public  
14 Service Commission.

15 Q. **Have you invoiced Halo for the traffic it is terminating to you?**

16 A. Yes. While we do not agree that Halo’s traffic is wireless, we have sent invoices to Halo  
17 each month for the traffic it terminates to our Company based upon our reciprocal  
18 compensation rates for “local” wireless traffic. Copies of those invoices are attached as  
19 “PROPRIETARY” Exhibit 2.

20 Q. **Has Halo paid any of your invoices?**

21 A. No, Halo has not paid for any of the traffic it has delivered to our Company.

22 Q. **Are you receiving traffic from other wireless carriers via the LEC-to-LEC  
23 Network?**

1 A. Yes, we receive wireless traffic from most, if not all, of the national wireless carriers such  
2 as AT&T Mobility, Verizon Wireless, Sprint/Nextel, T-Mobile and US Cellular.

3 **Q. Do you have traffic termination agreements with those carriers for the termination**  
4 **of their wireless traffic?**

5 A. Yes, we have traffic termination agreements with those carriers and those agreements  
6 have been filed with and approved by the Commission. A Summary of those agreements  
7 and the case numbers in which they were approved by the Commission is set forth on  
8 Exhibit 3 attached hereto.

9 **Q. Did any of the other wireless carriers who terminate traffic to your Company refuse**  
10 **to negotiate a traffic termination agreement?**

11 A. No.

12 **Q. Did any of the other wireless carriers insist on your Company requesting**  
13 **interconnection before beginning negotiations?**

14 A. No.

15 **Q. Do those agreements with the other wireless carriers provide for your Company to**  
16 **be paid for the traffic that is terminated to your Company?**

17 A. Yes. The agreements generally provide that local or intraMTA wireless traffic will be  
18 billed at reciprocal compensation rates and that any non-local or interMTA traffic will be  
19 billed at our Company's access rates.

20 **Q. How were the reciprocal compensation rates established for your Company?**

21 A. For most of the wireless carriers, our reciprocal compensation rates were established in  
22 the context of an arbitration case between our Company and Cingular Wireless and T-  
23 Mobile (MoPSC Cases No. TO-2006-0147 and TO-2006-0151). In a couple of instances,

1 the reciprocal compensation rate was negotiated between our Company and the wireless  
2 carrier.

3 Q. **Have the other wireless carriers paid your invoices?**

4 A. Yes.

5 Q. **Did you offer to make these reciprocal compensation rates available to Halo for the  
6 local or intraMTA wireless traffic it terminated to you?**

7 A. Yes. Our attorneys forwarded copies of a traffic termination agreement with Cingular  
8 and T-Mobile to Halo and offered to use the rates, terms and conditions contained in  
9 those Agreements as a starting point for purposes of negotiations. Please see Exhibit 4  
10 attached to this testimony.

11 Q. **You mentioned earlier that you don't agree that the traffic Halo is terminating to  
12 you is wireless traffic. On what do you base that position?**

13 A. The amount of traffic Halo is terminating to our Company is fairly substantial relative to  
14 the amount of wireless traffic we receive from other, national wireless carriers. Given the  
15 fact that we have never heard of Halo Wireless, nor have we seen any advertisements or  
16 marketing material offering Halo's wireless services in our area, I was skeptical that Halo  
17 would be terminating that much wireless traffic to our Company. In addition, we learned  
18 from industry meetings and discussions that other local exchange carriers were  
19 questioning the nature of Halo's traffic.

20 Q. **Do you have any evidence that Halo's traffic is not wireless?**

21 A. Yes. We requested information from AT&T regarding any traffic studies it has  
22 performed on Halo traffic terminating to our Company. Based upon the information we  
23 received from AT&T, we learned that only 9% to 13% of the amount of Halo traffic



1 terminating to us was local or intraMTA wireless traffic (and I understand that this was  
2 actually wireless traffic that was originated by customers of other wireless carriers). The  
3 rest of Halo's traffic was either interMTA wireless traffic or landline interexchange  
4 traffic. The information AT&T has provided us is included in "PROPRIETARY"  
5 Exhibit 5 attached to this testimony.

6 **Q. Are you able to tell whether Halo is providing your Company with originating  
7 Caller Identification when it terminates traffic to your Company?**

8 **A.** No. Because Halo's traffic is comingled with other wireless traffic, CLEC traffic and  
9 intraLATA toll traffic that comes to our Company over these common trunks, it is not  
10 possible to identify a Halo call when it hits our local switch.

11 **Q. Do the AT&T records of Halo's terminating traffic provide originating Caller  
12 Identification?**

13 **A.** No, the AT&T records simply provide a "billing number" which is assigned to Halo, but  
14 it does not identify or reveal the telephone number of the party placing the call.

15 **Q. Given the fact that Halo has not been willing to pay for the traffic it terminates to  
16 your Company and that AT&T's traffic studies reveal that a substantial portion of  
17 this traffic is actually traffic subject to access charges, what did you do?**

18 **A.** We authorized our attorneys to pursue blocking of Halo's traffic coming over the LEC-  
19 to-LEC network in accordance with the Commission's ERE Rules. Copies of the  
20 correspondence that was sent to AT&T and Halo are attached as Exhibit 6.

21 **Q. Does this conclude your direct testimony?**

22 **A.** Yes.