1	STATE OF MISSOURI
2	PUBLIC SERVICE COMMISSION
3	
4	
5	TRANSCRIPT OF PROCEEDINGS
6	Hearing
7	July 7, 2004 Jofforgon City, Missouri
8	Jefferson City, Missouri Volume 3
9	
10	In the Matter of the Petition of)
11	New London Telephone Company,) Orchard Farm Telephone Company and) Stoutland Telephone Company)
12	for Suspension of the Federal) Case No. TO-2004-0370 Communications Commission)
13	Requirement to Implement Number) Portability)
14	
15	In the Matter of the Petition of) Holway Telephone Company for) Suspension of the Federal) Case No. TO-2004-0403
16	Communications Commission)
17	Requirement to Implement Number) Portability)
18	In the Matter of the Petition of) Farber Telephone Company for)
19	Suspension and Modification of) Case No. TO-2004-0437 the Federal Communications)
20	Commission Requirement to Implement) Number Portability)
21	In the Matter of the Petition of) Peace Valley Telephone Company,)
22	Inc. for Suspension and) Modification of the Federal) Case No. TO-2004-0438
23	Communications Commission) Requirement to Implement Number) Portability)
24	

2	In the Matter of the Petition of) Alma Communications Company d/b/a)
3	Alma Telephone Company for) Suspension of the Federal) Case No. IO-2004-0453
4	Communications Commission) Requirement to Implement Number)
5	Portability)
6	In the Matter of the Petition of) New Florence Telephone Company) for Suspension and Modification of) Case No. TO-2004-0503
7	The Federal Communications) Commission Requirement to Implement)
8	Number portability)
9	In the Matter of the Petition of) Miller Telephone Company for) Suspension and Modification of the) Case No. TO-2004-0511
10	Federal Communications Commission)
11	Requirement to Implement Number) Portability)
12	
13	
14	VICKY RUTH, Presiding, SENIOR REGULATORY LAW JUDGE.
15	
16	STEVE GAW, Chairman,
17	CONNIE MURRAY, ROBERT M. CLAYTON,
18	LINWARD "LIN" APPLING, COMMISSIONERS.
19	
20	REPORTED BY:
21	KELLENE K. FEDDERSEN, CSR, RPR, CCR
22	MIDWEST LITIGATION SERVICES
23	
24	
25	

```
1
                            APPEARANCES:
 2
    W.R. ENGLAND III, Attorney at Law
    BRIAN T. McCARTNEY, Attorney at Law
             Brydon, Swearengen & England, P.C.
 3
             312 East Capitol
             P.O. Box 456
 4
             Jefferson City, MO 65102-0456
 5
             (573) 635-7166
 6
                    FOR:
                           New London Telephone Company.
                           Orchard Farm Telephone Company.
7
                           Stoutland Telephone Company.
                           Holway Telephone Company.
 8
                           Farber Telephone Company.
                           Peace Valley Telephone Company.
 9
                           New Florence Telephone Company.
                           Miller Telephone Company.
10
     CRAIG JOHNSON, Attorney at Law
    LISA CHASE, Attorney at Law
11
             Andereck, Evans, Milne, Peace & Johnson
             700 East Capitol
12
             P.O. Box 1438
13
             Jefferson City, MO 65102
             (573) 634-3422
14
                    FOR: Alma Telephone Company.
15
    RUTH O'NEILL, Assistant Public Counsel
16
             P.O. Box 2230
             200 Madison Street, Suite 650
             Jefferson City, MO 65102-2230
17
             (573)751-4857
18
                    FOR: Office of the Public Counsel
19
                              and the Public.
20
    DAVID A. MEYER, Associate General Counsel
             P.O. Box 360
21
             200 Madison Street
             Jefferson City, MO
                                 65102
22
             (573)751-3234
23
                    FOR: Staff of the Missouri Public
24
                                      Service Commission.
25
```

PROCEEDINGS

1

2 JUDGE RUTH: Good morning. My name is Vicky Ruth, and I am assigned to preside over these cases. 3 4 This morning we have an on-the-record presentation in seven of the local number portability 5 6 cases.We have -- the first proceeding will be the on-the-record presentation regarding the full stipulation 7 8 in the first set, the seven cases that have the full 9 stipulations. At the conclusion of this proceeding, we 10 will start a new hearing for the remaining ten that have 11 partial stips and agreements. 12 The cases for this first proceeding I'll read only the case number and not the caption. The court 13 14 reporter has been provided a list that has the caption and the case number. They are TO-2004-370, 403, 437, 438, 15 IO-2004-453, TO-2004-503 and 511. 16 17 Let's begin with entries of appearance, 18 please. For the petitioners New London, et cetera? 19 MR. ENGLAND: Thank you, your Honor. Let 20 the record reflect the appearance of W.R. England and Brian T. McCartney on behalf of Petitioners. Our mailing 21 22 address is Brydon, Swearengen & England, P.C., Post 23 Office 456, Jefferson City, Missouri. 24 JUDGE RUTH: Thank you. And for Petitioner 25 Alma?

1 MS. CHASE: Thank you, your Honor. Let the 2 record reflect Lisa Chase and Craig Johnson appearing on behalf of Andereck, Evans, Milne, Peace & Johnson, 700 East 3 Capitol, Jefferson City, Missouri 65102, representing Alma 4 5 Telephone Company. 6 JUDGE RUTH: Thank you. And for the Office of the Public Counsel? 7 8 MS. O'NEILL: Your Honor, good morning. My 9 name is Ruth O'Neill, and I, along with Michael Dandino, 10 represent the Office of the Public Counsel and the public. Our mailing address is P.O. Box 2230, Jefferson City, 11 Missouri 65102. 12 JUDGE RUTH: Thank you. And for Staff? 13 14 MR. MEYER: Good morning, your Honor, David 15 Meyer for the Staff of the Missouri Public Service Commission. Our address is P.O. Box 360, Jefferson City, 16 17 Missouri 65102. JUDGE RUTH: Thank you. And as I mentioned 18 19 at the beginning, this is the first proceeding set for 20 today, June 7th. This on-the-record presentation covers 21 the seven cases with the full stipulation and agreements. 22 The procedure today will be, the parties will have an 23 opportunity to offer brief opening statements, then we're 24 going to move straight to questions from the Bench. 25 After the questions from the Bench, it is my

1 understanding that there is at least one piece of prefiled 2 testimony that will need to be offered for each of the seven cases. I anticipate doing that after the questions 3 4 from the Bench. At the end of the hearing, the parties will have an opportunity to make brief closing statements 5 6 or closing arguments, if you wish. 7 The transcript from this case has been 8 expedited and it is being submitted one business day 9 following the hearing. At this point, I do not anticipate 10 the need for Briefs, but we will address that at the end of 11 the hearing. Are there any questions regarding the 12 procedure for this proceeding? 13 14 (No response.) JUDGE RUTH: Okay. Are there any other 15 preliminary matters that need to be addressed? 16 17 Mr. Johnson? MR. JOHNSON: Judge Ruth, Craig Johnson. I 18 19 have another commitment at ten o'clock, so I might not be here for the entire proceeding this morning. 20 21 JUDGE RUTH: Okay. Thank you. Okay. We're 22 going to --23 MR. ENGLAND: I suppose it's a preliminary 24 matter. We've made copies of the verified petitions in the 25 various cases, but at least for purposes of the first

1 grouping, the seven, and would ask that they be made an 2 exhibit, I guess, in the case. I think that was contemplated or agreed to as part of the stipulation. 3 4 JUDGE RUTH: Let's go ahead and take care of that. The Commissioners aren't down -- most of the 5 6 Commissioners -- excuse me -- aren't down here. 7 MR. ENGLAND: I made a mistake. It's the 8 Unanimous Stipulation & Agreement. 9 JUDGE RUTH: Okay. So you have one for 10 each? MR. ENGLAND: Correct. And they provide for 11 the notice, the taking of notice, if you will, of the 12 13 verified petition plus, I believe, Staff's recommendation. 14 JUDGE RUTH: But your packet is only the 15 unanimous stip; is that correct? 16 MR. ENGLAND: Correct. 17 JUDGE RUTH: Okay. The first one will be the 370 case; No. 2 will be 403; 3, 437; 438's fourth; 458 18 19 for the fifth one; 503; and then 511, if you want to go 20 ahead and provide those to the court reporter. 21 MR. ENGLAND: I wasn't as quick as you. I 22 do have the 370 for my first. What follows then after 370? 23 Judge, which one did you want me to take 24 second, please? 25 JUDGE RUTH: 403, please.

1 MR. ENGLAND: All right. 2 JUDGE RUTH: So the third one's 437. 3 MR. ENGLAND: Judge, we're off the record? 4 JUDGE RUTH: Yes. 5 (Discussion off the record.) (EXHIBIT NOS. 11 THROUGH 16 WERE MARKED FOR 6 IDENTIFICATION BY THE REPORTER.) 7 8 MS. CHASE: Your Honor? 9 JUDGE RUTH: Yes. 10 MS. CHASE: For Alma Telephone Company, which is IO-2004-453, we have the Unanimous Stipulation & 11 Agreement filed on June 18th, 2004, and I do not have 12 copies of that here, but I can file those late-filed as 13 14 exhibits. JUDGE RUTH: Okay. Now, 453, so at this 15 16 time you don't have it? 17 MS. CHASE: I don't have extra copies. 18 JUDGE RUTH: Did the stip provide that it 19 would be admitted as an exhibit? Do you remember? I'm 20 sorry. 21 MR. ENGLAND: I don't believe. 22 JUDGE RUTH: But the other ones did; is that 23 correct? 24 MR. ENGLAND: Well, what the stipulation 25 provided was that the verified petition, Staff

1 recommendation, I believe, would be taken -- notice would 2 be taken of those items or included in the record. JUDGE RUTH: Alma, why don't you late file 3 4 that one? And I believe we're up to Exhibit 17 now. As I mentioned before, we'll handle Staff's testimony later. 5 6 Mr. England, were there any others? MR. ENGLAND: Let me just hand something 7 else out. I don't know if we -- I'll let the other parties 8 9 decide whether they want to make it an exhibit or not, but 10 we've attempted to summarize all of the cases we've got 11 today and kind of group them. JUDGE RUTH: For identification purposes, at 12 least, let's mark it as Exhibit 18. 13 14 (EXHIBIT NO. 18 WAS MARKED FOR 15 IDENTIFICATION BY THE REPORTER.) 16 JUDGE RUTH: Mr. England, is there anything 17 else? 18 MR. ENGLAND: No, there's not. Thank you. 19 JUDGE RUTH: Then we have Exhibits 1 through 6 offered into the record -- I'm sorry -- 11 through 16 at 20 this time. 11 is 370; 12 is 403; 13 is 437; 14, 458; 15, 21 22 503; and 16, 511; is that correct? 23 MR. ENGLAND: Yes. 24 JUDGE RUTH: Are there objections to these 25 being received into the record?

1 (No response.) 2 JUDGE RUTH: Seeing no objections, these are received, 11 through 16. 3 4 (EXHIBIT NOS. 11 THROUGH 16 WERE RECEIVED 5 INTO EVIDENCE.) 6 JUDGE RUTH: 17 will be late-filed, and I'll set a date for that to be filed by the end of the hearing. 7 18 has been offered for identification purposes at this 8 9 time. 10 Mr. England, have you decided whether you want this to be received into the record as evidence? 11 12 MR. ENGLAND: If there's no objection by Staff, Public Counsel or Alma, I would offer it. 13 14 JUDGE RUTH: Alma? MS. CHASE: No objection, your Honor. 15 16 JUDGE RUTH: Public Counsel? 17 MS. O'NEILL: Can I have just a moment, your 18 Honor? 19 JUDGE RUTH: Yes. Staff? 20 MR. MEYER: We have no objection. 21 MS. O'NEILL: Your Honor, we have no 22 objection. 23 JUDGE RUTH: Exhibit 18 is also received 24 into the record. It's a document titled LNP Suspension 25 Request, one page.

1 (EXHIBIT NO. 18 WAS RECEIVED INTO EVIDENCE.) 2 JUDGE RUTH: Now, there was not a list of opening statements or orders filed for this case. I 3 4 propose to have Petitioners New London, and then Petitioners Alma, Public Counsel, then Staff, unless the 5 6 parties propose a different order for opening. (No response.) 7 8 JUDGE RUTH: Then, new London, you may 9 proceed. 10 MR. ENGLAND: Thank you, your Honor, and I'll try to be brief and, hopefully, in that short period 11 12 of time not confuse people any more than they probably 13 already are. 14 May it please the Commission? My name is 15 Trip England. Our office represents all the Petitioners 16 here today, with the exception of Alma Telephone Company. All of these Petitioners seek suspension and modification 17 of the FCC and Telecommunication Act requirements regarding 18 19 local number portability, more specifically intermodal or 20 wireline to wireless local number portability, or LNP, as we sometimes refer to it. 21 22 I understand that we've kind of grouped the 23 stipulations and agreements today into sort of two groups. 24 First of all, there are those groups -- there is the first 25 group -- excuse me -- which has unanimous stipulations and

1 agreements. In other words, it's my understanding that 2 there is unanimity among the parties recommending that 3 suspensions and modifications be issued.

There is a second group where there is a stipulation as to facts, but not unanimity regarding what the Commission should do or the recommendation regarding an appropriate suspension period.

8 It's also my understanding that, at least 9 for purposes of the hearings this morning, we're going to 10 talk about the first group first, and with that in mind, 11 I'd refer you to what I believe has been marked and maybe now received as Exhibit 18, and that is an attempt on our 12 part to sort of summarize some of the information that I 13 14 think has already been given to you maybe in proprietary exhibits in a previous on-the-record discussion. 15

16 What we've done here is winnow out some of that information, at least the confidential information, so 17 that this is all public information, in our opinion. And 18 19 what we've done here is now we've -- unfortunately, we've 20 used the group language, so as I said, we're trying not to 21 confuse. The cases that we're going to be talking about 22 today are sort of the top half of the page, or Group 1 and 23 Group 2. The subgroups that we've created here, we've 24 attempted to bundle or group based on the recommended 25 action to be taken.

1 The first four, if you will, the parties 2 have unanimously agreed that, based upon the costs of implementing LNP, that those companies' obligations be 3 4 suspended for a period of two years. The second group 5 involves companies that are not LNP capable, but to do so 6 are going to be embarking upon complete switch replacement 7 or upgrades, and in those cases there are varying 8 recommendations regarding a suspension period in order to 9 accomplish that activity.

For example, in the Holway case, the parties have unanimously agreed to a two-year suspension. In the Orchard Farm, New London and Stoutland case, the parties have agreed to a six-month suspension, and in the Miller case, the parties have agreed to an extension to the end of the year, December 31st, 2004.

I won't get into the Group 3 or Group 2. However, we want to talk about that. As I understand, that will be taken up later. That's the companies where there is some disagreement as to the recommended relief or action the Commission needs to take.

