

Exhibit No.:  
Issue: Traffic Termination  
Witness: Billy H. Pruitt  
Type of Exhibit: Rebuttal  
Case No.: IO-2005-0468  
Date Testimony Prepared:  
July 28, 2005

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

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

Case No. IO-2005-0468, et al.  
Consolidated

**FILED**

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Missouri Public  
Service Commission

**REBUTTAL TESTIMONY**

**OF**

**BILLY H. PRUITT**

**ON BEHALF OF T-MOBILE USA, INC.**

July 28, 2005

Exhibit No. 17  
Date 8/11/05 Case No. IO-2005-0468  
Reporter SLM

1   **Q.    Please state your name and address.**

2   A.    My name is Billy H. Pruitt. My business address is 59 Lincord Drive, St. Louis,  
3       MO 63128-1209.

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

5   A.    I am President and Principal Consultant for Pruitt Telecommunications Consulting  
6       Resources, Inc.

7   **Q.    Have you previously appeared as a witness in this regulatory proceeding?**

8   A.    Yes. My Direct Testimony was filed in this proceeding on July 21, 2005.

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

10  A.    The purpose of this rebuttal testimony is to respond to Direct Testimony filed in this  
11       proceeding by witnesses representing Alma Telephone Company, Chariton Valley  
12       Telephone Company, Mid-Missouri Telephone Company, and Northeast Missouri  
13       Rural Telephone Company. (I will sometimes refer to these companies collectively  
14       as "LECs" or "the RLECs". )

15  **Q.    The Direct Testimonies of Witnesses Simon, Heins, Day and Godfrey all**  
16       **discuss 1) the amounts of past T-Mobile traffic terminating to each company,**  
17       **2) traffic studies identifying historical jurisdictional proportions of T-Mobile**  
18       **traffic, 3) the rates applicable to such traffic, 4) and the amount of past**  
19       **compensation due to each company. Is this information relevant in an**  
20       **arbitration proceeding?**

21  A.    No. As stated in my Direct Testimony, it is T-Mobile's position that language  
22       concerning compensation arrangements for traffic occurring prior to the  
23       commencement of negotiations should not be included in the Traffic Termination

1 Agreement. The past compensation at issue here is currently before the  
2 Commission in the Complaint Proceeding, Case No. TC-2002-57.

3 "Given the proper scope of this arbitration proceeding, the lengthy history in  
4 the Complaint Proceeding and the severe time constraints under which the  
5 Commission must conclude this arbitration, the Commission should limit  
6 this arbitration proceeding to issues that must be resolved so the parties can  
7 execute the Traffic Termination Agreements. Issues involving the exchange  
8 of traffic prior to January 13, 2005, involve a different period of time (which  
9 may result in different facts) and involve different legal issues (such as  
10 wireless termination tariffs)."<sup>1</sup>

11 It would be inappropriate for the Commission to rule on these past compensation  
12 issues in the current arbitration proceeding. The scope of this arbitration, as  
13 provided under FCC rules and federal court decisions, is limited to the forward-  
14 looking interconnection agreement for which negotiations were started on January  
15 13, 2005.

16 **Q. Do the Rural LEC Witnesses address the time frames that they consider to be**  
17 **appropriate for application of any rate approved by the Commission in this**  
18 **arbitration proceeding?**

19 **A.** Yes. Witness Heins asserts that the end date for any past compensation is March  
20 12, 2005. (Heins Direct, Page 4, Lines 3-5.) Witness Godfrey asserts that the end  
21 date for any past compensation is April 13, 2005. (Godfrey Direct, Page 3, Line 22  
22 and Page 4, Line 3 and Lines 13-14.) Witness Day asserts that the end date for any  
23 past compensation is April 20, 2005. (Day Direct, Page 3, Line 22 and Page 4,  
24 Lines 5-7.) Witness Simon asserts that the end date for any past compensation is  
25 May 17, 2005. (Witness Simon Direct, Page 3, Line 22 and Page 4 Lines 2-4.)

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<sup>1</sup> Pruitt Direct Testimony, Page 5, Line 24 - Page 6, Line 5.

