

1 BEFORE THE PUBLIC SERVICE COMMISSION
2 STATE OF MISSOURI
3 _____
4 TRANSCRIPT OF PROCEEDINGS
5 HEARING
6 November 12, 2004
7 Jefferson City, Missouri
8 Volume 2
9 _____
10 In the Matter of the Confirmation of)
11 Adoption of an Interconnection)
12 Agreement with CenturyTel of Missouri,) Case No. CO-2005-0066
13 LLC d/b/a CenturyTel and Spectra)
14 Communications Group, LLC d/b/a)
15 CenturyTel by Socket Telecom, LLC)
16
17 _____
18 MORRIS L. WOODRUFF, Presiding
19 SENIOR REGULATORY LAW JUDGE.
20 STEVE GAW, Chair
21 CONNIE MURRAY,
22 ROBERT M. CLAYTON, III,
23 JEFF DAVIS,
24 LINWARD "LIN" APPLING,
25 COMMISSIONERS.
26 _____
27
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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Let's go ahead and get started
3 then. We're here today for a hearing in Case No. CO-2005-0066
4 which concerns the adoption of an interconnection agreement
5 with CenturyTel, Missouri doing business as CenturyTel and
6 Spectra Communications Group, LLC doing business as CenturyTel
7 by Socket Telecom.

8 We'll begin today by taking entries of
9 appearance beginning with Staff.

10 MR. HAAS: Good morning. The Staff appears by
11 William K. Haas. My address is Post Office Box 360, Jefferson
12 City, Missouri 65102.

13 JUDGE WOODRUFF: Thank you.

14 And for Spectra Communications Group doing
15 business as CenturyTel.

16 MR. DORITY: Good morning, your Honor. Let the
17 record reflect the appearance of Larry W. DORITY and James M.
18 Fischer with the firm Fischer and DORITY, PC appearing on
19 behalf of Spectra Communications Group, LLC doing business as
20 CenturyTel and CenturyTel of Missouri, LLC. Our address is
21 101 Madison, Suite 400, Jefferson City, Missouri 65101.

22 JUDGE WOODRUFF: Thank you.

23 For Socket Telecom?

24 MR. LUMLEY: Good morning. Carl Lumley with
25 the Curtis Heinz law firm, 130 South Bemiston, Suite 200,

1 Clayton, Missouri 63105 appearing on behalf of Socket Telecom.

2 JUDGE WOODRUFF: Thank you.

3 All right. We're going to begin today by
4 taking opening statements. And, of course, we are doing this
5 live without any pre-filed testimony so the procedures aren't
6 real clear as to what the Commission's practice is on these
7 cases. So if there's an area of dispute that comes up or
8 there's a question that comes up as we go through the
9 proceeding, please let me know and we'll be deal with it at
10 that time.

11 So beginning for cross -- opening statements
12 begin with Socket.

13 MR. LUMLEY: Good morning. Again for the
14 record, Carl Lumley for Socket Telecom.

15 Socket Telecom is a facility-based certificated
16 basic local service provider, or CLEC, throughout the
17 territories of the large ILECs in the state of Missouri. The
18 Commission approved Socket's adoption of the AT&T/GTE
19 interconnection agreement and GTE also was going by the name
20 of Verizon. That agreement on its face applies to all of the
21 exchanges that have been operated by GTE in Missouri when the
22 agreement was made between AT&T and GTE in the late 1990's.

23 In 2000, CenturyTel, through subsidiary Spectra
24 purchased some of these GTE exchanges. And in the process, it
25 agreed that the rates, terms and conditions in the AT&T/GTE

1 interconnection agreement were reasonable and that it would
2 make interconnection available to CLECs in accordance with
3 those terms.

4 In 2002, after Socket adopted the agreement,
5 CenturyTel purchased the remaining GTE exchanges through
6 another subsidiary. And, again, in that process, CenturyTel
7 agreed that the rates, terms and conditions were acceptable to
8 it and that it intended to operate all the exchanges as a
9 single enterprise, common employees and common systems. And
10 specifically, it agreed to abide by that agreement for at
11 least one year and thereafter on a month-to-month basis until
12 the agreement was replaced by negotiation or arbitration.

13 The evidence will show that Socket Telecom
14 initiated direct dealings with CenturyTel in the spring of
15 2003 to implement interconnection between the two companies
16 pursuant to the agreement. The evidence will show that Socket
17 Telecom made it clear during these discussions that it
18 understood that the agreement applied to all the former GTE
19 exchanges.

20 The evidence will show that CenturyTel never
21 requested that Socket Telecom obtain any further approval from
22 the Commission regarding the agreement and did not, until a
23 couple months ago, ever indicate that there was any issue
24 regarding the application of the agreement to all the former
25 GTE exchanges.

1 The evidence will show that while Socket
2 Telecom has had plenty of problems dealing with CenturyTel,
3 the issues concern implementation of the agreement and the
4 lack of CenturyTel systems, not any purported lack of the
5 interconnection agreement.

6 The evidence will show that CenturyTel has
7 acknowledged the applicability of the agreement to all the
8 exchanges in many ways and that it operates the exchanges as
9 one enterprise with one operating system. And specifically,
10 the evidence will show that CenturyTel has provided facilities
11 to Socket Telecom in several of the now disputed exchanges in
12 including as recently as yesterday. And it has exchanged
13 millions of minutes of traffic with Socket Telecom over these
14 facilities.

15 The evidence will show that Socket Telecom has
16 acquired these facilities to serve customers and is serving
17 customers over them and that many businesses and residents
18 rely on these facilities directly and indirectly.

19 The evidence will show that CenturyTel did not
20 raise the contention that the agreement did not apply to these
21 particular exchanges that were acquired in the first
22 transaction until September of this year. And it did so in
23 the course of Socket attempting to resolve a dispute between
24 the parties regarding forecasts and the use of forecasts under
25 the agreement. And CenturyTel asserted that dispute

1 resolution was not available because there was suddenly no
2 agreement for these exchanges.

3 So CenturyTel left Socket Telecom no choice but
4 to come to the Commission to seek relief. And specifically,
5 Socket Telecom seeks confirmation that the agreement applies
6 to all the former GTE exchanges as shown by the conduct of the
7 parties and that CenturyTel, through its subsidiaries, has
8 made that agreement available to Socket Telecom in all these
9 exchanges.

10 We're asking relief under Section 252 I, that
11 the companies have made this agreement available consistent
12 with their promises that were made at the time that they
13 purchased the exchanges.

14 The evidence will show that it's only
15 appropriate to require CenturyTel to continue to honor the
16 agreement in full and in all the exchanges until it is
17 replaced by a new agreement as they promised and that it's not
18 appropriate for CenturyTel to try and pull the rug out from
19 under Socket Telecom's operations now that it's serving
20 customers over these facilities. Thank you.

21 JUDGE WOODRUFF: Thank you, Mr. Lumley.

22 And then for Spectra and CenturyTel.

23 MR. DORITY: I believe Staff was going next.

24 JUDGE WOODRUFF: All right, Staff.

25 MR. HAAS: Good morning again. The historical

1 facts in this case do not appear to be in dispute. In the
2 year 2000, the Commission granted Spectra Communications
3 Group, LLC a certificate of service authority and authorized
4 GTE to transfer 107 exchanges to Spectra. That was in
5 Case No. TM-2000-182.

6 In that case, Spectra agreed to negotiate new
7 interconnection agreements with competitive local exchange
8 companies, also known as CLECs, who currently had
9 interconnection agreements with GTE and who desired to have
10 interconnection with Spectra. Where it was feasible, the
11 agreements were to have the same rates, terms and conditions
12 as those agreements previously negotiated with GTE.

13 Socket did not have an interconnection
14 agreement with GTE at that time. Socket was not even
15 certificated until about a year later.

16 In the year 2001, the Commission acknowledged
17 fictitious name CenturyTel for Spectra Communications Group,
18 LLC. That was done in Case No. TO-2001-437.

19 In the year 2002, Socket adopted the GTE/AT&T
20 interconnection agreement to control its interconnection with
21 GTE. That was in Case No. TK-2002-1085.

22 Shortly after Socket adopted the GTE/AT&T
23 agreement, GTE sold its 96 remaining exchanges to CenturyTel
24 of Missouri, LLC. The Commission had approved that sale and
25 granted CenturyTel of Missouri a certificate of service

1 authority in Case No. TM-2002-232. In that case, CenturyTel
2 of Missouri agreed to negotiate new interconnection agreements
3 with all CLECs who currently had interconnection with Verizon,
4 formerly known as GTE, and who desired to have interconnection
5 with CenturyTel of Missouri. Where it was not technically
6 feasible, the rates -- pardon me. Where it was not
7 technically infeasible, the rates, terms and conditions would
8 be the same.

9 CenturyTel further agreed to provide local
10 interconnection services under the Verizon, formerly GTE, and
11 AT&T interconnection agreement for one year. If any
12 particular agreement had not been replaced within one year,
13 that agreement was to continue in force on a month-to-month
14 basis.

15 Now for the dispute. Socket claims that it is
16 entitled to receive interconnection with Spectra under the
17 terms of the GTE/AT&T agreement. Socket appears to be arguing
18 that Spectra is barred under the doctrine of equitable
19 estoppel from denying that it and CenturyTel of Missouri are
20 separate entities.

21 In Thompson V. Chase Manhattan Mortgage
22 Corporation at 90 S.W. 3d 194, the Missouri Court of Appeals
23 Southern District discussed estoppels. Estoppels are not
24 favorites of the law and will not be invoked lightly. A party
25 asserting estoppel as a defense must prove first an admission,

1 statement or act inconsistent with a claim afterwards asserted
2 and sued upon; second, action by the other party on the faith
3 of such admission, statement or act; and, third, injury to
4 such party resulting from allowing first party to contradict
5 or repudiate such admission, statement or act.

6 Moreover, the party asserting an estoppel bears
7 the burden of proving it. Every fact essential to create it
8 must be established by clear and satisfactory evidence. one
9 cannot set up another's act or conduct as the ground of an
10 estoppel unless the one claiming it be misled or deceived by
11 such act or conduct nor can he set it up where he knew or had
12 the same means of knowledge as the other to the truth.

13 Because this case is being heard on an
14 expedited basis, we have not heard the details of what
15 misleading admission, statement or act by Spectra it is that
16 Socket claims to have relied upon to its injury. But what we
17 do know from the Commission's records are that Spectra and
18 CenturyTel of Missouri are separate legal entities, that
19 Spectra and CenturyTel of Missouri have separate certificates
20 of service authority, that Spectra and CenturyTel of Missouri
21 serve different exchanges, that Spectra and CenturyTel
22 Missouri have separate tariffs. And we know that Socket knew
23 or had the means to know these truths.

24 It is not clear whether Socket is suggesting
25 that the Commission is estopped from ruling against it in this

1 case; however, in State ex. rel. Capital City Water Company
2 versus Missouri Public Service Commission at 850, S.W. 2d 903,
3 the Court of Appeals Southern District stated that in an
4 estoppel claim against the government, it must be shown that
5 the governmental action upon which the claim is based
6 constitutes affirmative misconduct.

7 In summary, Spectra's and CenturyTel of
8 Missouri's cases before this Commission as well as the
9 Commission's actions on those cases make it clear that Spectra
10 and CenturyTel of Missouri are two separate entities.
11 Accordingly, the doctrine of equitable estoppel does not apply
12 and does not prevent Spectra from asserting its separate
13 identity from CenturyTel of Missouri. Thank you.

14 JUDGE WOODRUFF: Thank you, Mr. Haas.

15 Now for CenturyTel.

16 MR. DORITY: Good morning. May it please the
17 Commission. For the record, my name is Larry DORITY. Jim
18 Fischer and I represent both Spectra Communications Group, LLC
19 doing business as CenturyTel and CenturyTel of Missouri, LLC
20 in this proceeding.

21 Mr. Haas has just provided you some of the
22 historical facts that are relevant to this matter. Staff's
23 memorandum filed in this case on October 15th recommends that
24 the Commission reject Socket Telecom's proposed adoption and
25 application of the GTE/AT&T interconnection agreement to

1 Spectra Communications Group, LLC.

2 Staff did an excellent job of setting out the
3 relevant orders, stipulations and statutes that pertained to
4 the critical issue before this Commission as framed by Staff's
5 filing just Tuesday of this week. Is Spectra Communications
6 Group, LLC d/b/a CenturyTel obligated to provide service to
7 Socket Telecom, LLC under the terms of the GTE/AT&T
8 interconnection agreement?

9 Regarding the premise of Socket's flawed theory
10 of imputing the terms of the GTE/AT&T interconnection
11 agreement to Spectra, Staff describes Socket's argument as a
12 quote, mischaracterization, end quote, of Spectra's agreement
13 in Case No. TM-200-182, the Spectra/GTE acquisition case that
14 Mr. Haas referred to. Quite frankly, I would not be so kind.

15 Before I address the Socket pleadings, let's
16 step back for just a moment and take a quick review of what
17 the evidence in the Commission's own case files will show.

18 Spectra Communications Group, LLC is a Delaware Limited
19 Liability Company authorized to do business in Missouri.

20 And as Mr. Haas explained, by its Report and
21 Order in Case No. TM-2000-182, which was effective in April of
22 2000, this Commission granted Spectra a certificate of service
23 authority to provide basic local telecommunications service
24 and authorized GTE Midwest, Incorporated to transfer and sell
25 107 exchanges to Spectra.

1 Paragraph I of the Joint Recommendation filed
2 in that proceeding provided, among other things, Spectra
3 agrees to make every effort to negotiate new interconnection
4 agreements with all competitive local exchange companies, or
5 CLECs, who currently have interconnection agreements with GTE
6 and who desire to have interconnection with Spectra.

7 As the testimony of our witness, Susan Smith,
8 will show, prior to the closing of the transaction, both
9 Spectra and GTE notified those affected CLECs that in light of
10 Spectra's purchase of the assets of the GTE exchanges that
11 were identified, their respective company's existing GTE
12 agreement would need to be replaced by an agreement with
13 Spectra.

14 CLECs who had agreements with GTE and who
15 desired to interconnect with Spectra contacted Spectra and
16 executed interconnection agreements directly with Spectra.
17 AT&T Communications of the Southwest Inc. never responded and
18 obviously did not desire to have interconnection with Spectra.

19 Many of us in this room will remember that it
20 was during this time period that AT&T revolted to what it
21 considered high access charges announced that it was
22 abandoning rural Missouri and the 107 Missouri rural
23 exchanges, that Spectra served. Spectra continues to serve
24 approximately 130 access lines in this state.

25 Now, it's very important to remember that after

1 the Spectra acquisition in the year 2000, GTE Midwest,
2 Incorporated continued to provide telecommunications services
3 in some 96 Missouri exchanges. As Mr. Haas reflected, in
4 August 2001, Socket was granted its CLEC authority and in June
5 2002, this Commission approved Socket's adoption of the
6 AT&T/GTE agreement pursuant to an application that Socket
7 filed in May of 2002.

8 According to the Commission's own order, Socket
9 stated it had notified GTE Midwest, Incorporated that it
10 desired to adopt the terms of the interconnection agreement
11 between it and AT&T Communications of the Southwest, Inc. And
12 this agreement was, in fact, approved by the Commission in
13 TO-97-63.

14 At the time Socket adopted the AT&T/GTE
15 agreement, that agreement applied to the 96 exchanges still
16 owned and operated by GTE Midwest, Incorporated. That
17 AT&T/GTE agreement did not apply to service in the exchanges
18 owned and operated by Spectra nor did any other AT&T agreement
19 apply to service in the exchanges owned and operated by
20 Spectra. In fact, as I mentioned earlier, AT&T had long
21 decided not to enter into any interconnection agreement with
22 Spectra.

23 While Socket is adopting the Verizon/AT&T
24 agreement, now enters CenturyTel of Missouri, LLC, a Louisiana
25 Limited Liability Corporation that purchases the remaining 96

1 exchanges of GTE Midwest, Incorporated which at that time was
2 doing business as Verizon Midwest. And, of course, again as
3 Mr. Haas explained to you, that was involving Case
4 No. TM-2002-232. The order in that case was issued in May of
5 2002.

6 Section 6B of the Non-unanimous Stipulation and
7 Agreement filed in that proceeding addressed interconnection
8 agreements and the respective responsibilities of both
9 CenturyTel of Missouri, LLC and CLECs who currently had
10 interconnection agreements with Verizon at that point in time.

11 CenturyTel of Missouri, LLC has recognized
12 Socket's 2002 adoption of the underlying AT&T/GTE agreement.
13 However, Socket has chosen not to negotiate an interconnection
14 agreement with Spectra, nor has it attempted to adopt an
15 existing Spectra interconnection agreement to date.

16 As stated in our motion to reject, they are now
17 attempting to bootstrap a 2002 notice of adoption with GTE
18 on to Spectra on the basis that Spectra had filed a d/b/a as
19 CenturyTel back in 2001 and that both Spectra and CenturyTel
20 are members of the same corporate family. As we pointed out,
21 respectively, that is disingenuous at best.

22 Spectra has not conducted business with Socket
23 pursuant to the AT&T/GTE agreement except for a recent
24 mistaken occurrence in 2004, and we notified Socket of that.
25 And I will get into that in a moment.

1 Clearly, there is no basis for this Commission
2 to confirm a non-existent adoption of an interconnection
3 agreement as requested by Socket in this proceeding, nor can
4 this Commission now allow Socket to adopt and apply the terms
5 of the AT&T/GTE agreement to Spectra over four years after
6 Spectra acquired the Missouri properties from GTE.

7 Such an action would be an absolute plain
8 contravention of 47 USC 252 I, which Mr. Lumley characterized
9 that that is, in fact, the section of the federal code under
10 which they are seeking relief.

11 Staff's memorandum and our motion to reject
12 sets forth 47 USC 252 I. And let me repeat to you what it
13 requires. A local exchange carrier shall make available any
14 interconnection service or network element provided under an
15 agreement approved by this section to which it is a party to
16 any other requesting telecommunications carrier upon the same
17 terms and conditions as those provided in the agreement.

18 As Staff has pointed out to you as the evidence
19 will show, as we have pointed out to you, Spectra
20 Communications Group, LLC was not a party to the underlying
21 AT&T/GTE agreement. CenturyTel of Missouri, LLC was not a
22 party to the underlying GTE/AT&T Communications of the
23 Southwest, Inc. agreement.

24 By the terms of the Commission's order in the
25 2002 case, CenturyTel of Missouri, LLC has continued to honor

1 Socket's adoption of that agreement pursuant to the terms of
2 the Non-unanimous Stipulation and Agreement that was entered
3 into among the parties. And that continues on a
4 month-to-month basis.

5 As I've pointed out, Socket has available to it
6 the opportunity to opt in to an existing Spectra agreement
7 should it wish to do so. It happens all the time. Just a
8 brief review of the Commission's website for the calendar year
9 2004 shows Spectra Communications Group/Missouri Telecom
10 agreement adopted by TeleReconnect Inc., Case No.
11 IK-2004-0536, spring of this year; adoption of the Spectra/WWC
12 License interconnection recip comp agreement by Dobson
13 Cellular, IK-2004-0535; adoption of the Spectra Communications
14 Group/Chariton Valley interconnection agreement by Sprint
15 Communications Company LP, Case No. IO-2004-0424; the adoption
16 of Spectra Communications Group/Missouri Telecom agreement by
17 Restech, Inc., Case No. IO-2004-0426. It happens all the
18 time. Socket is aware of these options available to it and
19 they have simply chosen not to pursue it.

20 Now, make no mistake. There have clearly been
21 controversies regarding the interpretation of the Verizon/AT&T
22 agreement between CenturyTel of Missouri and Socket, as
23 Mr. Lumley alluded to. Intercompany review board procedures
24 have been invoked and there's been a lot of letters and
25 allegations that continue to be shared about interpreting that

1 agreement.

2 But that is not what this proceeding is about.
3 Those disputes can and should be handled pursuant to the
4 dispute resolution terms of the AT&T interconnection
5 agreement, which CenturyTel of Missouri has agreed to honor
6 for Socket. It specifically calls for an arbitration process
7 and Socket is very well aware of that fact, having invoked it
8 once before. They cannot use this proceeding to cover their
9 attempt to interject disputes that have no basis here. And we
10 will strongly object if they try to do so.

11 Now, as I mentioned, when Socket filed their
12 pleading, which was titled A Confirmation of an Existing
13 Agreement, Spectra Communications Group and CenturyTel of
14 Missouri filed its motion to reject and a motion for a summary
15 determination on the pleadings.

16 In the Commission's order that was issued on
17 October 28th denying the motion for summary determination on
18 the pleadings, the judge points out that the facts alleged by
19 Socket constitute the elements of equitable estoppel and goes
20 on to state that if Socket were able to prove its allegations,
21 the Commission might be justified in finding that there was an
22 equitable arrangement and that the agreement could be adopted.

23 As Mr. Haas covered with you, there are a
24 number of cases addressing equitable estoppel. In fact, the
25 Commission's order specifically references State ex rel.

1 Capital City Water Company versus PSC in the body of the
2 order. And as Mr. Haas indicated in citing another case, the
3 Missouri law provides that that particular doctrine is not
4 favored by law and is not to be casually invoked.

5 An equitable estoppel has three elements: an
6 admission, statement or act inconsistent to a claim afterwards
7 asserted; secondly, action by the other party and reliance
8 upon such admission, statement or act; and third, injury to
9 the other party as a result of allowing the first party to
10 contradict the admission, statement or act.

11 And as Mr. Haas pointed out, the party claiming
12 estoppel has the burden of proof in every fact, creating the
13 estoppel must be established by clear and satisfactory
14 evidence. Cases cited within the Capital City Water Company
15 case.

16 Well, aside from the excellent points that
17 Mr. Haas raised as to what the evidence in this Commission's
18 own case files reflect regarding the underpinnings for this
19 matter, it's simple black letter law in the state of Missouri
20 that this Commission cannot do equity.

21 This Commission and Missouri case law
22 repeatedly has held that certain actions would constitute a
23 species of equitable relief, and this Commission cannot do
24 equity. Sores versus Sores Lovelace, Inc. 142 S.W. 2nd
25 866-871, Missouri Supreme Court 1940 case. Judge Thompson has

1 written exclusively on this subject in a number of orders,
2 some of which I personally have been involved in.