As we, I guess, off the record indicated and had marked, all of these companies are the subject of unanimous -- or their requests rather are now the subject of Unanimous Stipulations and Agreements. We believe those agreements speak for themselves, and we support them

1 wholeheartedly and ask that you approve them as filed. 2 We'll make ourselves available for any questions that the Commission may have with respect to those cases. 3 4 And I think with that, I'd thank you for 5 your time and turn the podium over to the next attorney. 6 JUDGE RUTH: Thank you. Counsel for Alma? 7 MS. CHASE: Thank you, your Honor. My name 8 is Lisa Chase and I represent Alma Telephone Company. 9 Alma Telephone Company filed a Unanimous 10 Stipulation & Agreement on June 18th, 2004 seeking both a 11 suspension and modification. The suspension was sought because of the costs of the upgrades for LNP to Alma 12 Telephone Company. Alma is the second company on the 13 14 Exhibit 18 that Mr. England just referred to. 15 Alma company -- since the FCC order of November 10th, 2003, Alma Telephone Company has been 16 monitoring proceedings at the FCC level for clarification 17 18 and implementation -- for implementing intramodal LNP, and 19 they've also been assessing their implementation costs and 20 doing cost/benefit analysis. And what Alma determined was that their Mytel GX 5000 switch would no longer have vendor 21 22 support come January 1st, 2007, that the cost to make their 23 switch LNP capable was about \$22,000, and that would be for 24 about a two-year period, when they would have to replace 25 that switch due to no longer having vendor support.

Alma has a customer base of about 390 customers over which that cost would be assessed. Alma had also been informed that its vendor would have an 18-week delay before it could build and ship the necessary component parts to make its GX 5000 switch LNP capable, and that once the components were received, it would need to be installed and tested.

8 Based on all that information, Alma decided 9 that replacement of its switch was the better investment on 10 behalf of its customers, rather than imposing two costs, 11 one to upgrade its current switch and then turning around 12 and having to replace it within two years.

13 Alma has been negotiating financing. What 14 Alma determined to do was, instead of just simply updating 15 its switch, it's going to be updating -- it would like to 16 update its entire network to install fiber to every home, and that would provide its customer base, its entire 17 customer base with benefits for technological advancements, 18 19 including high-speed internet access, voice and video. 20 Alma has been negotiating financing, hardware and software, contract services, construction 21 22 services to upgrade their entire network system. And Alma 23 filed a petition on March 3rd, 2004 for two-year suspension 24 and modification in order to enable it to have the time to 25 implement those upgrades.

If you have further questions, we'd be happy
 to respond to those. Thank you.

3 JUDGE RUTH: Thank you. Public Counsel, 4 your opening statement?

5 MS. O'NEILL: Thank you, your Honor. Good 6 morning, your Honor and Commissioners. My name is Ruth 7 O'Neill, and I, along with Michael Dandino, represent the 8 Office of the Public Counsel in this matter. I will have a 9 few more things to discuss with you when we get to the 10 second hearing of the morning, or the second part of this 11 hearing.

Basically, what I did want to say at this point was that the Office of the Public Counsel is a signatory to these Unanimous Stip and Agreements. If you have questions regarding that, Barbara Meisenheimer from my office is present today, and she can help answer any questions that you might have.

18 The Office of the Public Counsel supports 19 suspension of these requirements for many of the same 20 reasons that have been set forth by the petitioners this morning. We are also mindful of the fact that the 21 22 company's customers are the ones who will bear the burden 23 of the costs that are necessary to implement these changes, 24 and ironically the customers who will bear those burdens 25 will be the customers who remain with the wireline

1 companies rather than those who switch their numbers to a 2 wireless carrier.

We believe that there are a lot of issues 3 4 that need to be worked out with the small rural companies before these orders are implemented, and I will speak on 5 6 that later in the next portion of this hearing. Thank you. 7 JUDGE RUTH: Thank you. And Staff? 8 MR. MEYER: Good morning. I'll be brief, as this was a unanimous stipulation, and in attempt to not 9 reiterate what people have already said this morning, I'll 10 11 save my longer version for the next proceeding. 12 But I wanted to speak briefly about the 13 Commission's authority to approve these stipulations and 14 Staff's perspective on that, and why Staff has gone and 15 agreed to suspension and modification in these cases where

16 we have filed this unanimous stipulation.

The federal statute, as we've discussed in previous proceedings in these cases, does provide for suspension and modification for rural carriers if the local, in other words, the state commission finds that there's support for that. There's specific criteria that are set forth.

A state commission needs to determine that it's necessary to avoid a significant adverse economic impact on users of telecommunications services generally,

to avoid imposing a requirement that is unduly economically burdensome or to avoid imposing a requirement that is technically infeasible, and the decision to suspend or modify must be consistent with the public interest, convenience and necessity.

6 In Missouri there's not a lot of history of 7 the application of this Section 251(f)2 suspension and 8 modification clause. This is somewhat unchartered 9 territory for us, so there's not a lot of law or precedent 10 to cite to here. Certainly other states have begun to 11 grapple with the same issue and have arrived at different 12 conclusions.

Our view in these particular cases is that there is enough of an economic impact and undue economic burden such that it does appear to be appropriate for suspension of the local number portability directive from the FCC. Therefore, Staff has supported the unanimous stipulations here.

19 The only other area really that I can cite 20 to on a legal level here supporting the Commission's 21 action, there are some regulatory sections issued by the 22 FCC. 47 CFR 51.405 discusses the burden of proof before 23 commissions, and we believe that that burden has been met 24 here, and again, that's not a very elaborately described 25 section. There's not a lot of history there, certainly

1 before the Missouri Commission.

2 Thus in this case, though, we believe that the standards have been met and that the suspensions and 3 the modifications should be approved as set forth in the 4 unanimous stipulation and we are available for any 5 6 questions. Thank you. JUDGE RUTH: Okay. Thank you. We'll move 7 8 now to some questions from the Bench. And we may bounce 9 around a little bit from questions to various parties, but 10 I will try to allow some catch-up sessions where, if you 11 were not given an opportunity to respond to a particular question, you'll be allowed to answer later in the 12 13 proceeding. 14 Commissioner Murray, do you have any questions to start? 15 16 COMMISSIONER MURRAY: I do. Thank you. 17 In Ms. Chase's statements, she indicated that quite a lot has been done by Alma regarding the 18 19 determination of the cost to make the switch LNP capable, 20 the cost/benefit analysis for upgrade versus replacement. Quite a lot of research, it looks like, has been put into 21 22 determining the cost and how long it will take Alma to 23 comply. 24 Conspicuous by its absence was any remark by

25 Mr. England that the other carriers have done anything like

1 that, and I'd like a response as to what they have done in 2 that regard.

MR. ENGLAND: Essentially the same thing, 3 4 your Honor. They've all gone through the same exercise to determine what their individual costs both on a 5 6 nonrecurring basis would be, as well as a recurring basis. 7 And in some cases, as Ms. Chase pointed out in Alma's case, 8 for example, in Holway's case or Orchard Farm, New London 9 and Stoutland, and finally Miller, that grouping of No. 2, 10 if you will, on Exhibit 18, all of those companies have 11 determined that switch replacement is more appropriate under the circumstances than implementing simply -- if 12 possible, implementing upgrades for adjustments to their 13 14 current switch to implement LNP. 15 COMMISSIONER MURRAY: So the numbers 16 regarding those studies are in the record; is that 17 accurate? 18 MR. ENGLAND: The numbers regarding which 19 studies? 20 COMMISSIONER MURRAY: That the cost of 21 replacement versus cost of upgrade. 22 MR. ENGLAND: No. The costs of upgrade are 23 in the record. In TDS's case, I think they've just 24 recently made a decision to pursue the switch replacement. 25 Miller did pursue the switch replacement. I've misspoken.

1 John Zeiler with TDS is here with me. Apparently TDS is 2 going to pursue the upgrade, as opposed to switch replacement. 3 4 COMMISSIONER MURRAY: I'm sorry. Which one 5 is TDS? 6 MR. ENGLAND: There are three companies and 7 they're all in the same case number. It's Orchard Farm, 8 New London and Stoutland, Case No. 370. 9 COMMISSIONER MURRAY: And they are pursuing 10 an upgrade versus replacement? 11 MR. ENGLAND: That's correct. COMMISSIONER MURRAY: As a result of 12 cost/benefit analysis that indicated that was more 13 14 beneficial? MR. ENGLAND: A combination of cost/benefit 15 16 and time. They can pursue the switch upgrade much more quickly than a complete replacement. 17 18 COMMISSIONER MURRAY: And they're only 19 suspended for six months; is that correct? 20 MR. ENGLAND: Correct. 21 COMMISSIONER MURRAY: There was a statement 22 that these are unanimous, but the critical parties that 23 will be affected by these are not parties, is that correct, 24 the wireless carriers? 25 MR. ENGLAND: They're not parties; I'd agree

1 with that. I think I mentioned in one of the other 2 proceedings, they've certainly had plenty of notice of these proceedings. I think this is the third on-the-record 3 presentation that we've had regarding LNP. Many of these 4 applications have been on file on EFIS, available for the 5 6 public since February or March of this year. 7 COMMISSIONER MURRAY: Do you think they just 8 don't care? 9 MR. ENGLAND: You asked me that question 10 before. I hesitate to speak for them, but I will. I 11 really think that it's not as big an issue, it's not as critical an issue to them at this time in rural areas. 12 13 COMMISSIONER MURRAY: Does it cost them more 14 to serve in rural areas? MR. ENGLAND: I don't know. 15 COMMISSIONER MURRAY: Does anybody? 16 17 MS. MEISENHEIMER: I might take a stab at it. In general response, their -- is that okay? 18 19 COMMISSIONER MURRAY: Pardon me 20 MS. MEISENHEIMER: I'll be quick. 21 JUDGE RUTH: That's fine. Just make sure 22 your microphone's catching. 23 MS. MEISENHEIMER: Did I need to be sworn 24 in? JUDGE RUTH: Yes. Is this acceptable to 25

1 your counsel to have you answer this question? 2 MS. O'NEILL: That's fine, your Honor. JUDGE RUTH: I'll need to have you go ahead 3 4 and move up actually. 5 (Witness sworn.) 6 JUDGE RUTH: Please proceed. 7 BARBARA MEISENHEIMER testified as follows: 8 MS. MEISENHEIMER: I would say that, based 9 on my understanding of how wireless service is provisioned 10 versus how landline service is provisioned, the costs are 11 not different from the perspective of where their switch and their tower are located. So I don't think there's any 12 13 difference necessarily in cost to them related to operating 14 the tower and operating the switch, because it serves both 15 non-rural and rural areas. However, there could be 16 differences with respect to the arrangements they have for compensation in traffic. 17 COMMISSIONER MURRAY: Terminating traffic? 18 19 MS. MEISENHEIMER: Yes. 20 COMMISSIONER MURRAY: Can be substantially 21 more, can it not, in some areas? 22 MS. MEISENHEIMER: It depends on how that 23 traffic is treated. If you're talking about local traffic, 24 I don't expect that the differences would be as substantial 25 as if you're talking about long distance traffic, long

1 distance that might otherwise be subject to access rates. 2 COMMISSIONER MURRAY: Okay. Before you leave, I don't know if you can answer any of these 3 4 questions. The Exhibit 18 that Mr. England gave us, I want to ask, and I'll ask everybody, but I'll start with you, 5 6 Ms. Meisenheimer, if you know. The numbers that are shown 7 here, the total monthly recurring LNP charge, that 8 represents -- what does that represent? 9 MS. MEISENHEIMER: It's my understanding 10 that this would represent the cost of preparing the switch 11 or replacing the switch, if necessary, to provide local 12 number portability. It also for some companies, but not 13 all, may include costs associated with a regional database 14 to provide number portability. COMMISSIONER MURRAY: I'm going to stop you 15 16 for a moment, and ask Mr. England, Mr. England, since this was the exhibit you filed, would you state what that number 17 18 represents? 19 MR. ENGLAND: Sure. I'd be happy to. And I 20 believe this is simply a summary of some more detailed information that we submitted in a confidential format 21 22 earlier in maybe the first on-the-record proceeding back in 23 perhaps May. 24 COMMISSIONER MURRAY: And by the way, are 25 these numbers HC?

1 MR. ENGLAND: The ones that you have on 2 Exhibit 18, no, because of their total nature. 3 COMMISSIONER MURRAY: Okay. MR. ENGLAND: It represents -- by the way, 4 Ms. Dietrich addresses it in her testimony, but companies, 5 6 as I understand, are allowed to recover both their 7 nonrecurring cost as associated with implementing LNP and 8 their recurring costs, and this total monthly recurring LNP 9 charge is the sum of those two. 10 If I may, the nonrecurring would be your 11 one-time costs in upgrading your switch, training your 12 people, any other administrative costs you may incur to do that. And then the non-- excuse me -- the recurring 13 14 charges would be primarily database administration costs 15 that you would incur on a monthly basis on into the future. COMMISSIONER MURRAY: So if we look at this 16 document, we can see what in the first column, with the 17 first number, 7.92, that is a charge that is not currently 18 19 placed on those customers; is that correct? 20 MR. ENGLAND: That is correct. COMMISSIONER MURRAY: And is it accurate 21 that those customers were the first paying only 7.75 a 22 23 month for local service? 24 MR. ENGLAND: That is correct. 25 COMMISSIONER MURRAY: And there's one as low

1 as 5.75; is that correct?

2 MR. ENGLAND: That is correct. COMMISSIONER MURRAY: And if the local 3 4 number portability were imposed, the maximum rate between Groups 1 and 2 there would be \$16.87, which would be 5 6 including local number portability; is that right? MR. ENGLAND: Yes. 7 8 COMMISSIONER MURRAY: Ms. Meisenheimer, how does that 16.85 compare for an average cost of local 9 10 residential local service in the state of Missouri, do you 11 know? MS. MEISENHEIMER: I believe that is higher 12 13 than the average residential rate in Missouri. 14 COMMISSIONER MURRAY: And have there been cost studies in terms of the cost of provision of local 15 16 service in any proceedings before this Commission? 17 MS. MEISENHEIMER: There have been estimates of the cost of local service presented by our office with 18 19 respect to a case involving whether adjustments should be 20 made between access and local service. I don't know if that's the one you're referring to, or if there's something 21 22 else. 23 COMMISSIONER MURRAY: I'm not sure if you 24 were the only party that's done -- are you indicating 25 you're the only party that's done -- presented any evidence

1 about the cost of provision of local service? 2 MS. MEISENHEIMER: Respectfully, in my opinion, we're the only party that's presented a reasonable 3 4 estimate --COMMISSIONER MURRAY: That's not what I 5 6 asked. MS. MEISENHEIMER: -- of the cost of 7 8 providing local service. 9 COMMISSIONER MURRAY: I didn't ask you to 10 evaluate the evidence. I asked you if there was any 11 evidence presented by any party other than Office of the Public Counsel? 12 13 MS. MEISENHEIMER: The Staff actually had an expert witness in a case that talked to some degree with 14 respect to the cost of local service, and then companies 15 16 have presented what they characterize as the cost of local service, although I don't agree with those costs. 17 COMMISSIONER MURRAY: And do you know 18 19 between looking at all of the evidence, including that 20 which you did not agree with, what the range was? 21 MS. MEISENHEIMER: I would -- I would say 22 that the range, if you consider all of -- all of the 23 various estimates of the cost of local service would range 24 somewhere between \$2 per month and probably \$30 a month for 25 more populated areas, even higher if you would talk about

1 more rural areas.