1   **Q.    What is your reaction to the dates proposed by the Rural LEC witnesses as an**  
2       **end date for past compensation and the start date for application of the Traffic**  
3       **Termination Agreement Commission-approved rate?**

4   **A.    T-Mobile believes that the start date for negotiations was January 13, 2005, and**  
5       does not understand the rationale for the various dates proposed by the RLECs.  
6       Any traffic exchanged after January 13, 2005, should be compensated pursuant to  
7       the rate approved by the Commission in this arbitration proceeding. Reciprocal  
8       compensation arrangements for any traffic exchanged prior to the January 13, 2005,  
9       negotiation start date should be determined in the Complaint Proceeding, Case No.  
10      TC-2002-57. As I mentioned above, the proper scope for an arbitration proceeding  
11      is the going-forward interconnection agreement. This federally-defined scope of  
12      the arbitration proceeding cannot be expanded by the mere fact that some of the  
13      RLECs may not have raised all time periods in which they have exchanged traffic  
14      with T-Mobile in a Complaint Proceeding. To the extent the RLECs feel that they  
15      have left a gap in the time frame covered in Case No. TC-2002-57, I would think  
16      the proper avenue would be for them to seek to amend their current Complaint or  
17      by initiating a separate complaint proceeding covering the relevant historical  
18      periods.

19   **Q.    Do Rural LEC Witnesses Simon, Heins, Day and Godfrey address the rate to**  
20       **be included in the Transport and Termination Agreement for traffic**  
21       **exchanged after the formal negotiation request on January 13, 2005?**

1 A. No. However, Rural LEC Witness Schoonmaker does provide his supporting  
2 information for the single proposed LEC rate of \$0.035. T-Mobile Witness Mr.  
3 Conwell will be providing a rebuttal to Mr. Schoonmaker's testimony.

4 **Q. Do these witnesses address the type of traffic which should be subject to**  
5 **reciprocal compensation?**

6 A. Yes. Throughout their testimony, they posit that intraMTA traffic sent via an IXC  
7 should not be subject to reciprocal compensation. The relevant language proposal  
8 appears in Section 1.1 of the Traffic Termination Agreement, which would state --  
9 if the RLEC proposal is adopted -- that the Agreement does not apply to traffic sent  
10 to, or received from, an IXC. T-Mobile has proposed that the Arbitrator reject the  
11 proposal.

12 **Q. Four of the Rural LEC witnesses in this proceeding claim in their Direct**  
13 **Testimony that T-Mobile does not lose any compensation rights if its**  
14 **intraMTA traffic is not subject to reciprocal compensation by the LECs, and**  
15 **that if they paid reciprocal compensation, T-Mobile would be paid "three**  
16 **times for this traffic." (See Witness Simon Direct, Page 9, Lines 17-19;**  
17 **Witness Heins Direct, Page 7, Lines 6-8; Witness Day Direct, Page 9, Lines 3-5;**  
18 **Witness Godfrey Direct, Page 9, Lines 20-22.) Do you agree?**

19 A. No. For starters, and so the record is clear, T-Mobile does not receive  
20 compensation from IXCs for terminating intraMTA calls that originate on the  
21 RLEC networks. The RLECs are mistaken in stating that "the IXC delivering  
22 these [land-to-mobile intraMTA] calls is obligated to compensate T-Mobile, so T-  
23 Mobile should be receiving intercarrier compensation for this traffic." (See Witness

1 Godfrey Direct, Page 9, Lines 17-19; see also Witness Simon Direct, Page 9, Lines  
2 17-19; Witness Heins Direct, Page 7, Lines 6-8; Witness Day Direct, Page 9, Lines  
3 3-5). In fact, the FCC has ruled that IXC's are not required to compensate wireless  
4 carriers unless they agree in negotiations to pay the wireless carriers.<sup>2</sup> Not  
5 surprisingly, IXC's choose not to compensate wireless carriers. The IXC's do not  
6 compensate T-Mobile for terminating intraMTA calls that originate on the RLEC  
7 networks.