3 In the Commission's August 19th, '99 order
4 denying reconsideration in Case No. EC-99-553, he again
5 pointed out that this Commission is an administrative agency,
6 a creature of statute and cannot do equity, period. So there
7 is no opportunity for equitable estoppel to be invoked in this
8 proceeding. The Commission, even if it were appropriate, has
9 no jurisdiction or power or authority to provide that sort of
10 relief. Even if it were possible to do so, it certainly would
11 not be appropriate here.

12 Simply put, there was no pattern of actions
13 that would cause Socket to believe that it would have an
14 interconnection agreement with Spectra Communications Group.
15 We're talking about a simple mistake that occurred in an
16 ordering process in which trunks were erroneously turned up in
17 three small rural exchanges. Now, Mr. Lumley made a reference
18 that there may have been another mistake made. I don't know.
19 That's the first we've heard about it.

20 We're talking 3 out 107 exchanges. And when we
21 became aware of that fact, we advised Socket that there was no
22 interconnection agreement with Spectra and they could very
23 simply opt in to an existing agreement with Spectra.

24 During the prehearing conference in this matter
25 on the record, I repeated Spectra's offer to continue the

1 provisioning of these trunks in these exchanges pursuant to an
2 interim arrangement so long as Socket would take the action
3 that it needs to take. Provide us with a bonafide request, we
4 would enter into an interim arrangement, no harm would be
5 done.

6 Alternatively, they can do what many of these
7 other companies have done. As I referenced to you this
8 morning, simply adopt one of the agreements that currently
9 exists with Spectra. Accordingly, there is no harm
10 whatsoever.

11 As Mr. Haas suggested to you, this Commission
12 should reject the relief that Socket is requesting in this
13 proceeding. The Staff is telling you that you should reject
14 it, Spectra and CenturyTel of Missouri have both requested the
15 Commission to dismiss this matter and reject this purported
16 adoption. And I would repeat that request to you this
17 morning.

18 As I've laid out for you, there is absolutely
19 no basis upon which that should be done. To the extent that
20 any purported theory regarding equity or equitable estoppel
21 would try to be raised, that is not among the relief options
22 available to the parties under the Missouri Public Service
23 Commission law. And I would urge the Commission to reject
24 this purported adoption and I would respectfully ask that you
25 consider that before we proceed to take everyone's time and

1 effort in going to hearing this morning.

2 As I mentioned to you in the pre-hearing
3 conference, we offered to continue service in those exchanges
4 where a mistake was made. It wasn't too many days or weeks
5 ago that these two parties were in front of this body and we
6 were admonished to put our heads together and come up with a
7 resolution. And I would submit to you this morning that given
8 the time to do that, we would be able to do it here in this
9 matter.

10 We have put a good faith offer on the table. I
11 did it on the record in the context of the prehearing
12 conference. We still stand by that this morning. I would
13 urge the Commission to please take a moment, review this
14 information before we proceed with the hearing. Thank you.

15 COMMISSIONER MURRAY: Can I ask a clarifying
16 question?

17 JUDGE WOODRUFF: Mr. Dority, the Commissioner
18 wants to ask you a question.

19 COMMISSIONER MURRAY: Mr. Dority, you referred
20 to a Non-unanimous Stipulation and Agreement.

21 MR. DORITY: Yes, ma'am.

22 COMMISSIONER MURRAY: What was the date of
23 that?

24 MR. DORITY: Judge, just a moment.

25 That was filed on -- let's see. The

1 non-unanimous stipulation was in the context of the CenturyTel
2 of Missouri acquisition and that would have been in a May time
3 frame, May 2002. It is attached to the Commission's order in
4 Case No. TM-2002-232.

5 COMMISSIONER MURRAY: Okay. I thought I
6 understood you to say that you had continued to honor the
7 interconnection, I assume, according to the Non-unanimous
8 Stipulation and Agreement. Is that not what you said?

9 MR. DORITY: According to the terms of the
10 Non-unanimous Stipulation and Agreement, those entities that
11 had existing agreements with GTE, with Midwest, Incorporated
12 doing business as Verizon Midwest in 2002 at the time of
13 CenturyTel of Missouri's acquisition, those entities were to
14 renegotiate agreements with CenturyTel of Missouri.

15 That particular case and that particular
16 Stipulation and Agreement also had wording to the effect that
17 to the extent those agreements are not able to be negotiated
18 within a year, then they will continue on a month-to-month
19 basis. Socket had opted into that agreement, we recognized it
20 and we have continued to operate pursuant to that on a
21 month-to-month basis since that point in time. CenturyTel of
22 Missouri.

23 COMMISSIONER MURRAY: And I just want to
24 clarify one or two other things. You said Spectra serves 130
25 Missouri access lines?

1 MR. DORITY: 130,000.

2 COMMISSIONER MURRAY: 130,000. And how many
3 exchanges is that?

4 MR. DORITY: 107.

5 COMMISSIONER MURRAY: And it is only in -- did
6 I understand that it is only in three exchanges that Socket
7 has had any interconnection?

8 MR. DORITY: That is correct. That is what
9 Socket has done is -- is erroneously turned up some trunks
10 that were part of another larger group of trunks ordered by
11 Socket, not realizing that they involved the three particular
12 exchanges that were actually served by Spectra.

13 When we became aware that Socket wanted to have
14 trunks in the Spectra exchanges, we advised them that there
15 was no interconnection agreement and that they would need to
16 opt in to an existing interconnection agreement that Spectra
17 already has on record or they would be free to negotiate a new
18 one with us.

19 COMMISSIONER MURRAY: And then did AT&T
20 continue to interconnect in the GTE exchanges after Spectra
21 acquired them?

22 MR. DORITY: I believe -- no. I mean, there
23 was no further interconnection with AT&T and Spectra. I think
24 AT&T had interconnection with GTE after that point in time.

25 COMMISSIONER MURRAY: But after Spectra

1 acquired the GTE exchanges, did AT&T continue to interconnect
2 with customers in those Spectra-acquired exchanges?

3 MR. DORITY: To my understanding, no.

4 COMMISSIONER MURRAY: Okay. Thank you.

5 JUDGE WOODRUFF: Go ahead.

6 COMMISSIONER CLAYTON: Just for clarifying
7 purposes, I had that same question that Commissioner Murray
8 had, that once the GTE exchanges had been sold to Spectra --

9 MR. DORITY: Yes, sir.

10 COMMISSIONER CLAYTON: And I believe those are
11 the 107 exchanges as opposed to the 96?

12 MR. DORITY: Correct.

13 COMMISSIONER CLAYTON: When those were
14 transferred, AT&T ceased doing business under any type of an
15 agreement with Spectra. That an accurate statement?

16 MR. DORITY: They never had any agreement with
17 Spectra nor did they choose to lay --

18 COMMISSIONER CLAYTON: But they had an
19 agreement with GTE.

20 MR. DORITY: They did have an agreement with
21 GTE. GTE advised them that that agreement was being
22 terminated pursuant to the terms of the sale. Both GTE and
23 Spectra advised all of the CLECs that had existing agreements,
24 Your agreement is being --

25 COMMISSIONER CLAYTON: I understand that. But

1 I'm focusing on AT&T. AT&T, after that transfer date, did not
2 do business or did not sign up or negotiate any type of
3 interconnection agreement --

4 MR. DORITY: With Spectra.

5 COMMISSIONER CLAYTON: -- with Spectra?

6 MR. DORITY: That is correct.

7 COMMISSIONER CLAYTON: Okay. To the best of
8 your knowledge, AT&T does not have today an interconnection
9 agreement with Spectra?

10 MR. DORITY: That is absolutely correct.

11 COMMISSIONER CLAYTON: Are there any
12 circumstances where CenturyTel of Missouri permitted adoption
13 of agreements that were applicable to Spectra that have not
14 previously been applicable to CenturyTel of Missouri? Has
15 there ever been a crossover between the two companies
16 regarding adoption of interconnection agreements?

17 MR. DORITY: No, Commissioner. In fact, we
18 have taken the position pursuant to 252 I of the Act
19 consistently in front of this Commission and with other
20 carriers, and the Staff has supported us, that Spec-- neither
21 Spectra nor CenturyTel have any obligation in terms of
22 allowing another carrier to opt in to any of those agreements.
23 They can opt in to an agreement to which we are a party, and
24 there are many of them, but they cannot opt in to an agreement
25 that we are simply honoring pursuant to the terms of your

1 order that was issued in the 2002 case.

2 COMMISSIONER CLAYTON: Okay. So it is your
3 contention that CenturyTel of Missouri and Spectra doing
4 business as CenturyTel, neither of those entities are parties
5 to the GTE/AT&T agreement?

6 MR. DORITY: That is absolutely correct.

7 COMMISSIONER CLAYTON: Okay. And, in fact, the
8 GTE/AT&T agreement isn't even in effect anymore; is that
9 correct?

10 MR. DORITY: It's in effect to the extent that
11 those parties that were signatories to that agreement and by
12 virtue of the Commission's order in the TM-2002 case, we -- we
13 did agree -- CenturyTel of Missouri did agree that they would
14 honor those agreements and that -- I think the intention was
15 that everyone would simply try to renegotiate new agreements.

16 COMMISSIONER CLAYTON: Were there other
17 parties -- if AT&T's not doing business in these exchanges
18 anymore, than what parties are left for there to be an active
19 useable interconnection agreement? Maybe I don't understand.

20 MR. DORITY: Those parties that had agreements
21 with Verizon at the time of CenturyTel's acquisition of those
22 96 exchanges, to the extent that those parties had agreements
23 with Verizon, we are continuing to honor those unless they
24 have been terminated. And those are simply operating pursuant
25 to the Commission's order on a month-to-month basis after that

1 one-month period.

2 COMMISSIONER CLAYTON: Thank you. Judge, may I
3 ask Mr. Lumley a question? It's legal in nature. And I'm
4 sorry to be going into factual matters.

5 MR. LUMLEY: Actually, I was going to ask for a
6 chance to respond a little bit because I think --

7 JUDGE WOODRUFF: I was going to give you that
8 opportunity as well.

9 MR. LUMLEY: -- we're kind of going astray in
10 one point, so I was going to clarify.

11 Do you want me to step up?

12 JUDGE WOODRUFF: Come on up here, please.

13 COMMISSIONER CLAYTON: My question for you,
14 Mr. Lumley, is do we have to find some equitable estoppel
15 legal theory for you to be successful in this adoption case?

16 MR. LUMLEY: And that's exactly the point I
17 wanted to come up and address.

18 COMMISSIONER CLAYTON: I'm glad I asked it
19 then.

20 MR. LUMLEY: Yeah. I appreciate the
21 opportunity.

22 The transcript will reflect, and perhaps you
23 will recall, that during my opening statement I never once
24 referred to that principal. We are not asserting that.

25 I understand where the judge is coming from in

1 his order because it's the same set of facts that in other
2 circumstances could lead to that conclusion. What we are
3 saying is as a factual matter, these companies have extended
4 this agreement to us, which is what 252 I says that they can
5 do.

6 We're in a unique situation because of the
7 transactions. Ordinarily when there's an adoption, the
8 companies come forward at that time and it's confirmed by the
9 Commission. In this circumstance, that occurred but it
10 occurred with a different party. And then we have these GTE
11 exchange acquisition transactions where these companies say,
12 We're going to live by these terms.

13 And so we didn't have the opportunity to
14 clarify this issue at that point in time because the
15 agreements -- the conditions that were imposed in those orders
16 by agreement in connection with the acquisition of those
17 exchanges included the condition that these agreements be
18 honored with other CLECs.

19 So the point that we're making is that as a
20 matter of fact, over a period of time these two companies,
21 which operate as a single enterprise, extended this agreement
22 to us in all of these exchanges and we're now seeking
23 confirmation that that adoption has occurred so this dispute
24 can go away.

25 And a couple other points. It's not three

1 exchanges, it's nine exchanges. It's not by mistake. It's
2 the ordinary course of business between the two companies.
3 And it's because they operate as a single enterprise and they
4 don't have any ability to figure out whether we're ordering in
5 one set of exchanges or the other because it doesn't make any
6 difference to them or their systems.

7 And to clarify another point of fact, as a
8 point of fact by its agreement at the time of the acquisition,
9 Spectra did agree to abide by the terms of the AT&T and GTE
10 agreement. I don't know what evidence they're going to have
11 about what AT&T is doing. They don't have an AT&T witness on
12 their list. You know, I have to assume when the attorney is
13 making an opening statement, he can back up his evidence, but
14 I don't know how they're going to do it in terms of what
15 AT&T's understandings and intentions are.

16 But as a point of fact, you can see from your
17 own record that at the time of the transaction they
18 acknowledged that agreement would apply to them. These two
19 companies have extended that agreement to us in all these
20 exchanges and we're asking you to confirm that that has
21 occurred.

22 And finally on the point of settlement, you
23 know, obviously I'm a little uncomfortable with the idea of
24 trying to negotiate settlement on the record and parties
25 waiving their right to confidential offers and things like

1 that, but since CenutryTel has made the statement that they've
2 made an offer, I want it to be clear to the Commission that we
3 made an equally good faith offer right back to them to try to
4 resolve this. I don't want you to get the impression that we
5 ignored that offer. We attempted to negotiate. They don't
6 like our offer, I don't like theirs. I'm certainly not
7 accusing them of bad faith in making it and I hope they
8 wouldn't accuse me of bad faith in making my offer.

9 JUDGE WOODRUFF: Anything else, Mr. Lumley?

10 MR. LUMLEY: No, sir.

11 JUDGE WOODRUFF: Anything else from the
12 Commissioners?

13 CHAIR GAW: I do.

14 JUDGE WOODRUFF: All right. Go ahead,

15 CHAIR GAW: It's just very brief and I think --
16 I apologize. I'm sure I missed this earlier, but the offer
17 that you're referring -- not in the settlement, the offer,
18 where is that going to be presented as evidence? In what form
19 was it in and --

20 MR. LUMLEY: It's in the form of the conduct of
21 the parties. We're submitting information to them such as
22 forecasts that we want trunked in these exchanges and they're
23 working through those forecasts with us. We're submitting
24 orders for facilities in these exchanges, they're supplying
25 the facilities to us. We're serving customers over them,

1 they're sending traffic over them to us.

2 But it's by conduct. I'm not suggesting that
3 there's a piece of paper that says we're making this available
4 to you.

5 CHAIR GAW: Okay. And, Mr. Dority, very
6 briefly, is Spectra still conducting a d/b/a as CenturyTel?

7 MR. DORITY: It is, your Honor. As Mr. Haas
8 pointed out, it is separately certificated, separate tariffs
9 and it is doing business as CenturyTel.

10 And in response to -- if I may, in Mr. Lumley's
11 suggestion as to what Spectra agreed to, please look at the
12 Commission's Report and Order and the Stipulation and
13 Agreement. It speaks for itself as to what Spectra agreed to
14 do and what the Commission ordered the parties to do.

15 JUDGE WOODRUFF: Okay. Mr. Dority, you
16 mentioned a case citation that indicated the Commission can't
17 do equity. Can you give me that citation again?

18 MR. DORITY: I sure can, Judge. Thank you.
19 Sores versus Sores Lovelace, Inc. 142 S.W. 2d 866-871.

20 And, Judge, there are many orders in your own
21 Case No. EC-99-553 that indicate that this Commission cannot
22 do equity.

23 JUDGE WOODRUFF: Okay. Thank you.

24 Commissioner Murray?

25 COMMISSIONER MURRAY: This is a legal question

1 for both of you or all three of you. What is the legal effect
2 of doing business as CenturyTel in terms of -- if Spectra is
3 in some exchanges doing business as CenturyTel and in other
4 exchanges is just CenturyTel doing business as itself, what is
5 the legal effect of that?

6 MR. DORITY: I would submit there is no legal
7 effect in terms of the obligations arising under the act in
8 terms of a legal entity's obligation to allow other carriers
9 to opt into agreements. I mean, as Mr. Haas pointed out,
10 Spectra has its own certificate, has its own set of tariffs
11 and conducts business as that enterprise.

12 COMMISSIONER MURRAY: But is it --

13 MR. DORITY: For branding purposes to our
14 customers, we use the fictitious name CenturyTel.

15 COMMISSIONER MURRAY: So it is not certificated
16 as Spectra doing business as CenturyTel?

17 MR. DORITY: No, ma'am. It was certificated as
18 Spectra Communications Group, LLC. We filed a fictitious name
19 registration with the Secretary of State and we filed that
20 with this Commission. And as Mr. Haas suggested, that was --
21 was recognized by this Commission. I believe that was in
22 2001.

23 COMMISSIONER MURRAY: Mr. Lumley?

24 MR. LUMLEY: Yes, Commissioner. That isolated
25 fact by itself -- you know, we're not contending that all by

1 itself that one fact is somehow legally conclusive on our
2 argument. We're saying that's one piece of a significant
3 amount of evidence that these two subsidiaries are operated as
4 a single enterprise by CenturyTel, which is a national
5 organization with a wide variety of operating subsidiaries in
6 many states. That they operate their Missouri operations as
7 a single enterprise with one operating system under one name.
8 So we're not presenting it as a binding admission by them, but
9 just as one piece of evidence.

10 MR. DORITY: And, Commissioner, I would dispute
11 that representation that we operate as one entity. I mean,
12 if -- and Ms. Smith, if we have to go hearing, can address
13 that issue. But, you know, if you go to the LERG, to the
14 FCC's records, these entities have separate identities, they
15 conduct business as separate entities and they are not, quote,
16 one entity in terms of conducting business.

17 COMMISSIONER MURRAY: Mr. Haas, would you like,
18 as Commissioner Clayton would say, a piece of this action?

19 MR. HAAS: Well, I would add that the use of
20 the fictitious name did not constitute a merger. They remain
21 separate entities. And factually I would add that Spectra
22 adopted the CenturyTel fictitious name before CenturyTel of
23 Missouri had become certificated here.

24 COMMISSIONER MURRAY: Thank you.

25 JUDGE WOODRUFF: Any other questions from

1 Commissioners? Chair Gaw?

2 CHAIR GAW: I'm sorry to belabor this, but,
3 Mr. Dority, how in the world -- I'm not talking about the
4 internal workings of telecoms with one another, but how in the
5 world does the outside world, the customers out there, know
6 there's any difference between a d/b/a CenturyTel from Spectra
7 and CenturyTel itself unless they do some research to find
8 out?

9 MR. DORITY: As far as the end-user customer,
10 Judge, I'm not sure that I would know that they would have an
11 apparent knowledge of the different companies other than to
12 the extent that there may still be Spectra signage on some
13 vehicles or whatever. But in terms of the end-user as opposed
14 to a company that we're doing business with pursuant to the
15 act, they may not have a distinction.

16 CHAIR GAW: Thank you.

17 JUDGE WOODRUFF: Anything else from the
18 Commissioners?

19 All right. We'll go ahead and take a break
20 before we come back for evidence -- to take evidence. We'll
21 come back at 9:45.

22 (A recess was taken.)

23 (Exhibit Nos. 1 through 23 and 25 through 35
24 were marked for identification.)

25 JUDGE WOODRUFF: And we're back after

1 pre-marking exhibits.

2 Before we broke, there was what I'll call an
3 oral motion for summary determination made during the opening
4 statements. I'm going to deny that motion at this time and
5 we'll go ahead and proceed to hear evidence.

6 Mr. Kohly's already on the stand. I assume
7 that would be your first witness, Mr. Lumley?

8 MR. LUMLEY: That's correct, sir.

9 (Witness sworn.)

10 JUDGE WOODRUFF: You may inquire.

11 MR. LUMLEY: Thank you, Judge.

12 R. MATTHEW KOHLY testified as follows:

13 DIRECT EXAMINATION BY MR. LUMLEY:

14 Q. State your name for the record, please.

15 A. My name is Matt Kohly, K-o-h-l-y.

16 Q. Where are you currently employed?

17 A. I'm currently employed at Socket Holding
18 Company, doing work for Socket Telecom, LLC.

19 Q. What's your position?

20 A. Director in the telecommunications area.

21 Q. How long have you been with the company in that
22 position?

23 A. I started with Socket in July of 2004.

24 Q. Could you briefly go over your prior employment
25 history for the Commission?

1 A. Prior to that, I was employed by AT&T for
2 approximately six years where I worked in the regulatory and
3 then the -- was the state director for law and government
4 affairs for the state of Missouri. Prior to that, I was
5 employed by Sprint where I worked in the regulatory area
6 supporting their CLEC and long-distance operations.

7 Just before that, I was employed as an
8 economist in the telecommunications department at the Staff of
9 the Missouri Public Service Commission where I worked on a
10 variety of issues involved with implementing the
11 Telecommunications Act, including working on the arbitration
12 that led to the agreement before us now.

13 Q. And specifically what period of time were you
14 with the Commission?

15 A. Was with the Commission from December of 1995
16 to February of '98.

17 Q. And your educational background, please?

18 A. I have a bachelor of science degree in business
19 administration with emphasis in finance and economics and a
20 master of science degree in agricultural economics.

21 MR. LUMLEY: May I approach the witness?

22 JUDGE WOODRUFF: You may.

23 BY MR. LUMLEY:

24 Q. Mr. Kohly, I'll show you what's been marked as
25 Exhibit 1, ask do you recognize that as the certificate of

1 good standing that was filed with Socket's application in this
2 case from the records of the Commission?

3 A. That is.

4 MR. LUMLEY: Move admission of Exhibit 1.

5 JUDGE WOODRUFF: Exhibit 1 has been offered
6 into evidence. Are there any objections to its receipt?

7 Hearing none, it will be received into
8 evidence.

9 (Exhibit No. 1 was received into evidence.)

10 BY MR. LUMLEY:

11 Q. What's the business of Socket Telecom?

12 A. Socket Telecom is a certificated competitive
13 local exchange carrier. It is certificated in the exchanges
14 served by the large LECs in Missouri, CenturyTel, Sprint -- or
15 SBC and is also a certificated provider of non-switched local
16 service in interexchange services throughout Missouri.

17 Q. And when you say "CenturyTel," you mean both of
18 the operating subsidiaries that are parties to this case?

19 A. Yes, I do.

20 Q. Where are Socket Telecom's offices located?

21 A. Socket Telecom's offices are located at 1005
22 Cherry Street, Columbia, Missouri.

23 Q. And how many employees work for Socket Telecom?

24 A. Ten.

25 Q. And you indicated that Socket has obtained

1 certificates of telecommunications service authority from the
2 Commission?