2 COMMISSIONER MURRAY: So where would the \$2 a month if the -- if the more populated areas would be up 3 4 around 30 and even higher for rural, where would the lower 5 rates come into play -- or the lower costs, I mean? 6 MS. MEISENHEIMER: Well, the issue is the definition of cost. There are some estimates that are 7 8 referred to as incremental cost studies of local. There 9 are others that are referred to as fully allocated cost, 10 which divide up the cost of the network and apportion them. COMMISSIONER MURRAY: I'm aware there are 11 12 different ways to calculate it, but is that what you're 13 saying, that the lower areas are based on purely the way you determine the costs? 14 15 MS. MEISENHEIMER: The lowest estimate would be a measure of incremental cost, which would be only the 16 additional cost of adding local. The very highest cost 17 18 would be costs that are more akin to something called the 19 stand-alone costs, which would say no service but local 20 should bear any portion of joint and common costs. So 21 there is honestly a very wide range and differences in what 22 parties believe costs should be defined as. 23 COMMISSIONER MURRAY: Has the Office of 24 Public Counsel done any kind of a study or looked at any 25 other studies which the rates either in a region or across

1 the country -- I'm not talking about costs now, but I'm 2 talking about rates for basic local service -- what those are on average? 3 4 MS. MEISENHEIMER: I have at various times looked at FCC reports that identify estimates of what are 5 6 the costs of local service, and that generally includes the subscriber line charge and various other assorted charges 7 8 that might be included. 9 COMMISSIONER MURRAY: And let me ask you 10 there, is this current rate for residential basic -- and 11 Mr. England may have to answer this -- does that include subscriber line charges? 12 MS. MEISENHEIMER: No, it does not. 13 14 COMMISSIONER MURRAY: And that would be what 15 amount to tack on to that? 16 MS. MEISENHEIMER: It varies by company. I'm thinking it could be somewhere in the \$5 to perhaps 17 18 \$6.50 range. 19 COMMISSIONER MURRAY: Is that --20 MS. MEISENHEIMER: Depending on the type of carrier, whether it's a small company or a rural company or 21 22 a non-rural company according to the federal definitions. 23 COMMISSIONER MURRAY: Mr. England, do you 24 have any reason to disagree with that? 25 MR. ENGLAND: I always hate to disagree with

Public Counsel, but I believe all companies now are charging the same subscriber line charge or SLC, and if I had to guess right or die, I think it's about 6.50 right now on residence.

5 COMMISSIONER MURRAY: Thank you. 6 And, Ms. Meisenheimer, I guess probably just 7 one last question. The burden that the parties seeking 8 either modification or suspension has to meet to show --9 let's take the first part, adverse economic impact on 10 customers. Is it Public Counsel's opinion that the 11 additional costs that would be passed on to customers in 12 each one of these carriers' areas in order to implement 13 number portability, local number portability, would provide 14 an adverse economic impact on those customers? 15 MS. MEISENHEIMER: Yes. COMMISSIONER MURRAY: And how -- has Office 16 of Public Counsel evaluated in looking at the benefits of 17 local number portability to the customers, what amount of 18

19 additional cost to those customers would be a reasonable 20 balance?

21 MS. MEISENHEIMER: I have not done a 22 specific study. The truth of the matter is that from 23 Public Counsel's perspective, this is a rather difficult 24 issue. The local number portability certainly offers 25 potential benefit to customers. It's an issue of when and

1 what it costs and how those costs are recovered. So the --2 you know, the potential of literally surcharges that could range up to, if you look at this table, up to \$8 a month 3 4 per line, keep in mind that that's going to be tacked on 5 top of rates that are already going up just to maintain the 6 basic local service. Any company that goes under price 7 caps then has the ability to adjust rates between 8 residential rates and access.

9 There are other initiatives that occur, and 10 I'm sorry that my -- that my information is a little dated. 11 I've been working on a lot of things. Those increases in 12 the charges to the SLC were phased in over a certain period 13 of time. So I'm sorry that I was incorrect in that. 14 COMMISSIONER MURRAY: It's impossible to 15 keep up with everything on a day-to-day basis. Now, is 16 it -- am I understanding correctly that these stip and agreements provide that these carriers, that the ones in 17 Group 1 do not have to provide any local number portability 18 19 for two years?

20 MS. MEISENHEIMER: That is my understanding, 21 that there is a unanimous agreement to that.

22 COMMISSIONER MURRAY: Intermodal or 23 otherwise, it's -- no number portability landline to 24 landline, is that correct? MS. MEISENHEIMER: It was my understanding

25

1 that this stipulation deals with the issue of wireline to 2 wireless, so I would defer that question to the company. COMMISSIONER MURRAY: Mr. England, is this 3 4 purely intermodal or is this all local number portability? 5 MR. ENGLAND: Would be all local number portability, but as a practical matter we have not received 6 7 any request for wireline to wireline, and I'm unaware of 8 any CLECs who have established connections --9 interconnections, if you will, with any of these small 10 companies where it would be an issue. So as -- technically, it would apply to 11 both, wireline to wireline, wireless -- wireline to 12 13 wireless, but as a practical matter there's just been no request, no demands, no --14 15 COMMISSIONER MURRAY: If there were local 16 number portability implemented for wireline to wireline, it could create more competition for the small carriers, could 17 it not? Would it not be more attractive for a competitor 18 19 to offer competition if they advertise to the customer, you 20 can keep your same telephone number and switch to us? 21 MR. ENGLAND: With all due respect, I would 22 disagree. 23 COMMISSIONER MURRAY: You don't think that 24 local number portability is an advertising benefit? 25 MR. ENGLAND: I think the biggest impediment

1 to CLECs competing with us is cost, and whether we could 2 offer them LNP or not would not change their economic decision to come in and compete with us. 3 4 COMMISSIONER MURRAY: And that cost is 5 derived from -- why are your areas more costly to compete 6 in? MR. ENGLAND: Primarily because there are 7 8 fewer subscribers, and the economies of scale do not exist 9 in those exchanges as they do in the metropolitan 10 exchanges. So when you spend the same amount for a switch 11 that serves 1,000 customers versus 10,000 customers, the per customer switch cost, if you will, is far less for the 12 13 larger exchange. 14 COMMISSIONER MURRAY: And when a carrier is 15 evaluating whether to compete in an area, one of the things 16 they have to evaluate, is it not, is whether they can either resell or provide facilities-based and do it at a 17 lower rate than the incumbent does; would that be one of 18 19 the factors they would analyze to see whether they should 20 compete or try to compete? 21 MR. ENGLAND: Yeah. I mean, there are a lot

of assumptions in that question. If you're going to compete on a resale basis, your economics are entirely different than if you're going to compete on a facilities-based basis. If you're going to compete a

resale basis, local number portability, in my opinion, has no real bearing, because you're just reselling that service and that number. So if a customer gets to keep that number, it's the same line owned by the telephone company; it's just being resold by another entity.

6 If it's a facilities-based competitor who 7 comes in and establishes their own switch and establishes 8 their own NPA/NXX but wants to convert existing customers 9 to their service and they think the LNP would make that a 10 little more attractive, then I can see where LNP would 11 maybe aid in their ability to capture existing customers. But the initial decision I think they have 12 to make, and I've gone through with some of our companies 13 14 who have CLEC affiliates, is your initial investment cost, what is it going to cost to put in that switch, what is it 15 16 going to cost to purchase unbundled network elements if that's what you're going to do or, in fact, establish 17 separate loops for the customers, residents, and how many 18 19 residents or how many customers do you think you can 20 capture over which to spread those costs and can you price your service underneath the incumbent and still make money? 21 22 I mean, that's the exercise you go through. 23 COMMISSIONER MURRAY: So if the incumbent has very low rates to begin with, it's even more difficult 24

25 for a competitor to underprice them, is it not?

1 MR. ENGLAND: On a facilities-based basis, 2 yes, unless they get the same perhaps USF support. 3 COMMISSIONER MURRAY: So in these -- in the 4 territories that these carriers that are here in Groups 1 and 2 in your document, how many, if any of them, have 5 6 competitors operating in their exchanges? 7 MR. ENGLAND: Landline competitors? 8 COMMISSIONER MURRAY: Yes. 9 MR. ENGLAND: None that I'm aware of. 10 Excuse me. Landline competitors for local exchange 11 service? COMMISSIONER MURRAY: Yes. 12 MR. ENGLAND: Yes, but I'd say that they all 13 have at least two wireless, if not more companies operating 14 15 or purporting to operate in their service area. 16 COMMISSIONER MURRAY: So if wireless carriers could port the numbers, that would increase 17 probably the competition for your people, the companies you 18 19 represent? 20 MR. ENGLAND: Again, with all due respect, I understand that argument by some people, but I don't 21 22 necessarily agree with that. I don't think that simply the 23 availability of being able to port a number is going to 24 increase appreciably wireless companies' penetration in our areas, and that's -- that's strictly Trip England's 25

opinion, and I have no empirical evidence to base that on, but I haven't seen any from the other advocates of the other side of that argument that LNP somehow will appreciably materially enhance or increase their ability to compete in our areas.

6 COMMISSIONER MURRAY: Is it your opinion 7 that your clients look favorably on competition or 8 disfavorably?

9 MR. ENGLAND: That's a very difficult -- I 10 don't know. There are certain circumstances where we do, 11 and obviously certain circumstances where we don't. I'm 12 sorry. I know that's a vague answer, but that's probably 13 the best I can give you.

And the other thing I might mention, they are independent telephone companies, and they do live up to that moniker of independence. Some of them have different opinions about that and other things that we've discussed over the years. Even among themselves there's a wide range of opinion.

20 COMMISSIONER MURRAY: Okay. And one last 21 question, I think for you, Mr. England, is, why did you 22 think -- and if you can summarize it simply, and if you 23 can't, because the areas differ technically -- why would 24 some be able to either upgrade or -- now I'm drawing a 25 blank on the other word.
1 MR. ENGLAND: Replace? 2 COMMISSIONER MURRAY: Thank you. Difficult language here -- either upgrade or replace to achieve 3 number portability, some could do it in six months and some 4 5 it will take two years? 6 MR. ENGLAND: I think if you made -- well, I 7 believe that if you made the decision today to replace your 8 switch, you could do it within -- certainly within two 9 years and probably six months. For example, Miller, they 10 didn't make the decision today, but I think they made the 11 decision within the last several months to replace their switch, and they're going to have that done by the end of 12 13 the year. 14 Holway, on the other hand, has not made that decision and to do so, as I recall, would incur I don't 15 know how many hundreds of thousands of dollars of 16 undepreciated investment in that switch that would have to 17 be recovered, plus the new cost of a switch. 18 19 COMMISSIONER MURRAY: So have they made the 20 decision to upgrade or have they just made no decision? 21 MR. ENGLAND: They also -- the other thing 22 that's impacting them is they have one of these Mytel 23 switches, the manufacturer of which has indicated they will 24 no longer support that switch after I believe it's December 25 of 2007. So as a practical matter, they are looking at a

1 switch replacement, but they believe that waiting is better 2 because they're able to depreciate more of their existing switch over that period of time, and as technology changes 3 4 fairly rapidly in this business, they may be able to get more bells and whistles two years down the road than they 5 6 can today, more bang for their buck, if you will. 7 COMMISSIONER MURRAY: They think costs are 8 coming down? 9 MR. ENGLAND: Not necessarily, but maybe they get more for the same dollar, more capability. 10 11 COMMISSIONER MURRAY: And for Alma, you 12 indicated that if you did upgrade, it would have to be replaced in two years anyway, but in that Alma has chosen 13 to do a replacement, why is it going to take two years? 14 15 MS. CHASE: Alma decided to upgrade its network so that it would benefit the entire customer base. 16 It's not just upgrading a switch. It's putting fiber into 17 the home of every one of its customers so that it will have 18 19 the newer technological capabilities of high-speed Internet 20 access, voice and video. 21 COMMISSIONER MURRAY: Is there a benefit, a 22 cost/benefit to making that upgrade at the same time as 23 replacing the switch? 24 MS. CHASE: They'll be undertaking the 25 financing and the negotiations for contracting and services

1 all at one time, instead of doing it in stages and having 2 to take those steps, kind of duplicating those steps. COMMISSIONER MURRAY: I can see that to be a 3 4 benefit to the carrier to upgrade the entire network to be able to offer more services and keep -- maybe be more 5 6 attractive to the consumers before the consumer can switch 7 to another carrier and keep the same number. Is it a 8 benefit to the customers as well? 9 MS. CHASE: Yes. The customers get the 10 better technology sooner. They also have their company 11 conducting these upgrades efficiently, more cost efficiently, and the company's planning on using its 12 universal service funds to pay for these upgrades. It is 13 14 not planning to use an LNP charge at this time. It may if 15 it absolutely needs to, if the USF funds do not cover this. COMMISSIONER MURRAY: I'm going to pass and 16 let someone else. I may have a couple more questions 17 18 later. 19 Ms. Meisenheimer, I'm sorry to keep you on 20 the stand so long. 21 JUDGE RUTH: You may go ahead and step down. 22 We have skipped the Chairman, but I'll offer him an 23 opportunity if you have questions. 24 CHAIRMAN GAW: I want to ask some very basic 25 questions.

1 First of all, I want to know what's included 2 whenever you're using the phrase rating and routing issues. What issues -- where are the list of issues that are 3 4 included in rating and routing issues? Or if you can tell 5 me where I can --6 MR. ENGLAND: That's what I'm trying to do, your Honor. I believe we address those issues, and I think 7 8 it's the same for all the stipulations and agreements. The 9 language should be the same. I believe it would appear on 10 the same page, but I believe it starts -- excuse me. I'm 11 looking at a Stipulation & Agreement in the New Florence Telephone Company case, which is 503. 12 CHAIRMAN GAW: I have that in front of me. 13 14 MR. ENGLAND: And I believe it begins on page 7 with paragraph 17, and continues through page 8, 15 16 paragraph 19. 17 CHAIRMAN GAW: Starts on which paragraph, 18 Mr. England? 19 MR. ENGLAND: 17 through 19, pages 7 and 8. 20 I think it's also addressed in the stipulation as to result; page 10 is that section. I think 21 22 the pertinent paragraph or paragraphs would be 28, or, 23 excuse me, maybe 27 and 28. 24 CHAIRMAN GAW: Let me ask you --25 MR. ENGLAND: I'm doing this hurriedly, so I

1 may miss some stuff, but I think I'm getting the majority
2 of it.

