

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

CenturyTel of Missouri, LLC, et al)	
)	
Complainants,)	Case No. IC-2008-0068
)	
vs.)	
)	
Socket Telecom, LLC)	
)	
Respondent.)	

**AFFIDAVIT OF R. MATTHEW KOHLY IN SUPPORT OF SOCKET TELECOM'S
RESPONSE TO CENTURYTEL'S MOTION FOR SUMMARY DETERMINATION AND
SOCKET TELECOM'S CROSS MOTION FOR SUMMARY DETERMINATION**

I. Introduction

1. My name is R. Matthew (Matt) Kohly. I am employed by Socket Holdings Corporation and am assigned to work for Socket Telecom, LLC (“Socket”) as Director – Telecommunications Carrier and Government Relations. In this position, I am responsible for Socket’s relationship with other telecommunications carriers as well as regulatory issues. In addition, I work closely with Socket’s operational units to implement the provisions of the many interconnection agreements and other contracts under which Socket operates.

2. I have completed a Master of Science in Agricultural Economics from the University of Missouri – Columbia, as well as a Bachelor of Science in Business Administration also from the University of Missouri. Prior to joining Socket, I was employed by AT&T Corporation from 1998 through 2004 in AT&T's Law and Government Affairs Department as State Regulatory Manager and, later, as State Director. In that position I was responsible for the development and

implementation of AT&T's regulatory and legislative policies and activities in Missouri. My responsibilities also included providing support for AT&T's entries into various segments of the local exchange market. I also participated in regulatory proceedings, including arbitration proceedings dealing with local interconnection, costing, universal service, numbering, access charges, and Section 271 compliance.

Prior to that, after working as an Energy Economist with the Missouri Department of Natural Resources, I became employed by Sprint/United Management Corporation as a Manager, State Regulatory Affairs. My duties included the development of Sprint Communications Company L.P.'s regulatory policy, focusing on issues surrounding competitive market entry, such as TELRIC costing of unbundled network elements, universal service, access charges, and 271 proceedings.

Prior to that I was employed at the Missouri Public Service Commission as a Regulatory Economist in the Telecommunications Department and, later, on the Commission's Advisory Staff. While in the Telecommunications Department, I assisted in developing Staff's position on issues related to costing, local interconnection and resale, universal service, and tariff issues. While serving on the Arbitration Advisory Staff, I advised the Commission on issues arising from mediation and arbitration proceedings filed pursuant to the 1996 Federal Telecommunications Act ("Act" or "TA96").

Through prior employment, I have experience as a statistical analyst, SAS programmer, cost accountant, instructor, and research assistant.

3. I was Socket's lead negotiator in the negotiation and arbitration of the Interconnection Agreements between Socket Telecom, LLC ("Socket") and CenturyTel of Missouri, LLC and Spectra Communications Group, LLC (referred to collectively as

“CenturyTel”) that were at issue in Missouri PSC Case No. TO-2006-0299. The Interconnection Agreements are referred to herein collectively as the “ICA”. My involvement in the negotiation and arbitration of the ICA began in August 2005, and continued through the final approval of the ICA by the Missouri Public Service Commission (“Commission” or “PSC”) in October 2006.

II. Negotiation and Arbitration History

4. A review of the negotiation and arbitration history regarding the ICA’s reciprocal compensation provisions demonstrates three critical facts: (a) CenturyTel was never willing to include language in the ICA that authorized a bill-and-keep arrangement for all Local Traffic; (b) the Commission’s orders regarding the ICA did not impose a bill-and-keep arrangement for Local Traffic; and (c) after the Commission issued its arbitration order, CenturyTel continued to refuse to include a bill-and-keep arrangement in the final ICA including when that agreement was presented to the Commission for approval.