3 A. Yes.

4 Q. Mr. Kohly, I've presented to you what's been
5 marked as Exhibit 2. Can you identify that document?

6 A. Yes. Exhibit 2 is the Order Approving
7 Interexchange and Non-switched Local Exchange Certificates of
8 Service -- Service Authority and Order Approving Tariff for
9 Socket Telecom, LLC in the case TA-2001-650.

10 Q. Is that from the Commission's records?

11 A. Yes, it is.

12 MR. LUMLEY: I'd move admission of Exhibit 2.

13 JUDGE WOODRUFF: Exhibit 2 has been offered
14 into evidence. Are there any objections to its receipt?

15 Hearing none, it will be received into
16 evidence.

17 (Exhibit No. 2 was received into evidence.)

18 BY MR. LUMLEY:

19 Q. Mr. Kohly, you also have before you what's been
20 marked as Exhibit 3. Can you identify that document?

21 A. Yes. Exhibit 3 is the Order Granting
22 Certificate to Provide Basic Local Telecommunication Services,
23 Approving Tariff, and Closing Case for Socket Telecom, LLC.
24 The Case No. is TA-2001-671.

25 Q. And that's from the Commission's records?

1 A. Yes, it is.

2 MR. LUMLEY: I would move admission of
3 Exhibit 3.

4 JUDGE WOODRUFF: Add Exhibit 3 has been moved
5 into evidence are there any objections?

6 Hearing none, it will be received into
7 evidence.

8 (Exhibit No. 3 was received into evidence.)

9 BY MR. LUMLEY:

10 Q. Mr. Kohly, you have now before you what's been
11 marked as Exhibit 4. Can you identify that document?

12 A. Yes. Exhibit 4 is the Order Recognizing
13 Adoption of Interconnection Agreement in Case TK-2002-1085.
14 And that is a case where Socket Telecom adopted the GTE and
15 AT&T interconnection agreement.

16 Q. And that's from the Commission's records?

17 A. Yes, it is.

18 MR. LUMLEY: I would move admission of
19 Exhibit 4.

20 JUDGE WOODRUFF: Exhibit 4 has been offered
21 into evidence. Are there any objections to its receipt?

22 Hearing none, it will be received into
23 evidence.

24 (Exhibit No. 4 was received into evidence.)

25 BY MR. LUMLEY:

1 Q. Mr. Kohly, you have before you what's been
2 marked as Exhibit 5. Can you identify that document?

3 A. Yes, I am -- or yes, I can. That is the
4 Interconnection Agreement and -- Interconnection, Resale and
5 Unbundling Agreement between GTE Midwest, Incorporated and
6 AT&T Communications of the Southwest.

7 Q. And that's from the Commission's records?

8 A. Yes.

9 MR. LUMLEY: Move admission of Exhibit 5.

10 JUDGE WOODRUFF: Exhibit 5 has been offered
11 into evidence. Are there any objections to its receipt?

12 Hearing none, it will be received into
13 evidence.

14 (Exhibit No. 5 was received into evidence.)

15 BY MR. LUMLEY:

16 Q. And, Mr. Kohly, you're familiar with the
17 contents of Exhibits 4 and 5, the order approving adoption of
18 agreement and the interconnection agreement?

19 A. Yes, I am.

20 Q. Is Exhibit 5 the agreement that was adopted by
21 Socket in TK-2002-1085?

22 A. Yes, it is.

23 Q. What was the effective date of Socket's
24 adoption of that agreement?

25 A. The effective date was June 27th of 2002.

1 Q. Where were you employed at the time the
2 agreement was made between AT&T and GTE?

3 A. At the time it was adopted, I was employed at
4 Sprint communications.

5 Q. No, my question was where were you employed at
6 the time the agreement was made between AT&T and GTE, not when
7 it was adopted.

8 A. When the agreement was made, I was employed by
9 the Missouri Public Service Commission working on the
10 arbitration that led to this agreement.

11 Q. And by your answer, I take it that this
12 agreement is the result of an arbitration before the
13 Commission?

14 A. Yes, it is.

15 Q. Now, you have before you what's been marked as
16 Exhibit 6. Can you identify that document?

17 A. It is the Report and Order from Case
18 No. TM-2000-182 and is the case related to the purchase by
19 Spectra of the GTE Midwest, Incorporated exchanges.

20 Q. And that's from the Commission's records?

21 A. Yes.

22 MR. LUMLEY: I'd move the admission of
23 Exhibit 6.

24 MR. DORITY: Your Honor, just a moment. If I
25 may have a second, please.

1 JUDGE WOODRUFF: Sure.

2 MR. DORITY: I believe the Commission's
3 official case file would show an attachment to this order that
4 I don't see on my copy.

5 JUDGE WOODRUFF: Do you know what that
6 attachment was?

7 MR. LUMLEY: Are you referring to the Joint
8 Recommendation?

9 MR. DORITY: Yes, sir.

10 MR. LUMLEY: It's a separate exhibit that's on
11 the list.

12 MR. DORITY: I think it was a part of the
13 official Report and Order is all I'm pointing out.

14 JUDGE WOODRUFF: You've numbered it as a
15 separate exhibit, is that --

16 MR. LUMLEY: Right.

17 JUDGE WOODRUFF: All right. Mr. DORITY, are
18 you making an objection or --

19 MR. DORITY: Well, I just think if it's being
20 offered as the Report and Order of the Commission in that
21 case, I don't believe it is, in fact, a true representation of
22 the Report and Order.

23 JUDGE WOODRUFF: Okay. Mr. Lumley, you're
24 indicating that the attachment is marked as a separate
25 exhibit?

1 MR. LUMLEY: That's correct.

2 JUDGE WOODRUFF: What exhibit number was that?

3 MR. LUMLEY: Exhibit 9.

4 BY MR. LUMLEY:

5 Q. So just to -- Mr. Kohly, can you identify
6 Exhibit 9?

7 A. Exhibit 9 is a Joint Recommendation that was
8 submitted to the Commission in Case TM-2000-182.

9 Q. And that's referred to and incorporated into
10 the order which is Exhibit 6?

11 A. Yes.

12 MR. LUMLEY: So I would move admission of
13 Exhibits 6 and 9 together, Judge.

14 JUDGE WOODRUFF: With the understanding that
15 they are part of the same document?

16 MR. LUMLEY: I mean, the order refers to it.

17 JUDGE WOODRUFF: Okay. Does that take care of
18 your objections?

19 MR. DORITY: I mean, that's fine, Judge. I
20 think in your files it certainly doesn't have, you know, the
21 cover letter from Ms. Morgan, it shows an Attachment A and
22 it's numbered. I just wanted to -- you to understand that --

23 JUDGE WOODRUFF: With that clarification of the
24 exhibit, 6 and 9 will be admitted into evidence.

25 (Exhibit Nos. 6 and 9 were received into

1 evidence.)

2 BY MR. LUMLEY:

3 Q. Mr. Kohly, can you identify Exhibit 7?

4 A. Exhibit 7 is the list of purchased exchanges.

5 Q. That was the subject of Case No. TM-2000-182?

6 A. Yes.

7 Q. And that list is from the application in that
8 case file?

9 A. Yes.

10 MR. LUMLEY: I'd move admission of Exhibit 7.

11 JUDGE WOODRUFF: Exhibit 7 has been offered
12 into evidence. Are there any objections to its receipt?

13 Hearing none, it will be received into
14 evidence.

15 (Exhibit No. 7 was received into evidence.)

16 BY MR. LUMLEY:

17 Q. Mr. Kohly, turning your attention to Exhibit 6,
18 on page 6 in the middle there's a discussion of the -- the
19 Commission is discussing the ownership of Spectra. Can you
20 read that paragraph, please?

21 A. Spectra is a Delaware Limited Liability
22 Corporation authorized to do business in the state of
23 Missouri. Spectra is composed of a group of investors,
24 including CenturyTel, Spectronics Corporation, Local Exchange
25 Carriers, LLC, and two individuals. Spectra's principal

1 office is located in Peculiar, Missouri. CenturyTel is a
2 Louisiana corporation which provides telecommunications
3 services to more than 2 million persons nationwide.
4 Spectronics Corporation is a Georgia corporation specializing
5 in providing telecommunications service in rural markets.
6 Local Exchange Carriers, LLC is a Maryland Limited Liability
7 Corporation which invests in telecommunications companies.

8 Q. And on page 10 of the order, the Commission
9 addresses the subject of the ownership of Spectra again. Can
10 you read that paragraph, please?

11 A. Yes. Fourth paragraph, CenturyTel is one of
12 Spectra's owners. CenturyTel is a publicly traded, Fortune
13 500 company. CenturyTel is the eighth largest incumbent local
14 exchange carrier, in parenthesis is the word "ILEC," in the
15 United States and the tenth largest cellular carrier in the
16 United States.

17 CenturyTel, headquartered in Monroe, Louisiana,
18 is focused on the rural telephone market and provides
19 telecommunications services to over 1 million rural
20 subscribers. The average size of a CenturyTel exchange is
21 2,200 lines.

22 Q. Are you aware of any more specific information
23 regarding the ownership of Spectra in 2000?

24 A. In the annual -- in this case in the Annual
25 Report --

1 Q. Well, just don't get ahead of me. You know,
2 are you aware of more specific information?

3 A. Yes.

4 Q. And what would the source of that information
5 be?

6 A. The source of the information would be
7 CenturyTel's 10-K report as well as the Annual Reports filed
8 by CenturyTel.

9 Q. You have now before you what's been marked as
10 Exhibit 8. Can you identify that document?

11 A. Exhibit 8 is the 10-K -- 2003 10-K report filed
12 by CenturyTel, Incorporated.

13 Q. And how did you obtain that?

14 A. From CenturyTel's website under the investor
15 relations area.

16 MR. LUMLEY: Your Honor, I'd move admission of
17 Exhibit 8.

18 JUDGE WOODRUFF: Exhibit 8 has been offered
19 into evidence. Are there any objections to its receipt?

20 MR. DORITY: Your Honor, we would object to
21 Exhibit 8, in fact, this line of questioning. I think I see
22 where it's going here. I mean, this has no relevance to the
23 issue that is before the Commission as it is being provided by
24 the parties; that is Spectra Communications Group obligated to
25 provide service to Socket Telecom under the terms of the

1 GTE/AT&T interconnection agreement. I don't believe there's
2 anything in the CenturyTel 10-K report that is going to
3 address that specific issue. Now, we can stipulate that we
4 are a part of the corporate family of CenturyTel, Inc.

5 JUDGE WOODRUFF: Your response?

6 MR. LUMLEY: Your Honor, we're engaged in
7 demonstrating to the Commission the very close relationship
8 between these operating subsidiaries. And this is an
9 admission of the parties. It's a government document that
10 they submit by regulation. And there's specific information
11 we want to call to your attention and we want to put the
12 document in evidence first before highlighting that specific
13 information.

14 JUDGE WOODRUFF: I'm going to overrule the
15 objection. The document will be admitted.

16 (Exhibit No. 8 was received into evidence.)

17 BY MR. LUMLEY:

18 Q. Mr. Kohly, in particular, what information did
19 you want to call to the Commission's attention from Exhibit 8?

20 A. On page 3 and 4 of the 10-K report, the --
21 CenturyTel discusses the acquisition of exchanges in Missouri.
22 And in discussing that, it discusses Spectra Communications
23 purchased approximately 127,000 telephone access lines and
24 related assets throughout Missouri for approximately
25 297 million in cash. At closing, the company made a preferred

1 equity investment in Spectra of approximately 55 million which
2 represented a 57.1 percent interest and financed substantially
3 all of the remainder of the purchase price.

4 In the first quarter of 2001, the company
5 purchased an additional 18.6 percent interest in Spectra for
6 \$47.1 million. In the fourth quarter of 2003, the company
7 purchased an additional 24.3 percent interest in Spectra for
8 32.4 million in cash. That'd represent 100 percent of the
9 equity.

10 Q. As of what date?

11 A. As of the end of 2004 -- I'm sorry, end of
12 2003.

13 Q. And does the Commission discuss the financing
14 of the acquisition of exchanges in the order in Case 182,
15 which is Exhibit 6?

16 A. Yes, it does.

17 Q. And in that order the Commission authorized a
18 loan from CenturyTel to Spectra of up to \$250 million; is that
19 right?

20 A. Yes.

21 Q. And then does the 2003 10-K, Exhibit 8,
22 identify how much was actually loaned?

23 A. It does not. What it says is they financed
24 substantially all of the remainder of the purchase price.
25 "They" being CenturyTel.

1 MR. DORITY: Your Honor, I'm going to object to
2 any further characterization by Mr. Kohly of what the 10-K
3 says. You allowed it into evidence. The document speaks for
4 itself.

5 JUDGE WOODRUFF: I'm going to sustain that
6 objection as to this witness is not qualified to interpret the
7 document.

8 MR. DORITY: Thank you, Judge.

9 BY MR. LUMLEY:

10 Q. Mr. Kohly, can you identify Exhibit 11?

11 A. Exhibit -- Exhibit 11 is the Annual Report
12 submitted to the Public Service Commission for the period
13 ending December 31st, 2003 for CenturyTel Missouri, LLC.

14 Q. Can you identify Exhibit 33?

15 A. Yes. Exhibit 33 is the Annual Report submitted
16 to the Missouri Public Service Commission for the period
17 ending December 31st, 2002 by Spectra Communications Group,
18 LLC.

19 Q. And do those reports reflect the amount of
20 intercompany debt between CenturyTel and Spectra?

21 A. They do. At Schedule 6 --

22 MR. DORITY: Your Honor, again I'm going to
23 object to this line of questioning regarding our Annual
24 Reports. They're on file with the Commission, they speak for
25 themselves. The debt line has no bearing whatsoever to the

1 issue that's in front of the Commission in this case regarding
2 the purported agreement that Socket is attempting to adopt in
3 to.

4 JUDGE WOODRUFF: Response?

5 MR. LUMLEY: Again, your Honor, we're laying
6 the groundwork for the relationship between these companies.
7 The Commission authorized a loan of up to \$250 million between
8 the companies, and we're just showing that the Commission's
9 records also reflect how much was actually loaned pursuant to
10 that authority.

11 MR. DORITY: Which has no relevance to why
12 we're here today.

13 MR. LUMLEY: I'm going to submit that it does,
14 because it's all part of the fabric that shows how closely
15 related these two companies are and that they started out, you
16 know, with a --

17 MR. DORITY: Your Honor, we will admit --

18 MR. LUMLEY: -- 50 percent equity --

19 MR. DORITY: I'm sorry, Mr. Lumley.

20 MR. LUMLEY: -- relationship and a financing
21 arrangement and moved to 100 percent ownership.

22 JUDGE WOODRUFF: Go ahead.

23 MR. DORITY: We will admit that both of these
24 separate operating entities are subsidiaries of CenturyTel,
25 Inc. They are a part of the corporate family of CenturyTel.

1 JUDGE WOODRUFF: I'm going to allow Socket to
2 present their evidence as they wish to establish that, what
3 you've already admitted. I'm going to overrule the objection.

4 MR. LUMLEY: Your Honor -- I'm sorry.

5 BY MR. LUMLEY:

6 Q. Did you actually answer -- I guess you didn't
7 answer the question then. Go ahead.

8 A. The 2002 -- or report for the period ending
9 December 31st, 2002 shows an intercompany debt of
10 \$214,135,617.

11 MR. LUMLEY: Your Honor, I'd move admission of
12 Exhibits 11 and 33.

13 JUDGE WOODRUFF: 11 and 33 have been offered
14 into evidence. Are there any objections to their receipt?

15 MR. DORITY: Again, Judge, we would object to
16 the relevancy.

17 JUDGE WOODRUFF: And that's overruled. 11 and
18 13 -- or excuse me, 11 and 33 will be admitted into evidence.

19 (Exhibit Nos. 11 and 33 were received into
20 evidence.)

21 BY MR. LUMLEY:

22 Q. Do you have personal knowledge of any
23 individuals that were instrumental in putting together the
24 Spectra/GTE transaction?

25 A. Yes. The deal was largely put together by

1 Kenneth Matzdorff.

2 Q. How do you know that?

3 MR. DORITY: Your Honor, I object to this line
4 of questioning. What Mr. Kohly may or may not know regarding
5 the acquisition of this company is irrelevant to the issue
6 that we are here about today. Now, I can understand this
7 gratuitous reference to Mr. Matzdorff and wanting to put that
8 in front of this particular Commission at this point in time,
9 but I object. There is absolutely no basis, no foundation for
10 getting into this. It has no impact on the issue that is
11 before the Commission.

12 JUDGE WOODRUFF: Mr. Lumley, your response?

13 MR. LUMLEY: Your Honor, as you'll see on the
14 exhibit list, we have a piece of testimony from this
15 individual that constitutes an admission regarding these
16 companies. We're laying the foundation for his involvement in
17 the transactions very briefly, you know, to show the basis for
18 his admission.

19 MR. DORITY: Judge, we have admitted these
20 companies are part of the CenturyTel corporate family. There
21 is no reason to burden the record and take the Commission's
22 time going through this process.

23 MR. LUMLEY: The admission goes beyond that.

24 JUDGE WOODRUFF: I'm going to overrule the
25 objection. You can proceed.

1 BY MR. LUMLEY:

2 Q. I believe the pending question was the basis
3 for your knowledge of Mr. Matzdorff's involvement.

4 A. He testified in the transaction -- in the
5 hearing regarding the transaction. He acted as Spectra's
6 chief operating officer and later as CenturyTel's region
7 president. He made a presentation to the Commission in an
8 agenda meeting where he introduced some of the investors from
9 Spectronics Corporation to the Commission and represented that
10 he had largely put this deal together by arranging the
11 financing from CenturyTel --

12 MR. DORITY: Objection, your Honor. This is
13 hearsay. How does this witness know?

14 JUDGE WOODRUFF: I'm going to sustain the
15 objection as hearsay.

16 MR. DORITY: I would ask that that testimony be
17 stricken.

18 MR. LUMLEY: If I could, before you rule, your
19 Honor, respond. These are admissions of a party opponent made
20 to the Commission in Mr. Kohly's presence.

21 MR. DORITY: Admissions to what? We admit we
22 are a part of the CenturyTel corporation. What bearing does a
23 presentation made to the Commission in an agenda meeting, for
24 which no transcript is available, have relevancy to what we're
25 about today? Excuse me. I'm just sorry, Judge, but I see no

1 basis for this.

2 JUDGE WOODRUFF: As an aside, they're having a
3 hard time hearing you when you're making an objection. If you
4 want to make your objections sitting down, you can. That way
5 you're heard better over the microphone.

6 MR. LUMLEY: And, again, we're just -- you
7 know, that's the last question on this point anyway. We're
8 just laying the foundation for the involvement of this person
9 who makes an admission in another exhibit. He's already
10 indicated the statement that he made. He was just identifying
11 for the Commission that he was present during the discussion
12 so he had personal knowledge of the statement.

13 MR. DORITY: Again, your Honor, we object.
14 It's hearsay. I thought you had already sustained my
15 objection.

16 JUDGE WOODRUFF: I have already sustained it
17 and I will sustain it again. It is hearsay as to what he has
18 heard someone else say.

19 BY MR. LUMLEY:

20 Q. Did CenturyTel have a role in this transaction
21 beyond providing equity and debt financing?

22 A. Yes.

23 Q. Does the Commission address that role at
24 page 10 of the order in Case 182?

25 MR. DORITY: Your Honor, I'm sorry to continue

1 to interrupt Mr. Lumley, but the document has been admitted
2 into the record. The Commission's order speaks for itself. I
3 don't believe we need to have Mr. Kohly interpret the order
4 for us. I would object to this line of questioning.

5 MR. LUMLEY: I'm not asking him to interpret
6 the order, Judge. The Commission's rules allow us to refer to
7 information contained in the Commission's record and to
8 specifically identify it. We're simply specifically
9 identifying for you particular provisions of the order that we
10 want you to pay attention to.

11 JUDGE WOODRUFF: The objection is overruled.
12 You can ask your next question or re-ask it.

13 BY MR. LUMLEY:

14 Q. Looking at page 10, is there a discussion about
15 an additional role by CenturyTel's organization?

16 A. Yes. It -- on page 10 it -- reading directly
17 from the order, The parties agree that Spectra's owners,
18 managers and employees possess sufficient experience in the
19 telecommunications industry to operate, to purchase exchanges
20 safely and efficiently. Spectra is a new company and has no
21 history of service difficulties. The financing will be
22 provided by owner, CenturyTel, a Fortune 500 company.

23 And it goes -- finishing the paragraph, No
24 party has questioned the general financial health and ability
25 to absorb the proposed transaction of CenturyTel or of

1 Spectra.

2 Q. And does the order also reflect a use of
3 CenturyTel's operating systems? If you don't --

4 A. Yes, it does. The sentence says, CenturyTel
5 will provide computerized billing, customer service facilities
6 records and trouble dispatch systems to support Spectra.

7 Q. And on page 11, does the order discuss Spectra
8 being able to enjoy volume discounts as a result of being
9 associated with CenturyTel?

10 A. Yes, it does.

11 Q. Okay. Did Spectra, as the acquiring company of
12 these exchanges, agree to conditions as part of the purchase?

13 A. Yes, they did.

14 Q. And is that set forth in the Joint
15 Recommendation that we've already put into evidence?

16 A. Yes, it is.

17 Q. And looking at that Exhibit No. 9, specifically
18 condition capital letter I --

19 A. I don't have that exhibit.

20 Q. Did I take it back from you?

21 A. I think you did.

22 Q. Sorry.

23 Are you able to find condition I?

24 A. Yes.

25 Q. And does that condition specifically address

1 interconnection agreements?

2 A. Yes, it does.

3 Q. And you indicated that Exhibit 8, the 10-K
4 report, reflects that now CenturyTel has 100 percent ownership
5 of Spectra?

6 A. Yes.

7 Q. And you have before you Exhibit 10?

8 A. Yes.

9 Q. Can you identify that document?

10 A. Yes. Exhibit 10 is a filing made by CenturyTel
11 of Missouri, LLC and Spectra Communications Group, LLC, d/b/a
12 CenturyTel in Case No. TK-2005-0079. And it's a response to
13 order directing filing.