8 **Q. Does it matter that T-Mobile's customers are paying for the calls?**

9 A. No. The fact that T-Mobile is a viable wireless business with paying subscribers  
10 does not change the RLEC's obligation to reciprocally compensate T-Mobile for  
11 terminating calls generated by the RLEC's customers. T-Mobile's customers do  
12 pay T-Mobile for receiving these land-to-mobile intraMTA calls; T-Mobile could  
13 not stay in business if it is not compensated for services provided. But the retail  
14 relationship that T-Mobile has with its own end-user customers is not relevant to  
15 the Rural LEC obligation to pay reciprocal compensation – just as the retail  
16 relationship that the RLEC's have with their end-user customers is not relevant to T-  
17 Mobile's obligation to pay reciprocal compensation to the RLEC's. Under the logic  
18 of the Rural LEC position, T-Mobile would have no obligation to compensate the  
19 RLEC's for call termination because they could recover their costs from their own  
20 end-user customers.

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<sup>2</sup> *Petitions of Sprint PCS and AT&T Corp. for Declaratory Ruling Regarding CMRS Access Charges*, Declaratory Ruling, WT Docket No. 01-316, FCC 02-203, 17 FCC Rcd 13192 ¶ 1 (July 2, 2002) (“Based on the rules in effect during the period in dispute--from 1998 to the present--we find that Sprint PCS was not prohibited from charging AT&T access charges, but that AT&T was not required to pay such charges absent a contractual obligation to do so.”).

1   **Q.    Is the T-Mobile position consistent with the FCC's current intercarrier**  
2   **compensation regime?**

3   A.    Yes, it is. As stated in my Direct Testimony, in a Calling Party Network Pays  
4   ("CPNP") regime (see Pruitt Direct, Page 29, Lines 17-21), the originating carrier is  
5   responsible for all costs of delivering its originating intraMTA traffic to a  
6   terminating carrier and compensating that terminating carrier for the use of its  
7   network in the termination of this intraMTA traffic. Any reciprocal compensation  
8   due T-Mobile for terminating RLEC-originated intraMTA traffic is the  
9   responsibility of the RLECs. The billing of charges to end user customers and the  
10   receipt of payment from end user customers for those services do not relieve either  
11   carrier of its reciprocal compensation obligations.

12   **Q.    What is the underlying business principle for this T-Mobile argument?**

13   A.    The underlying business principle is straightforward. The RLECs can offer their  
14   customers a lower price for retail service if the RLECs also receive compensation  
15   from other sources, including other telecommunications carriers. As is its right  
16   under federal law, T-Mobile seeks only the same, symmetrical compensation from  
17   the RLECs so it can keep its retail prices to its customers as low as possible. To  
18   look at the RLECs' position from a different angle, compensation that the LECs  
19   receive from other sources such as the universal service fund administrator does not  
20   diminish the LECs' desire to receive compensation from other carriers for  
21   terminating traffic on their network. It should also be noted that the RLECs  
22   receive compensation from their end user customers and also bill the IXC's

1           originating access for these calls even though they are the carrier originating the  
2           traffic.

3   **Q.   Does T-Mobile receive any compensation, other than from its customers, for**  
4   **RLEC-originated traffic terminating to T-Mobile?**

5   A.   No. T-Mobile is not receiving any IXC, RLEC, or other intercarrier compensation  
6       for calls originated by the RLECs and terminated by T-Mobile. T-Mobile simply  
7       seeks the reciprocal compensation called for under the 1996 Telecom Act. The  
8       Tenth Circuit Court of Appeals has said that the reciprocal compensation obligation  
9       of RLECs is "clear, unambiguous, and on its face admits of no exceptions":

10           The RTCs [Rural Telephone Companies] in the instant case have a  
11           mandatory duty to establish reciprocal compensation agreements with  
12           the CMRS providers for calls originating and terminating within the  
13           same MTA. Where the regulations at issue are unambiguous, our  
14           review is controlled by their plain meaning. Nothing in the text of  
15           these provisions provides support for the RTC's contention that  
16           reciprocal compensation requirements do not apply when traffic is  
17           transported on an IXC network.<sup>3</sup>

18   **Q.   The RLECs state that they have no reciprocal compensation obligations to T-**  
19   **Mobile because of the way they define their local calling area in their state**  
20   **tariffs. (See Witness Simon Direct, Page 9, Lines 1-9; Witness Heins Direct,**  
21   **Page 6, Lines 18-21; Witness Godfrey Direct, Page 9, Lines 9-12; Witness Day**  
22   **Direct, Page 8, Lines 13 - 17). Is this relevant?**

23   A.   No. The RLECs confuse the retail relationship with their own customers with the  
24       legal obligations they have relative to other carriers. As the FCC has explained, the  
25       different rules governing the LEC-customer relationship and intercarrier

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<sup>3</sup> Atlas Telephone Company v. Oklahoma Corporation Commission, 400 F.3d 1256, 1264 (10<sup>th</sup> Cir. 2005)(internal citations omitted).