5. When negotiations between CenturyTel and Socket began, CenturyTel proposed that the parties use the CenturyTel-CD Telecom ICA as a template. That ICA includes the following language on reciprocal compensation for Local Traffic:

3.2 Compensation For Exchange of Local Traffic.

3.2.1 Local Mutual Compensation. The Parties shall compensate each other for the exchange of Local Traffic originated by or terminating to the Parties’ end-user customers in accordance with Section 3.2.2 of this Article, subject to any applicable regulatory conditions, such as a State exempt factor, if any. The Charges for the transport and termination of optional EAS, intraLATA toll and interexchange traffic shall be in accordance with the Parties’ respective intrastate or interstate access tariffs, as appropriate.

3.2.2 Bill and Keep. Either Party may initiate a traffic study no more frequently than once a quarter. Such traffic study shall examine all Local Traffic excluding Local Traffic that is also Information Access Traffic. Should such traffic study indicate, in the aggregate, that either Party is terminating more than sixty percent

(60%) of the Parties' total terminated minutes for Local Traffic, excluding Local Traffic that is also Information Access Traffic, either Party may notify the other that mutual compensation will commence pursuant to the rates set forth in Appendix A of this Agreement and following such notice it shall begin and continue for the duration of the Term of this Agreement unless otherwise agreed. Local Traffic that is also Information Access Traffic will remain subject to Bill-and-Keep.

(Copy attached). The language in the CenturyTel-CD Telecom ICA was CenturyTel's initial offer to Socket. As the text quoted above makes clear, the language contemplates both "Local Mutual Compensation" and "Bill and Keep" arrangements for Local Traffic. The "Local Mutual Compensation" provision contemplates reciprocal compensation for "Local Traffic." The "Bill and Keep" section makes clear that if either party can demonstrate that traffic is significantly out-of-balance, either party may require that "mutual compensation will commence ... and continue for the duration of the Term of this Agreement unless otherwise agreed."

6. The parties did not agree to CenturyTel's proposed reciprocal compensation language, and reciprocal compensation was one of the issues identified in Socket's arbitration petition. Specifically, the dispute was identified under "Article V – Interconnection and Transport and Termination of Traffic," Issue No. 10: "What language should the ICA include regarding intercarrier compensation for transport and termination of traffic?" *See* Case No. TO-2006-0299, Socket's Petition for Arbitration, Master List of Issues Between CenturyTel and Socket, Decision Point List ("DPL") for Article V, Issue 10, at 16-22 (January 13, 2006)(copy attached). Notably, the language proposed by CenturyTel when the case began was still the language reprinted above from the CD Telecom agreement, which contemplated payment of reciprocal compensation if Local Traffic was "out-of-balance."

7. Socket's original proposal for reciprocal compensation contemplated payment of reciprocal compensation for Local Traffic outside Missouri's MCA areas. Socket's proposal

divided traffic into “MCA” and “non-MCA” categories. For MCA traffic, Socket proposed that a bill-and-keep arrangement apply (the position ultimately adopted in Article V, Section 9.2.1). For “non-MCA” Local and ISP Traffic (denominated as “Non-MCA 251(b)(5) Traffic” and “Non-MCA ISP Traffic”), Socket proposed that “the Parties will compensate each other on a minute of use basis at \$0.0007 per minute of use.” *See* Case No. TO-2006-0299, Socket’s Petition for Arbitration, Master List of Issues Between CenturyTel and Socket, DPL for Article V, Issue 10, at 19 (January 13, 2006)(copy attached). Socket’s proposal also provided that the parties could voluntarily negotiate a bill-and-keep arrangement.

8. In its response to Socket’s arbitration petition, CenturyTel strongly criticized Socket for, in its view, attempting “to impose upon CenturyTel the ISP Remand rate, which is specifically a CenturyTel (ILEC) choice alone under the provisions of that Order.” Case No. TO-2006-0299, CenturyTel’s Response To Socket’s Petition for Arbitration, Master List of Issues Between CenturyTel and Socket, DPL for Article V, Issue 10, at 27 (February 7, 2006)(copy attached). In its response, CenturyTel maintained its support of the CD Telecom contract language reprinted above.