14 Q. And in that --

15 MR. DORITY: Your Honor -- excuse me,
16 Mr. Lumley. We would object to the relevance.

17 JUDGE WOODRUFF: You need to use the
18 microphone.

19 MR. DORITY: I apologize. We would again
20 object to the relevancy of this document that was filed in a
21 separate case to the extent that they're trying to purport
22 that we -- that Spectra is now owned 100 percent by
23 CenturyTel, Inc. I think I have already stipulated to that.
24 I don't know of any reason to put this into the record of this
25 proceeding.

1 MR. LUMLEY: With that stipulation, we don't
2 need the exhibit, your Honor.

3 JUDGE WOODRUFF: All right. Is 10 withdrawn
4 then?

5 MR. LUMLEY: Yes, sir.

6 JUDGE WOODRUFF: Or it hasn't been offered.

7 MR. LUMLEY: Correct.

8 BY MR. LUMLEY:

9 Q. And you may have already addressed this, but
10 the 10-K also reflects that all of the debt is intercompany
11 debt?

12 A. Yes.

13 Q. Did CenturyTel subsequently acquire additional
14 exchanges in Missouri?

15 A. Yes, it did.

16 Q. And when was that?

17 A. It was in 2002.

18 Q. You have before you what's been marked as
19 Exhibit No. 12. Can you identify that document?

20 A. Yes. Exhibit 12 is the Report and Order from
21 Case No. TM-2002-232. This was a case where CenturyTel
22 acquired the second set of exchanges from GTE then doing
23 business as Verizon.

24 Q. And that was how many exchanges? Does 96 sound
25 right?

1 A. 96 sounds great.

2 Q. And the Commission approved that transaction in
3 that order?

4 A. Yes, they did.

5 Q. And does that order include a schedule that
6 lists the specific exchanges towards the back?

7 A. Yes, it does. It's Attachment 2.

8 MR. LUMLEY: We'd move admission of Exhibit 12.

9 JUDGE WOODRUFF: Exhibit 12 has been offered
10 into evidence. Are there any objections to its receipt?

11 MR. HAAS: Your Honor, the copy that I've been
12 provided has an additional order attached to it. I just
13 wanted to bring that to the Commission's attention.

14 MR. LUMLEY: That's supposed to be a separate
15 exhibit.

16 JUDGE WOODRUFF: It's an order recognizing
17 change of name.

18 MR. LUMLEY: Yeah.

19 JUDGE WOODRUFF: It looks like that would be
20 Exhibit 15.

21 MR. LUMLEY: And we do have that -- it must
22 have been copied twice inadvertently. Thank you, Bill.

23 MR. DORITY: Actually, it's not Exhibit 15,
24 Judge, but it certainly does not belong on this exhibit.

25 MR. LUMLEY: No, it is. It's Exhibit 15.

1 JUDGE WOODRUFF: It's a different form, I
2 believe.

3 MR. DORITY: It's not, Carl.

4 JUDGE WOODRUFF: We'll deal with that later.

5 At this point, the last two pages are not part
6 of Exhibit 12 so they'll be removed from that. With that
7 change, Exhibit 12 will be received into evidence.

8 (Exhibit No. 12 was received into evidence.)

9 BY MR. LUMLEY:

10 Q. And can you identify Exhibit 13?

11 A. Exhibit 13 is the Non-unanimous Stipulation and
12 Agreement filed in that case, Case No. TM-2002-232.

13 Q. And was that referenced in the order?

14 A. Yes, it was.

15 MR. LUMLEY: I'd move admission of Exhibit 13.

16 JUDGE WOODRUFF: Exhibit 13 has been offered
17 into evidence. Are there any objections to its receipt?

18 MR. DORITY: Other than, your Honor, it's
19 duplicative. As I understand it, this document is, in fact, a
20 part of the Commission's Report and Order that was just
21 entered into evidence as Exhibit 12 -- as Attachment 1 of
22 Exhibit 12.

23 MR. LUMLEY: We'll withdraw the additional
24 exhibit then.

25 JUDGE WOODRUFF: All right. Exhibit 13 is

1 withdrawn.

2 BY MR. LUMLEY:

3 Q. So the stipulation is included in Exhibit 12;
4 is that correct?

5 A. Yes.

6 Q. And at page 6 of the stipulation, did the --
7 I'm sorry.

8 At page 6 of the order does the Commission
9 address the stipulations regarding interconnection
10 agreements?

11 MR. DORITY: I'm sorry. My copy is not
12 numbered with pages.

13 JUDGE WOODRUFF: Are we clear on where we're
14 at?

15 BY MR. LUMLEY:

16 Q. Did you find the paragraph I was referring to?

17 A. Yes.

18 Q. What page is it on of your copy of the exhibit?

19 A. Seventh. My copy's not marked either, so it's
20 seventh.

21 JUDGE WOODRUFF: That would be on Attachment 1
22 or in the --

23 MR. LUMLEY: This is within the body of the
24 order.

25 JUDGE WOODRUFF: Okay.

1 BY MR. LUMLEY:

2 Q. And there the Commission refers to the specific
3 provisions of the stipulation regarding interconnection
4 agreements?

5 A. Yes.

6 Q. All right. In the process of acquiring these
7 additional properties -- well, let me back up.

8 You have before you Exhibit 14. Are you able
9 to identify that document?

10 A. Exhibit 14 is the direct testimony of
11 Kenneth M. Matzdorff offered in this case on behalf of
12 CenturyTel Missouri, LLC.

13 Q. And that's from the Commission's records?

14 A. Yes.

15 MR. LUMLEY: Move admission of Exhibit 14.

16 JUDGE WOODRUFF: Exhibit's 14's been offered
17 into evidence. Are there any objections to its receipt?

18 Hearing none --

19 MR. DORITY: I would -- Judge, I'm sorry.

20 JUDGE WOODRUFF: Go ahead.

21 MR. DORITY: I would object that this is not
22 the testimony. This appears to be page 16 of the testimony.
23 I guess to the extent that any testimony is going -- or if the
24 Commission is going to take official notice of its files as to
25 the testimony, I would at least ask that the complete

1 testimony be referenced.

2 MR. LUMLEY: Your Honor, he certainly has the
3 right to offer the remainder of the testimony. I only intend
4 to call the Commission's attention to a specific answer and by
5 rule, I'm allowed to do that.

6 JUDGE WOODRUFF: The objection is overruled.
7 If you wish to put more of the testimony in, you can do that
8 with one of your witnesses.

9 All right. 14 is admitted.

10 (Exhibit No. 14 was received into evidence.)

11 BY MR. LUMLEY:

12 Q. And in that exhibit, did Mr. Matzdorff address
13 CenturyTel's ability to provide service?

14 A. Yes, it did -- yes, he did. In his testimony
15 he stated that CenturyTel has demonstrated its ability to
16 operate newly acquired properties through its acquisition of
17 similar properties in Missouri in 2000.

18 Q. Is there any other transaction he could be
19 referring to other than the acquisition of 107 exchanges from
20 GTE that was approved in Case 182?

21 A. No.

22 Q. Turning back to the order in Case 232, I
23 believe it's on page 7 where you left off, if I haven't
24 continued to mess up my numbering here. Did the Commission
25 discuss CenturyTel's plan regarding employees?

1 MR. DORITY: Your Honor, I'm going to have to
2 object. I apologize for the continued interruption, but
3 Mr. Lumley has asked the witness the question. I'm not sure
4 now what we're doing in terms of trying to point the witness
5 to the area of the document that he's referring to, but --

6 JUDGE WOODRUFF: What is your objection? You
7 wish to have him re-ask the question so we're clear on what it
8 is?

9 MR. DORITY: That would be helpful, Judge.

10 JUDGE WOODRUFF: Could you please re-ask the
11 question?

12 BY MR. LUMLEY:

13 Q. Mr. Kohly, are you able to find a page in the
14 early part of the order where the order discusses CenturyTel's
15 plans regarding employees?

16 A. Yes.

17 Q. What page is that?

18 A. It is the fifth page on the page where the
19 heading is Discussion. And at the bottom of that page it
20 says, CenturyTel will retain all of Verizon's current
21 employees and contemplates no immediate change in rates, terms
22 and conditions of service.

23 Q. And was that the same plan announced in the
24 Spectra transaction?

25 A. Yes, it was.

1 Q. And a little further down does the Commission
2 discuss the company's operational plans as presented to the
3 Commission? Should be about two pages further.

4 A. Yes.

5 Q. And what do they say?

6 A. Party -- CenturyTel agrees to submit monthly
7 surveillance reports to the Commission's -- that's financing.
8 Actually, I was reading the wrong part.

9 Q. Well, let's just skip that question.

10 Go to exhibit -- well, go to the stipulation,
11 which is at the back of that exhibit, please.

12 A. Okay.

13 Q. I believe page 6 -- I don't know how these
14 numbers got changed.

15 A. It's numbered correctly.

16 Q. At that page of the stipulation are service
17 quality reports discussed?

18 A. They are.

19 Q. And what does it say?

20 A. CenturyTel of Missouri, LLC and Spectra
21 Communications Group, LLC d/b/a CenturyTel each agree to
22 provide quality of service reports to the Office of Public
23 Counsel and the Staff on a monthly basis until the company
24 meets all service objectives for six consecutive months.

25 Q. Was Spectra even a named party to that

1 proceeding?

2 A. No.

3 Q. So CenturyTel agreed on their behalf regarding
4 service quality report submissions?

5 A. Appears so.

6 MR. DORITY: Objection.

7 BY MR. LUMLEY:

8 Q. Is the ownership of the second --

9 MR. DORITY: Your Honor, I would object to
10 that. I'm sorry I didn't get it in quick enough, but I would
11 ask that that answer be stricken. The document speaks for
12 itself. I don't believe this witness is qualified to
13 interpret the document.

14 JUDGE WOODRUFF: And could the court reporter
15 read back his response.

16 THE COURT REPORTER: "Question: Was Spectra
17 even a named party to that proceeding?

18 "Answer: No.

19 "Question: So CenturyTel agreed on their
20 behalf regarding service quality report submissions?

21 "Answer: Appears so."

22 JUDGE WOODRUFF: So, Mr. Dority, your objection
23 is that he's interpreting the document?

24 MR. DORITY: Yes.

25 JUDGE WOODRUFF: Your response?

1 MR. LUMLEY: Just demonstrating to the
2 Commission that Spectra is not a signatory to that document,
3 your Honor. We're just pointing that out.

4 JUDGE WOODRUFF: That's not the question you
5 asked. I'm going to sustain the objection to the question
6 that was asked, which does call for his interpretation of the
7 document. If you want to ask a different question, go ahead.

8 BY MR. LUMLEY:

9 Q. Is Spectra a signatory to the stipulation?

10 A. No, they are not.

11 Q. Is the ownership of the second group of
12 exchanges similar to the ownership of the first set of
13 exchanges now?

14 A. Yes, it is.

15 Q. You have before you Exhibit 15. Can you
16 identify that document?

17 A. Yes. Exhibit 15 is the Order Recognizing
18 Change of Name filed in Case No. TO-2001-437. And that is the
19 case regarding Spectra Communications Group, LLC's use of the
20 fictitious name CenturyTel.

21 MR. LUMLEY: Move admission of Exhibit 15.

22 JUDGE WOODRUFF: Exhibit 15 has been offered
23 into evidence. Are there any objections to its receipt?

24 Hearing none, it will be received into
25 evidence.

1 (Exhibit No. 15 was received into evidence.)

2 BY MR. LUMLEY:

3 Q. What was the date of that order?

4 A. This order shall become effective on
5 March 11th, 2001.

6 Q. Can you identify Exhibit 16?

7 A. Exhibit 16 is a tariff sheet. It's an original
8 sheet that was filed by Spectra Communications Group when they
9 obtained the exchanges of the first transaction with an
10 effective date of August 1st, 2000.

11 Q. Does it also reflect a d/b/a?

12 A. It does.

13 MR. LUMLEY: Move admission of Exhibit 16.

14 JUDGE WOODRUFF: Exhibit 16 has been offered
15 into evidence. Are there any objections to its receipt?

16 Hearing none, it will be received into
17 evidence.

18 (Exhibit No. 16 was received into evidence.)

19 BY MR. LUMLEY:

20 Q. You have before you what's been marked as
21 Exhibit 17. Can you identify that document?

22 A. This exhibit is CenturyTel's 2003 Annual Report
23 to shareholders.

24 Q. How did you obtain it?

25 A. I obtained it from CenturyTel's website in the

1 investor relations section.

2 MR. LUMLEY: Your Honor, I'd move admission of
3 Exhibit 17.

4 MR. DORITY: Your Honor, we would object again
5 on relevancy.

6 JUDGE WOODRUFF: Overruled. It will be
7 received into evidence.

8 (Exhibit No. 17 was received into evidence.)

9 BY MR. LUMLEY:

10 Q. Mr. Kohly, to your knowledge, do these two
11 CenturyTel subsidiaries have separate intrastate tariffs in
12 Missouri?

13 A. Yes, they do.

14 Q. Have you compared those tariffs?

15 A. Yes, I have.

16 Q. And how do they compare?

17 A. They are very similar. While some of the rates
18 may differ, the general structure of the tariff and the
19 products are similar.

20 Q. Can you identify Exhibit 18?

21 A. Exhibit 18 is a page taken from Spectra
22 Communication Group's, LLC d/b/a CenturyTel General and Local
23 Exchange Tariff. Identifies -- Section 14, third revised
24 sheet five identifying the package -- package services named
25 Simple Choice/Business Assist Advantage.

1 Q. And how about Exhibit 19, can you identify
2 that?

3 A. Exhibit 19 is a tariff sheet taken from the
4 General and Local Exchange Tariff of CenturyTel of Missouri,
5 LLC at PSC MO No. 1, Section 6, first revised sheet 19.3
6 regarding calling services and package services called Simple
7 Choice/Business Assist Advantage.

8 Q. And did the companies submit those tariffs at
9 the same time?

10 A. Yes. They were issued and effective on the
11 same date.

12 MR. LUMLEY: Move admission of Exhibits 18 and
13 19.

14 JUDGE WOODRUFF: 18 and 19 have been offered
15 into evidence. Any objections to their receipt?

16 MR. DORITY: Yes, Judge. We would object to
17 the relevancy. They are indeed two different tariffs for two
18 different companies.

19 MR. LUMLEY: Demonstrating that they offer the
20 same products and made changes to them at the same time.

21 JUDGE WOODRUFF: All right. For that purpose,
22 it will be received into evidence, 18 and 19 are received.

23 (Exhibit Nos. 18 and 19 were received into
24 evidence.)

25 BY MR. LUMLEY:

1 Q. Mr. Kohly, in your experience how does
2 CenturyTel generally represent itself before the Commission?

3 A. CenturyTel --

4 MR. DORITY: Your Honor, I'm going to object to
5 this question. I have no idea what foundation or basis upon
6 which Mr. Kohly would have any basis to answer what CenturyTel
7 does in terms of representing itself to this Commission. In
8 what context?

9 JUDGE WOODRUFF: I'm going to sustain the
10 objection.

11 MR. DORITY: Thank you.

12 BY MR. LUMLEY:

13 Q. Mr. Kohly, are they represented by the same
14 attorneys in this case?

15 A. Yes, they are.

16 Q. Were they represented by the same company
17 representative at the pre-hearing conference?

18 A. Yes.

19 Q. Do they have one witness?

20 A. Yes.

21 Q. Have they done this before in prior cases, to
22 your personal knowledge?

23 A. Yes, they have.

24 Q. Are you able to identify Exhibit 20?

25 A. Yes. Exhibit 20 is an excerpt from the

1 Rebuttal Testimony of Arthur Martinez filed in Case
2 No. TO-2003-0531.

3 Q. And in that document does he represent he's
4 testifying for both companies?

5 A. Yes, he does. Its states that, I am testifying
6 on behalf of Spectra Communications Group, LLC, d/b/a
7 CenturyTel and CenturyTel of Missouri, LLC.

8 MR. LUMLEY: Move admission of Exhibit 20.

9 MR. DORITY: Object to relevancy, your Honor.

10 JUDGE WOODRUFF: What's the relevancy?

11 MR. LUMLEY: Showing that these companies are
12 one operation. They don't have separate representatives
13 before the Commission, they don't have separate names to the
14 public.

15 JUDGE WOODRUFF: I'll overrule the objection.
16 Exhibit 20 will be received into evidence.

17 (Exhibit No. 20 was received into evidence.)

18 BY MR. LUMLEY:

19 Q. In the Annual Reports that are already in
20 evidence, Exhibits 11 and 33, do the companies provide the
21 same information for how the Commission is to contact them?

22 A. Yes, they do. They're even signed by the same
23 affiant.

24 Q. Were you a witness in Case TT-2003-0043 before
25 this Commission?

1 A. Yes, I was.

2 Q. What was the general subject of that case?

3 A. That was the case regarding a tariff that
4 Spectra d/b/a CenturyTel proposed to collect deposits from its
5 access customers, interexchange carriers.

6 Q. Was there evidence in that case that the
7 operations of the two subsidiaries were managed and operated
8 together?

9 A. Yes, there was.

10 Q. Can you identify Exhibit 21?

11 A. Exhibit 21 is an excerpt from the Rebuttal
12 Testimony I submitted in that case and contains exhibits
13 attached to that testimony.

14 Q. What do they reflect about common operations?

15 A. This was a tariff filed by Spectra
16 Communications d/b/a. AT&T submitted data requests asking how
17 those funds were to be handled. The response was, Typically
18 Spectra puts deposits --

19 MR. DORITY: Your Honor, I'm going to -- excuse
20 me, Mr. Kohly. I'm going to object to the relevancy of this
21 line of questioning to a totally different case some years ago
22 that Mr. Kohly might have been involved in. I don't see any
23 relevancy to whether or not the AT&T/Verizon agreement applies
24 to Spectra Communications Group, the issue before the
25 Commission in this case.

1 JUDGE WOODRUFF: Your response?

2 MR. LUMLEY: The relevance, your Honor, is that
3 Spectra came to this Commission seeking deposits from company
4 for access services and testify -- and provided information in
5 these data request responses that the monies would be held by
6 CenturyTel. Again, showing that this is one operation. They
7 weren't even going to put them in their own bank account.

8 JUDGE WOODRUFF: I'll overrule the objection.

9 BY MR. LUMLEY:

10 Q. Could you complete your answer, please?

11 A. Yes. Again reading from the data request
12 response, Typically, Spectra puts deposits in CenturyTel's
13 main bank account and shows them as a liability on the balance
14 sheet.

15 Q. Do they have any information about a revolving
16 credit facility?

17 A. Yes. AT&T submitted another data request
18 seeking to identify whether any funds collected through the
19 imposition of deposits would be used to pay Spectra's existing
20 or current operating expenses.

21 In their response, CenturyTel indicated it has
22 a revolving -- or Spectra d/b/a CenturyTel indicated it has a
23 revolving credit facility set up with a CenturyTel subsidiary
24 that provides operating funds for Spectra if needed.

25 MR. LUMLEY: Move admission of Exhibit 21.

1 MR. DORITY: Again, your Honor, we would object
2 on the relevancy.

3 JUDGE WOODRUFF: The objection will be
4 overruled and 21 will be admitted.

5 (Exhibit No. 21 was received into evidence.)

6 BY MR. LUMLEY:

7 Q. Mr. Kohly, since you've been dealing with
8 CenturyTel on behalf of Socket, who has been your account
9 representative at CenturyTel?

10 A. At CenturyTel it's been Susan Smith.

11 Q. Do you know her title?

12 A. Director of external affairs or regulatory
13 affairs.

14 Q. Does she serve as your account representative
15 for all exchanges?

16 A. Yes, she does.

17 Q. Is it typical in your experience as an employee
18 of several different CLECs that the CLEC account
19 representative would be the director of external affairs?

20 A. No, it's not. Other ILECs that I've dealt
21 with, primarily SBC and Sprint, use a completely different
22 wholesale group for the -- dealing with CLECs then for their
23 external and regulatory affairs that advocates stuff on behalf
24 of their retail operations.

25 Q. What problems are posed, in your mind as a

1 representative of CLECs, having an account representative with
2 an ILEC that's also an external affairs director?

3 MR. DORITY: Your Honor, I'm going to object to
4 this line of questioning. There's no basis for it in terms of
5 relevancy to the issue that's before us in terms of what
6 Mr. Kohly's opinion might be to corporate structure that a
7 company chooses to utilize.

8 JUDGE WOODRUFF: What is the relevance?

9 MR. LUMLEY: Your Honor, this particular line
10 of questioning goes to the credibility of CenturyTel's
11 position and raises the question of whether their position is
12 even taken in good faith or simply as a delay and stall
13 tactic. We're advising the Commission that the account
14 representative that Socket is presented with is not their
15 wholesale advocate that they have with other companies such as
16 SBC, but instead, someone that actually advocates positions
17 against them in the regulatory forums.

18 MR. DORITY: And, your Honor, I'm going to
19 object to the line of questioning. There's no adequate
20 foundation, there's been nothing in the record that Ms. Smith
21 is, in fact, an account representative for Mr. Kohly or
22 Socket.

23 MR. LUMLEY: He's already testified to that
24 fact, so it is in the record.

25 JUDGE WOODRUFF: I'm going to sustain the

1 objection on the basis of relevancy.

2 BY MR. LUMLEY:

3 Q. Do these two CenturyTel subsidiaries use
4 separate retail ordering processes?

5 A. No, they do not.

6 Q. How does one go about ordering local service
7 from them?

8 A. Recently a Socket employee obtained a retail B1
9 line by obtaining the phone number off of the CenturyTel.com
10 website, called the 1-800 number, the phone was answered as
11 CenturyTel --

12 MR. DORITY: Objection, your Honor. This is
13 hearsay. I'm going to object to it.

14 MR. LUMLEY: If I may ask a -- if I could voir
15 dire the witness, your Honor, for the foundation of his
16 knowledge.

17 JUDGE WOODRUFF: Go ahead.

18 BY MR. LUMLEY:

19 Q. Do you have direct and personal knowledge of
20 this conversation?

21 A. Yes, I do. I listened to the employee make the
22 call and then later I listened to a two-way recording of that
23 so I could hear both sides of the conversation.