1 arrangements "may result in the same call being viewed as a local call by the  
2 carriers and a toll call by the end-user":

3 For example, to the extent the Yuma-Flagstaff T-1 is situated  
4 entirely within an MTA, does not cross a LATA boundary, and is  
5 used solely to carry US West originated traffic, US West must  
6 deliver the traffic to TSR's network without charge. However,  
7 nothing prevents US West from charging its end user for toll calls  
8 completed over the Yuma-Flagstaff T-1."<sup>4</sup>

9 Translating this analysis to the RLECs, a call between an RLEC and a T-Mobile  
10 customer may result in that same call being viewed as a local (e.g., intraMTA) call  
11 for intercarrier compensation between the RLEC and T-Mobile while at the same  
12 time the call may be viewed as a toll call for the purposes of the RLEC's billing to  
13 its landline customer.

14 **Q. The RLECs assert that they have no reciprocal compensation obligations**  
15 **unless T-Mobile interconnects directly with their networks. (See Witness**  
16 **Simon Direct, Page 9, Lines 10-14; Witness Heins Direct, Page 6, Lines 18-21;**  
17 **Witness Godfrey Direct, Page 9, Lines 22-23 and Page 10, lines 1-3; Witness**  
18 **Day Direct, Page 8, Lines 18-22). Do you agree?**

19 **A.** No. The method of interconnection is not relevant to the reciprocal compensation  
20 obligation. Federal law permits both indirect and direct interconnection, and  
21 reciprocal compensation applies in both types of interconnection. The  
22 interconnection obligations of RLECs and wireless carriers are set forth in 47  
23 U.S.C. § 251(a)(1), and the FCC has made clear that it is the interconnecting  
24 carrier, and not the incumbent LEC, that gets to decide whether to interconnect  
25 directly or indirectly with the incumbent.

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<sup>4</sup> *TSR Wireless, LLC v. US West Communication, Inc.*, Memorandum Opinion and Order, Released June 21, 2000 FCC 00-194 ("TSR Wireless Order"), Paragraph 31.

1 An incumbent LEC's reciprocal compensation obligation is contained in a different  
2 provision – namely, 47 U.S.C. § 251(b)(5). Thus, Congress made very clear that an  
3 incumbent LEC's reciprocal compensation obligations apply whether the carriers  
4 interconnect directly or indirectly.

5 Even if we were operating under a different scheme in which LECs could force  
6 another carrier to connect directly with it, it is not clear on how requiring a direct  
7 connection would help the RLECs' position. The same rule of reciprocal and  
8 symmetrical compensation would apply. FCC Rule 51.701(c) defines transport as  
9 the transmission "from the interconnection point between the two carriers to the  
10 terminating carrier's end office switch that directly serves the called party, or  
11 equivalent facility provided by a carrier other than an incumbent LEC." If T-  
12 Mobile interconnected directly with the RLECs, the interconnection point would  
13 likely be at the Rural LEC's network and the RLECs would still be required to pay  
14 T-Mobile for the costs of transporting land-to-mobile intraMTA traffic to T-  
15 Mobile's network and compensating T-Mobile for the costs it incurs in completing  
16 the calls over its network.

17 **Q. The RLECs state that they do not own facilities that connect to T-Mobile's**  
18 **network and that they do "not desire to purchase the use of other carriers'**  
19 **facilities" to support indirect interconnection. (See Simon Direct, Page 8,**  
20 **Lines 11-13; Witness Heins Direct, Page 6, Lines 3-6; Witness Godfrey Direct,**  
21 **Page 8, Lines 18-20; Witness Day Direct, Page 7, Lines 20-22.) Is this a**  
22 **relevant consideration?**

1 A. No. The option of direct or indirect interconnection is available to wireless carriers  
2 in their business judgment, including as may be supported by traffic volumes. The  
3 wireless carrier's right to both options exists regardless of whether the wireless  
4 carrier's switch is located in the rural LEC's rate center.<sup>5</sup> And, the reciprocal  
5 compensation obligation applies under either type of interconnection.