3 CHAIRMAN GAW: All right. Let me ask in 4 your own words what those issues are, when you say rating 5 and routing issues.

6 MR. ENGLAND: Okay. The situation we're 7 trying to address, and let's take the New Florence's case, 8 which is just down Highway 70 as you're going to St. Louis, 9 just north of it.

10 CHAIRMAN GAW: Okay. Let me stop you just 11 for a second, make sure that I'm asking the question in a 12 way to get the answer that I'm looking for.

I understand that there are issues in regard to if a number is ported in exchange to a wireless carrier that doesn't have a point of presence in that exchange but there -- that moving that number can cause a call to that number from that exchange to be a long distance call, and I understand that concept.

But the phra-- what I'm looking for here is, when we use the phrase rating and routing issues that are going to be resolved by the FCC, I'm trying to understand whether there is more to it than what I just spelled out, because I'm not clear on that. I don't know whether we're just talking about how that's going to be handled in that situation about who's paying for -- picking up,

1 transferring that call, the cost of doing that, or if 2 there's more than that involved. I'm just not clear. MR. ENGLAND: Well, I quess when we talk 3 4 about rating and routing, we're sort of generically talking about the situation you've just described where the number 5 6 to be ported is, say, associated with the New Florence 7 exchange. 8 CHAIRMAN GAW: Uh-huh. 9 MR. ENGLAND: It's a New Florence NPA/NXX, but in order to get it to the wireless carrier to which 10 11 that New Florence customer wants to port it, you're going 12 to have to transport it, say, to St. Louis where the wireless carrier has its point of presence or 13 interconnection with the landline network. 14 15 The rating issue is how do you rate that call? Well, if it's a New Florence NPA/NXX, calls from 16 other New Florence NPA/NXXs, it would be rated as a local. 17 18 CHAIRMAN GAW: Yes. 19 MR. ENGLAND: If someone from St. Louis, 20 however, were to call New Florence, it would be a long distance call and rated as such. 21 22 The routing issue is more physically how do 23 you get the call to where it's supposed to go, and the FCC, 24 I think, has pretty much said, we're going to rate a local 25 call as a local call. And you can route it -- I believe in

1 a clarification order issued later in November, not November 10th, but later that month, that same year, 2003, 2 they basically said, we expect you to route the calls the 3 4 same way you have in the past. Well, when we routed calls to St. Louis, we 5 6 routed them as long distance calls. They were one plus. 7 Now, the problem comes when you dial 7 -- the 7 digit local 8 number, it's no longer a long distance call from a rating 9 perspective; it's a local call. 10 CHAIRMAN GAW: So is that the universe we're 11 dealing with when we say rating and routing issues? MR. ENGLAND: Correct. 12 13 CHAIRMAN GAW: There's nothing outside of that that would -- I just want to make sure, because we're 14 15 using this phrase and it may be very clear to everyone, but 16 I've seen phrases that aren't defined be interpreted differently later on. And when it's used as a trigger here 17 in this step, and I want to make sure it's very clear if --18 19 that everyone understand what resolution of rating and 20 routing means, and that there's no disagreement or -- and 21 that it's very clear from the writing what it means. MS. O'NEILL: Chairman Gaw, I think 22 23 Ms. Meisenheimer may have something to add to that. 24 CHAIRMAN GAW: Sure. 25 JUDGE RUTH: I'll remind you that you're

1 sworn in. If your answer is going to be brief, you can 2 stay where you're at; otherwise, I want you to come up to 3 the podium. 4 MS. MEISENHEIMER: I will try to be very 5 brief. 6 JUDGE RUTH: Go ahead. MS. MEISENHEIMER: The issues that we 7 8 primarily dealt with res-- with respect to this Unanimous 9 Stipulation & Agreement, the proposed modification 10 specifically, I think, is primarily geared toward the

11 issues of who's going to pay transport costs, that being a 12 problem, and who's going to be responsible for getting 13 those calls from the local carrier that didn't otherwise 14 already have facilities to the -- to the wireless carrier. 15 However, at the federal level, there are

16 additional issues with respect to the FCC's order that have been challenged, and one of them is so fundamental as to 17 say is what the FCC is requiring truly service provider 18 19 portability? In other words, for the same service at the 20 same location, you're simply switching provider, or is what 21 the FCC has required something bigger than that, something called locational portability where when you make a local 22 23 carrier transport calls outside the local calling scope, 24 what, in effect, you may have been doing is requiring them 25 to port to a different geographic area.

1 Now, there are arguments on both sides. The 2 FCC specifically said, we find this to be service provider portability. However, carriers have challenged that. 3 4 That's one issue. There are issues with respect potentially the time that it takes to upgrade the database 5 6 between whether a customer's a landline customer or a wireless customer. The difference can affect things like 7 8 where is a 911 call routed.

9 There are -- there are additional issues 10 that, in my opinion, are really broader than may appear on 11 the surface from this at the federal level that are being 12 challenged.

13 CHAIRMAN GAW: The reason that I'm asking my 14 question is primarily to ensure that when we talk about the 15 resolution of the call rating and routing issues, that 16 everyone knows what that means, because it's used in the step as a trigger. To me it is anyway. So that's what I'm 17 asking, if there are broader issues that fall into that 18 19 category, and I'm not clear about whether or not it's 20 clearly defined here what causes the trigger to be pulled, if I'm reading these steps correctly. 21 22 Are you saying that you agree with 23 Mr. England or disagree with Mr. England in regard to what 24 the universe of rating and routing means in this stip?

25 MS. MEISENHEIMER: I think that the stip --

and I don't mean to speak for other parties. I mean, every party goes at whether they agree with the stip for different reasons. I believe that our reasons for supporting this stip may, in fact, encompass more issues than do other parties.

6 CHAIRMAN GAW: On the def-- on what call 7 rating and routing issues are, are you saying that? I'm 8 trying to be very specific here in understanding whether 9 the parties are all together on their definition.

10 MS. MEISENHEIMER: I guess that I agree that 11 the proposed modification, as it is, avoids something that 12 we commonly see as a problem. I guess that the way I look 13 at it is the -- a suspension actually gives additional benefit, from my perspective, as to what additional rating 14 15 and routing issues are at issue at the national level. 16 MR. ENGLAND: Your Honor? 17 CHAIRMAN GAW: I'm not sure I -- I may be more in the dark than I was. 18

MR. ENGLAND: Well, I'll take a crack at it again if I can. I understand at least --

21 CHAIRMAN GAW: I sort of understood what you
22 were saying earlier, but I'm just not sure whether
23 everybody else is saying the same thing.

24 MR. ENGLAND: Well, and that's fair, and I 25 don't purport to speak on anybody else's behalf, but you

1 also mentioned something about a trigger.

CHAIRMAN GAW: Yes. 2 MR. ENGLAND: In paragraph 32 of the 3 4 stipulation, we talk about the rating and routing issues, at least a modification of any of those requirements, and 5 6 still it's addressed by FCC. 7 CHAIRMAN GAW: Right. 8 MR. ENGLAND: So to me that's sort of a 9 trigger, when the FCC does something, and I think in prior 10 orders where this was the only issue as far as LNP, you've 11 directed companies to notify you when the FCC takes action. CHAIRMAN GAW: Yeah, I know. I'm still 12 13 having discomfort over those agreements, too, but go ahead. 14 MR. ENGLAND: Okay. Well, my thought is, if 15 the FCC takes action, good, bad or ugly, with the rating and routing issues, we'll notify you. If it's something we 16 can do, we can live with, we'll do it. If it's something 17 18 that we think creates adverse economic impact on our 19 customers or undue financial burden on the companies, I 20 think the second sentence of this paragraph allows us to come back and at that time seek additional suspension 21 22 and/or modification. 23 CHAIRMAN GAW: I see that. 24 MR. ENGLAND: But it would be incumbent upon 25 us to again demonstrate, based on the criteria in the Act,

1 that it's appropriate for you-all to suspend and modify. 2 CHAIRMAN GAW: What happens in the interim with paragraph 32 saying that this modification is a 3 4 conditional modification until such time as the FCC further addresses the rating and routing issues associated with the 5 6 porting numbers? It doesn't say what happens in between 7 that and some action that we may take based upon some 8 filing by a petitioner seeking additional modification. 9 MR. ENGLAND: Well, I --10 CHAIRMAN GAW: What happens -- I mean, 11 what's the understanding about do we -- what we go to with this trigger if -- saying it only operates until the FCC 12 further addresses the rating and routing issue? 13 14 Do you see what I'm asking? Maybe there's 15 an easy answer and I just haven't spent enough time working 16 through it. 17 MR. ENGLAND: I'll take a crack. I'm not sure that I do, but here's my thinking. 18 19 CHAIRMAN GAW: I mean, it's your-all's stip. 20 I'm just trying to work through it. 21 MR. ENGLAND: I think at that point in time 22 when the FCC addresses it, everybody's free to reeval-- I 23 mean, what we have here is unanimity as to that point in 24 time. 25 CHAIRMAN GAW: Yes. Well, I guess what I'm

1 asking is, the trigger seems to be automatic in the stip. 2 It lasts until some event that's to me not very well defined about is it a final order, is it an initial order? 3 4 I mean, all of those questions come up, and then I get into, and then what happens when that event-- which is sort 5 6 of a cloudy, hazy event in my interpretation of this, if I 7 can get through the haziness of it and say, okay, it's 8 happened, then I don't know what it is that's happened 9 until we do something further. 10 MR. ENGLAND: And I think it has to be somewhat vague, quite honestly. 11 CHAIRMAN GAW: I'm assuming there's a reason 12 that it's vague, that it's intentionally that way. And 13 14 I've been there, before, too. 15 MR. ENGLAND: Right. 16 CHAIRMAN GAW: But I'm trying to understand what actually we're going to live with at that point. 17 MR. ENGLAND: As you're aware, the FCC takes 18 19 action sort of orally and will issue press releases as to what they intend to do. But What they -- what is reported 20 21 and what is actually put in written order that follows 30 22 or 60 or 90 days down the road can be -- as they say, the 23 devil's in the details. And quite frankly, when the FCC 24 speaks, it isn't necessarily with a great deal of clarity. 25 It has to be -- it has to be digested and evaluated.

1 So I think as a practical matter, this is 2 necessarily vague because, as I said, once we get an FCC decision in writing that tells us what we're supposed to do 3 4 as far as the rating and routing is concerned, one, we need to understand it, and then two, we need to make internal 5 6 decisions as to what we need to do to comply and can we 7 comply, or is it economical for us to do so and, if not, 8 come back to you with a further request. 9 But I think there's got to be some time 10 between when they finally issue their decision and when we come back to you. Now, I would say if you want to put a 30 11 day or 60 day or something like that, I don't have a 12 13 problem with it, 14 CHAIRMAN GAW: Do we know that the FCC is 15 going to further address these issues? 16 MR. MEYER: I think I was going to jump in here if I could. There is a finite case before the FCC, 17 and it is not the LNP docket. It is a different docketed 18 19 case -- which is buried somewhere in my pile here, and I can probably pull it out -- and that, I think, is the 20 decision that we would anticipate having all this then flow 21 22 from. 23 CHAIRMAN GAW: Is that cited somewhere in 24 this docket? You-all are saying that's what it is, but it 25 doesn't appear anywhere here. If it doesn't appear, then

1 I'm not sure that the Commission will acknowledge it as the 2 event, in this case where the event will take place. MR. ENGLAND: Mr. Meyer makes a good point. 3 4 I'm not sure that we can cite it. We can cite several cases, but they may take it up in a different case. 5 6 CHAIRMAN GAW: What if they say they're not going to do any more? What if they say, we've said all 7 8 we're going to? 9 MR. ENGLAND: That would be inconsistent 10 with what they have said so far in writing --11 CHAIRMAN GAW: Okay. MR. ENGLAND: -- and just by word of mouth, 12 13 we are advised through the industry that the FCC Staff has 14 an Order regarding intercompany compensation up on the 15 eighth floor now for circulation, that, in addition, they want the FCC to address rating and routing issues, the 16 virtual NXX, which is sort of a variation on the same theme 17 that was teed up, I believe, by a Sprint petition. 18 19 In fact, I think they're going to be 20 reviewing a T Mobile petition regarding the lawfulness and appropriateness of wireless tariffs. So there's a number 21 of wireless issues that they're aware are out there and 22 23 unresolved, and our understanding is that those are being 24 addressed or being teed up here in the next 60 to 90 days. 25 CHAIRMAN GAW: Okay.

1 MR. ENGLAND: Don't hold me to that. That's 2 not a promise, but that's what we're being told in the 3 industry.

4 CHAIRMAN GAW: Mr. Meyer, did you -- do you 5 agree with Mr. England that may come up in more than one 6 case or that do you think -- are you saying to me that you 7 think it's specific to a case that you can cite to? 8 MR. MEYER: I think my answer is probably

9 yes to both. It certainly could come up wherever the FCC 10 chooses to take it up, but in their November order there 11 was a specific cross reference to the fact that the FCC 12 specifically didn't address those issues in this case 13 because there was another case pending, and they have a 14 cite to a specific docket number, which we're trying to 15 find here.

16 CHAIRMAN GAW: Can this Commission on its 17 own address the rating and routing issue? I'm ignoring 18 your stip in that question.

MR. ENGLAND: I think that you certainly can in the context of the petition for suspension and modification. Whether you can unilaterally do that, I'm not sure. CHAIRMAN GAW: We have impacted parties that may not -- or entities that may not be parties.

25 MR. ENGLAND: Well, you've got that, and you

1 may be impacting interstate telecommunications as well.

2 MR. MEYER: I would suggest this is probably 3 where the principles of preemption kick in, and the FCC has 4 shown some intent to occupy the areas when all those issues 5 arise, but, of course, at this time they haven't occupied 6 it yet.

CHAIRMAN GAW: I don't quite understand why
the Staff has arranged preemption; it doesn't make any
sense to me. I don't understand that concept.

MR. ENGLAND: Your Honor, you might if you were the one doing the preempting.

12 CHAIRMAN GAW: You're right. That's my 13 point. I was saying that tongue in cheek.

14 If I move beyond this part of my questions, 15 into this area which has been troubling me on all of these stips, and that is in the case where there is actually a 16 porting that occurs because they're capable of doing the 17 porting, but there is no resolution of the rating and 18 19 routing issue during that time frame and this message that 20 may come up that may not give complete information to a caller about why that call is not being complete. 21 22 Help me to understand what the problem is in

those -- with those particular companies that say they may not be technically feasible to supply that information in full; in other words, to tell them that it can't be

completed because of the fact that this number has been ported to a wireless carrier and it is no longer a local number, or that you must because -- that this number must be -- is now a long distance number and you must dial the area code and a one.

6 MR. ENGLAND: My understanding is that the 7 switches have some limitation in the company's ability. 8 There's some limitation in the software as to what you can 9 put in these intercept messages.