24 JUDGE WOODRUFF: All right. The objection --
25 further objection or do you wish to add anything further?

1 MR. DORITY: I do have an objection, yes, your
2 Honor, as to the foundation for this testimony. I still think
3 it's hearsay and I have no idea what the relevance is to the
4 issue that we're about here today.

5 JUDGE WOODRUFF: Okay. What's the relevance?

6 MR. LUMLEY: Showing that their retail
7 operations make no distinctions between these companies. It's
8 one operation.

9 JUDGE WOODRUFF: All right. I'm going to
10 overrule the objection. Go ahead and answer.

11 BY MR. LUMLEY:

12 Q. Do you recall the question?

13 A. Yes.

14 Q. Go ahead.

15 A. Starting over, recently a Socket Telecom
16 employee accessed an 800 number he obtained from the
17 CenturyTel.com website, placed an order for a retail B1 line
18 in the exchange of Licking, which was an exchange acquired in
19 the first transaction. That order was processed and the line
20 established. In the course of that conversation, the employee
21 did ask the question, Who is Spectra? And the response was,
22 That's a name that might appear on the bill, but ignore it.

23 MR. DORITY: Your Honor, this is rank hearsay.
24 I'm going to have to object, ask that it be stricken. There's
25 no basis whatsoever for Mr. Kohly to be making these

1 assertions.

2 MR. LUMLEY: The response is, your Honor, the
3 statements of this company's employees acting in the scope and
4 course of their duties are admissions of the party and they're
5 not hearsay.

6 MR. DORITY: And we have no idea what employee
7 that he is talking about, who the person is, how to identify
8 that person, the date, time when this purported call may have
9 been made regarding retail operations, which has nothing to do
10 with what we're about here today.

11 MR. LUMLEY: He's free to ask all those
12 questions on cross, your Honor.

13 JUDGE WOODRUFF: I'm going to overrule the
14 objection.

15 BY MR. LUMLEY:

16 Q. Do these two operating subsidiaries have
17 separate ordering processes for the wholesale services that
18 Socket Telecom orders from them?

19 A. No, they do not.

20 Q. Can you identify Exhibit 23?

21 A. Exhibit 23 is a printout that I made of the
22 screens you see when you use CenturyTel's electronic ordering
23 system -- electronic ordering system for CLECs.

24 Q. And do you get any different information
25 depending on whether the exchange was acquired in the first

1 transaction or the second transaction?

2 A. No, you do not.

3 MR. LUMLEY: Move admission of Exhibit 23.

4 JUDGE WOODRUFF: 23 has been offered into
5 evidence. Are there any objections to its receipt?

6 Hearing none, it will be received into
7 evidence.

8 (Exhibit No. 23 was received into evidence.)

9 BY MR. LUMLEY:

10 Q. And has Socket used this wholesale ordering
11 process to order services in exchanges that were acquired in
12 the first transaction and in the exchanges that were acquired
13 in the second?

14 A. Yes. In order to test that it worked in the
15 Spectra exchanges, we used the B1 line that I referenced
16 earlier, submitted an order to port that number to Socket
17 Telecom. That order appears on the fifth page of the exhibit
18 at the bottom of the page, order to port, TN, phone number for
19 John Dupuy. That's an order for port in the exchange of
20 Licking.

21 And the order directly above that is for a port
22 order in Columbia, Missouri, which was an exchange obtained in
23 the second transaction. So the orders, regardless of which
24 company serves them, are interspersed.

25 Q. Does Socket also use a manual ordering process

1 with these companies?

2 A. Yes, it does.

3 Q. Does it work in the same way, that no
4 distinction is made between the two groups of exchanges?

5 A. Yes.

6 Q. Has CenturyTel, acting through either of its
7 operating subsidiaries, rejected any order based on the
8 argument that Socket Telecom lacks an interconnection
9 agreement?

10 A. Not based on that.

11 Q. There have been problems with orders?

12 A. Oh, yes.

13 Q. And you were present during opening statements
14 when counsel for CenturyTel confirmed that at least the one
15 subsidiary has recognized the adoption of the AT&T/GTE
16 agreement?

17 A. Yes.

18 Q. And if you need to refer -- do you still have
19 the agreement in front of you?

20 A. No, I don't.

21 Q. I took that back. If you need to refer to it,
22 let me know.

23 But did that agreement apply, at the time it
24 was made, to all the exchanges that had been operated by GTE
25 in the late '90s?

1 A. Yes, it did.

2 Q. Has CenturyTel provisioned facilities for
3 Socket in the exchanges that were acquired under the name of
4 Spectra?

5 A. Yes, it has.

6 Q. And specifically where?

7 A. Specifically it's provisioned interoffice
8 facilities in Monroe City, which serves as a host; also for
9 the exchange of Perry and Shelbina; in the exchange of
10 Licking; in the exchange of Van Buren, which serves as a host
11 for Birch Tree, Eminence and Winona; and yesterday they
12 provisioned facilities for the exchange of Canton, which
13 serves as a host for Lewistown, Monticello and La Grange.

14 Q. And I'm just going to hold this up just for
15 pictorial reference, but if you could state, where are these
16 exchanges located in the state of Missouri?

17 A. In the northwest corner of the state in the
18 exchanges that are in red.

19 Q. In this northwest corner?

20 A. Northeast corner.

21 COMMISSIONER CLAYTON: Now you're getting
22 offensive.

23 THE WITNESS: I'm dyslexic.

24 MR. LUMLEY: At least one of us knew it.

25 And, your Honor, I do have a copy of that map,

1 but it's rather large and I don't really see the need to offer
2 it as an exhibit so I'm Withdrawing or not offering 24 just so
3 you can keep track of where I am.

4 JUDGE WOODRUFF: Okay. You didn't provide a
5 copy of it either, did you?

6 MR. LUMLEY: No. I tried to get the miniature
7 ones and it didn't really come out very well.

8 BY MR. LUMLEY:

9 Q. In the exchanges that you've mentioned, how
10 many minutes of traffic has CenturyTel passed to Socket
11 Telecom?

12 A. Over 2 million minutes. I think it's close to
13 2.4 million.

14 Q. And what kind of facilities have they
15 provisioned?

16 A. They have provisioned interoffice facilities
17 that are used to route local exchange traffic.

18 Q. And when did they do this?

19 A. The bulk of the facilities were provisioned in
20 August, but again, yesterday additional trunks were put in
21 place.

22 Q. And this was all done pursuant to the
23 agreement?

24 A. Yes.

25 MR. DORITY: Objection. On what basis is

1 Mr. Kohly testifying that it was done pursuant to the
2 agreement?

3 MR. LUMLEY: I'll clarify the question.

4 BY MR. LUMLEY:

5 Q. Was Socket Telecom placing these orders
6 pursuant to this interconnection agreement?

7 A. Yes, it was.

8 MR. DORITY: Mr. Kohly cannot speak on behalf
9 of Socket Tele-- I'm sorry. Socket Telecom?

10 MR. LUMLEY: Yes, that was my question.

11 MR. DORITY: I'm sorry. Excuse me.

12 BY MR. LUMLEY:

13 Q. And what kind of quantities of facilities are
14 we talking about?

15 A. In the hundreds of DSOs.

16 JUDGE WOODRUFF: Can you clarify what a DSO is?

17 THE WITNESS: DSO is a voice grade equivalent
18 equal to one standard voice line.

19 JUDGE WOODRUFF: Thank you.

20 BY MR. LUMLEY:

21 Q. And have they provisioned all -- restate that
22 question.

23 Have they denied facilities in any exchange
24 that Socket has sought to serve?

25 A. Yes, they have.

1 Q. Where is that?

2 A. In a number of exchanges. I can't --

3 Q. From the first transaction?

4 A. Yes.

5 Q. And based on what?

6 A. Based on either the quantity or the type of
7 facility being ordered did not match a forecast that Socket
8 Telecom provided them.

9 Q. But not based on the lack of an agreement?

10 A. No.

11 Q. Is there anything unique about any of the
12 interoffice facilities that they've provided to -- that
13 CenturyTel has provided to Socket Telecom?

14 A. The interoffice facilities run from Wentzville,
15 which was an exchange acquired in the first -- in the second
16 transaction, to the exchanges acquired in the first
17 transaction. It's an interoffice facility.

18 In the normal course, interoffice facilities
19 aren't provisioned by multiple LECs, so we could not get an
20 interoffice facility that connected a SBC exchange to a Sprint
21 exchange. So it's unique that CenturyTel provisions
22 facilities that link up exchanges through to its
23 subsidiaries -- or I guess it would be unique if they were
24 separate companies.

25 Q. When did CenturyTel first raise the issue of

1 where they were arguing that Socket Telecom did not have an
2 interconnection agreement regarding these exchanges that were
3 acquired in the first transaction?

4 A. Socket Telecom invoked a dispute resolution
5 process because we were having orders rejected due to
6 forecasts -- reasons related to the forecast. When I finally
7 had a conference call with Susan Smith, I believe it was on
8 September 9th, that was the first time they had ever indicated
9 that we did not have an interconnection agreement in those
10 exchanges.

11 Q. In that discussion or any time subsequent, did
12 she raise any issues about the existing facilities?

13 A. No. Not that I recall.

14 Q. And is this position that Ms. Smith took the
15 reason that Socket filed this case?

16 A. Yes, it is.

17 Q. Has CenturyTel, to your knowledge, raised any
18 cost or technical issues as the basis for opposing Socket's
19 use of this interconnection agreement?

20 A. No, they have not.

21 Q. Can Socket Telecom adequately serve its
22 customers without an agreement that covers all these
23 exchanges?

24 A. No, it cannot.

25 Q. And in your experience with CenturyTel, does it

1 operate these two subsidiaries as one enterprise?

2 A. Yes, it does. Clearly when you look at the
3 ordering interfaces, the way they hold themselves out, the
4 network people, it's one in the same.

5 Q. Has CenturyTel been a cooperative ILEC to deal
6 with as compared to others?

7 A. Among the ILECs that I've dealt with, they've
8 been the least cooperative.

9 Q. How does their behavior compare to the
10 commitments they made when they bought the exchanges?

11 MR. DORITY: Objection, your Honor.

12 JUDGE WOODRUFF: Sustained.

13 BY MR. LUMLEY:

14 Q. What relief is Socket seeking from the
15 Commission in this case?

16 A. Socket is seeking a confirmation that the
17 agreement we are currently operating under throughout
18 CenturyTel's area is in place and that we can operate under
19 that agreement -- continue to operate under that agreement.

20 MR. DORITY: Excuse me, your Honor. I'm going
21 to object to the answer unless he can clarify CenturyTel at
22 this point.

23 JUDGE WOODRUFF: Can you clarify the answer?

24 THE WITNESS: In my answer, CenturyTel would
25 include CenturyTel Missouri, LLC and Spectra Communications

1 Group doing business as CenturyTel.

2 MR. DORITY: Thank you.

3 MR. LUMLEY: Your Honor, could I have a brief
4 recess to go over and make sure I've completed this, just a
5 moment?

6 JUDGE WOODRUFF: Let's take about five minutes.
7 We'll come back at 11:30.

8 (A recess was taken.)

9 JUDGE WOODRUFF: Mr. Lumley, did you have any
10 other questions for this witness?

11 MR. LUMLEY: Not at this time, your Honor.

12 JUDGE WOODRUFF: All right. Thank you. We'll
13 go on for cross-examination then which begins with Staff, but
14 Mr. Haas has not returned yet so -- I'm sure he'll be here
15 shortly -- and there he is.

16 Mr. Haas, Mr. Lumley indicated he had no
17 further questions so we're going to cross-examination. And I
18 believe, according to my chart, that begins with you.

19 CROSS-EXAMINATION BY MR. HAAS:

20 Q. Do you have with you today the letters where
21 Socket --

22 JUDGE WOODRUFF: If you want to come up to the
23 podium, please.

24 MR. HAAS: Sorry.

25 BY MR. HAAS:

1 Q. Do you have with you today the letters where
2 Socket requested interconnection in the Spectra exchanges?

3 A. I do not.

4 Q. What admission, statement or act by Spectra
5 Communications Group, LLC indicates to Socket that Spectra
6 Communications Group, LLC offers interconnection services
7 under the GTE and AT&T interconnection agreement?

8 A. Pursuant to that agreement, we have placed
9 orders for facilities. Those orders have been processed in
10 some cases. In other cases they were rejected for issues
11 related to a forecast.

12 And regarding forecast, we have submitted
13 forecasts to CenturyTel that outlined -- that show forecasts
14 for facilities for both exchanges served by CenturyTel of
15 Missouri, LLC, Spectra Communications Group doing business as
16 CenturyTel and they have accepted those forecasts and used
17 those forecasts in the course of business. And those
18 forecasts are submitted and are required by the
19 interconnection agreement -- the GTE/AT&T agreement that we
20 operate under.

21 Q. When did Socket first request interconnection
22 with one of the Spectra exchanges?

23 A. I was not at Socket at that time. Carson
24 Coffman could probably give you a more definitive answer on
25 that, when the process first started.

1 Q. What admission, statement or act by Spectra
2 Communications Group, LLC indicates to Socket that Spectra
3 Communications Group, LLC and CenturyTel of Missouri, LLC are
4 deemed to be one entity?

5 A. There is no -- outside of the PSC's regulatory
6 room, there is no Spectra. They operate as one entity. We
7 place an order, regardless if it's an exchange acquired in the
8 first transaction or the second transaction, it's processed in
9 the same manner. If you look to financial reports they
10 submit, they hold themselves out as one entity. In the course
11 of business, they hold themselves out as one entity and use
12 the same representatives, same lobbyists, same everything.

13 Q. Does Socket deny that Spectra Communications
14 Group, LLC and CenturyTel of Missouri, LLC are organized in
15 different states?

16 A. Yes.

17 Q. You would deny that --

18 A. I'm sorry. That was represented today that
19 they're incorporated in different states. Yes, I would agree
20 with that.

21 Q. Would you agree that Spectra Communications
22 Group, LLC and CenturyTel of Missouri, LLC have separate
23 certificates from this Commission?

24 A. They do.

25 Q. And would you agree that Spectra Communications

1 Group, LLC and CenturyTel of Missouri, LLC serve different
2 exchanges?

3 A. They do serve different exchanges providing the
4 same services.

5 Q. And would you agree that Spectra Communications
6 Group, LLC and CenturyTel of Missouri, LLC have separate
7 tariffs?

8 A. Yes, they do. The tariffs are similar.

9 Q. Is Socket claiming that there is an admission,
10 statement or act by the Public Service Commission that
11 indicates to Socket that Spectra Communications Group, LLC
12 offers interconnection services under the GTE and AT&T
13 interconnection agreement?

14 A. An act by the Commission?

15 Q. Yes.

16 A. No.

17 MR. HAAS: That's all the questions I have.

18 JUDGE WOODRUFF: Thank you.

19 MR. DORITY: Your Honor, we've received a
20 wealth of information this morning that we have just seen for
21 the first time. And with your indulgence since we're close to
22 the lunch hour, if I could please have time over the lunch
23 hour to wade through some of this information and prepare for
24 Mr. Kohly's cross-examination, I would be very grateful.

25 MR. LUMLEY: We have no objection.

1 JUDGE WOODRUFF: That is certainly
2 understandable. We'll come back at 12:30 after a lunch break.

3 (A recess was taken.)

4 JUDGE WOODRUFF: Welcome back from lunch. When
5 we broke for lunch, we were about to start cross-examination
6 for Mr. Dority. You may proceed.

7 MR. DORITY: Thank you, Judge.

8 CROSS-EXAMINATION BY MR. DORITY:

9 Q. Good afternoon, Mr. Kohly.

10 A. Good afternoon.

11 Q. On your extensive list of exhibits that
12 Mr. Lumley was kind enough to provide us to work through this
13 morning, could you point to me where the interconnection
14 agreement between CenturyTel and AT&T for the state of
15 Missouri is referenced? Do you have an exhibit where --

16 A. We have an exhibit that's the interconnection
17 agreement between GTE and AT&T. That's the agreement we
18 adopted in the CenturyTel -- in the case with CenturyTel.

19 Q. So when Socket makes the verified allegation in
20 its pleading that initiated this case that it hereby confirms
21 its prior adoption of the interconnection agreement between
22 CenturyTel and AT&T for the state of Missouri, there really is
23 no such agreement, is there?

24 A. There is in that it's the GTE and AT&T
25 agreement that CenturyTel operates under --

1 Q. Did CenturyTel actually operates --

2 A. -- or --

3 Q. -- in terms of honoring pursuant to the
4 Non-unanimous Stipulation and Agreement in the TM-2002 case.
5 Correct?

6 A. It's the agreement that governs our operations
7 with CenturyTel.

8 Q. Of Missouri?

9 A. With CenturyTel, both entities.

10 Q. Can you point me to the agreement with Spectra
11 Communications Group, LLC doing business as CenturyTel?

12 A. Again, it would be the GTE -- GTE/AT&T
13 agreement --

14 Q. Okay.

15 A. -- that they've operated under and provisioned
16 facilities under.

17 Q. And, Mr. Kohly, could you refresh my
18 recollection from your testimony this morning on what company
19 are you an employee of?

20 A. I'm an employee of Socket Holding Company. My
21 primary responsibilities and almost exclusive responsibilities
22 are to work for Socket Telecom.

23 Q. And Socket Holdings Company has how many
24 employees?

25 A. I would -- approximately 60.

1 Q. 60?

2 A. Yes.

3 Q. And are Socket Internet and Socket Telecom
4 subsidiaries of Socket Holding?

5 A. I'm not sure of the actual structure. I think,
6 in looking at some Secretary of State records, Socket Holding
7 is the same as Socket Internet, but I'm not sure of that.

8 Q. Oh, so you're telling me that Socket Holding is
9 the same entity as Socket Internet, Inc.?

10 A. When you're getting into that detail of Inc.
11 versus LLCs, I don't know.

12 Q. Well, I mean, if I were to enter into a
13 contract with Socket Internet, if I were to subscribe to
14 service from Socket Internet, would I also be subscribing to
15 service from Socket Telecom, LLC, the petitioner in this
16 proceeding?

17 A. Not necessarily.

18 Q. Not necessarily?

19 A. No. I guess, no, you wouldn't. They're
20 separate entities.

21 Q. They're separate entities.

22 And would I be able to subscribe to
23 interexchange carrier service from Socket Internet Services
24 Corporation?

25 A. No. Socket Telecom is a certificated entity.

1 Q. Is there a certificated entity referred to as
2 Socket Internet Services Corporation providing interexchange
3 carrier services?

4 A. Not that I'm -- recall.

5 MR. DORITY: Judge, if I may have an exhibit
6 marked, please.

7 JUDGE WOODRUFF: Certainly. This will be
8 No. 36.

9 (Exhibit No. 36 was marked for identification.)

10 MR. DORITY: May I approach, Judge? Sorry.

11 JUDGE WOODRUFF: Yes.

12 MR. DORITY: May I approach the witness, your
13 Honor?

14 JUDGE WOODRUFF: You certainly may.

15 BY MR. DORITY:

16 Q. Mr. Kohly, I've handed you what has been marked
17 for identification as Exhibit 36, which is the Commission's --
18 from the Commission's files. It's Order Approving
19 Interexchange Certificate of Service Authority and Order
20 Approving Tariff for Socket Internet Services Corporation. Do
21 you see that?

22 A. Yes.

23 Q. And the question I have, is this still an
24 entity within the corporate family of Socket, Socket Holdings?

25 A. It is not one I'm familiar with. My -- I -- I

1 don't know.

2 Q. Okay. In your role with Socket Holdings, do
3 you also provide services for Socket Communications Group,
4 Inc., a certificated IXC in Missouri?

5 A. Can you tell me what tariff they operate under
6 or provide some more documentation?

7 Q. Sure.

8 MR. DORITY: Judge, may I have an exhibit
9 marked?

10 JUDGE WOODRUFF: You may. It will be 37.

11 (Exhibit No. 37 was marked for identification.)

12 MR. DORITY: May I approach?

13 JUDGE WOODRUFF: Certainly.

14 BY MR. DORITY:

15 Q. Mr. Kohly, I've handed you what has been marked
16 as Exhibit 37, which again from the Commission's own records
17 is a copy of the Order Approving Interexchange and
18 Non-switched Local Exchange Certificate of Service Authority
19 and Order Approving Tariff for Socket Communications Group,
20 Inc. Case No. TA-2000-398. Do you have that in front of you?

21 A. Yes.

22 Q. And again, I'll ask you the question, are you
23 familiar with this company and is it a member of the Socket
24 Holdings?

25 A. I am not familiar with this company.

1 Q. Okay. And Socket Telecom, LLC, the petitioner
2 in this particular proceeding, is operating under a
3 certificate that was awarded in Case No. TA-2001-671; is that
4 correct?

5 A. That's my recollection. I can't remember the
6 exact case number.

7 Q. And is it my understanding from your testimony,
8 Mr. Kohly, that trunks have been provisioned in the Spectra
9 exchanges of Monroe City, Licking, and Van Buren; is that
10 correct?

11 A. That is correct. And additionally in Canton.

12 Q. And you've added Canton?

13 A. As of yesterday.

14 Q. Okay. And what was the date, if you can again
15 refresh my recollection, when you were advised by Ms. Smith
16 that there was, in fact, no existing interconnection agreement
17 between Socket and Spectra Communications?

18 A. It was on a phone call with her where we were
19 discussing the dispute resolution process related to their
20 practice of rejecting our orders for forecast issues. I
21 believe that was September 9th.

22 Q. And you are aware and were in the hearing room
23 during the pre-hearing conference when I made the
24 representations on the record that Spectra Communications
25 Group would, in fact, continue to provision those trunks that

1 had been turned up for Socket --

2 A. Yes.

3 Q. -- so that there would be no harm to the
4 company or its customers?

5 A. I won't agree with the last part of your
6 statement. I was in the room when you made the offer not to
7 turn down those facilities.

8 Q. Okay. And would you accept, to the extent we
9 can confirm that Canton as well as has been turned up by
10 mistake, that Spectra Communications Group would make that
11 same offer to Socket?

12 A. I can't confirm whether --

13 Q. We will. I can tell you that right now, that
14 to the extent that Canton was, in fact, turned up by mistake,
15 that we would continue to provision those trunks as well.