6 Under current intercarrier compensation rules, then, when a wireless  
7 customer calls a rural LEC customer, the wireless carrier is  
8 responsible for transporting the call and paying the cost of this  
9 traffic. And, conversely, when a rural LEC customer calls a wireless  
10 customer, the rural LEC is responsible for transporting the call and  
11 paying the cost of this transport.<sup>6</sup>

12 Q. Is the FCC considering any prospective changes to the rules governing  
13 interconnection between wireless carriers and IXC's?

14 A. Yes. In its Declaratory Ruling the FCC further stated that they "will consider any  
15 prospective changes to our rules governing interconnection between Commercial  
16 Mobile Radio Service (CMRS) providers and interexchange carriers (IXCs) in our  
17 pending *Inter-carrier Compensation proceeding*."<sup>7</sup> It is my understanding that the  
18 FCC is currently addressing the multitude of issues currently pending in the  
19 Inter-carrier Compensation proceeding. However, it is premature and would be  
20 speculative to conclude that the FCC will ever mandate that IXCs pay wireless  
21 carriers for IXC traffic to their networks.

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<sup>5</sup> Brief for Federal Communications Commission, *United States Telecom Ass'n v. FCC*, Nos. 03-1414, at 33-35 (D.C. Cir., filed July 9, 2004) ("Rural LECs thus always have been required to deliver traffic to other carriers though direct or indirect interconnection – even when a wireless carrier's switch is not located in the rural LEC's rate center").

<sup>6</sup> *Id.*

<sup>7</sup> *Developing a Unified Inter-carrier compensation Regime*, CC Docket No. 01-92, Notice of Proposed Rulemaking, 16 FCC Rcd 9610 (2001) (*Inter-carrier Compensation NPRM*).

1   **Q.    Witness Schoonmaker, at Pages 31-35 of his Direct Testimony, provides his**  
2       **description of the “local calling areas, toll calling, and the basic features of the**  
3       **network that distinguish between local and toll calls.” Is this information**  
4       **relevant?**

5   **A.    No. How a LEC rates calls for billing purposes to its subscribers has no impact on**  
6       **the LEC’s reciprocal compensation obligations to other carriers. And that**  
7       **reciprocal compensation obligation applies to all intraMTA calls. Although**  
8       **Witness Schoonmaker provides background interesting from a historical pre-Act**  
9       **perspective, nothing in the Schoonmaker discussion changes the fact that the traffic**  
10      **at issue remains intraMTA traffic even though the LECs send the traffic to an IXC**  
11      **for delivery to T-Mobile.**

12   **Q.    Witness Schoonmaker, at Page 36, Lines 3-8 of his Direct Testimony, cites to**  
13      **the TSR Wireless Order to support his position that intraMTA LEC-**  
14      **originated calls carried by an IXC are subject to access charges rather than**  
15      **reciprocal compensation. What is the T-Mobile response?**

16   **A.    Witness Schoonmaker quoted only a small portion of the TSR Wireless order in his**  
17       **Direct Testimony. Witness Schoonmaker’s analysis seems to reflect a fundamental**  
18       **misunderstanding concerning the concept of local/toll calling used from an end-user**  
19       **perspective and the concept of reciprocal compensation from a carrier perspective.**  
20       **The FCC’s *TSR Wireless* order allowed Qwest (f/k/a US West) to charge toll to its**  
21       **end users on a wireline to wireless call when that call would be a toll call on a**  
22       **wireline to wireline basis, and the wireless carrier could “buy down” the toll**  
23       **charges if it wanted the wireline end-user to be permitted to make the call on a toll-**

1 free basis. TSR Wireless does not stand for the proposition that a toll call is  
2 somehow exempt from the FCC's reciprocal compensation rules. As the Tenth  
3 Circuit has stated in rejecting this very argument, the TSR Wireless case "simply  
4 does not address the LEC's duty to compensate the CMRS provider for call  
5 termination."<sup>8</sup>