10 CHAIRMAN GAW: Well, I've heard that, but I don't know that it's been fully explained to me. It's very 11 12 troubling to me that we would have callers calling a number 13 that is -- that appears with every bit of experience to 14 that caller to be a local number, and get a message that 15 says the call cannot be completed as dialed and that be the 16 end of if. I don't like that result, and somebody's going to have to start convincing me because I'm really troubled 17 18 by this, that that result is necessary, that there cannot 19 be more explanation why that call -- what you have to do to 20 complete that call and that there will be long distance 21 charges affiliated with it.

22 MR. ENGLAND: I guess I'm not -- are you --23 is your preference then to give further directions as to 24 how to complete that call?

25 CHAIRMAN GAW: Yes. My preference is that

over the -- over only telling the caller that the call cannot be completed as dialed, period, my strong preference is that none of those things occur and that the call goes through and that it's all transparent, that it's -- and that the wireless carriers are picking up the charges or taking care of it, so that it doesn't cost the caller if the ported -- number is ported.

8 But that's not what I'm seeing. What I'm 9 seeing is the message is going to be played but the message 10 may not be complete information. So if I'm stuck with the 11 message, I want to understand why that message cannot be --12 cannot give full explanation.

MR. ENGLAND: I can't answer that.
CHAIRMAN GAW: Is somebody here who can?
MR. ENGLAND: I'm afraid not, your Honor.
I'm almost thinking it would have to be a representative of
a vendor to the switch vendors themselves, the Nortels and
Siemens and the --

19 CHAIRMAN GAW: I know, but my problem is, if 20 I have to do this, I'd like for it to be based upon 21 something that's in the testimony or somewhere, and I've 22 had -- and we've already done this with these other cases. 23 And like I said before, I'm very troubled with the fact 24 that we approved those with that provision in there. So 25 I'd ask for you-all to think about that. Maybe there will

1 be an opportunity for us to hear something about it. 2 MR. ENGLAND: We certainly can pull -again, it depends on the switch. So just looking at some 3 of these exhibits that we have, I think we've got at least 4 three different types of switches, maybe more, within the 5 6 Small Telephone Company Group. We can certainly poll our companies who, in turn, might just have to go to their 7 8 switch vendors to say, okay, here's what the Missouri 9 Public Service Commission is asking, what is the -- what is 10 the answer? And we can provide that, if you will, in a 11 written response, Data Request or a late-filed exhibit. JUDGE RUTH: And how quickly? Do you have 12 13 any idea? We have a deadline coming up fairly soon. 14 Does Staff have anyone who understands why some switches supposedly cannot accomplish the rest of that 15 16 message? 17 MR. ENGLAND: I don't know the answer to your question. I'm advised Mr. Zeiler with TDS it would 18 19 also be extremely helpful to know exactly what the message 20 is, because apparently they're either measured in words or 21 in time. 22 CHAIRMAN GAW: I see. Someone had mentioned 23 to me at some point in time, I think, with one of my fellow

24 Commissioners, that they understood this to be an issue 25 that the switch may not be capable of having multiple

messages, and that all the -- that there was a default dump into one message and that switch wasn't capable of creating a separate place to put these particular calls. But I don't have any information on why this might be possible, and that's not sufficient for me, quite frankly.

6 If it's an issue of the number of words, I'm 7 sure there's -- I get -- there are messages all the time 8 that come up, I know, and if it's about the number of 9 words, I would imagine that one could be crafted that would 10 get sufficient information across. But I have a feeling 11 it's more complicated than that.

12 MR. ENGLAND: The information you're getting 13 from the other Commissioner may be correct. I mean, for 14 one type of switch, it may be that, like you said, there's 15 only one intercept message you can give and you can't give 16 multiple intercept messages. I will do my best. We've got a meeting tomorrow with our small companies to discuss that 17 with them, and we'll see if we can't get to the various 18 19 vendors and maybe have an answer in a week, by the end of 20 next week.

CHAIRMAN GAW: It would make me feel a lot more comfortable if you would come back to me and say, it's really not that restrictive and we can give a message that at least says you must dial one when dialing this number, or something that gives direction, other than the call

1 can't be completed as dialed. To me that is extremely 2 confusing to somebody, and particularly in a rural area 3 that has one prefix maybe, and that's the prefix they're 4 dialing and they have no information about why that call 5 won't go through.

6 It doesn't make any sense, and I think it's 7 going to generate a lot of phone calls into your phone 8 companies saying, I've been calling this number and they 9 keep telling me it can't be completed as dialed. It's 10 going to take a lot of human resources explaining that. There will be a lot of frustration. And, of course, that's 11 all assuming that anyone ports their number to begin with, 12 if it occurs. 13

14 Is there any other way to -- to resolve this in regard to -- and maybe this is what you have in mind, 15 16 but when you port your -- if a number -- and a number would not be required to be ported by a company until there is a 17 resolution of the -- of how that call will be paid for. 18 19 And is that what you're doing with the stips, or is it 20 something -- is it something different than that? 21 MR. ENGLAND: These stipulations and 22 agreements are more than just that. 23 CHAIRMAN GAW: I think they are, too, but --24 MR. ENGLAND: These stipulations and 25 agreements address what we generally refer to, right or

wrong, as suspension and modification. The prior group was limited to what we just called modification, and we did that, frankly, in our office and among our clients just as a short form way of referring to it to say, okay, what do you guys want and what do you guys want?

6 The prior group that you have heard and now issued orders in were companies that have implemented LNP. 7 8 They've made the necessary investment, the nonrecurring 9 investments, and are willing to go forward and implement 10 LNP when they receive a request to do so, but they want to 11 be relieved of the obligation of porting numbers beyond their local exchange boundaries, the rating and routing 12 issue that we're talking about. 13

14 These stipulations and agreements that you have before you today seek suspension in the first 15 instance, if you will, and if that's granted, this rating 16 and routing issue, I don't know if the word is moot, but it 17 certainly doesn't really come into play, because they're 18 19 not even going to implement LNP for a period of time. And 20 under the unanimous stipulations and agreements you have today, that period of time ranges from about six months to 21 22 two years. 23 CHAIRMAN GAW: Is that period of time in any

24 way tied to the rating and routing issue?
25 MR. ENGLAND: No. When that, let's say, a

1 six-month suspension ends, then the modification that 2 they've asked for would click in, so at six months, they're LNP capable, but they want to be relieved of the obligation 3 4 to port that number outside their exchange boundaries. 5 CHAIRMAN GAW: But another wireline that has 6 had a presence in that exchange, that porting would occur 7 at that point? 8 MR. ENGLAND: Right. 9 CHAIRMAN GAW: Any wireless that has a point 10 of presence in that exchange would be ported at that point? 11 MR. ENGLAND: Right. CHAIRMAN GAW: And that's -- and everyone 12 13 has agreed to that in these stips? 14 MR. ENGLAND: I can't speak for everyone, but that's certainly our belief and understanding. 15 16 CHAIRMAN GAW: Staff? 17 MR. MEYER: I think maybe this is time for us to step back, since I haven't really had an opportunity 18 19 to make a comment to some of the comments Mr. England had 20 made. The --21 CHAIRMAN GAW: Answer my question, first. 22 MR. MEYER: I think I actually am answering 23 your question. CHAIRMAN GAW: That's fine. 24 25 MR. MEYER: I don't want to lose my train of

1 thought. The petitions, as they were filed, sought for 2 wireline to wireless portability. The stipulations address 3 wireline to wireless portability, and that is Staff's frame 4 of reference on these. Wireline to wireline portability 5 was not something that we addressed.

6 CHAIRMAN GAW: What does that mean? What 7 does it mean as far as wireline to wireline traffic is 8 concerned, then, and --

9 MR. MEYER: That was not the topic of our 10 discussion. Our understanding was that was going forward. 11 If that's not the case, I guess maybe we need some 12 clarification.

MR. ENGLAND: Well, as I've said earlier, as a practical matter there is no request -- there is no opportunity for wireline to wireline. So as a practical matter, I think that's a great esoterical discussion, but in practice I just don't think it has much traction. But the cost that you see in front of you would be the same cost we incur to implement wireline.

20 CHAIRMAN GAW: That's what I understood. To 21 wireline portability as it is wireline to wireless. The 22 additional issue with wireless is the rating and routing. 23 CHAIRMAN GAW: Right. If -- hypothetically, 24 if you've got a request in from a wireline carrier, if you 25 had one that decided to come in and put in a switch, what

1 would occur then?

2 MR. ENGLAND: Well, I think we'd still have the time frames within the Act. Depending on where we are, 3 4 I think we have 60 to days to six months to accommodate 5 that request. They have to give us a bona fide request, 6 and as rural carriers we don't have to be immediately LNP 7 capable, although some of them are, based on the first set 8 of companies that have gone through, they'll be able to 9 accommodate that request. These would have anywhere from 10 60 days, as I understand, to 180 days to comply with that. 11 CHAIRMAN GAW: So you think that runs from the point of the request, that time frame? 12 MR. ENGLAND: Right, and if Staff is 13 14 uncomfortable in saying that their agreements extend to 15 wireline to wireline, that's fine with me. Let's just talk about -- I'm willing to roll the dice on wireline to 16 wireline. And if it happens and it's a problem, we'll file 17 18 another petition. 19 MR. MEYER: I don't know that it's a matter 20 of comfort. It's simply that the words in the stipulation 21 and in the petition are wireline to wireless, so that's 22 what we have in writing here. It's just simply not what we 23 agreed to. It's not that we would or wouldn't; we just 24 simply didn't. 25 CHAIRMAN GAW: Public Counsel?

1 And I can't remember what my question was to 2 you, Mr. Meyer, so I don't know if you answered it or not. 3 Go ahead, Public Counsel. 4 MS. O'NEILL: It appears that the petitions were seeking suspension regarding wireline to wireless. 5 6 Mr. England is also correct. It's my understanding there 7 is no wireline to wireline issue in these exchanges that 8 are subject to these unanimous stips at this point in time. 9 So when Public Counsel entered into the 10 unanimous stipulations and agreements in these cases, it 11 was based on the language in the petitions, but we also recognize that it's not an actual, live, controversial 12 issue at this point in time for the other. 13 14 CHAIRMAN GAW: Counsel, anything else you 15 want to add? 16 MS. CHASE: No, I have nothing further to I agree that there are no issues, practical issues 17 add. with respect to wireline to wireline in Alma's exchange, 18 19 and I agree with Mr. England that if we want to just keep 20 this to wireline to wireless, we can always roll the dice 21 with respect to wireline to wireline also. 22 MR. ENGLAND: If I may, your Honor, I 23 mentioned this, but to maybe kind of illustrate it, if 24 you'll look at Exhibit 18 where we have the total monthly 25 recurring LNP charge.

1 CHAIRMAN GAW: Yes, sir. 2 MR. ENGLAND: That's going to be the same cost whether it's wireline to wireless or wireline to 3 4 wireline. Those costs are exclusive of any additional costs we might have to incur if we have to port outside our 5 6 exchange or this rating and routing issue. 7 CHAIRMAN GAW: And all of the switching, all 8 of the upgrades to the switch are borne by your customers, 9 is that true or not true? 10 MR. ENGLAND: The incremental cost of 11 enhancing your switch to be LNP capable, as well as administrative costs associated with that, training and 12 13 that sort of stuff, nonrecurring costs are recoverable, as Ms. Dietrich says in her testimony, over 60-month period, 14 15 as well as then the recurring charges of contracting with 16 the database administrator to query the database to determine if the number's been ported and, if so, where. 17 Those recurring costs are also, and this total is the sum 18 19 of the two. 20 CHAIRMAN GAW: They're recoverable from 21 whom? 22 MR. ENGLAND: The end user through a tariff 23 with the National Exchange Carrier Association, NECA. 24 CHAIRMAN GAW: Who is the end user? I want 25 to make sure I'm following you.

1 MR. ENGLAND: It would be the -- it would be 2 the remaining residence and business customers in your exchange that didn't port their number. 3 CHAIRMAN GAW: That's what I was -- that's 4 5 what I thought the answer was, but I want to make 6 absolutely sure I'm following you. So those whose numbers 7 are ported, what charges do they have for porting their 8 number? 9 MR. ENGLAND: The wireless carrier would probably have an LNP surcharge as well. So they would pay 10 11 whatever their wireless service rate is. 12 CHAIRMAN GAW: Does the wireless carrier pay 13 the wireline carrier for any of the work to port the 14 number? 15 MR. ENGLAND: There is -- I don't know. My 16 answer is, I don't know, but there is a separate tariff item, as I understand, with NECA where if one carrier does 17 the database administration for another carrier, there is a 18 19 tariffed rate that you can charge between carriers for that 20 service. CHAIRMAN GAW: But you don't recover 21 22 those -- can't recover any of those costs that you 23 mentioned that were coming from the end user? 24 MR. ENGLAND: These are nonrecurring 25 investments, and then the recurring database

1 administration. No, that goes on the end user via 2 surcharge at the interstate level. CHAIRMAN GAW: The judge is insisting that I 3 4 stop so the court reporter can have a break. 5 JUDGE RUTH: We are going to take a short 6 ten-minute break. We'll start back up at 25 after, by the 7 clock in the back of the room. 8 Thank you. Off the record. 9 (A BREAK WAS TAKEN.) 10 JUDGE RUTH: Our break is over. Let's go back on the record, please. We're back from our short 11 break. When we took a break, Commissioner Gaw was asking 12 13 questions, but at this time we're going to switch to some 14 questions from Commissioner Murray. COMMISSIONER MURRAY: Thank you, Judge. 15 16 This is a question for Staff. In an earlier hearing on local number portability, the Staff indicated that a 17 demarcation of \$1.50 per month per customer was what Staff 18 19 thought would be an undue burden on the customer. And I 20 was wondering why the Staff was willing to accept the 21 six-month suspension for the TDS companies where the cost 22 per month per customer came in significantly below that 23 demarcation amount? 24 MR. MEYER: I think because our decision was 25 not based on those cases on the cost. I think actually

1 that -- when those companies came in, there was a proposal 2 that they were going to look into upgrading their systems, and we had no problem with that perspective. So at that 3 4 time we actually had no cost data to consider. 5 And, in fact, in light of some of the 6 comments that Mr. England had made this morning indicating 7 that these companies are going to be pursuing switch 8 upgrades, Staff actually was intending to ask for the 9 opportunity to seek further information from those 10 companies on the cost associated with that and, in fact, 11 may indeed need to change its perspective on those particular cases. 12 13 But again, the reason why those numbers are 14 so much lower is because that was simply not what we were 15 considering when we arrived at our initial decision in 16 these cases. 17 COMMISSIONER MURRAY: So were you 18 considering technical infeasibility at this point? 19 MR. MEYER: Essentially. The proposal that 20 they were going to be considering switching their switches,

replacing their switches, and basically the six months was 22 for them to have the opportunity to determine what the most 23 effective way to do that would be.