16 MR. LUMLEY: Your Honor, I mean, that's not a
17 question. He's making settlement offers on the record, which
18 I think would be better reserved for a different portion of
19 the hearing.

20 JUDGE WOODRUFF: I'll sustain the objection.

21 BY MR. DORITY:

22 Q. Mr. Kohly, when those particular trunks were
23 turned up, was Socket Telecom, LLC -- was your tariff in
24 effect for those three particular exchanges? Let me ask it --
25 I'm sorry. Go ahead if you know the answer.

1 A. Go ahead.

2 Q. Let me ask it another way. Were there tariffs
3 in effect for Socket Telecom, LLC on September 9th, 2004 for
4 the exchange -- exchanges of Monroe City, Licking and Van
5 Buren?

6 A. No, there wasn't.

7 MR. DORITY: Your Honor, I was only -- over the
8 lunch hour I was only able to obtain one copy of a document,
9 and I'll be happy to make additional copies. And what this is
10 is the cover letter and tariff filing of Socket Telecom, LLC
11 dated October 4th, 2004. And I would like to have it marked
12 and hand it to the witness for identification purposes.

13 JUDGE WOODRUFF: All right. It will be 38.

14 MR. DORITY: May I approach the witness?

15 (Exhibit No. 38 was marked for identification.)

16 MR. DORITY: May I approach the witness, Judge?

17 JUDGE WOODRUFF: You may.

18 BY MR. DORITY:

19 Q. Mr. Kohly, let me hand you what's been marked
20 for identification purposes as Exhibit 38 and ask you if you
21 recognize that document?

22 A. Yes, I do.

23 Q. And could you tell the Commission what that
24 document is?

25 A. It is a tariff filing made on behalf of Socket

1 Telecom. It was intended to expand the geographic area listed
2 in our tariffs where we provide local service.

3 Q. And what is the date of your cover letter?

4 A. Date of the cover letter is October 4th.

5 Q. And what are the issue date and effective date
6 for the tariffs that are attached?

7 A. They are issued October 4th and effective
8 November 3rd.

9 Q. Thank you.

10 Mr. Kohly, attached to this new tariff filing
11 effective November 3rd, 2004, I guess a couple of weeks ago,
12 does this include the exchanges of Monroe City, Van Buren and
13 Licking?

14 A. May I see your single-copy exhibit --

15 Q. Yes. You sure may.

16 A. -- to confirm that?

17 Yes, it does.

18 Q. So just so I'm clear, after the date of
19 September 9th when you allege that Ms. Smith informed you that
20 Spectra Communications Group, LLC did not have an
21 interconnection agreement with Socket and would dispute the
22 provisioning of service to Socket in the state of Missouri,
23 you filed a tariff with this Commission for service rendered
24 effective November 3rd that would effectuate such service in
25 those exchanges; is that right?

1 A. Those exchanges as well as others.

2 Q. Okay. Thank you.

3 MR. DORITY: May I have just a second, Judge --

4 JUDGE WOODRUFF: Certainly.

5 MR. DORITY: -- as I drop my exhibits?

6 Judge, I would offer into evidence Exhibits 36,

7 37 and 38.

8 JUDGE WOODRUFF: All right.

9 MR. DORITY: And I will make copies available

10 for everyone.

11 JUDGE WOODRUFF: Will you have those by the end

12 of the day?

13 MR. DORITY: Yes, sir.

14 JUDGE WOODRUFF: That would be fine.

15 Exhibits 36, 37 and 38 have been offered into

16 evidence. Are there any objections to their receipt?

17 MR. LUMLEY: No.

18 JUDGE WOODRUFF: All right. Hearing no

19 objections, they will be received into evidence.

20 (Exhibit Nos. 36, 37, and 38 were received into

21 evidence.)

22 MR. DORITY: That's all the questions I have at

23 this time. Thank you.

24 JUDGE WOODRUFF: Thank you.

25 Then we'll come up to questions from the Bench.

1 Commissioner Clayton?

2 QUESTIONS BY COMMISSIONER CLAYTON:

3 Q. Mr. Kohly, very quickly, what I'd like to do is
4 I'd like to run through the timetable of the organization of
5 Spectra, CenturyTel and make sure that my time line is in
6 place with regard to when the GTE/AT&T interconnection
7 agreement was put in place and also putting in there where
8 Socket started providing basic service. Can you help me with
9 that?

10 A. I will try.

11 Q. Okay. And basically, this is -- I'm going to
12 ask -- I guess I'm asking factual questions that were
13 discussed in the opening statements because I want to be clear
14 on exactly what happened when. With all the documents that
15 were filed, it's not entirely clear to me just following the
16 time line for when each of these events occurred.

17 So I guess I'd like to start off with the date
18 of the interconnection agreement that Socket is attempting to
19 adopt in this adoption case.

20 A. Okay. That interconnection agreement was the
21 result of an arbitration that occurred in the 19-- late 1996
22 to 199-- 1997 time frame. It was approved I believe in
23 1998 -- after the arbitration, the parties went back, worked
24 on the language and came up with an agreement and filed it.

25 Q. And was that between Verizon or was that

1 between -- between AT&T and Verizon or AT&T and GTE?

2 A. That was between AT&T and GTE.

3 Q. Okay. So that would have been approved in
4 1998?

5 A. I believe so.

6 Q. Okay. And then subsequent to that, GTE started
7 disposing of its Missouri assets. Is that a fair
8 characterization?

9 A. Yes.

10 Q. And are you aware of when that first sale of --
11 that first set of exchanges was made?

12 A. It was -- the first set of exchanges was sold
13 in 2000.

14 Q. And was that the Spectra group or was that the
15 CenturyTel of Missouri group?

16 A. That was the Spectra group.

17 Q. Okay. And those were the 107 exchanges that
18 were referenced earlier?

19 A. Yes.

20 Q. Okay. Now, prior to that sale, did Socket have
21 an interconnection agreement with GTE?

22 A. No, it did not.

23 Q. Okay. So on the time line, the next event that
24 occurred would have been the sale of the rest of the GTE
25 properties?

1 A. If you're including Socket in this time line --

2 Q. Yes.

3 A. -- the next event would have been Socket
4 adopted the agreement -- the AT&T/GTE agreement prior to the
5 second sale.

6 Q. Okay. And when would that have been?

7 A. June of 2002 -- June 27th, 2002 is when the
8 order was approved.

9 Q. Okay. And that's an exhibit that was offered
10 earlier. Correct?

11 A. Yes.

12 COMMISSIONER CLAYTON: Okay. Judge, would you
13 have a problem if we perhaps had the witness do a time line
14 for us on a piece of paper?

15 JUDGE WOODRUFF: I think that would be very
16 helpful. We have an easel over there. I don't know if
17 there's any paper with it.

18 COMMISSIONER CLAYTON: Bill, maybe you could
19 help us out. There's an easel over here to the left. And if
20 we could take it around, we'll have to describe it to people
21 listening and at home. All right. If anyone's listening at
22 home -- if they are listening at home. We won't make any
23 comment about that, but those listening from other places.

24 MR. VOIGHT: Where would you like it, Judge?

25 JUDGE WOODRUFF: Bring it over here by the

1 stand would be fine. Why don't you put it up against the wall
2 there so the parties can see it too.

3 MR. VOIGHT: Judge, we may need the magic
4 marker.

5 THE WITNESS: I'm afraid you asked the person
6 with the worst handwriting to do this.

7 COMMISSIONER CLAYTON: Now, if that were the
8 case, we would have asked the Chairman to write.

9 THE WITNESS: I think I could give him a run
10 for it.

11 BY COMMISSIONER CLAYTON:

12 Q. Okay. And why don't we start from the
13 beginning. 1996/97 was when -- the original GTE/AT&T
14 interconnection agreement? And while you're writing that,
15 Mr. Kohly, can I ask, this was for -- that agreement was for
16 all of the GTE properties in the state, all 203 exchanges?

17 A. Yes, it was.

18 Q. You've got nice handwriting, Matt.

19 A. It's good as it gets.

20 Q. That was approved in 1998?

21 A. Yes.

22 Q. And then the next item was Spectra purchased --
23 that was in 2000, Spectra purchased 107 exchanges?

24 A. Yes.

25 Q. And I assume that was approved some time in

1 2000. And the next date would have been June 2002 where
2 Socket adopted the GTE/AT&T agreement. And that adoption was
3 for the GTE properties at that point, which there were 96?

4 MR. DORITY: Excuse me, your Honor. If I could
5 interject. To answer the question, yes, I believe it was
6 96 exchanges. In terms of what we've covered today, there was
7 one other item in terms of a time line, your Honor, that you
8 may want to include. And I believe that was Socket's
9 certification in the year 2001 I believe was discussed and put
10 in the record.

11 COMMISSIONER CLAYTON: Well, they would have
12 been -- yeah okay. 2001.

13 JUDGE WOODRUFF: Mr. Kohly, if you could bring
14 the microphone over your direction a little bit when you talk.

15 Thank you. And speak up a little bit too.

16 COMMISSIONER CLAYTON: And so that there's no
17 duplication and because we are merely an administrative
18 agency, if there are problems in the facts, I mean, I want to
19 make sure that they're straightened out so we don't have --
20 unless it's a significant issue, but -- so thank you for
21 bringing that up.

22 BY COMMISSIONER CLAYTON:

23 Q. You've got the 2001 Socket was certificated, so
24 you may want to just tuck that in there.

25 A. When -- okay.

1 Q. 2001. I guess it could have gone after -- 2001
2 could have gone after 2000, but you can draw an arrow. Okay.

3 A. I'm used to being able to hide behind the
4 counter.

5 Q. So in June 2002, Socket adopted the
6 interconnection agreement that had been entered into between
7 GTE and AT&T for the GTE properties at that time, which were
8 the remaining 96 exchanges. Correct?

9 A. Yes.

10 Q. Okay. The next event would be the sale of
11 those GTE properties, the rest of the GTE properties to
12 CenturyTel of Missouri. When did that occur?

13 A. 2002 subsequent to June. I'm not sure of the
14 exact date.

15 Q. Okay.

16 A. Late 2002.

17 Q. Okay. Now, from here I want you to just point
18 out any other items on this time line that would be relevant
19 in a chronological manner, if you could.

20 A. Well, subsequent to this, Socket began to
21 implement the provisions of that interconnection agreement and
22 establish interconnection with CenturyTel. Socket's other
23 witness, Carson Coffman, participated directly in that process
24 and has probably a better understanding of the exact time
25 line, but it was subsequent to this.

1 Q. Okay. Was the agreement that Socket had
2 adopted -- there's no dispute regarding those -- the
3 interconnection agreement in those 96 exchanges. Correct?

4 A. Correct.

5 Q. So that agreement was adopted and the dispute
6 is with regard to the 107 exchanges through Spectra?

7 A. Yes.

8 Q. Okay. Now, when did Socket enter for the first
9 time one of the 107 Spectra exchanges; do you know that?

10 A. Socket submitted orders for facilities in those
11 exchanges just -- June/July time frame submitted forecasts for
12 those facilities prior to that of 2004.

13 Q. So --

14 A. Late 2003.

15 Q. So June 2003 or 2004?

16 A. Starting with the forecasts and stuff would
17 have been late 2003, I believe. Orders were placed summer of
18 2004.

19 Q. Okay. And those were which exchanges? Weren't
20 there just a handful?

21 A. There were multiple exchanges and I don't have
22 a complete list where the orders were submitted. They've been
23 provisioned --

24 Q. I mean, what number of exchanges are we
25 talking?

1 A. 10 to 15.

2 Q. Okay. And so that order for service would have
3 occurred, you say, in 2004?

4 A. Yes.

5 Q. Now, was service implemented at any time? Was
6 there any type of an agreement or any type of exchange between
7 Socket and CenturyTel in those 10 to 15 exchanges?

8 A. We submitted forecasts for facilities in those
9 exchanges, those forecasts were accepted. We submitted orders
10 for those facilities in those exchanges. In some cases they
11 were rejected because of forecast issues or other issues. In
12 other instances they were completed and fulfilled and the
13 facilities are in place. In four exchanges that are host and
14 then those facilities could also be used in the remote
15 switches that subtend that for a total of 10 exchanges, I
16 think. That would be a total of 12 exchanges when you count
17 all the remotes.

18 Q. And then at what point was Socket notified of
19 the lack of interconnection agreement?

20 A. I believe that was September 9th.

21 Q. Of this year?

22 A. Yes.

23 Q. Now, under normal circumstances -- I guess this
24 isn't a normal situation because you believe that there was an
25 interconnection agreement that was valid and binding between

1 these two entities; is that correct?

2 A. Correct.

3 Q. And that's based on the fact that Socket
4 believed that there was only one CenturyTel operating in the
5 state of Missouri?

6 A. Yes. They held themselves out as one entity.
7 We had submitted forecasts that governed all the exchanges.
8 Those had been accepted, had been worked, had been, you know,
9 used in the course of business.

10 Q. And that began in -- the forecast and the
11 orders began in late 2003 and I guess took time over the
12 course of --

13 A. Right.

14 Q. -- 2004; is that correct?

15 A. Correct.

16 Q. Okay. Did Socket rely in any way on those
17 representations? Did it implement service without having an
18 interconnection agreement or -- help me understand what
19 happens when you do these forecasts and make these orders.
20 Can you describe that activity to me?

21 A. You would prepare a forecast that said for this
22 particular exchange, we will need this many -- you know, this
23 quantity of trunking facilities. Those forecasts are then
24 used for network planning as interaction to acquire those
25 facilities. And then once you acquire the facility, begin

1 providing service.

2 So we relied on the fact that those fa-- I
3 mean, those forecasts and included exchanges -- both Spectra
4 and the other exchanges were accepted, were used and were
5 relied upon for placing orders.

6 Q. Those exchanges you just referenced were in the
7 Spectra territory or CenturyTel of Missouri territory?

8 A. Both.

9 Q. Okay. Now, Socket is a sophisticated company,
10 is it not?

11 A. Yes.

12 Q. And it was aware that there were two tariffs
13 that were in place for the two separate operating companies
14 associated with CenturyTel?

15 A. I don't know that people involved in
16 establishing interconnection knew that.

17 Q. When you say the people, you mean your people?

18 A. Yes.

19 Q. Okay. And what level in the company would
20 those people have been? Are those marketing folks? Are they
21 service folks? Are they management? I mean, I guess where in
22 the hierarchy?

23 A. They would have been management.

24 Q. And they did not know that there were two
25 different tariffs?

1 A. I don't know. I would say the -- multiple
2 tariffs does not demonstrate multiple companies. CenturyTel
3 of Missouri operates at the interstate level under multiple
4 tariffs for providing access. So the fact that they may have
5 two tariffs doesn't mean it's two separate companies. So even
6 if they knew -- and I would assume they knew that there were
7 multiple tariffs, that doesn't really mean anything as far as
8 if it's one company or two companies.

9 Q. For interconnection agreements can they be
10 entered into for various tariffs or are they associated with
11 just single tariffs, do you know?

12 A. The interconnection agreements are really
13 separate and apart from tariffs. There are interconnection
14 agreements between -- one example would be some of the
15 wireless agreements where a wireless carrier would have an
16 agreement with the TDS companies which is actually comprised
17 of four ILECs that have separate tariffs, but it's one
18 company, they've got one agreement. And I -- I think it's --
19 it is common practice to have one agreement that would cover
20 multiple tariffs -- multiple certificated entities.

21 Q. So an agreement could include separate
22 provisions for different territories, different provisions for
23 different territories?

24 A. It could or it could include the same ones.

25 Q. It could. So there are varying designs of

1 interconnection agreements that could be employed --

2 A. Right.

3 Q. -- is that correct?

4 Is it Socket's contention that it has a valid
5 interconnection agreement that would permit it to enter into
6 business with CenturyTel in all 203 exchanges in the state of
7 Missouri?

8 A. Yes, it is. We believe they've extended the
9 agreement to us in the Spectra exchanges through their actions
10 at least creating an implied contract.

11 Q. So just through their actions, not through any
12 written document?

13 A. Not --

14 Q. And those actions were -- that you mentioned
15 were the actions that occurred in 2003/2004 with regard to the
16 exchange of forecasts and the exchange of ordering information
17 or service?

18 A. Yes. And providing -- I mean, as late as
19 yesterday, facilities were turned up in the exchange of
20 Canton, which was one of the Spectra exchanges. So they're
21 continuing to provide facilities for stuff we've ordered, you
22 know, previously.

23 Q. Now, in the orders approving sales of these
24 companies, there was language I believe in both of the sales,
25 both the CenturyTel of Missouri and the Spectra sale, relating

1 to interconnection agreements being valid for only one year
2 and then everything being subject to renegotiation. Was the
3 Socket agreement renegotiated for the CenturyTel of Missouri
4 exchanges?

5 A. No, it was not. The -- the provisions in the
6 second transaction contemplate that an agreement would stay in
7 effect on a month-to-month basis if it was not renegotiated
8 within a year.

9 Q. So there was never any renegotiation for either
10 CenturyTel of Missouri or the Spectra properties?

11 A. No, there was not.

12 Q. So then you all are operating on a
13 month-to-month basis under an interconnection agreement?

14 A. It's got -- it -- I guess we are. It has
15 provisions for a replacement agreement that the -- I'm going
16 by memory, but there are some provisions for if one party
17 seeks to terminate the agreement, you'll continue to provide
18 service to existing customers, you'll work to get a
19 replacement agreement without affecting customers. And there
20 were some conditions in the merger that addressed that as well
21 as provisions in the interconnection agreement.

22 Q. How is working to resolve any differences prior
23 to the termination of an agreement any different from acting
24 in good faith in starting up a new agreement?

25 A. Well, I guess when you say working in good

1 faith to start a new agreement, that would imply continue --
2 you know, establishing a new agreement -- I guess are you
3 assuming there's a continuity of service during this process?

4 Q. Well, I know that there would be an argument
5 for continuity of service following a month-to-month
6 arrangement, but it was my understanding that interconnection
7 agreements, that there is a duty of good faith to some extent
8 for parties to interconnect with each other.

9 At the end, I don't know what the difference is
10 of -- or why an agreement can't be -- let me rephrase this.

11 I guess this is what I don't understand. If
12 you're operating -- if you agree that you're operating only on
13 a month-to-month basis and it can be terminated -- I guess is
14 that what you're saying, that you're operating under a
15 month-to-month agreement?

16 A. Yes. But my belief is that if it were
17 terminated, we would still be subject to the provisions in the
18 second transaction that say we'll work to get a replacement
19 agreement without affecting service. The interconnection
20 agreement itself has language in it that contemplates that
21 arrangement stayed in place until replaced by another
22 agreement. So we'd still be subject I guess to the
23 post-termination rights, I would believe.

24 Q. And how long do those post-termination rights
25 remain in effect? Is that a six-month period?

1 A. I believe so. Once notice has been received.

2 Q. Okay. Well, with your understanding of this
3 interconnection agreement, is CenturyTel of Missouri or
4 Spectra or both or whatever, are they bound to -- following
5 that six-month period? I mean, they could withdraw their
6 participation or not come to an agreement with you. Is that
7 accurate?

8 A. They could. We'd be -- they could. I think
9 we'd have an argument that either under the merger conditions
10 or the agreement, they'd still have to provide service. And
11 I'd have to look at specific provisions of that agreement.

12 Q. So at best, you're operating under a
13 month-to-month agreement?

14 A. Yes.

15 Q. And at worst, you don't have any agreement?

16 A. Yes.

17 Q. Okay. For the time period between when you
18 began exchanging forecasts with the company from 2003 to 2004,
19 how many employees at Socket would have been involved in
20 working with CenturyTel?

21 A. I was not at Socket at that time and not
22 participating in that process.

23 Q. If you don't know, you don't know. That's
24 okay.

25 A. Carson Coffman can answer that question.

1 Q. Just in your general knowledge of implementing
2 service or executing an inter-- or implementing the terms of
3 an interconnection agreement or starting service, how many
4 different exchanges of information would have to occur to get
5 the service up and running in that six- or eight-month period?

6 A. If you've got -- it's really going to depend on
7 the particular ILEC. If you're dealing with a company that
8 has a very defined process -- for example, we recently turned
9 up some facilities in an SBC -- additional SBC exchanges.
10 It's a defined process, we submitted the proper form, had a
11 meeting, exchanged some information, updated the form. We're
12 moving forward and that can occur in a two- to three-month
13 time period.

14 If the process is not defined, one party
15 doesn't know what they're doing or what information they need,
16 it could take much longer. So it's really going to depend on
17 how defined the process is and how knowledgeable the
18 participants are.

19 Q. So it could take anywhere from three months to
20 six months?

21 A. It could --

22 Q. Or even a little longer if --

23 A. It could even take longer.

24 Q. Did CenturyTel make a mistake when they began
25 working with you on this -- when you first started talking

1 about implementing service in these Spectra exchanges and they
2 caught the mistake September 9th?

3 A. I would disagree with that. I don't think -- I
4 mean, they did this more than once. They have seen forecasts
5 that had these exchanges in it, they provisioned facilities on
6 multiple occasions. They might characterize it as a mistake.

7 To us, it wasn't a mistake. It was something
8 in the normal course of business with a company. We're giving
9 them forecasts, they're acting upon those, they're using them
10 and we relied upon them, believing they would fulfill the
11 contract.

12 Q. Did the company ever indicate that it was --
13 that it just changed -- I say the company. Did CenturyTel
14 ever indicate in the communications that either came in
15 writing or verbally -- did they just change their mind from
16 where the negotiation or the exchange of information started
17 occurring in 2003, early 2004? Did they just change their
18 mind come September 9th or did they recognize a mistake or
19 either --

20 A. How this even came about -- and this to me is
21 telling. We were having disputes both in the Spectra
22 exchanges and in the other exchanges about their use of
23 forecasts. If the quantity we ordered or the type of facility
24 differed from the forecast, they would reject the order. We
25 believed the interconnection agreement did not allow them to

1 do that, so I invoked the dispute resolution process in that
2 agreement to resolve this dispute regarding the use of
3 forecasts.

4 On the conference call that is -- or which -- a
5 meeting is contemplated by the agreement for the parties to
6 sit down and discuss the issue. On that conference call where
7 we were invoking the dispute resolution was the first time
8 they ever said, You don't have an agreement; therefore, we
9 cannot follow the dispute resolution processes.

