MIDWEST LITIGATION SERVICES



**BEFORE THE PUBLIC SERVICE COMMISSION**

**STATE OF MISSOURI**

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**TRANSCRIPT OF PROCEEDINGS**

**HEARING**

**JULY 11, 2007**

**Jefferson City, Missouri**

**Volume 2**

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**Socket Telecom, LLC,**
**Vs.**
**CenturyTel of Missouri, LLC d/b/a CenturyTel and Spectra Communications Group, LLC d/b/a CenturyTel**

**Case No. TC-2007-0341**

his testimony.

Now, for the record, I'm going to here renew my earlier motion to dispose of this case by summary determination, which of course, I think you can still grant, but since I can't recall the existing legal -- or lengthy titles on those motions, I'll just say I here renew the motions. Thank you.

JUDGE PRIDGIN: Mr. Stewart, thank you.

And I believe we will have some questions for counsel from the Bench. Any questions?

COMMISSIONER CLAYTON: Thank you, Judge. I have a few questions that I hope are going to stay legal in nature, if the lawyers wouldn't mind helping.

First of all, I missed the very beginning of Socket's opening and I wanted to be clear on the arrangement. Characterization that -- that the telephone numbers -- the numbering resources possessed by CenturyTel at this time are serving a Socket affiliate and Socket seeks to transfer those numbers to the Socket telephone company; is that correct?

MR. LUMLEY: In some instances, the customer involved is an ISP that's affiliated with Socket Telecom. In other instances, it's an independent customer.

COMMISSIONER CLAYTON: Okay. And we're talking the same circumstance in Willow Springs and in Ellsinore; is that correct?

MR. LUMLEY: And I don't have it straight in my head, but in one of those instances it was the affiliate and one it was not.

COMMISSIONER CLAYTON: Okay. Okay. Legally what would be the arrangement pursuant to the interconnection agreement if the number was ported and the geographic location remained within the boundaries of the exchange? What would be the financial relationship?

MR. LUMLEY: It would still be identical. The traffic would be exchanged over the point of interconnection.

COMMISSIONER CLAYTON: It would just be exchange bill and keep; is that --

MR. LUMLEY: Correct. Well, it might not be provided on a VNXX basis on that circumstance so it might be subject to reciprocal compensation. It depends on where the customer is going to be. The exchange does not necessarily match up to a rate center, but if you assume they're identical, then you wouldn't need to use VNXX service and so it would be exchange on a reciprocal --

COMMISSIONER CLAYTON: I'm trying to just get the basic building blocks. If you remove the VNXX issue and you're just porting from an ILEC to a CLEC, what would be financial relationship be?

MR. LUMLEY: Then it's reciprocal compensation.

COMMISSIONER CLAYTON: It's reciprocal compensation. Thank you.

Okay. In this circumstance, the customer would have the number ported to Socket Telecommunications and then moves outside the exchange to St. Louis or whatever. That is the circumstance in this case. Correct?

MR. LUMLEY: Well, it's happening simultaneously, but it could also happen in two steps. Socket could win the customer and later they could decide --

COMMISSIONER CLAYTON: Doesn't matter?

MR. LUMLEY: Right. Not from my perspective.

COMMISSIONER CLAYTON: So I mean, if, say, the number got ported and stayed within the geographic boundaries of the exchange for a year and then attempted to move, would it make any difference in your case?

MR. LUMLEY: Well, the difference would be that CenturyTel couldn't do anything about it because they couldn't hold back the porting of the number. Socket would already control the number.

COMMISSIONER CLAYTON: Socket would control the number. So would there be the ability of Socket to move the number to St. Louis?

MR. LUMLEY: Yes.

COMMISSIONER CLAYTON: And would the financial relationship be the same or different under that circumstance?

MR. LUMLEY: At that point you'd be using the VNXX service. And under the Commission's arbitration order, it would then be bill and keep.

COMMISSIONER CLAYTON: Be bill and keep. Okay.

Would the parties agree the issue is who's going to carry the call to St. Louis? Is that the issue?

MR. LUMLEY: To the point of interconnection in Branson.

COMMISSIONER CLAYTON: To the point of interconnection in Branson.

MR. LUMLEY: Currently, but the opportunity for more to develop over time.

COMMISSIONER CLAYTON: Do you agree with that, Mr. Stewart?

MR. STEWART: Well, it's a little misleading to say that when the existing CenturyTel customer inside the CenturyTel exchange switches over to Socket within the exchange -- I mean, that's service provider portability, that happens. Those are local calls, it's my understanding.