6  
7 **Q. Witness Schoonmaker relies heavily on his interpretation of the impact of 47**  
8 **U.S.C. § 251(g) to support the Rural LEC argument that if a call is handed off**  
9 **to an IXC, the reciprocal compensation rules no longer apply. What is your**  
10 **response?**

11 **A. It does not appear that Witness Schoonmaker has considered the entirety of the**  
12 **language found in § 251(g) following:**

13 On and after February 8, 1996, each local exchange carrier, to the extent it  
14 provides wireline services, shall provide exchange access, information  
15 access, and exchange services for such access to interexchange carriers and  
16 information service providers in accordance with the same equal access and  
17 nondiscriminatory interconnection restrictions and obligation (including  
18 receipt of compensation) that apply to such carrier on the date immediately  
19 preceding February 8, 1996 under any court order, consent decree, or  
20 regulation, order or policy of the Commission, ***until such restrictions and***  
21 ***obligations are explicitly superseded by regulations prescribed by the***  
22 ***Commission after February 8, 1996.*** During the period beginning on  
23 February 8, 1996 and until such restrictions and obligations are so  
24 superseded, such restrictions and obligations shall be enforceable in the  
25 same manner as regulations of the Commission. [Emphasis added.]

26 The FCC adopted its Part 51 interconnection rules in August 1996.<sup>9</sup> These rules  
27 preserved interexchange access as the appropriate compensation mechanism for  
28 interstate and intrastate exchange access traffic exchanged between two wireline

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<sup>8</sup> *Atlas Telephone Company v. Oklahoma Corporation Commission*, 400 F.3d 1256, 1267 (10<sup>th</sup> Cir. 2005).

<sup>9</sup> Final Rules, 61 Fed Reg 45476 (FCC August 29, 1996) codifying new rules and amending existing rules within 47 C.F.R Parts 1, 20 51, and 90.

1 local exchange carriers.<sup>10</sup> These rules “explicitly superseded” the regulations  
2 prescribed in the Act at § 251(g). It is clear that the FCC carved out the MTA as  
3 the geographic area under which traffic exchange between a wireless carrier and a  
4 wireline carrier would be subject to reciprocal compensation.<sup>11</sup> Witness  
5 Schoonmaker and the RLECs simply do not seem to understand that merely  
6 changing the identity of the carrier that delivers the traffic does not change the  
7 jurisdiction of that traffic. A call exchanged between a LEC and a CMRS provider  
8 that originates and terminates within the same MTA at the beginning of the call is  
9 still an intraMTA call, even if the LEC has handed the call off to an IXC for  
10 delivery to a wireless carrier.

11 **Q. Witness Schoonmaker at Page 39 of his Direct Testimony also places great**  
12 **reliance on FCC Rule 51.701(a) for the proposition that only “local” traffic is**  
13 **subject to reciprocal compensation. What is your response?**

14 **A.** According to Witness Schoonmaker (at Page 39, Lines 6-8), the FCC’s 1996 First  
15 Report “seem[s] to say that all calls to a wireless carrier within the MTA are not  
16 subject to access charges” (emphasis in original). Witness Schoonmaker then says  
17 that “the rules adopted by the FCC are more specific and limiting than this  
18 paragraph. They do not talk about all calls within the MTA, but a more limited set  
19 of calls” (Lines 8-10). In support, Witness Schoonmaker then misquotes the FCC  
20 Rule 51.701(a) as it is currently in effect. According to Witness Schoonmaker, this  
21 Rule states, “The provisions of this subpart apply to reciprocal compensation for  
22 transport and termination of local telecommunications traffic between LECs and

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<sup>10</sup> See 47 C.F.R. § 51.701(b)(1).

<sup>11</sup> See 47 C.F.R. § 51.701(b)(2).

1 other telecommunications carriers.” Witness Schoonmaker neglects to advise the  
2 Commission that the FCC deleted the word “local” from 47 C.F.R. § 51.701(a) in  
3 2001.<sup>12</sup> And in this order the FCC restated Rule 51.701(b)(2) to provide that a  
4 LEC’s reciprocal compensation obligation applies to “traffic exchanged between a  
5 LEC and a CMRS provider that, at the beginning of the call, originates and  
6 terminates within the same Major Trading Area.”<sup>13</sup> Witness Schoonmaker’s  
7 position collapses once this misstatement of governing FCC rules is corrected.