9. As the arbitration proceeding progressed, Socket attempted to bridge the differences between the parties’ positions on numerous issues, including reciprocal compensation. As Socket stated in the Final DPL filed by the parties before hearing:

To address CenturyTel’s concerns, Socket makes a final offer that it will accept Bill and Keep for Non-MCA Traffic, including Section 251(b)(5) Traffic, ISP Traffic, and FX Traffic, including VNXX Traffic. Socket proposes to retain a provision that allows the parties to mutually agree to negotiate a new compensation agreement and amend the ICA at a later time.

Case No. TO-2006-0299, Final DPL, Article V, Issue 10, at 58 (Socket Preliminary Position column) (April 7, 2006)(copy attached). Socket proposed that “[A]ll non-MCA Traffic,

including Non-MCA Section 251(b)(5) Traffic, Non-MCA ISP Traffic, Non-MCA Foreign Exchange Traffic including VNXX Traffic shall be exchanged on a Bill and Keep basis.” *Id.* at 59 (Socket Language column, emphasis supplied). At this point in the proceeding, Socket affirmatively proposed an all-inclusive bill-and-keep arrangement as its “final offer” before hearing.

10. CenturyTel, however, continued to attack Socket’s proposal on bill-and-keep, and remained committed to its original proposal, which is derived from the CenturyTel-CD Telecom ICA:

Socket’s assertion that it is sponsoring bill and keep is misleading and disregards that most of the traffic the parties will “exchange” is likely to be one-way VNXX dial-up ISP traffic. ... [C]onsistent with the MCImetro/CenturyTel and CD Telecom/CenturyTel agreements, Bill and Keep could be applied to [VNXX] Traffic conditioned upon POIs being established in each local calling area where Socket chooses to assign VNXX telephone numbers.

Id., at 60, 63 (CenturyTel Preliminary Position column).

11. When Article V, Issue 10, was presented to the Commission at hearing, the parties still had a major dispute over the application of bill-and-keep to Local, ISP, and VNXX Traffic. CenturyTel was never willing to agree to language that simply applied bill-and-keep across the board as Socket proposed before hearing.

12. The Commission ruled on the disputes in Article V, Issue 10 in the Final Commission Decision issued on June 27, 2006. In its decision, the Commission adopted some language proposed by CenturyTel and some proposed by Socket, and also rejected contract language proposals from both parties. *See* Case No. TO-2006-0299, Final Commission Decision, at 24-32 (January 13, 2006)(copy attached). As to bill-and-keep, the Commission held that a bill-and-keep arrangement should apply to MCA traffic and VNXX traffic. The

Commission's decision did not, however, adopt language requiring bill-and-keep for other types of Local Traffic.

13. The specific provisions defining Transport and Termination and setting forth how rates for reciprocal compensation were to be applied were not in dispute between the Parties. That language is:

9.7 Transport.

Transport includes dedicated and common transport and any necessary Tandem Switching of Local Traffic from the POI between the two carriers to the terminating carrier's End-Office Switch that directly serves the called end-user.

9.7.1 Transport of Local Traffic.

Each Party shall be responsible for facilities and transport of Local Traffic between a Party's Central Office Switch and the POI.

9.7.2 Termination.

Termination includes the Tandem Switching of Local Traffic at the terminating carrier's End Office Switch. Termination rates are set forth in Article VIIA.

This language remains in the ICA (copy attached). With one minor exception, this language is identical to the language CenturyTel originally proposed during negotiations and was taken from the CenturyTel-CD Telecom ICA. That minor difference is the reference to Article VIIA rather than Appendix A. CenturyTel made this change, after the Commission's Final Decision, to refer to correct the rate table.