It's when the customer moves to St. Louis and then you involve the other car-- the toll network. Somebody's got to be paying the freight. And Socket will not be.

COMMISSIONER CLAYTON: Somebody has to transport the call.

MR. STEWART: Right.

COMMISSIONER CLAYTON: Mr. Stewart, does it matter to you, to your client -- in the first instance it happens simultaneously versus the number porting and then one year later the customer moving to St. Louis? Is there any difference?

MR. STEWART: I think you'd still have the issue of the toll compensation, the access, who's paying.

COMMISSIONER CLAYTON: So if the customer moved -- if a customer moved -- took the number to Socket and stayed in their existing location for a year and then moved, we'd still have the same problem?

MR. STEWART: At that point you'd have the same problem.

COMMISSIONER CLAYTON: So the simultaneous move doesn't really make any difference?

MR. STEWART: I don't think so.

MR. LUMLEY: Because it gets down to the dispute is over the interconnection facilities, not the porting.

MR. STEWART: And I might just add there is no point of direct interconnection in Willow Springs or Ellsinore. We have to go to Branson I believe for both of those.

COMMISSIONER CLAYTON: So physically the

call -- if the Socket customer stays within the exchange, does the call have to go to the point of interconnection? So it goes to Branson and then back?

MR. STEWART: It goes to Branson and back.

MR. LUMLEY: CenturyTel calls a Socket customer or vice-versa, right, that's where the traffic is exchanged today.

COMMMISSIONER CLAYTON: And that's recip comp. It's not bill and keep.

MR. LUMLEY: In that circumstance.

MR. STEWART: Yeah, I'd agree with that.

COMMISSIONER CLAYTON: You'd agree with that. And, Mr. Haas, if you want in on this, let me know.

This is a case of first impression in Missouri?

MR. STEWART: As far as I know.

MR. LUMLEY: I believe so.

COMMISSIONER CLAYTON: Is it a case of first impression in the country?

MR. LUMLEY: I can't answer that. I can't identify another one for you, let me say it that way.

COMMISSIONER CLAYTON: You can't identify any other circumstance going one way or the other throughout the country?

MR. STEWART: I'm not aware of any.

COMMISSIONER CLAYTON: Oh, wow. Feel the power. Great. Great. Thank you.

JUDGE PRIDGIN: Commissioner Appling?

COMMISSIONER APPLING: Carl, I just have a question of clarification I think that the question will -- and I'm going to ask -- probably this is going to go to Larry and Brent.

What I'm looking for here is that Mr. Kohly at the end of his Direct Testimony had a Schedule MK-20 which described the way the lines -- if you'll pull that out and take a look at it. I just want to know in a yes or no answer whether you have looked at this, CenturyTel, and is this scenario one through five correct? That's all I need to know. Because yesterday I spent some time trying to just see which way the chart draws the line, who ports and who calls and which way the line goes.

MR. STEWART: Is that 20?

COMMISSIONER APPLING: Yes. It's Schedule MK-20. You can tell me later on. It doesn't have to be right now but -- clear up one more thing for me, Carl. When the number is transferred to St. Louis and it -- the call goes back to Branson, describe for me who pays what on that line, okay, under this proposed system of ported in Branson.

MR. LUMLEY: All right. There's two parts to that. In terms of the facilities so that the traffic can

actually flow back and forth, each party is responsible for its side of the point of interconnection and for the cost of having those facilities there. Okay?

And as I've indicated and it's in the testimony, over time as there's more traffic exchanged, you can have more points of interconnection required. And again, each party is responsible for its side, you know, and the costs of the facilities.

In terms of the flow of traffic -- and this gets back to Commissioner Clayton's questions -- pursuant to the Commission's arbitration decision, if it's traffic that's being exchanged within, you know, the exchange boundaries where we don't have a dispute about the customer's location, that's exchanged on a reciprocal compensation basis so the originating carrier -- you know, the customer that's placing the call, that carrier pays a terminating fee to the other company.

But on the VNXX arrangement that the Commission approved, which flows over the same trunks, by Commission order, that's on a bill and keep basis. So neither company charges the other.

COMMISSIONER APPLING: Okay. Thank you, sir.

JUDGE PRIDGIN: Commissioner Murray?

MR. STEWART: Judge, could I --

JUDGE PRIDGIN: I'm sorry.