8 **Q. On Page 44, Lines 3 – 11 of his direct testimony Witness Schoonmaker states**  
9 **his opinion that wireless carriers are inconsistent in their position “that traffic**  
10 **between wireless carriers and LECs is solely the responsibility of those carriers**  
11 **regardless of whether an interexchange carrier handles the call” because**  
12 **wireless carriers also deliver traffic to the RLECs using IXCs. What is your**  
13 **response?**

14 **A.** Witness Schoonmaker does not address how the wireless carriers commonly utilize  
15 IXCs to terminate traffic to LECs. Typically, a wireless carrier will enter into a  
16 wholesale services arrangement with an IXC or other service provider to transport  
17 its long distance traffic (interMTA traffic). Under these contracts the IXC is  
18 typically compensated by the wireless carrier for its switching and transport costs as  
19 well as for any charges billed by the terminating LEC. While Witness  
20 Schoonmaker is correct that “T-Mobile does not expect to pay terminating  
21 reciprocal compensation to the LECs,” he fails to note that T-Mobile is already

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<sup>12</sup> See Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, FCC 01-131, 66 Fed. Reg. 26800, 26806 (“Sections 51.701(a) . . . are amended by removing the term ‘local telecommunications traffic’ and adding in its place ‘telecommunications traffic’ each place it appears.”).

<sup>13</sup> Id.

1 compensating the IXC for its costs of transiting the calls from T-Mobile's network  
2 to the RLEC network plus the terminating access costs the LEC will then bill to the  
3 IXC. The IXC typically just passes those terminating access charges on to the  
4 wireless carrier for payment. T-Mobile should not be expected to pay the  
5 terminating LEC twice for terminating this call. Therefore, there is no  
6 inconsistency in the T-Mobile argument.

7 **Q. Is the scenario the same for the RLECs' originated intraMTA traffic**  
8 **terminated to a wireless carrier?**

9 A. No. The RLECs do not compensate any other carrier for costs associated with its  
10 originating intraMTA traffic. In addition to the basic service revenues they receive  
11 from their end user customers they also receive originating access charge payments  
12 from the IXCs.

13 **Q. Are there any rules that indicate that traffic exchanged via an indirect**  
14 **connection is not subject to reciprocal compensation?**

15 A. No. Just the opposite is true. As stated throughout my testimony, all intraMTA  
16 traffic is subject to reciprocal compensation, without regard to the nature of the  
17 connection used to carry the traffic.

18 **Q. Witness Schoonmaker states that for calls that are handed off from a Rural**  
19 **LEC to an IXC, the call is not "between a LEC and a CMRS provider." Do**  
20 **you agree?**

21 A. No. The RLECs handle their originating traffic in this manner based on a business  
22 decision to do so. The reference to the LEC access tariffs in Witness  
23 Schoonmaker's testimony appear to be premised on an erroneous assumption that a



1 LEC is required by law to deliver LEC-originated traffic to CMRS providers via an  
2 IXC. In any case, T-Mobile does not believe that the Commission would object to  
3 traffic being delivered to T-Mobile through an arrangement where intraMTA traffic  
4 is exchanged on a non-access basis and end users no longer pay toll charges.

5 **Q. Does T-Mobile understand the rationale used by Witness Schoonmaker to**  
6 **justify continued hand-off to an IXC of intraMTA traffic destined for a**  
7 **wireless carrier?**

8 A. Yes, T-Mobile understands that the LECs deliver one-plus traffic to IXCs because  
9 they do not have CMRS provider NPA/NXXs identified in their tariffs and loaded  
10 into their switches. However, this NPA/NXX information is contained in the  
11 LERG and could be loaded by the LECs into their switches if they chose to do so.  
12 They have simply chosen not to do that, at least to date. There is nothing in the Act  
13 or the rules that mandate that the current legacy landline processes be applied to  
14 NPA/NXXs associated with CMRS calls. The LECs are consciously handing  
15 CMRS-directed traffic to an IXC and treating it as toll traffic *under a traditional*  
16 *wireline view*, resulting in 1) preservation of the LECs' access charge revenue  
17 stream and 2) avoidance of paying CMRS providers the termination charges  
18 required under the reciprocal compensation rules.