10 Q. That was September 9th?

11 A. That was.

12 Q. Okay.

13 A. And they did not characterize it as a mistake.
14 They just said, You don't have an agreement, we can't do
15 dispute resolution process.

16 Q. And that conversation over the disputed
17 forecast involved 10 to 15 exchanges was your testimony?

18 A. It involved every exchange where we submitted
19 forecasts, so it was more than that. It was exchanges -- all
20 of the exchange in there and I -- it was more than 10 or 15.
21 It was --

22 Q. 15 to 20?

23 A. -- the general practice of using forecasts. I
24 don't know the exact number.

25 Q. Prior to this exchange of forecasts, was Socket

1 operating under any agreement or was it providing any local
2 service prior to this in any of the Spectra exchanges?

3 A. Prior to the exchange of forecasts?

4 Q. In late 2003.

5 A. No.

6 Q. So that was the first time?

7 A. Yes.

8 Q. Okay. When did the dispute arise? When did
9 you first realize or when did Socket first realize that there
10 was a dispute?

11 A. Regarding the interconnection agreement?

12 Q. No. The forecasts.

13 A. That has --

14 Q. The issue that caused you to invoke the dispute
15 resolution clause.

16 A. That had been an ongoing dispute between the
17 company when I started in July. There had already been some
18 exchange of information and -- over that dispute.

19 Q. Of what year?

20 A. Of 2004. So that had been an ongoing kind of
21 running dispute. We tried to bring it to a head by invoking
22 the dispute resolution process and get some resolution of that
23 issue.

24 Q. So it occurred some time in the first quarter,
25 maybe the second quarter of 2004 when those forecasting

1 disputes arose?

2 A. Yes. I believe probably second quarter.

3 Q. It would have predated your employment?

4 A. Yes.

5 Q. In the forecasts that were exchanged and the
6 orders for service that were exchanged, in those
7 communications do they make reference to the interconnection
8 agreement that is subject to this case? I'm not sure what's
9 included in these orders. I don't know if there are prices,
10 if there are estimates of usage. I'm not sure what's in
11 there, but do the terms that are used to complete the
12 forecasts and the orders for service and whatever other things
13 that you do, are those items the same things that are included
14 within the interconnection agreement?

15 A. The interconnection agreement called for Socket
16 to give forecasts for facilities to CenturyTel for network
17 planning. Socket did that under -- you know, and CenturyTel
18 said the agreement requires you to give us forecasts. Well,
19 we had given them the forecasts. The forecast itself does not
20 reference, you know, what agreement it's done under.

21 Q. You made a comment that the negotiations, which
22 started in late 2003, there was the suggestion by CenturyTel
23 that there was in place an interconnection agreement that was
24 in place and that was applicable in these circumstances and
25 that Socket relied on those representations. Is that a fair

1 reflection of what you said?

2 A. I don't think I said that CenturyTel said
3 there's an agreement in place that governed all -- all 200
4 exchanges.

5 Q. But their actions were the sharing of
6 forecasting information in accordance with the interconnection
7 agreement, the subject of this case?

8 A. There was an interconnection agreement in
9 place. They -- and it's really not a sharing of forecasts.
10 We give them the forecast showing here's what we think we'll
11 need based on our business plans. They take that forecast,
12 use it for their planning purposes. They relied on that -- I
13 mean, they accepted the forecast and relied upon that. We
14 rely upon that forecast to place orders.

15 When we placed an order, they would compare it
16 to the forecast and see if it matched. So they were obviously
17 using the forecast that they received from us pursuant to the
18 agreement.

19 Q. And Socket relied on the representations of
20 CenturyTel?

21 A. Yes. I mean, the fact that they would
22 provision facilities in these exchanges would lead you to
23 believe there's a contract there.

24 Q. And in so relying on those representations,
25 what did Socket lose? What did it -- did it spend money? Did

1 it begin advertising? Did it actually try to start selling
2 the service? Did it take any action other than just
3 communicate with CenturyTel?

4 A. We are exchanging minutes now -- or with
5 CenturyTel over those facilities they provision. We've -- we
6 are serving customers in those exchanges.

7 Q. And that is subject to the -- you're using the
8 interconnection agreement that's subject to this case?

9 A. The interconnection agreement, yes, for -- to
10 acquire the facilities to serve these customers, yes, we are.
11 There's no other agreement out there so it would have to be
12 this one.

13 Q. Well, what happens if we decide -- if the
14 Commission were to decide that the interconnection agreement
15 could not be adopted, what happens to those customers
16 hypothetically? I'm going to ask you the flip side too.

17 A. We're not asking that it be adopted. We're
18 asking for confirmation that we're already using it. So
19 that's -- I don't know how material that is, but that's what
20 we're asking.

21 Q. Whatever makes you feel better, that's fine.

22 A. If the Commission rules that it does or --

23 Q. Let's say that it -- let's say there's a
24 rejection of the confirmation or no adoption, something like
25 that. What happens to those customers?

1 A. If we lose those facilities, we can no longer
2 serve those customers. If we lose the interconnection
3 agreement, we can no longer serve those customers.

4 Q. Okay. And if we say that you can confirm, then
5 everything just -- the status quo continues; is that correct?

6 A. Yes.

7 Q. And these interconnection agreements, what is
8 their term, what is their life? How long do they last?

9 A. Different interconnection agreements, some are
10 two years, some are three years. This one, as we talked
11 about, is pursuing on a month-to-month basis, so --

12 Q. Month to month?

13 A. -- until one party decides to terminate it and
14 renegotiate a new one.

15 COMMISSIONER CLAYTON: Okay. Thank you.

16 JUDGE WOODRUFF: Chairman Gaw?

17 CHAIR GAW: Thank you, Judge.

18 QUESTIONS BY CHAIR GAW:

19 Q. Mr. Kohly, in regard to the compensation that's
20 contemplated in the interconnection agreement that you
21 maintain that you're operating under, what kind of
22 compensation is there that's contemplated in that agreement?

23 A. Can you be more specific?

24 Q. No. Tell me what kind of payment that occurs
25 in general in regard to the interconnection agreement that

1 you're operating under with CenturyTel if -- and that's
2 stating that as an allegation.

3 A. Each party is required to provision --
4 establish a point of interconnection where we're responsible
5 for bringing our facilities to that point of interconnection
6 and each party is responsible for bringing their facilities to
7 that point. And then over that point of interconnection we
8 can exchange minutes, traffic.

9 Q. Okay.

10 A. That's subject to a bill and keep arrangement.

11 Q. All right. Is there any other compensation
12 that goes along with the interconnection?

13 A. If we can lease unbundled network elements such
14 as loops to get to a customer, we would pay on a monthly rate
15 to do that.

16 Q. Do you do that?

17 A. Not in those exchanges, but in other exchanges
18 we do.

19 Q. When you say not in those, but in others, be
20 more specific, please.

21 A. We do not currently do that in the exchanges
22 served by Spectra d/b/a CenturyTel. We do have unbundled
23 loops in other exchanges.

24 Q. Including any in CenturyTel -- is it CenturyTel
25 of Missouri, Inc.?

1 A. Yes, we do.

2 Q. Have those minutes actually been exchanged that
3 you're referring to in --

4 A. They've sent us 2.4 million minutes.

5 Q. -- in the Spectra exchanges?

6 Tell me how that works again when you exchange
7 minutes. What does that mean?

8 A. Their customer -- one of their retail customers
9 makes a call to one of our customers. They would send that
10 call over their network to terminate it onto our network.

11 Q. All right. What happens in regard to those
12 minutes though? Do they just -- if it's bill and keep. Does
13 anything?

14 A. There's no compensation exchanged.

15 Q. Did Socket incur any expenses in the
16 interconnection in those areas?

17 A. We would have incurred the expenses of
18 providing facilities on our side of the point of
19 interconnection such as acquiring DS3s from a third party
20 fiber provider or putting in our own facilities. We incurred
21 the cost of giving our switch the capacity to handle those
22 calls and those minutes.

23 Q. And would CenturyTel have incurred any
24 expenses, excuse me, or Spectra in this case?

25 A. Yes, they would have.

1 Q. So in those areas that we've been discussing,
2 the monies that would have been expended in those territories
3 that you -- that there was activity by Socket in a Spectra
4 exchange on -- by both parties?

5 A. Yes.

6 Q. Back to the initial '98 GTE/AT&T
7 interconnection agreement, are you aware of whether other
8 entities adopted all or part of that agreement besides your
9 company?

10 A. A number of carriers have adopted that
11 agreement. MCI did, there are others. I can't recall all of
12 them.

13 Q. Okay. And do you know whether any of those
14 entities would still be operating under that agreement?

15 A. At AT&T we viewed it that we had the AT&T/GTE
16 agreement that applied to all exchanges. I don't know about
17 other entities.

18 Q. When did you leave AT&T?

19 A. In July of this year.

20 MR. LUMLEY: I don't think he heard your
21 question, your Honor.

22 BY CHAIR GAW:

23 Q. When did you leave AT&T?

24 MR. LUMLEY: Okay. I'm sorry. I didn't hear
25 your question.

1 CHAIR GAW: You were thinking of the question
2 you wished I had asked.

3 MR. LUMLEY: Pardon me. Excuse me.

4 BY CHAIR GAW:

5 Q. Anyway, so in July you left AT&T?

6 A. Right.

7 Q. And at that time was AT&T operating under an
8 interconnection agreement with CenturyTel?

9 A. We had an agreement in place. I can't say if
10 there were actually operating under it.

11 Q. There was an agreement in place?

12 A. There was the agreement. I can't say that AT&T
13 was operating under it. I don't know.

14 Q. Okay.

15 A. I know I was asked internally, Do we have an
16 agreement? And I would reply -- kind of the standard question
17 from New Jersey and I would reply, Yes here's the agreement.
18 I don't know from the network side whether they were actually
19 operating under it.

20 Q. Let me ask you this then. How do you know they
21 were operating -- that there was an agreement still in effect?
22 What leads you to that conclusion?

23 A. It would have been my conclusion when I was
24 asked the question, Do we have an interconnection agreement --
25 and we would routinely get questions from headquarters asking,

1 What's the status of our interconnection agreements. And I
2 would reply with that.

3 Q. Why? Why did you believe that?

4 A. I believed AT&T was the entity that arbitrated
5 that agreement, that agreement applied to all territories and
6 I believed that they still could operate under it, that it was
7 still in place.

8 Q. Okay.

9 A. I mean, at the time the mergers went into -- or
10 the transactions were done and both times the acquiring entity
11 represented that they would agree to agreements with the same
12 rates, terms and conditions were technically feasible.
13 Nothing in the agreements appeared to be objectionable to them
14 with the exception of some ordering provisions where
15 CenturyTel might have to have some manual processes, but
16 nothing else seemed objectionable.

17 Q. Okay. Let me ask you this. The initial
18 agreement between AT&T and GTE went into effect in 1998.
19 Correct?

20 A. Yes.

21 Q. Were there provisions in that agreement, if you
22 know, about its termination?

23 A. It had an end date and then -- now, they
24 call -- it called for a new agreement to be put in place and
25 this one would continue.

1 Q. Within how long?

2 A. I'd have to look at the actual agreement.

3 Q. Is that agreement in the record?

4 MR. LUMLEY: Yes.

5 THE WITNESS: It is.

6 BY CHAIR GAW:

7 Q. If your counsel could provide it for you, if
8 you know where that is in that agreement, maybe you could
9 point it out to us.

10 A. Okay. The agreement shall be -- reading from
11 the agreement on page 5, para-- issue 2 or paragraph 2, The
12 term-- the agreement shall become effective in accordance with
13 Section 23.8, the effective date, and that contemplates the
14 Commission approving the agreement, and shall remain effective
15 for a period of three years.

16 The agreement shall continue in effect for
17 consecutive one-year terms thereafter unless either party
18 gives the other party at least 90 calendar days written notice
19 of termination, which termination shall be effective at the
20 end of the initial term.

21 Q. All right.

22 A. So --

23 JUDGE WOODRUFF: Just for clarity, we're
24 talking about Exhibit 5; is that right?

25 CHAIR GAW: Thank you, Judge.

1 THE WITNESS: Yes, we are.

2 BY CHAIR GAW:

3 Q. All right. So if there would not have been an
4 intervening sale, GTE were still doing business as they were
5 in '98, are you saying that there would have to be some notice
6 given -- a 90-day notice given of termination even beyond the
7 three-year period -- initial three-year period?

8 A. Yes. If there was no notice given, the
9 agreement would renew for another year so that the party
10 seeking to terminate it would have to provide notice at least
11 90 calendar days within -- 90 calendar days -- when they
12 provided notice, the agreement could terminate within 90
13 calendar days.

14 Q. That Evergreen Provision, was it just for one
15 additional year or did it continue?

16 A. It says consecutive one-year terms thereafter,
17 so multiple terms is what I believe that is.

18 Q. All right. And did you ever receive -- do you
19 know whether AT&T ever received any notice of termination
20 while you were working with AT&T?

21 A. To my knowledge, AT&T never received a notice
22 of termination.

23 Q. Would that be something that you would have
24 normally known about?

25 A. Yes, I would think so.

1 Q. All right. Now, the intervening sale of the
2 Spectra exchange -- to Spectra of those exchanges occurred in
3 2000?

4 A. 2000.

5 Q. Do you know if AT&T received any notice in
6 regard to that sale?

7 A. No, I do not. I've not seen it.

8 Q. Do you know whether or not AT&T was doing any
9 business in any of those exchanges during the time before or
10 right after that sale?

11 A. My understanding is that -- well, I don't know
12 one way or the other. There would have been -- I mean, they
13 could have been providing facility -- or services. I don't
14 know how they would have -- if they would have gotten them
15 under the agreement or under a special access tariff. That's
16 why I can't answer the question.

17 Q. Explain the second part of that answer to me.
18 Give me some -- so I understand what you're saying when you
19 say "special access tariff."

20 A. One of the products AT&T offered was they could
21 provision services out of their 4E switches for their
22 long-distance switches, provision a loop to a customer. That
23 customer would then be allowed to make and receive local
24 calls. That switch did not have the capabilities to offer
25 call features, did not have the capabilities to offer 911, for

1 example, but it was sold.

2 I don't know if the trunking facilities to
3 provide that -- and they were certificated to provide that
4 service throughout the state. I don't know -- or not
5 throughout the state, but in the exchanges served by the large
6 LECs, which would have included these exchanges. I don't know
7 if they would have required the trunking facilities out of a
8 special access tariff or if they would have done it pursuant
9 to this agreement.

10 Q. Okay. In regard to AT&T, what is your view as
11 to the impact of the sale of the exchanges to Spectra on the
12 interconnection agreement with AT&T?

13 A. That agreement -- I mean, the provisions of
14 that sale would have been that the agreement -- no, they would
15 have agreed to renew -- let me back up.

16 Under the provisions of that sale, I believe
17 they agreed to renegotiate existing agreements with any
18 carrier that had them. AT&T did not renegotiate it. My
19 understanding was that as they renewed, you didn't need to.

20 Q. In other words, are you -- again, what are you
21 referring to when you say it's your understanding? What
22 agreement or stipulation are you referring to?

23 A. In the stipulation in the first case, it talked
24 about CenturyTel would agree to renegotiate existing
25 agreements with car-- or carriers that had existing

1 agreements. AT&T did not move to do that.

2 I always believed the agreement remained in
3 place because it had a renewal provision. We never received,
4 that I'm aware of, a notice of termination. So when I was
5 asked the question of is there an agreement, I would say yes.

6 Q. And you said CenturyTel. Are you referring
7 just to CenturyTel of Missouri, Inc., or are you also
8 referring to Spectra doing business as CenturyTel?

9 A. Both. I don't --

10 Q. I just want to make sure we're -- because this
11 is a point of confusion at this point on who we're referring
12 to when we say CenturyTel.

13 So if that's the case then, then in regard to
14 AT&T, do you believe there was an agreement in effect
15 between -- between AT&T and Spectra, an interconnection
16 agreement, after the sale of the GTE/Verizon properties to
17 Spectra?

18 A. Yes. Verizon was not involved in that
19 transaction, which -- but --

20 Q. Thank you.

21 A. -- for GTE. Yes.

22 Q. And did that come about as the result of the
23 terms of the Stipulation and Agreement that was filed before
24 the Commission in the subsequent order thereby or as a result
25 of an assumption of that interconnection agreement or both?

1 A. I'm not aware that AT&T received any notice of
2 termination. Absent that -- AT&T also did not seek to
3 renegotiate. Absent that, I always believed or do believe
4 that the term of the agreement where it has renewal provisions
5 applies.

6 Q. If there would have been a termination of the
7 obligations of GTE under the sale of those properties of
8 Spectra and termination of their obligations under the
9 interconnection agreement, what did the interconnection
10 agreement require GTE to do?

11 A. In looking at the termination of the agreement,
12 transitional support, I don't see anything that specifically
13 addresses that situation. I mean, there's language in here
14 that talks about AT&T may terminate the agreement or seek
15 another vendor. There's nothing that deals with if another --
16 if GTE sold exchanges. There's nothing specific to that.
17 I've seen that in other agreements, but not in this one.

18 Q. And I may be asking you for legal conclusions,
19 Mr. Kohly, and if I get into that, please just tell me and
20 I'll ask someone else at some point. But from the standpoint
21 of the provisions in the interconnection agreement, you don't
22 find anything there that creates some sort of special category
23 in the event of sale to some other entity in regard to the
24 obligations that GTE has under that interconnection agreement?

25 A. No. I mean, if you -- the termination

1 agreement, transitional support is in Section 3. It talks
2 about bankruptcy, it talks about AT&T may be able to find
3 another vendor, but it has -- mentions nothing specific to a
4 sale of exchanges that I see in this section.

5 Q. Was AT&T a party at any point in time to the
6 sale of the GTE exchanges?

7 A. It was a party in both proceedings.

8 Q. And did AT&T object to the sale of those
9 exchanges?

10 A. No. Because the acquiring company said, We'll
11 abide by -- we'll enter in new agreements or abide by the
12 existing agreement under the same rates, terms and conditions
13 where technically feasible. So there was an assumption and it
14 contemplated good faith negotiation, transitional support so
15 it was believed it would continue.

16 Q. And was it believed that the provisions, the
17 agreements that were in effect on interconnection agreements
18 would continue while those negotiations occurred? Is that
19 what you're saying?

20 A. Uh-huh.

21 Q. Now, subsequent to the sale of those Spectra
22 exchanges -- excuse me, exchanges to Spectra, do you believe
23 it was possible for another entity to adopt interconnection --
24 that interconnection agreement that was now -- now had been
25 passed along, adopted, honored, I don't know what the right

1 phrasing is because I've heard all three things and I think
2 for different reasons. But could some other company have
3 adopted that interconnection agreement subsequent to the sale
4 to Spectra?

5 A. I would have thought so. Or if CenturyTel or
6 Spectra had renegotiated new agreements with the same rates,
7 terms and conditions, they could have adopted those. There's
8 none of those out there with the same rates, terms and
9 conditions.

10 Q. I guess what I'm asking is, do you believe
11 there was anything that have would prevented another company
12 from adopting the AT&T agreement that was initially with GTE
13 as an agreement that was adopted with Spectra only after the
14 sale? I'm not making that very clear, but --

15 A. You're --

16 Q. -- I apologize.

17 A. -- probably asking for a legal conclusion. My
18 thought would have been, yes, you could have. I'm sure that
19 would have been -- could have been contested and would have
20 been a legal fight. My view would be you could. I mean --

21 Q. All right. Now, help me out with an
22 understanding of what Socket's theory is here in regard to the
23 interconnection agreement that it is suggesting exists in the
24 Spectra exchanges. Is that interconnection agreement one --
25 first of all, what is the interconnection agreement that you

1 believe Socket operates under in the Spectra exchanges?

2 A. We believe it is the AT&T/GTE agreement that we
3 operate under throughout both CenturyTel subsidiaries.

4 Q. All right. And when do you believe that that
5 was adopted?

6 A. By "adopted" if you mean did -- was there a
7 formal petition filed to adopt the agreement, no, there
8 wasn't. Socket basically requested and received facilities in
9 those Spectra exchanges they were provided. There was one
10 agreement that we thought applied to all the exchanges. So
11 there was never a formal notice of adoption because outside of
12 the PSC, nobody realizes they're Spectra. I mean, you deal
13 with the same account managers, you give them the same
14 forecasts. Spectra doesn't exist except, you know, as a legal
15 entity. But as a practical matter, it doesn't exist.

16 Q. Is it possible to adopt an interconnection
17 agreement verbally and without some written adoption notice?

18 A. Adoptions -- I would -- I don't know. I think
19 you would need Commission approval to adopt it and that's what
20 we're seeking confirmation that it's been adopted.

21 Q. Who would the Commission have given its
22 approval of that adoption in this case?

23 A. I don't know that the Commission would have --
24 that the Commission has given approval in this case. That's
25 what we're seeking. The parties have been operating under the

1 agreement, realized for the first time in September that there
2 was an argument that the agreement didn't apply so they sought
3 Commission -- so Socket sought confirmation from the
4 Commission that they were operating under this agreement.

5 Q. But as I understand, Socket's position is there
6 was no mistake, we have adopted this interconnection
7 agreement. Am I misunderstanding?

8 A. Socket believed and we believe we're operating
9 this agreement throughout the areas. For the first time they
10 raised the argument that you don't have an agreement, we
11 stepped back, decided we needed to file for confirmation of
12 the agreement so we could get that dispute put aside, put to
13 bed.

14 Q. When do you believe the adoption occurred?

15 A. I would say the effective date of the adoption
16 would have been when the parties began operating under it,
17 which would have been when the forecasts were submitted and
18 all that.

19 Q. Let me back up with a little bit different
20 scenario here and see if I can understand what you're trying
21 to tell me. Let's say we have Company A that has an
22 interconnection agreement with Company B that has been -- the
23 adoption -- it's adopted from another agreement, we'll say and
24 it's been approved by the Commission. Okay?

25 And subsequent to that, this same company

1 acquires additional exchanges that they did not have at the
2 time they initially -- this initial adoption occurred of the
3 interconnection agreement between A and B. I'm --

4 A. Uh-huh.

5 Q. Are you following me? I didn't state that
6 exactly like I wanted to, but -- is there any requirement when
7 those new exchanges are added, that anything be done in order
8 for Company B to operate under that interconnection agreement
9 between A and B and the new exchanges?