14. After the Commission issued its decision, representatives of Socket and CenturyTel continued to negotiate contract language for the ICA. The parties worked cooperatively to develop contract language to "conform" the ICA to the Commission's decisions or otherwise reach agreement on those issues where the Commission did not approve specific

language proposed by Socket or CenturyTel. The continued contract negotiations included several issues in Article V, including the issue of reciprocal compensation for Local Traffic.

15. In August 2006, Socket transmitted a proposal to CenturyTel that would have, if accepted, closed out remaining disputes regarding Article V issues. The Socket proposal is attached to this Affidavit. At page 2 of the attachment, Socket proposed that the parties include language at Article V, Section 9.3 reflecting that “[t]he Parties would agree that all traffic is Bill-and-Keep.” The specific language tracked similar language Socket had proposed previously:

[Proposed] 9.3 All non-MCA Traffic, including Non-MCA Section 251(b)(5) Traffic, Non-MCA ISP Traffic, and Non-MCA Foreign Exchange Traffic, including VNXX Traffic, shall be exchanged on a Bill-and-Keep basis.

If the parties’ intention was to operate under a bill-and-keep arrangement, this language was necessary to ensure that both parties were waiving their statutory right to reciprocal compensation pursuant to the Act. Without such language, the ICA includes no waiver of the parties’ rights to collect reciprocal compensation for the types of traffic the Commission did not rule are subject to a bill-and-keep arrangement.

16. CenturyTel was not willing to agree to include Socket’s proposed bill-and-keep provision into the ICA. The Commission had already rejected CenturyTel’s proposal to be allowed to impose reciprocal compensation on Socket if bill-and-keep traffic was “out-of-balance” (i.e. CenturyTel was terminating more traffic from Socket). CenturyTel insisted on leaving Section 9.3 “intentionally omitted.” Socket agreed to the omission of the language for purposes of finalizing the ICA for signature and Commission approval. In its “Statement of Compliance and Non-compliance of Conforming Interconnection Agreement” (page 1), filed just prior to Commission approval of the Agreements, CenturyTel acknowledged that the

Agreements “reach agreement and state terms on a number of issues arbitrated and determined against one or the other of the parties” (copy attached).

17. CenturyTel was unwilling to agree to language establishing a bill-and-keep arrangement for Local Traffic, and there was no effort by CenturyTel to remove the provisions of the agreement that I identify above which impose the rates in Article VIIA, including Local Switching, for the transport and termination of Local Traffic. Since CenturyTel was no longer required to offer switching as an unbundled network element (“UNE”), the only purpose for the inclusion of the Local Switching rate in the ICA was its use as the rate for billing reciprocal compensation for transport and termination of Local Traffic. When the parties negotiated final changes in the ICA to conform it to the Commission’s decisions, there were changes negotiated to other rates in the Article VIIA rate attachment. CenturyTel never mentioned the need to delete the reciprocal compensation rates from the ICA, and they remain in the ICA today. As discussed above, the absence of language authorizing a bill-and-keep arrangement, paired with (a) the inclusion of the rate used for billing transport and termination compensation in Article VIIA, and (b) CenturyTel’s proposed language regarding transport and termination in Article V, Section 9.7 (stating that the rate for billing transport and termination is the rate in Article VIIA), made clear that the parties are authorized to bill each other for Local Traffic transport and termination compensation.

18. It is ironic that CenturyTel now claims that the ICA includes an expansive bill-and-keep arrangement applicable to all Local Traffic. Socket offered to agree to just such a provision (several times) during the negotiation and arbitration of the ICA. CenturyTel steadfastly refused to incorporate such a provision – and now insists that the provision is there “in spirit” even though it is clearly not there in the actual language of the ICA or if not there in

spirit, somewhere outside of the “four corners” of agreement. Such a side “gentlemen’s agreement” would be unlawful and does not exist.