21

24 COMMISSIONER MURRAY: And you're comfortable 25 with that?

1 MR. MEYER: Let me -- I don't think we had 2 this cost information until extremely recently. I think that's -- that's another point. As I understand, there is 3 4 a -- oh, there is a footnote on this chart that --Exhibit 18, indicating that those numbers are not 5 6 all-inclusive, and Mr. England may wish to speak 7 additionally to that, such that those are not, in fact, 8 equivalent numbers to all the rest of the numbers in that 9 column. 10 COMMISSIONER MURRAY: Well, they don't 11 include the rating and routing issues? MR. MEYER: I think it's actually the second 12 13 footnote, that it doesn't include the monthly recurring 14 cost. That's the database. Those are really off on their 15 own category. 16 COMMISSIONER MURRAY: Okay. Mr. England, if you want to say something else. 17 18 MR. ENGLAND: Just to correct, if you will, 19 the record. The company's cost information that you see 20 summarized on Exhibit 18 was actually provided with its petition back in February, and that is just the LNP 21 22 specific cost. There are release costs of \$100,000 per 23 company, some other software costs of approximately 10,000 24 that are not included in the calculation surcharge. 25 They're not properly recoverable, I don't believe, through

1 the surcharge.

2 But there's more costs going on simply to upgrade these switches than just LNP. But it's been there 3 4 for -- since the inception, or at least since this has been 5 filed with the Commission. 6 COMMISSIONER MURRAY: Thanks for the explanation there. Commissioner Gaw, I have a couple more 7 8 questions. Do you want me to finish with them? 9 CHAIRMAN GAW: Go ahead. 10 COMMISSIONER MURRAY: On paragraph 31 of the 11 stip and agreements, the parties agree that the Commission shall enter an Order authorizing Petitioner to establish an 12 intercept message. In earlier stipulations and agreements, 13 14 the parties agreed to have that language changed from authorizing Petitioner to requiring Petitioner. And I'd 15 like to know if the parties in these stipulations and 16 agreements would have any problem with the Commission 17 18 ordering the Petitioners to establish an intercept message 19 rather than authorizing it? 20 MR. ENGLAND: No, they do not. 21 MS. O'NEILL: Public Counsel has no problem 22 with that, Commissioner. 23 MS. CHASE: Alma has no problem with that, 24 Commissioner. 25 MR. MEYER: Neither does Staff.

1 COMMISSIONER MURRAY: And I think 2 Commissioner Gaw may ask you a little bit more about that, whether there is better wording that we could use there, 3 4 but I also wanted to ask a question to make sure I'm clear on this. Is everybody in agreement now that this is only 5 6 addressing wireline to wireless local number portability? MR. ENGLAND: Yes. 7 8 COMMISSIONER MURRAY: And that, indeed, is 9 what the petition requested, is it not? 10 MR. ENGLAND: Yes. 11 COMMISSIONER MURRAY: In that we're only addressing wireline to wireless, you could have just sought 12 13 a suspension or you could have just sought a modification 14 and accomplished perhaps your purposes, as I understand it. 15 And let me go ahead a little further with that. If you had 16 just sought a suspension and then the FCC acted, say those carriers that were granted -- that would be granted a 17 two-year suspension, within that two-year period the FCC 18 19 acts on the routing and rating issues and -- rating and 20 routing issues, at the end of the two-year suspension, 21 there would be perhaps no need for a modification? 22 MR. ENGLAND: I'd agree, under those --23 under that hypothetical, yeah, I'd agree. 24 COMMISSIONER MURRAY: But if you had simply 25 sought a modification but no suspension, and say you had a

two-year suspension and the FCC acted in a year, at the end of that year, barring further petitioning on your part, you would have to provide local number portability to the wireless carriers in the way that the FCC had addressed the rating and routing issues; is that right?

6 MR. ENGLAND: I think there was a false 7 assumption that companies only seeking a modification were 8 also seeking a suspension. Companies that only sought a 9 modification of the rating and routing requirements had 10 received that, but only until such time as the FCC acts on 11 it.

COMMISSIONER MURRAY: Right. 12 13 MR. ENGLAND: That's what triggers that. There's no -- they've spent the money. They're LNP 14 15 capable. It's just that aspect that they have postponed. COMMISSIONER MURRAY: I'm not talking about 16 those carriers. I'm talking about these carriers who have 17 sought both, and trying to determine why you didn't just 18 19 seek one or the other. But I think maybe you answered the 20 question right there, because they're not LNP capable, 21 you're assuming when they can feasibly be LNP capable. I 22 hope that's what you're assuming, and not assuming that in 23 two years you'll come back and ask for another extension. 24 But aside from that editorial comment, 25 you're seeking a suspension to become LNP capable and

1 then -- but you're also seeking a modification in case the 2 FCC has not addressed rating and routing issues at the time that suspension expires? 3 MR. ENGLAND: That's correct. 4 5 COMMISSIONER MURRAY: All right. I'm going 6 to pass this back to Commissioner Gaw. Thank you. 7 CHAIRMAN GAW: See if Commissioner Appling 8 has any questions, if you want to. 9 JUDGE RUTH: Go right ahead, Commissioner. 10 COMMISSIONER APPLING: This has been rather 11 entertaining this morning, so I'm going to pass on the questions here and learn something from you two older 12 13 Commissioners. 14 CHAIRMAN GAW: Did he say older 15 commissioners? 16 COMMISSIONER APPLING: I mean in the term of 17 your capacity --18 CHAIRMAN GAW: That's all right. I just 19 wanted to capture that. 20 Okay. At least I think I have a better understanding of what the concept is. Is there any other 21 2.2 alternative to this as a resolution of this issue? Do I 23 have to wait on the FCC to deal with the rating and routing 24 issues in everyone's opinion? JUDGE RUTH: Are you ready to answer that 25
1 question, Staff? 2 MR. MEYER: I am, but I think Mr. England may want to hear what I say. 3 JUDGE RUTH: I'm sorry. What did you say? 4 MR. MEYER: I suspect Mr. England may want 5 6 to hear what I say. JUDGE RUTH: You may proceed if you want, if 7 8 you want. 9 CHAIRMAN GAW: I don't care. 10 MR. MEYER: The alternative option that Staff could offer, although certainly do not recommend 11 here, is that the ILEC could be ordered to set up a means 12 to do the rating and routing itself. The Commission 13 14 certainly has jurisdiction over these ILECs and could 15 direct them to do it in a certain format itself, of course, subject to ultimate preemption by the FCC, if the FCC ever 16 says that it needs to be done a different way. 17 18 CHAIRMAN GAW: Mr. England? 19 MR. ENGLAND: I've got a couple of options 20 for you, neither one of which is in our petition, but they were considered. The first one -- and I don't mean this to 21 22 sound as a bitter comment -- but first is to simply allow 23 us to dump this traffic on the Feature Group C network, 24 like some other carriers, and not identify it, not record 25 it and, therefore, not pay for it. That has been done, but

1 we didn't think that that would --2 CHAIRMAN GAW: Is that dumping or is that default bill and keep? 3 MR. ENGLAND: You pick. 4 5 CHAIRMAN GAW: Okay. I just wanted to give 6 you the opportunity for that little hint of sarcasm that I 7 knew would come back from you. 8 MR. ENGLAND: In any event, we're talking 9 unidentified traffic. 10 CHAIRMAN GAW: Yes. MR. ENGLAND: Or possibly unidentified 11 traffic. 12 13 CHAIRMAN GAW: What's your other option? 14 MR. ENGLAND: The other -- this was something that I had thought up, so consider the source. 15 16 CHAIRMAN GAW: Okay. 17 MR. ENGLAND: But in large measure, it's a lot like a foreign exchange service to me, where a wireless 18 19 carrier is, say, located in St. Louis, but wants to 20 establish a local presence in New Florence. Before LNP if 21 you wanted to get a local number in New Florence, he could 22 get it, but then he had to pay for the transport of hauling 23 that call to St. Louis where he's physically located. 24 Car dealerships and other businesses that wanted to make 25 themselves available on a local dial basis would subscribe

1 to the old foreign exchange service.

2 And one of the thoughts I had was implementing tariffs on behalf of all of our companies that 3 4 would treat this, in essence, as a foreign exchange service 5 and say, look, if you're not going to be in our exchange to 6 pick that up, we'll call it a local call like we do under 7 local foreign exchange service, but you're going to pay for 8 the facilities or the -- I think under those tariffs what 9 really you paid for were the toll rates to get it from New 10 Florence to St. Louis. 11 CHAIRMAN GAW: Would that -- as opposed to 12 your first option, which was unidentified traffic coming 13 through, would there be much difference in the way the call might be routed, and would it go -- would it just go over 14 15 the old network to the wireless carrier's point of 16 presence? 17 MR. ENGLAND: I believe so. CHAIRMAN GAW: And then they would pick up 18 19 the toll charge? 20 MR. ENGLAND: I believe that's the way it 21 works. There's not much of an FX service anymore because 22 of 800 numbers and wireless and expanded calling, if you 23 will, from wireless. But I think it jointly provides 24 service usually between Southwestern Bell, who owned the 25 tandem, and the local company that had the local exchange,

1 and the two of them would share the revenues on that route 2 based on their percentage of ownership of the facilities. But I believe they were charged Southwestern Bell toll 3 4 rates to get it from one exchange to the next. 5 CHAIRMAN GAW: Anybody have any comment on 6 just the second option? 7 JUDGE RUTH: You need just a minute to think 8 about that? 9 CHAIRMAN GAW: Staff isn't talking to one 10 another. If they have a comment, go ahead. Public Counsel is discussing, but -- oh, I thought that might generate 11 something. Public Counsel? 12 MS. MEISENHEIMER: I think that the FCC has 13 14 given direction on what its vision is for exchanging this 15 traffic and the costs that will apply, and I think that what they have done is they've said that it's not going to 16 fall under 251. There's no need for an interconnection 17 agreement, and therefore, the incumbent LEC is no longer 18 19 bound by Section 252, which identifies the terms for 20 negotiated and arbitrated interconnection agreements. 21 Therefore, the pricing of exchanging this traffic has been 22 taken out of your hands by the FCC, based on what I read in 23 the FCC's order. 24 CHAIRMAN GAW: They haven't done anything.

285

They haven't told us what the price of that is, so why

would we be preempted? I mean, I understand that there's a preemption argument because they've actually told us how to price it. They haven't told us anything.

4 MS. MEISENHEIMER: I think that they were 5 working under an assumption that it was going to fall under 6 existing agreements and would be priced accordingly. They 7 acknowledge that there's this issue, and then they 8 specifically talk about there's no interconnection 9 agreement required and no pricing standards under 10 interconnection. And I mean, I would -- I don't have any problem at all with you, you know, directing that this be 11 12 done at a bill-and-keep rate until such time as the FCC 13 works this issue out. I don't know that I agree with all of the possible justifications for why that would be 14 15 acceptable.

CHAIRMAN GAW: Okay. Staff? 16 MR. MEYER: I think I followed that 17 sentence, and I think that Staff tracks that, maybe not to 18 19 the very last couple words about justifications, but the 20 idea that interconnection agreement is not required. The 21 Commission has the authority to determine pricing scheme, 22 bill and keep, et cetera, does appear to be the case. 23 CHAIRMAN GAW: Okay. Counsel? 24 MS. CHASE: I think that when LNP was 25 initially ordered back in '96, the FCC did consider as an

1 interim measure using something like FX or other types of 2 services to provide LNP. I don't think it's considered a long-term measure for implementing LNP. 3 CHAIRMAN GAW: Okay. Anything else, 4 5 Mr. England? 6 MR. ENGLAND: (Shook head.) 7 CHAIRMAN GAW: All right. Thank you, Judge. 8 Thanks very much for the time. 9 JUDGE RUTH: Let me ask if there's 10 additional questions from the Bench? 11 COMMISSIONER MURRAY: Yes. Mr. England, I'm feeling the need for one of your drawings. 12 MR. ENGLAND: Bless you, I haven't drawn in 13 14 so long. 15 COMMISSIONER MURRAY: The statement you made 16 about the first option that you offered, which I assume was rather tongue in cheek, but -- that you could just dump it 17 as unidentified traffic. And I'm trying to work through 18 19 this traffic in my mind, and as I say, without one of your 20 drawings, it's really difficult. 21 But your clients, one of your clients has 22 been forced to provide LNP to a wireless carrier who does 23 not have a POP in your exchange. And just can you just run 24 me through a scenario in which -- in which that traffic 25 could be dumped and to whom it would be dumped without

1 identifying it?

2 MR. ENGLAND: And unaccustomed as I am to public drawing, I'll take a crack at it with the New 3 Florence. By the way, we volunteered this pad, since you 4 5 were out of paper at the last one. I see that someone else 6 has --7 JUDGE RUTH: Been using your pad, huh? 8 MR. ENGLAND: Do I need to put my name on 9 these? 10 The New Florence example that I was talking 11 about, if this is the New Florence exchange, as I said, it's just north of Highway 70 as you're going to St. Louis, 12 probably 60 miles, 70 miles outside of St. Louis. And this 13 14 is the St. Louis metropolitan area. Right now, there is a -- from the New Florence switch, there are trunks to 15 16 Southwestern Bell's tandem in St. Louis, primarily Feature Group C in the direction of Southwestern Bell to New 17 Florence, common trunk groups over which intraLATA toll 18 19 wireless interexchange carrier traffic is terminated, all 20 commingled and terminated to New Florence. 21 Today when traffic leaves New Florence it's 22 all on a 1+ basis, so it goes to the carrier's -- or to the 23 customer's presubscribed carrier, but it still routes over 24 those facilities. But once it hits SBC's switch, as I 25 understand, it's routed to the interexchange carrier of

1 choice; MCI, AT&T, Sprint, whoever that may be.

2 What we're saying here is you're dialing a 3 local NPA/NXX, which is 7 digits. Today that call would go 4 into the switch and go out of the switch within this 5 exchange. It would never hit these interexchange 6 facilities, because it's a local call within the local 7 exchange carrier of New Florence, which has maybe, what, 8 500 access lines.

9 What we're saying is, once the number is ported to a wireless carrier who has a point of presence in 10 11 St. Louis, also interconnected with Southwestern Bell's 12 facilities there, when that number is dialed, we'd query it because we're porting numbers now, and we know it's a 13 14 ported number and it's ported to the wireless carrier. 15 And I believe the wireless carrier gives 16 us -- in addition to that seven-digit number, they give us an LRN, a local routing number that's associated with that, 17 18 that tells switches where to send things. So in this case 19 we'd query the database, see that it's been ported, and 20 we'd simply send it over these facilities, these common 21 trunk groups to Southwestern Bell's tandem in St. Louis, 22 and it would get -- Southwestern Bell's tandem would have

23 the wherewithal to route it or information to be sent with 24 it to tell Southwestern Bell to route it to the wireless 25 carrier.