19 **Q. In his Direct Testimony Witness Schoonmaker provides a lengthy description**  
20 **of his version of how calls are handled and the rating of those calls. (See**  
21 **Schoonmaker Direct, pages 31- 35). Do you generally concur in his**  
22 **assessment?**

1 A. No. Witness Schoonmaker has described legacy LEC architectures and associated  
2 pre-1996 carrier relationships that do not reflect the clear mandates of the FCC  
3 rules from 1996 forward. The FCC has clearly stated that intraMTA traffic between  
4 a LEC and a CMRS provider is subject to reciprocal compensation. Could the  
5 RLECs rewrite their switch translations to prevent intraMTA calls from being  
6 handed off to IXCs? The answer is certainly yes. Would Rural LEC end user  
7 customers prefer to have intraMTA calls treated as local calls and not be handed off  
8 to IXCs? Again, I believe the answer is yes. However, as stated earlier in this  
9 rebuttal testimony, these changes would mean that 1) the LECs would have to give  
10 up their originating access charge revenue stream; 2) the LECs would have to enter  
11 into a contractual arrangement with another carrier to deliver this traffic to the  
12 wireless carriers; and 3) the LECs would have to pay terminating reciprocal  
13 compensation to the terminating CMRS providers. But making these changes  
14 would put the RLECs in direct compliance with the current law.

15 **Q. The Rural LEC Witnesses argue in their direct testimony that if receiving**  
16 **reciprocal compensation for these calls is important to T-Mobile then T-**  
17 **Mobile should order and provide a direct connection to T-Mobile. (See**  
18 **Witness Simon Direct, P. 9, L. 10-11; Witness Heins Direct, P. 6, L. 22-23 and**  
19 **Page 7, Line 1; Witness Day Direct, P. 8, Lines 18-20; Witness Godfrey Direct,**  
20 **Page 9 Lines 13-15). What is your response?**

21 A. It would not be economically feasible for T-Mobile to purchase direct connections  
22 to each of these RLECs. The cost of a trunk to each of these companies would  
23 likely far exceed the revenue generated for either part of the facility (e.g., even with

1 an appropriate facility split and apportionment of facility costs with the LEC). The  
2 only economically rational means of interconnecting with these RLECs is indirectly  
3 through a transit provider. In addition, T-Mobile believes that reciprocal  
4 compensation is the FCC standard for all intraMTA traffic and that the reciprocal  
5 compensation rules apply to both direct and indirect traffic.

6 **Q. Witness Schoonmaker at Pages 45-48 of his Direct Testimony refers to various**  
7 **Missouri Commission decisions. Are these decisions relevant?**

8 A. In this arbitration case, involving a Traffic Termination Agreement required by  
9 federal law, the Commission applies federal law. As discussed above and in my  
10 Direct Testimony, federal law – both FCC rules and federal court decisions  
11 applying those rules – is clear that a RLEC's reciprocal compensation obligations  
12 apply to all land-to-mobile intraMTA traffic.

13 **Q. What is the Rural LEC position regarding Issue 9, the applicability of**  
14 **reciprocal compensation to intraMTA calls to wireless customers with ported**  
15 **telephone numbers?**

16 A. The RLECs do not address this subject in their Direct Testimony. I can only  
17 assume that they have abandoned their position.

18 **Q. What is the RLEC position concerning Issue 10 regarding the appropriate**  
19 **billing mechanism?**

20 A. Again, the RLECs do not address this subject in their Direct Testimony.

21 **Q. What is the RLEC position concerning Issue 11 regarding future traffic**  
22 **studies?**

23 A. Again, the RLECs do not address this subject in their Direct Testimony.

1 Q. Does this conclude your rebuttal testimony?


2 A. Yes, it does.

STATE OF MISSOURI )  
COUNTY OF ST. LOUIS )


ss.

**VERIFICATION**

Comes now Billy H. Pruitt, being of lawful age and duly sworn, and states that he has read the foregoing rebuttal testimony, and that it is true and correct to the best of his knowledge and belief.

  
Billy H. Pruitt

Sworn to and subscribed before me this 27<sup>th</sup> day of July, 2005

  
Notary Public  
ALAN D. ECKERT

My commission expires:

2/7/2007