19. When the ICA was being negotiated, CenturyTel repeatedly rejected a straightforward bill-and-keep contract provision. Throughout the negotiations, CenturyTel expressed concerns about other carriers adopting the agreement, and a pure bill-and-keep ICA certainly could have an impact on reciprocal compensation arrangements with other carriers. For example, a carrier that originates much more traffic than it terminates for CenturyTel would create a traffic imbalance. With an agreement calling for reciprocal compensation, this imbalance would result in significant reciprocal compensation revenues for CenturyTel as it terminated more traffic than it originated. Under a pure bill-and-keep arrangement, CenturyTel would not be able to collect those revenues and would, instead, incur the expense of terminating more traffic for the other carrier than it sent to the other carrier. CenturyTel’s refusal to adopt straightforward bill-and-keep provisions combined with their concern about other carriers opting into the agreement showed that CenturyTel did not want a bill-and-keep agreement but rather sought to have an agreement calling for reciprocal compensation.

20. In reality, the ICA does not include a provision requiring a bill-and-keep arrangement for Local Traffic, but rather contemplates that each party will, pursuant to Section 251 of the Act, charge reciprocal compensation to recover its “costs associated with the transport and termination ... of calls that originate on the network facilities of the other carrier.” Section 251(d)(2)(A).

III. The Interconnection Agreement

21. As demonstrated in Socket's summary determination pleadings, including this affidavit, the Interconnection Agreement provides that the parties will pay each other reciprocal compensation for the mutual exchange of "Local Traffic" as that term is defined by the agreement. Copies of the pertinent provisions of the Interconnection Agreement are attached hereto and incorporated herein by reference.

22. Under the agreement, "Local Traffic includes all Section 251(b)(5) Traffic that is originated by Socket's end users and terminated to CenturyTel's end users (or vice versa) that: (i) originates and terminates to such end-users in the same CenturyTel exchange area; or (ii) originates and terminates to such end-users within different exchange areas that share a common local calling area, as defined in CenturyTel's tariff, *e.g.*, Extended Area Service (EAS), mandatory and optional Metropolitan Calling Area, or other like types of expanded local calling scopes." See Agreement, Article II, Sec. 1.78. With respect to "Section 251(b)(5) Traffic," the Agreement provides that "calls originated by Socket's end users and terminated to CenturyTel's end users (or vice versa) will be classified as 'Section 251(b)(5) Traffic' under this Agreement if the call: (i) originates and terminates to such end-users in the same CenturyTel exchange area; or (ii) originates and terminates to such end-users within different exchange areas that share a common local calling area, as defined in CenturyTel's tariff, *e.g.*, Extended Area Service (EAS), mandatory and optional Metropolitan Calling Area, or other like types of expanded local calling scopes." See Agreement, Article II, Sec. 1.108.

23. Under the Agreement "Local Traffic" includes local "ISP Traffic" as defined by the agreement. The Agreement defines "ISP Traffic" as "traffic to and from an ISP." In turn, the Agreement defines an ISP (Internet Service Provider) as "an Enhanced Service Provider that

may also utilize LEC services to provide its customers with access to the Internet.” See Agreement, Article II, Sec. 1.57. The Agreement defines “Enhanced Service Provider (ESP)” as “a provider of enhanced services as those services are defined in 47 CFR 64.702.” See Agreement, Article II, Sec. 1.37.

24. Under the heading “Intercarrier Compensation for Transport and Termination of Traffic Subject to this Interconnection Agreement”¹ (Article V, Section 9.0 et seq), the Agreement provides that:

(a) “Transport includes dedicated and common transport and any necessary Tandem Switching of Local Traffic from the POI [Point of Interconnection]² between the two carriers to the terminating carrier’s End-Office Switch³ that directly serves the called end-user.” (Article V, Section 9.7).

(b) “Each Party shall be responsible for facilities and transport of Local Traffic between a Party’s Central Office⁴ and the POI.” (Article V, Section 9.7.1).