1 Now, what we've done is we've used these 2 facilities, and typically Bell's facilities, most of these small companies come up to the exchange boundary. So they 3 4 may have 90 percent of the transport, and this company has both. New Florence would have 10 percent or whatever the 5 6 percentage are, based on, I believe, airline miles. What 7 we've done is essentially used Southwestern Bell's 8 transport facility to complete that call. They're going to 9 want to get paid for that, I would think.

10 And my first option was to simply not pay 11 them for it. They don't know it's coming across unless 12 they're doing some recording here. They've told us they're not. Under the Feature Group C arrangement, carriers are 13 14 supposed to record that at their originating switch, and 15 say, oh, Southwestern Bell, I sent you X amount of minutes 16 over that Feature Group C network and I owe you whatever your intrastate access rates are. 17

Well, if I don't create or I create but I 18 19 don't pass that record, Southwestern Bell doesn't know it's 20 been sent. That's the problem we've been having for years. 21 Pardon that editorial comment. And that's why I sort of 22 facetiously said as an option we could just dump it on the 23 network and not pay for it, to kind of disguise it. 24 COMMISSIONER MURRAY: What about in that 25 situation that you've drawn there, if the wireless -- if a

1 customer that's still in the New Florence exchange calls --2 wait a minute. Reverse it. The customer who has had its number ported to the wireless carrier calls another 3 4 customer in the New Florence exchange. 5 MR. ENGLAND: The wireless customer with the 6 New Florence NPA/NXX dials a New Florence landline 7 customer? 8 COMMISSIONER MURRAY: Yes. 9 MR. ENGLAND: Well, it's going to be picked up by the wireless carrier and probably terminated to 10 11 Southwestern Bell at the tandem, and then terminated over 12 that common trunk group. 13 COMMISSIONER MURRAY: So there are two 14 compensation issues here; the compensation between the originating and terminating carrier and the compensation 15 16 for transport? 17 MR. ENGLAND: That's correct. 18 COMMISSIONER MURRAY: So why do we not have 19 the transporting carriers concerned about how to resolve 20 these issues, I wonder? 21 MR. ENGLAND: That was one of the reasons we 22 didn't offer up any -- I mean, we figured we were taking on 23 a big enough piece of the industry with our petitions for 24 suspension or modification in the wireless companies, why 25 get Southwestern Bell and CenturyTel and Sprint all wrapped

1 up in this as well?

2 COMMISSIONER MURRAY: So by seeking the modification so that you don't have to port the number 3 4 absent any agreement by the wireless carrier to where you have a point of presence or pay for any costs involved, 5 6 you're avoiding that confusion at this point? 7 MR. ENGLAND: We're avoiding using their 8 facilities and creating costs for them. 9 COMMISSIONER MURRAY: Thank you for your 10 drawing. MR. ENGLAND: You're welcome. Thank you For 11 asking. Oh, may I offer one other alternative? 12 We're going to get into this in the Western 13 Wireless cases with Cass County, but let's talk about 14 15 Orchard Farm, which is in -- which is in this group 16 (indicating). They're in the St. Louis MCA, and what we've heard through testimony and have discussed in the Western 17 Wireless case and without prejudging that or anything, 18 19 we've suggested, but not without your permission, 20 essentially using MCA facilities on a bill-and-keep basis 21 to terminate that ported call to the wireless carrier, 22 assuming they've got their points of presence in the MCA. 23 So that is another possibility but only for MCA companies. 24 And again, I don't think we can do that 25 without your permission. I think that would be sort of

1 expanding the MCA in a manner that wasn't really ever 2 discussed or addressed previously, and I know Staff has got some concerns and addressed that in their testimony. 3 4 That's another alternative. 5 COMMISSIONER MURRAY: And that is Orchard 6 Farm? 7 MR. ENGLAND: Orchard Farm is in the 8 St. Louis MCA. Cass County and Lathrop in the -- that I 9 represent are in the Kansas City MSA -- or MCA. Excuse me. 10 COMMISSIONER MURRAY: But Orchard Farm is 11 seeking a modification? MR. ENGLAND: It's seeking a suspension 12 13 first, of six months, so they can do the necessary upgrades to their switch. And then beyond that, if the FCC hasn't 14 acted in that six-month period of time, they're seeking a 15 modification. 16 17 COMMISSIONER MURRAY: And their modification includes what you just said here? 18 19 MR. ENGLAND: No. No. We did not address 20 the MCA. 21 COMMISSIONER MURRAY: Okay. Now you've 2.2 confused me. 23 CHAIRMAN GAW: It's just another option. 24 COMMISSIONER MURRAY: You're just pointing 25 out that there is another option, other than the way that

1 it was addressed in the stip?

2 MR. ENGLAND: Yes. COMMISSIONER MURRAY: And why was that not 3 4 the first option that was presented? 5 MR. ENGLAND: I hate to admit this, but 6 probably because we didn't think of it. At the time we put 7 the Oregon Farmers and a lot of these stipulations 8 together, we were thinking one thing, and the opportunity 9 of using the MCA really didn't become an -- not an issue, 10 but an alternative or an option to us until we were writing 11 testimony in the Cass County case as we were brainstorming. COMMISSIONER MURRAY: So the Stipulation & 12 Agreement for it would be all of the TDS -- I mean, that's 13 14 one Stip & Agreement? MR. ENGLAND: Right. And that's another 15 16 point. Two of the three companies are not in an MCA. New London's up by Hannibal and Stoutland's down by Lebanon. 17 18 COMMISSIONER MURRAY: But that Stip & 19 Agreement could be modified to address Orchard Farm, as 20 you've just suggested, could it not? 21 MR. ENGLAND: Well, I think that's your 22 prerogative. The parties didn't agree to that, and again, 23 I'm speaking on my behalf. Staff, I know, has not 24 acquiesced or not agreed to Cass County's recommendation to 25 use the MCA to terminate these calls or transport these

1 calls.

2 COMMISSIONER MURRAY: Has Staff opposed 3 that? 4 MR. ENGLAND: I don't think they -- they just said it ought to be addressed in this task force. And 5 6 I don't mean to -- again, they can speak for themselves. 7 MR. MEYER: I think you responded for me, 8 but yeah, that's correct. 9 COMMISSIONER MURRAY: So with the parties 10 that are here that have entered into the Stip & Agreement for TO-2004-04 -- I'm sorry -- TO-04-0370, which is the 11 TDS, there would not be agreement to modify that Stip & 12 13 Agreement? 14 MS. O'NEILL: Public Counsel is not prepared 15 to agree to that at this point, Commissioner. We have seen some company testimony in that regard, but we are not -- we 16 have some concerns about it that we haven't been able to 17 resolve within our own office. So we would not be on board 18 19 with that at this time. 20 COMMISSIONER MURRAY: And the concerns would 21 be regarding the MCA area or --22 MS. O'NEILL: That's something that we would 23 need to look into further. Maybe Ms. Meisenheimer can be a 24 little bit more specific. 25 MS. MEISENHEIMER: This concept of the MCA,

I believe, was presented in the testimony of Robert Schoonmaker that you're going to hear in another group of these cases. I had hoped to file some testimony, but was unable to because I was testifying in the MGE hearing, and so I guess we will have to do things through cross-examination.

7 We are continuing to look at that option as 8 proposed. We are not at this time willing to sign on to 9 that as an acceptable resolution that we think is fully 10 consistent with the MCA plan right now, you know. We still 11 need to look at it. I will admit that.

MR. ENGLAND: And if I may, maybe the best 12 thing to do is to wait until that third group of cases and 13 14 companies later this month. As I said, we've teed it up in 15 testimony and Staff has responded. Obviously Public 16 Counsel has some interest in it. We can explore it more in that proceeding, and if you determine to do something that 17 might impact Orchard Farm or Lathrop or Mo-Kan or whoever, 18 19 certainly you can come back and revisit these other cases, 20 I would think.

21 COMMISSIONER MURRAY: Okay. Thank you,
22 Mr. England.
23 MR. ENGLAND: Certainly.

- 24 JUDGE RUTH: Additional questions?
- 25 CHAIRMAN GAW: Mr. England, while you're up

1 here on your drawing, if we were looking at the FX 2 compensation system, how similar is that to just paying for -- as far as the compensation of Bell is concerned, was 3 4 there a difference in their compensation rate on the FX 5 than there was on a normal Feature Group C call.

6 MR. ENGLAND: Under the old FX arrangement, 7 my understanding was the customer in St. Louis would pay 8 toll rates to get that call from New Florence to St. Louis, 9 toll rates being probably higher than -- I wouldn't say 10 significantly, but probably higher than access rates, if 11 they're recovering their cost, and certainly higher than intercarrier local reciprocal compensation rates, because 12 today this wireless carrier is able to terminate a wireless 13 14 call in New Florence and only pay Bell, I believe, a half a 15 cent a minute for transit rates for local traffic, because 16 wireless traffic within these large MTAs are considered 17 local.

18 So they're able to transit or require Bell 19 to transport that call at a local transit rate, which is 20 far less than Bell's access transport rate for that same 21 facility.

CHAIRMAN GAW: So as far as the compensation 22 23 system is concerned, there really isn't any way for us to 24 address that without having Bell in? MR. ENGLAND: Probably not. I would note

25

1 that many of these wireless carriers, in their 2 interconnection agreement with Southwestern Bell, have an alternative known as an area-wide calling plan, and that 3 4 was formerly in Southwestern Bell's wireless tariff. I believe they've pull it out, but they put it in these 5 6 agreements, and that has the effect of giving wireless 7 carriers local presence in -- I'm not sure about New 8 Florence's but certainly a Southwestern Bell exchange 9 outside this metropolitan area. 10 It's sort of a reverse 800 service. The 11 wireless carrier pays Bell whatever the costs are to bring that back, but it allows customers in these remote 12 exchanges to call wireless customers with St. Louis 13 14 NPA/NXXs on a toll-free basis. 15 CHAIRMAN GAW: Would there be a reason why that compensation system couldn't be applied to an LNP 16 17 case? MR. ENGLAND: I have to work that through 18 19 with my witnesses, but I think we may be addressing that in 20 the -- we still have one more opportunity in the Western Wireless cases, and that's something we're looking at. 21 CHAIRMAN GAW: Okay. And -- but that would 22 23 not be an option in every one of these exchanges, or would 24 it, do you know? 25 MR. ENGLAND: Well, it would -- first of

1 all, it would probably have to be an interconnection agreement between the wireless carrier and SBC where that 2 plan is available. There's also -- some of these 3 4 agreements are rather nebulous on their definition -- or vague on their definition of transit traffic. We've always 5 6 thought transit traffic was wireless carrier to landline 7 traffic, but if you'll read these agreements, they're not 8 that precise. 9 They might be read to include two-way 10 traffic, so theoretically, the wireless carrier might be 11 able to take advantage of that transit rate coming back from New Florence, the half a cent a minute rate. 12 CHAIRMAN GAW: That's why -- that's 13 14 interesting to me. MR. ENGLAND: We'll address that as well in 15 the Western Wireless. We've got copies of their 16 interconnection agreements. 17 CHAIRMAN GAW: Is Bell in that case? 18 19 MR. ENGLAND: No. 20 CHAIRMAN GAW: Thank you, Mr. England. 21 Thank you, Judge. 22 JUDGE RUTH: Back to Commissioner Murray. 23 COMMISSIONER MURRAY: Don't sit down yet. I 24 wanted to go back to something that has been a concern, I 25 know, that Chair Gaw has expressed concern, and I'm

concerned as well about the intercept message that
 customers would receive.

And I haven't -- I haven't heard a 3 4 sufficient explanation of why the carriers can't say that they would provide the message that gives the customers 5 6 knowledge of what it is they have to do to get through to that customer they're trying to call. And I was wondering 7 8 if before we approve these stipulations and agreements, is 9 there some further concession that your clients could make 10 if they went back and looked at that issue, what kind of 11 message can they supply and what kind of message are they willing to supply to satisfy this Commission that the 12 customers aren't going to be hung out there with no way to 13 14 get through to their friends or relatives?

MR. ENGLAND: Well, within reason, I think we're willing to do whatever we can that's possible to satisfy your concerns. If I heard Lisa correctly, it looks like Northeast Missouri has contacted their switch vendor to see if they can put a longer message in that intercept. And again, I hate to speak for somebody else, but I got the impression that they can.

I will check with my clients and their particular switch vendors to see what we can put in that intercept message, and if we can put in something that's more descriptive than just that number can't be completed

1 as dialed, I will bring that information back to you, and I 2 think I indicated I will try to have that -- as much as I can information back to you by, say, next Friday. 3 COMMISSIONER MURRAY: Okay. I apologize. 4 5 We probably went through and somehow my mind was straying. 6 MR. ENGLAND: I don't know that I made that 7 promise. We talked about it before, and we are not adverse 8 to putting in whatever message we can that makes sense. 9 COMMISSIONER MURRAY: So you think you would 10 be prepared to amend the Stipulation & Agreement to be more specific about the message, depending on what you are 11 technically able to do? 12 MR. ENGLAND: Yeah, and I think the 13 14 stipulation talks in terms of at a minimum we would provide an intercept that says it can't be dialed, but if possible, 15 16 we would add more illustrative or descriptive or explanatory information. 17 18 COMMISSIONER MURRAY: And you will let us 19 know by next Friday --20 MR. ENGLAND: Yes. 21 COMMISSIONER MURRAY: -- whether you can be 22 more descriptive? 23 MR. ENGLAND: Correct. 24 COMMISSIONER MURRAY: Thank you. JUDGE RUTH: Okay. Any other questions from 25

1 the Bench?

2 (No response.) JUDGE RUTH: All right. Then we just have 3 4 housekeeping as far as I want to give every party an 5 opportunity to answer any question that was asked of 6 another party but not directly to your particular party. 7 And if you need a minute to review your notes, that's fine. 8 We'll take that. 9 After we do that cleanup, Staff has an 10 exhibit to offer, it's my understanding, and then we'll 11 have to just go over at the end any deadline for late-filed exhibits and other items. So if you want to take a minute 12 13 to look at your notes, see if there's another question that 14 another party was asked that your party did not have an 15 opportunity to answer, you might signal me when you're 16 ready. 17 MR. MEYER: I can just go on ahead. 18 JUDGE RUTH: Sure. If you're ready, please 19 proceed. 20 MR. MEYER: Sure. There were some questions asked of Ms. Meisenheimer that I guess I have some sort of 21 22 follow-up comments on; perhaps she might have been able to 23 clarify. 24 As I understand, there was a specific case 25 that addressed the cost study issues; it was Case

1 TR-2001-65. There were many parties to that case,

including Sprint and a number of other CLECs, ILECs, IXCs,
Staff and, of course, the Public Counsel. As I understand
it, that proceeding is not before the Commission at this
time, and the Commission in that case did not, in fact,
determine any appropriate costs or costing methodologies,
but that, again, TR-2001-65 would be the reference that I
think was indirectly being discussed.

9 In response to Commissioner Gaw's questions, 10 I can go ahead ask that the Commission take notice of the 11 FCC's November 7 Order in FCC 03-284. I believe that has 12 probably previously been provided to at least the Law Judge 13 in this case, and we can certainly provide it to any of the 14 Commissioners, but we would ask that they take Commission 15 of that -- I'm sorry -- take notice of that.