(c) “Termination includes the Tandem Switching of Local Traffic at the terminating carrier’s End Office Switch. Termination rates are set forth in Article VIIA.” (Article V, Section 9.7.2).

(d) The rates for Termination include the rate for Local Switching, which is \$0.033912 per minute, plus the rate for Tandem Switching, which is \$0.0016835, where that rate applies under Applicable Law. The rates for Transport include Tandem Transport Termination

¹ I acknowledge that Article III, Section 25 indicates that headings are inserted for “convenience and identification only and shall not be considered in the interpretation of this Agreement”, and accordingly provide the pertinent heading for “convenience and identification.”

² Defined at Article II, Section 1.98 of the Agreement.

³ Defined at Article II, Section 1.36 of the Agreement.

⁴ Defined at Article II, Section 1.15 of the Agreement.

per MOU, which is \$0.00000663, and Tandem Transport facility Mileage (MOU/Mile), which is \$0.0000017 per mile.⁵ (Article VIIA).

(e) “On request parties will supply Percentage Local Usage for amount of Local Interconnection Traffic⁶ minutes to be billed, but if adequate message recording technology is available then the terminating party may use such information to determine Local Interconnection Traffic usage compensation to be paid.” (Article III, Sec. 10.2).

(f) Annual audits can be conducted regarding billing for Local Traffic. (Article III, sec. 10.4).

25. In addition to the foregoing provisions that expressly provide for payment for the Transport and Termination of Local Traffic, the Agreement also contains several exceptions, as follows:

(a) MCA Traffic will be exchanged on a bill-and-keep⁷ basis consistent with prior Commission decisions (Article V, Sec. 9.2, 9.2.1, 9.2.2);

(b) VNXX Traffic shall not be deemed Local Traffic and shall be exchanged on a bill-and-keep basis (Article V, Sec. 9.2.3)⁸; and

⁵ To date, Socket has only billed the rate for End Office Switching but has expressly reserved the right to bill for additional rate elements as applicable. Any billing for back amounts would be subject to the limitations found in the ICA (Article III, Section 9.4).

⁶ The Agreement defines “Local Interconnection Traffic” as “(i) Section 251(b)(5) Traffic, (ii) ISP-Bound Traffic, and (iii) non-PIC’d IntraLATA Toll Traffic.” See Agreement Article II, Section 1.72. See also Article II, Section 1.89 for definition of “Non-PIC’d IntraLATA Toll Traffic.”

⁷ The Agreement defines “Bill-and-Keep Agreement” as “a compensation arrangement whereby the Parties do not render bills to each other or charge each other for the switching, transport, and termination of traffic as specified in this Agreement.” See Agreement, Article II, Sec. 1.12. See also Agreement, Article V, Sec. 9.4.2, which states that “Bill-and-Keep” refers to an arrangement in which neither of two interconnection Parties charges the other for terminating traffic that originates on the other Party’s network.”

⁸ The Agreement defines Virtual NXX Traffic (VNXX Traffic) as follows - “As used in this Agreement, Virtual NXX Traffic or VNXX Traffic is defined as calls in which a Party’s customer is assigned a telephone number with an NXX Code (as set forth in the LERG) assigned to a Rate Center that is different from the Rate Center associated with the customer’s actual physical premises location.” See Agreement, Article II, Sec. 1.131.

(c) Other traffic may not be aggregated with bill-and-keep traffic (Article V, Sec. 9.8).

26. Based upon the terms of the parties' Interconnection Agreement, each party has the right to collect reciprocal compensation for the Transport and Termination of Local Traffic. CenturyTel sought to have this compensation scheme. In doing so, CenturyTel rejected straightforward bill-and-keep language and did not want other carriers to use bill-and-keep by adopting the Interconnection Agreement. Given these factors, when the Agreements were submitted for Commission approval I believed that CenturyTel would immediately begin billing Socket for reciprocal compensation or, at the very least, begin billing Socket for reciprocal compensation if and when traffic flowed in CenturyTel's favor, meaning that CenturyTel terminated more traffic than Socket and received more revenues than they paid.