16 And just perhaps this might help Chair Gaw's consideration of this. I found a specific paragraph in 17 that November order where the Commission addressed what it 18 19 intended to do, and I'll just read that paragraph. The FCC 20 writes, we recognize the concerns of these carriers -- and 21 this is addressing the rating and routing issues that have 22 been raised in the previous paragraph in the Order -- but 23 find that they are outside the scope of this Order. 24 As noted above, our declaratory ruling with

25 respect to wireline to wireless porting is limited to

ported numbers that remain rated in their original rate centers. We make no determination, however, with respect to the routing of ported numbers because the requirements of our LNP rules do not vary depending upon how calls to the number will be routed after the port occurs.

6 Moreover, as CTIA notes, the rating and 7 routing issues raised by the rural wireline carriers have 8 been raised in the context of non-ported numbers and are 9 before the commission in other proceedings.

10 And there is a footnote to the case that we will specifically monitor and believe was related to this. 11 It's entitled, in the matter of Sprint petition for 12 13 declaratory ruling obligation of incumbent LECs to load 14 numbering resources lawfully acquired and to honor routing and rating points designated by interconnecting carriers, 15 16 Sprint petition for declaratory ruling, cc Docket No. 01-92, filed July 18, 2002. 17

So in the interest of clarifying on the record that this is what we were referencing, there you have it.

JUDGE RUTH: Public Counsel, did you have any responses to certain questions? MS. O'NEILL: Nothing further, your Honor.

24JUDGE RUTH: Thank you. Petitioner Alma?25MS. CHASE: I have just confirmed that

1 Mr. England was correct when he was talking about Northeast 2 Telephone Company. They have contacted their vendor, and they can have a longer message. I will contact the rest of 3 our clients as well and provide updated information by 4 5 Friday as well. 6 JUDGE RUTH: In your updated information 7 would you provide some specificity as to how long a 8 message, perhaps? I think perhaps some of the 9 Commissioners have some text even in mind. 10 MS. CHASE: I will to the extent that I can 11 get that information, yes. JUDGE RUTH: And the New London group, did 12 you have any comments to any questions that might have been 13 14 asked of any other party, but not asked of you? 15 MR. ENGLAND: Not that I can think of. 16 JUDGE RUTH: Okay. Then Staff, at this time 17 would you pull out the document you wanted to offer? 18 MR. MEYER: It's actually the testimony of 19 Natelle Dietrich in each one of these seven cases, and so I guess to do that, I would call Natelle Dietrich to the 20 21 stand if I may. 22 (Witness sworn.) 23 JUDGE RUTH: Staff, I think we're ready for 24 No. 18. 25 MR. MEYER: Okay. Actually, may I approach?

1 JUDGE RUTH: Yes. 2 MR. MEYER: I think it may be Exhibit 19. 3 18 was the chart. 4 JUDGE RUTH: You're right. It is Exhibit 5 19. 6 NATELLE DIETRICH testified as follows: DIRECT EXAMINATION BY MR. MEYER: 7 Ms. Dietrich, could you state and spell your 8 Q. name, please? 9 10 Α. My name is Natelle, N-A-T-E-L-L-E, Dietrich, D-I-E-T-R-I-C-H. 11 And by whom are you employed? 12 Q. I'm employed by the Missouri Public Service 13 Α. 14 Commission. And in what capacity? 15 Q. 16 Α. I'm a regulatory economist in the telecommunications department. 17 18 I've handed you a stack of prefiled Q. 19 testimony in the cases that are before us. Is that testimony that you had prepared? 20 21 Yes, it is. Α. 22 Ο. And I guess we'll probably go one by one. 23 In the first case, TO-2004-0370, I believe that's been 24 marked as Exhibit 19, or will be shortly. Is that -- is 25 that before you?

1 Α. Yes, it is. 2 Q. Do you have any corrections or additions to make to that at this time? 3 4 No. I do not. Α. 5 And are the answers provided there true and Ο. 6 accurate to the best of your knowledge? 7 Α. Yes, they are. 8 Ο. And if I asked you the same questions today, would the answers be the same? 9 10 Α. Yes, they would. 11 MR. MEYER: Okay. 12 MR. ENGLAND: Your Honor, if it would help short circuit things, we have no objection to the admission 13 14 of that testimony and all the dockets in which it was filed. 15 16 JUDGE RUTH: If the parties will all agree to that, we can move more quickly. There would be 17 18 Ms. Dietrich's testimony in all seven cases, correct? 19 MR. MEYER: Correct. JUDGE RUTH: And 370 would be 19, and then 20 403 would be 20. 437 would be 21. 22 would be 438. 453 21 22 is 23. Correct me if I skip one. 23 MR. MEYER: Is that 23 or 24? 24 JUDGE RUTH: I have 22 is 438; is that 25 correct?

1 MR. MEYER: I think we're one off. 2 JUDGE RUTH: Let's back up then. The first 3 one, 19, 370, correct? 4 MR. MEYER: Correct. 5 JUDGE RUTH: 20, 403. 6 MR. MEYER: Yes. JUDGE RUTH: 21 would be 437. 22, 438. 23, 7 8 453. 24, 503. And 25, 511. Did I make an error, Staff? 9 MR. MEYER: My error. I understand. Got 10 it. JUDGE RUTH: Okay. It's my understanding 11 that the parties are all agreeing that this document may be 12 admitted into the record, is that correct, from OPC? 13 14 MS. O'NEILL: That's correct, your Honor. JUDGE RUTH: And Alma? 15 MS. CHASE: That is correct, your Honor. 16 17 JUDGE RUTH: New London Group? 18 MR. ENGLAND: No objections. JUDGE RUTH: Okay. Then Exhibits 19 through 19 20 25 are received into the record. 21 (EXHIBIT NOS. 19 THROUGH 25 WERE MARKED AND 2.2 RECEIVED INTO EVIDENCE.) 23 JUDGE RUTH: And you may step down. 24 It's my understanding that's all the 25 exhibits that the parties intended to offer; is that

1 correct? The late-filed exhibit we'll discuss the deadline 2 for at the end. 3 (No response.) JUDGE RUTH: Then I'll offer the parties an 4 opportunity to make brief closing statements, closing 5 6 arguments, if you wish. 7 Do the parties -- the parties did not 8 propose any order for this. Is it acceptable to move 9 Staff, Public Counsel and then Petitioners or do you want 10 to flip that? 11 You were starting to stand up. Were you ready to go, Mr. England? 12 MR. ENGLAND: If I get the opportunity to go 13 last, I always would like to do that. 14 JUDGE RUTH: I should probably have you go 15 16 first then. 17 MR. ENGLAND: That's what I get for saying 18 that. Fair enough. 19 JUDGE RUTH: And, you know, I've had a 20 little trouble with the camera today, and I actually have 21 the camera panned towards the back where you're at now. So 22 if you would stay there at this time, that would be great. 23 MR. ENGLAND: And I will try to be very 24 brief and just urge the Commission to adopt the unanimous 25 stipulation and agreements that have been entered into by

the parties in these seven cases. I understand there may be some further language or modification regarding an intercept message, and obviously, as I said earlier, we have no problem with that as long as it's something that we would be technically capable of doing. And we'll try to get that information to the Commission by the end of next week. Thank you.

8 JUDGE RUTH: Okay. Alma, Petitioner. 9 MS. CHASE: I would urge the Commission to 10 adopt the Unanimous Stipulations and Agreements as well, 11 and we will with the potential modifications with respect to the intercept message, and we will also get that 12 13 information to the Commission by the end of next week. 14 JUDGE RUTH: Okay. Public Counsel? 15 MS. O'NEILL: Thank you, your Honor. We do 16 believe that it would be appropriate and we would urge the Commission to adopt the Unanimous Stipulation & Agreement 17 regarding suspension and modification regarding local 18 19 number portability between wireline and wireless 20 telecommunications carriers. That's what the petition set 21 forth, that's what the Stipulation & Agreement addresses, 22 and I think as we all also agree, that's really the only 23 type of portability that's an issue with these conditions 24 right now. 25 We also believe it would be helpful to

1 customers to have as much accurate information as possible 2 in any intercept messages that are given, and we would be amenable to language -- any changes in language regarding 3 4 that paragraph that would assist the customers in knowing what they need to do to complete their calls. Thank you. 5 6 JUDGE RUTH: And Staff? 7 MR. MEYER: I would just echo the sentiments just expressed by the other parties in this case 8 9 recommending approval of the stipulation, and would also 10 suggest or provide that Staff will be happy to work with 11 the other parties in coming up with appropriate intercept 12 language. I think we had previously discussed with the parties some thoughts along those lines and will continue 13 14 to do so as that component continues to play out. 15 JUDGE RUTH: Okay. Then I want to move on 16 to some final housekeeping matters. As for the exhibits, just clarify for the record that Exhibits 11 through 16 and 17 18 18 through 25 have been received into the record. Exhibit 19 17 is the number I reserved for the late-filed exhibit to 20 be offered by Alma; it's the stipulation in the 453 case. And let me ask counsel if you would be able to provide that 21 22 by Friday, the 9th? 23 MS. CHASE: I'll be able to provide that 24 after lunch, if that's convenient. 25 JUDGE RUTH: That would be great. I would

1 anticipate, based on the other cases we've seen, there 2 would not be objections. However, once it is filed, if there are any objections, those objections would need to be 3 4 filed within one business day. So if you get it in today, 5 the parties will have one business day to file any 6 objections if there are any. If there are no objections, 7 I'll issue a notice saying that is received into the 8 record. If there are objections, we'll take those up. 9 Okay. That takes care of the exhibits. 10 Remind the parties that the transcript's expedited. It's 11 to be submitted within one business day; it will take 12 another day or so after that for it to be on EFIS. If you 13 want your electronic copy, you need to talk to the court 14 reporter before you leave today. 15 Now, the parties have indicated that they

16 will attempt to get some additional information regarding this intercept message from the vendors. And I believe 17 next Friday was the date mentioned, which is the 16th. And 18 19 although the 16th is acceptable for most of the cases, let 20 me say, because of the deadline in TO-2004-0370, I will 21 request that -- that is the first case, and the deadline 22 for that is August 7th, this commission must make a 23 decision. If you can get the information for this one case 24 a few days sooner, I would appreciate it.

25 In looking at the Commission's calendar for

1 hearing dates, et cetera, I may need an extra few dates to 2 get that one out. So again, if you can try and get those in first, perhaps by Wednesday, it would be appreciated. 3 4 Okay. Do the parties have any final matters that need to be discussed? I do not see the need for 5 6 Briefs unless a party particularly wants to provide those, and if you're going to want to provide one, you need to 7 8 tell me now. 9 (No response.) 10 JUDGE RUTH: Okay. I'm seeing no hurry to 11 provide Briefs, so we will not expect Briefs, and that will conclude this hearing. I suggest we take an early lunch, 12 come back on to the record at 12:30 for the second group of 13 14 hearings. Comment from Mr. England? 15 16 MR. ENGLAND: Yes. Are we off the record? 17 JUDGE RUTH: We're still on the record. MR. ENGLAND: It's a comment as far as 18 19 housekeeping matters for the purposes of the second 20 proceeding that we might be able to address now before 21 lunch, so when we come back we can go right to the question 22 and answer. 23 JUDGE RUTH: I'm a bit uncomfortable going 24 off the record unless you can tell me more what it's about. 25 MR. ENGLAND: What we have in these

1 contested -- in these cases where there's a bit of a 2 contested issue with regard to length of the suspension, we were going to offer as exhibits our verified petition, the 3 4 proprietary cost information that was submitted, I think 5 subsequently to the filing of the petition, and the 6 Stipulation & Agreement with a revised page 9, which has an erroneous typographical error. 7 8 JUDGE RUTH: Okay. Are you suggesting 9 perhaps that after we go off the record for this case, we 10 could spend a few minutes marking those exhibits? 11 MR. ENGLAND: Exactly. JUDGE RUTH: That would be a wonderful idea. 12 We'll do that. 13 14 Any other housekeeping items before I conclude this hearing? Staff? 15 16 (No response.) 17 JUDGE RUTH: Okay. Then we are adjourned for this hearing. We're off the record. We'll take back 18 19 up with the second hearing at 12:30. MR. ENGLAND: May I suggest one o'clock, 20 depending on how long it takes to go through all this 21 2.2 stuff? 23 JUDGE RUTH: You realize the later we start 24 the more likely it is we need to come back tomorrow? I can do one o'clock. Just keep that in mind. 25

MR. ENGLAND: I understand. I'm an eternal optimist, your Honor. I'm hoping that a lot of the questions that were asked this morning we can incorporate that by reference for the purpose of the afternoon and just focus on the cost issue. JUDGE RUTH: It's good to have optimism in the room. We'll make it one o'clock, especially since we're going to take up marking some exhibits at this time. Off the record; back on at one o'clock by the clock in the back of the room. WHEREUPON, the hearing was concluded.

EXHIBITS INDEX

2		MARKED	RECEIVED
3	EXHIBIT NO. 11 Unanimous Stipulation and Agreement		
4	Case No. TO-2004-0370	217	219
5	EXHIBIT NO. 12 Unanimous Stipulation and Agreement		
6	Case No. TO-2004-0403	217	219
7	EXHIBIT NO. 13 Unanimous Stipulation and Agreement		
8	Case No. TO-2004-0437	217	219
9	EXHIBIT NO. 14 Unanimous Stipulation and Agreement		
10	Case No. TO-2004-0438	217	219
11	EXHIBIT NO. 15 Unanimous Stipulation and Agreement		
12	Case No. TO-2004-0503	217	219
13	EXHIBIT NO. 16 Unanimous Stipulation and Agreement		
14	Case No. TO-2004-0511	217	219
15	EXHIBIT NO. 17 Unanimous Stipulation and Agreement		
16	Case No. IO-2004-0453	*	
17	EXHIBIT NO. 18 LNP Suspension Requests	218	220
18	EXHIBIT NO. 19 Testimony of Natelle Dietrich		
19	Case No. TO-2004-0370	308	308
20	EXHIBIT NO. 20 Testimony of Natelle Dietrich		
21	Case No. TO-2004-0403	308	308
22	EXHIBIT NO. 21 Testimony of Natelle Dietrich		
23	Case No. TO-2004-0437	308	308
24	EXHIBIT NO. 22 Testimony of Natelle Dietrich		
25	Case No. TO-2004-0438	308	308

1			
	EXHIBIT NO. 23		
2	Testimony of Natelle Dietrich Case No. IO-2004-0453	308	308
3	EXHIBIT NO. 24		
4	Testimony of Natelle Dietrich Case No. TO-2004-0503	308	308
5	EXHIBIT NO. 25		
6	Testimony of Natelle Dietrich Case No. TO-2004-0511	308	308
7	Case NO. 10-2004-0311	500	300
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			