27. For Socket to bill reciprocal compensation required a historic record of calls as well as a billing system. If Socket was not recording call detail information or did not have a billing system (as it did not have at that time), Socket would be unable to generate a bill to CenturyTel and would be in a position of having to pay reciprocal compensation to its competitor while it was unable to collect similar charges from that competitor. To avoid being put in that position, Socket needed to immediately maintain call records and develop a billing system to collect revenues it was rightfully owed.

28. Additional consideration was given to the fact that Socket might be able to derive some revenues from reciprocal compensation. To the extent that Socket terminated more traffic originating from CenturyTel than it terminated to CenturyTel, Socket would rightfully receive compensation for the functions it performed. To the extent those revenues exceed costs, those revenues could be used to offset many of the increased costs and inefficiencies Socket

experiences when competing against CenturyTel as compared to other incumbent LECs. These increased costs are driven by the inefficiencies of ordering systems that are largely manual and cumbersome, lack of access to electronic Customer Service Record information, inaccurate or inadequate Customer Service Record information when it is obtained manually, manual maintenance and repair procedures, failure of CenturyTel to follow Change Management Provisions, the frequent and customer-affecting nature of CenturyTel's abrupt changes in policies and procedures, disputes over LNP obligations and CenturyTel's unlawful "certification" required on all of Socket's orders to port numbers, and constant failure of CenturyTel to meet due dates, among others. These and other factors increase Socket's operating costs in CenturyTel's territories. Revenues from Reciprocal Compensation have the potential to offset some of these costs.

29. Given all of these considerations, Socket made the business decision to move forward and begin billing CenturyTel for reciprocal compensation. Consistent with the provisions of the parties' Interconnection Agreement which authorize charges for reciprocal compensation for the exchange of Local Traffic, on or about December 6, 2006, Socket began submitting invoices to CenturyTel including charges for reciprocal compensation for its termination of CenturyTel-originated Local Traffic. Since its initial invoice, Socket has submitted reciprocal compensation invoices to CenturyTel for amounts totaling more than \$100,000.00.

IV. Billing History and Procedures

30. All of the traffic billed under Socket's invoices constitutes "Local Traffic" as defined in the parties' Interconnection Agreement that is subject to reciprocal compensation charges for termination by Socket. Socket utilizes "adequate message recording technology"

pursuant to Article III, Section 10.2 to determine the amount of traffic for which CenturyTel must pay compensation.

31. Under the agreement, Local Traffic includes all Section 251(b)(5) Traffic that is originated by Socket's end users and terminated to CenturyTel's end users (or vice versa) that: (i) originates and terminates to such end-users in the same CenturyTel exchange area; or (ii) originates and terminates to such end-users within different exchange areas that share a common local calling area, as defined in CenturyTel's tariff, *e.g.*, Extended Area Service (EAS), mandatory and optional Metropolitan Calling Area, or other like types of expanded local calling scopes." Section 251(b)(5) Traffic is defined as "calls originated by Socket's end users and terminated to CenturyTel's end users or(vice versa) will be classified as Section 251(b)(5) Traffic under this agreement if the call: (i) originates and terminates to such end-users in the same CenturyTel exchange area; or (ii) originates and terminates to such end-users within different exchange areas that share a common local calling area, as defined in CenturyTel's tariff, *e.g.*, Extended Area Service (EAS), mandatory and optional Metropolitan Calling Area, or other like types of expanded local calling scopes." For reciprocal compensation purposes, all traffic not meeting these definitions as well as traffic not originating from CenturyTel, all MCA Traffic, VNXX Traffic, and interexchange traffic must be excluded from any calculation of reciprocal compensation. (See para. 22-25 above).

32. Consistent with Article V, Section 12.3 of Interconnection Agreement and 4 CSR 240-29.080, Socket uses call detail information received from the originating carrier to prepare category 11-01-20 records. On a monthly basis, Socket identifies CenturyTel's Local Traffic and generates invoices for reciprocal compensation.

33. In determining which traffic constitutes “Local Traffic”, Socket examines only call detail information for calls terminating to Socket from CenturyTel over Local Interconnection Trunks. Calls terminating to Socket via the separate meet-point trunks are not included. Calls terminating on these trunks are intended to represent only calls routed to Socket by interexchange carriers and, therefore, CenturyTel is not financially responsible for any compensation to Socket for these calls.

34. Socket then uses the Originating and Terminating NPA-NXX codes to determine which calls potentially constitute “Local Traffic”. This is consistent with industry standards for determining the jurisdiction of the call (i.e. local vs. toll). If the NPA-NXX codes are from the same exchange area or from different exchanges that share a common local calling area, those calls have the potential to be compensable Local Traffic. Calls not meeting this criterion are deleted from the data set. Calls not having complete call detail information area also deleted from the data set.

35. Consistent with 4 CSR 240-29.080(2), Socket identifies the originating carrier based upon the originating operating company number (OCN) associated with the originating caller identification number. All calls not determined to be originated by CenturyTel are deleted from the data set.

36. Once the originating carrier is identified to be CenturyTel, Socket then looks at trunking and routing information to determine which calls are then originated and terminated in the same exchange area or the same common local calling area as defined by CenturyTel’s tariffs. Only calls that originate and terminate in the same exchange area or the same common local calling area as defined by CenturyTel’s tariffs are kept in the data set. This edit excludes all VNXX traffic.

37. Socket is not currently billing for any calls that terminate into an exchange located within an MCA areas. Therefore, no MCA Traffic is in the data set.

38. All calls in the data set at this point represent only Local Traffic. The minutes of use associated with those calls are then summarized to determine the total minutes of use for that month. At this point, the rate is applied to the total minutes to determine the total amount due and the invoice is generated and sent to CenturyTel.

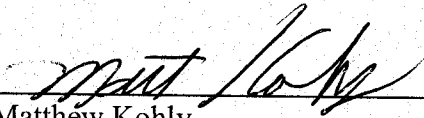
39. When Socket submitted its first two invoices, covering the three-month period from October 2006 to December 2006 - Invoice No. 129 dated December 7, 2006, and Invoice No. 131 dated January 11, 2007 - CenturyTel paid them. Invoice No. 129 was paid in the amount of \$7,232.33, and Invoice No. 131 was paid in the amount of \$3,619.08. Socket has continued to regularly and periodically send invoices for reciprocal compensation to CenturyTel, which CenturyTel has failed and refused to continue to pay.

40. In this proceeding Socket seeks a determination and order that:

(a) the Interconnection Agreements at issue apply reciprocal compensation charges to the parties' exchange of Local Traffic (including Section 251(b)(5) Traffic and local ISP Traffic), and that Socket is entitled to receive reciprocal compensation payments from CenturyTel for terminating Local Traffic, Section 251(b)(6) Traffic and local ISP Traffic originated by CenturyTel's customers; and

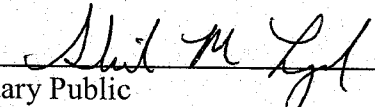
(b) CenturyTel's payments on Invoice No. 129 dated December 7, 2006 and Invoice No. 131, dated January 11, 2007, were not in error, and Socket is entitled to such payments under the Agreement.

I hereby swear and affirm that my statements contained in the foregoing affidavit are true and correct to the best of my knowledge, information and belief.



R. Matthew Kohly

SUBSCRIBED AND SWORN to before me, a Notary Public, this 14th day of January, 2008.



Notary Public

My Commission Expires:
(SEAL)