10 A. I guess like most things, I could see it going
11 either way. If the interconnection agreement only
12 specifically listed five exchanges, you might need to amend
13 it. If the interconnection agreement says -- encompasses all
14 of the -- all of the ILECs' territories, well, then that could
15 apply to all ILEC territories.

16 And it would also depend on the company's
17 actions. If the ILEC that acquired the properties holds
18 themselves out to provision facilities there, I would think
19 the CLEC could rely on that as the agreement applies to that
20 territory. This agreement does not specifically mention 96 or
21 103 exchanges. It says all of GTE's territory.

22 Q. Which agreement are you referring to?

23 A. GTE/AT&T agreement.

24 Q. All right. Okay. But the adoption of that
25 agreement -- or the agreement in regard to Socket happened

1 prior to the -- let's see -- it happened in June of '02; is
2 that --

3 A. Yes.

4 Q. And that was the adoption of the GTE/AT&T
5 agreement. Correct?

6 A. Yes.

7 Q. And that was before the sale of the GTE
8 exchanges to CenturyTel?

9 A. Yes.

10 Q. And at that point in time, the only exchanges
11 that GTE had were the exchanges that were left after the sale
12 to Spectra?

13 A. Correct.

14 Q. So when that occurred, there was no -- there
15 couldn't have been any exchanges in that -- in regard to that
16 adoption that had anything to do with the Spectra exchanges,
17 could it?

18 A. At the time it was adopted, no. I mean, they
19 were separate entities, functioned separately, so no. I
20 mean --

21 Q. So what I'm asking you -- going back to my
22 earlier question is, at what point in time was there some
23 adoption of the agreement by Socket in regard to those Spectra
24 exchanges? When did that occur?

25 A. I guess the adoption would have occurred at the

1 time both transactions were completed, the companies
2 operate -- began operating as one entity throughout all
3 exchanges, held themselves out as one company.

4 The agreement doesn't list specific exchanges.
5 It says throughout GTE's service territory. And to the extent
6 that CenturyTel replaced GTE providing service throughout that
7 entire territory and even operated under that agreement,
8 that's when I guess the -- an adoption would occur. I don't
9 know if that's a correct word, but that's when you would have
10 been functioning under that agreement.

11 Had, at the time those forecasts were
12 submitted, CenturyTel said, Oh, these are for the Spectra
13 exchanges, you need a separate agreement, maybe it could have
14 been dealt with then, but that never happened. They began
15 operating under it, they accepted the forecasts, used them,
16 Socket placed orders, Sockets used these facilities or had the
17 orders rejected. But never because there was not an agreement
18 until it was raised for the first time on September 9th.

19 Q. Why did Socket not just take the position and
20 file papers saying that we, Socket, are adopting the AT&T/GTE
21 agreement in regard to Spectra?

22 A. They'd already been operating under it for a
23 period of months so to say now we're suddenly adopting it, how
24 do you explain the facilities? How do you explain the
25 forecasts? We wanted confirmation we've been under that

1 agreement.

2 Q. In your opinion, is there anything preventing
3 Socket from doing that?

4 A. If we were to come in as a new entity, never
5 having an agreement, it could be argued, one, that the FCC's
6 TRO decision would prevent you from adopting an agreement
7 depending on what provisions it had.

8 Q. Say that again. I'm sorry, Mr. Kohly. I just
9 didn't catch it.

10 A. If you were -- in the case what you're talking
11 about, if -- ignoring that there were currently provisioned
12 facilities, if Socket would have gone in and said, I want this
13 agreement, one, there's the issue of the FCC's interim rules
14 which relate to the adopting of existing agreements. There
15 could be an argument that those were frozen in place.

16 I also expect that CenturyTel would have
17 objected to us adopting the AT&T/GTE agreement anew. I mean,
18 they're objecting to it now. I think there's another carrier
19 trying to do it, I don't know in what exchange, but they're
20 objecting to it. So I would have thought they'd have
21 objected.

22 So we looked at it and said we've been
23 operating under this agreement, we have orders placed, we've
24 worked under this agreement, it's in place so we're not in the
25 same position as someone coming in anew.

1 Q. And I guess -- again, you may have already
2 answered this, but if you were a new company, do you believe
3 you could adopt that AT&T/GTE agreement in the Spectra
4 exchanges?

5 A. If both parties volunteered to, yes. If one
6 objected, there are provisions in this agreement that call for
7 a dedicated interoffice transport, which is one of the
8 provisions that the FCC rules have said we don't want to
9 further that unbundling obligation, so that would have been
10 affected by this.

11 To the extent you could interpret this
12 agreement to require combinations of UNEs, and that's an
13 ongoing dispute between us now, that could be seen as a reason
14 why you could not adopt this agreement.

15 Q. Okay. You're giving me arguments and I'm
16 looking for your opinion as to whether or not you thought it
17 could be done.

18 A. It could be argued.

19 Q. It could be argued. I'll leave it at that if
20 that's what you want.

21 CHAIR GAW: That's all for now. Thank you,
22 Judge.

23 JUDGE WOODRUFF: Commissioner Murray?

24 COMMISSIONER MURRAY: Thank you.

25 QUESTIONS BY COMMISSIONER MURRAY:

1 Q. I go back and forth to thinking I'm
2 understanding the time line on all these things to being
3 confused again.

4 A. So do I.

5 Q. But in June of 2002 when Socket adopted the
6 interconnection agreement and the Commission recognized that
7 adoption, that was between Socket and -- was that between
8 Socket and --

9 A. Socket and GTE --

10 Q. Okay. GTE.

11 A. -- doing business as Verizon. Verizon had
12 stepped in somewhere in this time period.

13 Q. That was before CenturyTel had taken over any
14 of the exchanges?

15 A. It was between the time CenturyTel, through
16 Spectra, acquired the first set of exchanges. So that
17 occurred, Socket then adopted the agreement between AT&T and
18 GTE, did that through interaction with GTE then doing business
19 as Verizon. After that occurred, then the transaction
20 approving the sale of exchanges -- the second sale of
21 exchanges was approved and that occurred.

22 Q. Okay. I'm looking at Exhibit 4 and I don't see
23 CenturyTel as a party to that unless I'm not reading it
24 carefully. Is that right? Exhibit 4 is the order recognizing
25 the adoption of the interconnection agreement.

1 A. May I see a copy of that order?

2 Yes, CenturyTel was not a party to that based
3 on this order.

4 Q. But this was after CenturyTel had acquired some
5 of those exchanges?

6 A. It was after CenturyTel had acquired the first
7 set.

8 Q. Okay. So did CenturyTel claim that you
9 could -- that Socket could not adopt this agreement for those
10 exchanges?

11 A. I don't know that that question was ever
12 broached to them.

13 Q. Has AT&T operated under this agreement in those
14 exchanges that were first acquired?

15 A. Again, the agreement was there. I can't say if
16 AT&T placed orders under that agreement or not.

17 Q. Did Socket place orders under that agreement in
18 those exchanges?

19 A. They -- Socket did subsequent -- or Socket did
20 after the second set of exchanges was sold.

21 Q. Did it place orders in the first set of
22 exchanges though?

23 A. Yes.

24 Q. Was there any objection to applying this
25 agreement to those exchanges?

1 A. Not until September 9th, when we sought to
2 invoke the dispute resolution process with CenturyTel was
3 there an objection. I want to make sure we're clear. All
4 orders and all of that occurred after the 2002 transaction
5 where CenturyTel bought the remaining exchanges from then
6 Verizon.

7 Q. No orders were given under this interconnection
8 agreement between the time that Socket adopted it and between
9 the time that the final set of exchanges were acquired?

10 A. Correct.

11 Q. And is CenturyTel objecting to the application
12 of this agreement to the exchanges that are in the name of
13 CenturyTel, LLC -- I think it's LLC or CenturyTel, Inc.,
14 whatever it is?

15 A. CenturyTel of Missouri? They are not. They
16 have acknowledged this agreement applies to that set of
17 exchanges.

18 Q. But they were not a party to the adoption of
19 that agreement?

20 A. Correct.

21 Q. And you've never adopted it in any subsequent
22 proceeding with CenturyTel?

23 A. No. It was -- I mean, under the terms of the
24 second sale, I think the provisions contemplated that the
25 agreements would be renegotiated with CenturyTel or would

1 remain in place on a month-to-month basis. There were also
2 some provisions about continuity of service. So subsequent to
3 that second sale, there's never been any process where Socket
4 came in and said, We want this agreement with CenturyTel.
5 We've operated under this agreement since that sale.

6 Q. And it's your position that your adoption of
7 that GTE/AT&T agreement -- interconnection agreement applied
8 to both -- to all of the exchanges that formerly belonged to
9 GTE; is that right?

10 A. Right. We believe that when the -- you know,
11 the second transaction happened, put the properties back
12 together, the agreement talks about the entire service --
13 service territory of GTE and that entire service territory of
14 GTE is -- now CenturyTel runs.

15 Q. Do you know why CenturyTel was not made a party
16 to the adoption of the interconnection agreement in 2002?

17 A. I don't.

18 Q. How many customers are affected by this
19 agreement, do you know?

20 A. By the agreement as it relates to the exchanges
21 of Spectra d/b/a CenturyTel?

22 Q. Yes.

23 A. Getting into that, I guess I'd like to talk to
24 my attorney about how highly confidential that may be.

25 Q. If it's confidential, we won't even go into it.

1 Can you tell me what would be the practical
2 effect for Socket if you operated under the AT&T/GTE
3 interconnection agreement rather than under another carrier's
4 interconnection agreement with Socket?

5 A. With CenturyTel?

6 Q. Well, I'm understanding that you have to have
7 it with Socket -- I mean with Spectra.

8 A. I have looked at the agreements that are out
9 there for Spectra. Those agreements have much higher rates,
10 than the AT&T/GTE agreement. They have different terms and
11 conditions for providing service than this agreement. So it
12 would affect the operations and the rates that we would pay.
13 And there's a significant price increase between the two --
14 between multiple agreements I've compared -- I've looked at
15 compared to the AT&T agreement.

16 Q. Okay. And you've not renegotiated -- Socket
17 has not renegotiated the terms of this interconnection
18 agreement with CenturyTel for the initially acquired
19 exchanges; is that right?

20 A. We have not for any of the exchanges.

21 Q. But you are operating under it --

22 A. Yes.

23 Q. -- in those exchanges?

24 COMMISSIONER MURRAY: I think that's all I
25 have. Thank you, Judge.

1 JUDGE WOODRUFF: All right. Thank you.

2 QUESTIONS BY JUDGE WOODRUFF:

3 Q. I have one question -- actually might be a
4 series of questions. It's dealing with something that was
5 brought up during cross-examination and particularly with
6 Exhibits 36, 37 and 38.

7 It's my understanding that Socket filed a
8 tariff in October to provide service in some exchanges. And
9 you indicated that you'd already had customers in those
10 exchanges before those tariffs were filed. Am I understanding
11 that correctly?

12 A. That is correct.

13 Q. So Socket was providing services without a
14 tariff authorization?

15 A. We realized that, filed the tariffs
16 immediately.

17 Q. Okay. I just want to be clear on the
18 implications of that.

19 A. I was waiting for that one, but yes, that's
20 what happened.

21 JUDGE WOODRUFF: That's all the questions I
22 have then.

23 We'll go back to recross beginning with Staff.

24 MR. HAAS: No questions.

25 JUDGE WOODRUFF: All right. For CenturyTel?

1 RE CROSS-EXAMINATION BY MR. DORITY:

2 Q. Just a few questions, Mr. Kohly, following up
3 on questions from the Bench. I'm going to try to take them in
4 the order that they were asked.

5 At one point you indicated that the forecasts
6 that you have referenced occurring this year, that those
7 forecasts do not reference what agreement it's being provided
8 under; is that correct?

9 A. The interconnection agreement that we have in
10 place calls for forecasts. CenturyTel told us they need to
11 see our forecasts. We submitted those forecasts on a form
12 that we created based on forms we had received from another
13 ILEC because CenturyTel did not have any forms. CenturyTel
14 accepted those forms and utilized those forecasts.

15 Q. And your point was that that form does not
16 reference any particular interconnection agreement. Correct?

17 A. Correct.

18 Q. Okay. Thank you.

19 You also made the comment that if you were to
20 lose facilities, you would no longer serve those customers. I
21 think that was in reference to the three or four exchanges
22 that have, in fact, been turned up erroneously in the Spectra
23 exchanges. You may not agree with erroneously. I understand
24 that.

25 But if Spectra was to continue to offer those

1 trunks in those exchanges on an interim basis, then you would
2 not be losing service to your customers; is that correct?

3 A. We are already at a point where we need to
4 augment some of those facilities to add additional capacity.
5 We've got at least one additional customer that wants service
6 in additional exchanges served by Spectra d/b/a CenturyTel.
7 We can't complete his order unless we get additional
8 facilities. So if you freeze the facilities where they are
9 today, we still cannot serve our customer adequately.

10 Q. You had mentioned that we can exchange minutes
11 and that -- I guess it would be our customers have sent
12 2.4 million minutes to you; is that right?

13 A. Yes.

14 Q. How many minutes have you sent to us?

15 A. I don't know. Have not done that query.

16 Q. Would zero surprise you?

17 A. It would. We've done testing.

18 Q. So you've done some test calls that might
19 generate a minute or two. Is that what you're saying?

20 A. I don't know how many minutes they would
21 generate.

22 Q. Is Socket Internet a customer of Socket
23 Telecom?

24 A. Our affiliate is, yes.

25 Q. And that's an ISP provider?

1 A. Yes, it is.

2 Q. And that could well be the customer that was
3 generating the 2.4 million minutes. Would that be right?

4 A. Beyond that there are additional customers as
5 well purchasing service from Socket Telecom.

6 Q. Okay. You had indicated, I believe in response
7 to Chair Gaw's questions regarding the -- at the time that the
8 Spectra acquisition took place in the year 2000 in terms of
9 what actions GTE might have taken at that point in terms of
10 the interconnection agreement as it applied to those 107
11 Spectra exchanges, you indicated that at AT&T, you never
12 received a letter, but you're not suggesting that GTE may not
13 have sent a letter to AT&T regarding the termination of that
14 agreement as to those exchanges?

15 A. Can you rephrase that?

16 Q. Sure. I probably didn't say it very well.

17 You indicated that you did not receive a letter
18 when you were working for AT&T regarding that. But that's not
19 to suggest that a letter could not have been sent to AT&T from
20 GTE regarding what was to happen with the interconnection
21 agreement for those 107 exchanges?

22 A. A letter could have been sent. I don't know
23 that one was or wasn't.

24 Q. Okay. Now, in response to questions from
25 Commissioner Murray regarding your -- I'm sorry, Socket's

1 adoption of the underlying GTE agreement in 2002, at that
2 point in time the Commission's order reflects that Socket
3 notified Verizon of its desire to adopt the terms of the
4 agreement between Verizon and AT&T Communications of the
5 Southwest, Inc.

6 At that point in time Verizon, in fact, owned
7 the 96 exchanges that it still operated in Missouri. And
8 that's what Socket was opting into; is that correct?

9 A. Correct. The transaction with CenturyTel was
10 pending.

11 Q. Okay. But as far as the 107 Spectra exchanges,
12 Socket wasn't under the impression that it was also opting in
13 to any agreement that would impact or affect those 107 Spectra
14 exchanges at that point in time, were they?

15 A. I do not believe so.

16 Q. Okay. Well, they certainly weren't involved in
17 the transaction at all. It only pertained to the 96 exchanges
18 that GTE owned at that point in time?

19 A. I was not involved in the adoption proceeding.

20 Q. And I believe you answered some questions
21 regarding the ability to opt into other agreements. Are you
22 aware that Spectra, in fact, has 36 agreements with other
23 carriers in the state of Missouri?

24 A. I know there are other agreements.

25 Q. And, in fact, 20 carriers have agreements with

1 both Spectra and CenturyTel of Missouri. Are you aware of
2 that?

3 A. I'm aware that carriers have agreements with
4 both.

5 MR. DORITY: Thank you. That's all I have.

6 JUDGE WOODRUFF: Thank you.

7 Redirect?

8 REDIRECT EXAMINATION BY MR. LUMLEY:

9 Q. Mr. Kohly, just address a few kind of scattered
10 points that have come up in no particular order. But first
11 you had testified on direct that you are the director of
12 telecommunications for Socket Telecom. Correct?

13 A. Yes.

14 Q. And in your capacity, you've never heard of
15 Socket Communications Group or Socket Internet Services
16 Corporation. Correct?

17 A. No, I have not.

18 Q. There was some questions from Commissioner
19 Clayton I believe regarding the practices of ILECs in general
20 with regard to tariffs. Is it consistent -- are you aware
21 that SBC has multiple long-distance intrastate tariffs in
22 Missouri when they first got their 271 authority?

23 A. SBC LD -- SBC LD has multiple tariffs, yes.

24 Q. And, in fact, SBC even has multi-state
25 interconnection agreements that cover multiple operating

1 entities in its organization. Correct?

2 A. Absolutely.

3 Q. And with regard to the dispute over the
4 forecast, just to clarify this, you're not -- you described it
5 as a running dispute, correct --

6 A. Yes.

7 Q. -- in response to Commissioner Clayton's
8 questions?

9 And this was not just a dispute about one
10 document. Correct?

11 A. It was a dispute over multiple forecasts. We
12 were submitting quarterly forecasts and we'd submit an initial
13 forecast that they accepted and used, we would submit updates
14 to that that they may or may not accept. So it was running in
15 the sense that we would submit multiple forecasts and it was
16 kind of an ongoing dispute if we requested facilities.

17 Q. And shortly before the September 9th
18 conversation you've discussed, you took action to bring those
19 multiple disputes to a head in one dispute resolution?

20 A. Yes.

21 Q. And that dispute concerned how to interpret the
22 agreement and the use of forecasts?

23 A. Correct.

24 Q. And in that September 9th, 2004 conversation
25 with Ms. Smith when she indicated that they weren't going to

1 apply dispute resolution because there was no agreement for
2 these exchanges in dispute now, did she discuss the existing
3 facilities at all?

4 A. No.

5 Q. Did she make any statement that, you know, they
6 had turned on facilities by mistake?

7 A. No.

8 Q. There were some questions posed to you from the
9 Bench regarding the potential for negotiating a new agreement.
10 Do you recall that?

11 A. Yes.

12 Q. Is Socket generally willing to negotiate a new
13 agreement?

14 A. We'd be willing to negotiate a successor
15 agreement, yes.

16 Q. And are there current regulatory issues that
17 make the timing of those negotiations particularly difficult
18 in the next three months, say?

19 A. Yes.

20 Q. And what would those be?

21 A. The FCC's interim rules basically indicate that
22 if you're trying to seek a new agreement, new agreements do
23 not have to have provisions for DS1 high-capacity loops,
24 interoffice transport, as well as combinations of UNEs. We
25 rely on interoffice transport and DS1 loops and need those.

1 And until we have permanent rules that tell us do we get those
2 or not, it would be very awkward to adopt -- or to negotiate
3 an agreement in the absence of rules.

4 Q. Commissioner Clayton asked you some questions
5 about Socket's reliance on CenturyTel's conduct and you
6 indicated that part of that reliance was entering into
7 commitments to serve customers. Do you recall that?

8 A. Yes.

9 Q. And, in turn, your customers like Socket
10 Internet, as Mr. Dority brought up, rely then on those
11 facilities to make commitments to their customers. Correct?

12 A. Right. Socket Internet provides both retail
13 product directly to end-users as well as a wholesale Internet
14 product to other ISPs and relies on Socket Telecom's
15 facilities to do that.

16 Q. And those wholesale ISPs would, in turn, rely
17 on those facilities to serve their customers?

18 A. Yes.

19 Q. And all the users of those services would be
20 relying on them?

21 A. Correct.

22 Q. If you'd turn your attention -- you had some
23 questions from the Chair regarding the terms of the
24 interconnection agreement, Exhibit 5. And if you could
25 turn -- it's bates stamped page 31, if you can -- you know

1 what I'm talking about? Those page numbers where it's all the
2 zeroes and then --

3 A. Yes.

4 Q. Did you find that page?

5 A. Yes, I do.

6 Q. And Section 23.4, you see that?

7 A. Yes, I do.

8 Q. Does it say that the agreement's binding on the
9 successors of the parties?

10 A. Yes, it does.

11 Q. The Commission approved the GTE/AT&T agreement.
12 Correct?

13 A. Correct.

14 Q. And the Commission approved Socket's adoption
15 of that agreement. Correct?

16 A. Correct.

17 Q. And when CenturyTel in 2002 acquired the second
18 set of exchanges, its organization had reassembled all the GTE
19 exchanges. Correct?

20 A. Correct.

21 Q. And the agreement refers to all those
22 exchanges?

23 A. It -- it -- yes.

24 Q. And in the conditions of sale that were
25 provided to the Commission to induce them to approve the

1 transaction, CenturyTel promised to abide by that agreement
2 until it was replaced?

3 A. Correct.

4 MR. LUMLEY: I don't have any further
5 questions, your Honor.

6 JUDGE WOODRUFF: Thank you.

7 You may step down, Mr. Kohly.

8 We're due for a break. Let's come back at
9 2:30.

10 (A recess was taken.)

11 JUDGE WOODRUFF: I noticed copies of Exhibit
12 No. 38 have appeared on my desk. And I believe we're ready
13 for Socket to call its next witness.

14 MR. LUMLEY: Yes. We'd call Carson Coffman,
15 please.

16 JUDGE WOODRUFF: Please come forward.

17 (Witness sworn.)

18 JUDGE WOODRUFF: You may be seated.

19 You may inquire.

20 CARSON COFFMAN testified as follows:

21 DIRECT EXAMINATION BY MR. LUMLEY:

22 Q. Would you state your name for the record,
23 please?

24 A. Carson Coffman.

25 Q. Where are you currently employed?

1 A. Socket Holdings where I also do work for Socket
2 Telecom.

3 Q. And how long have you been with these
4 companies?

5 A. Almost five years now.

6 Q. What's your current position?

7 A. Vice president of sales and marketing.

8 Q. Have you held other positions with the
9 companies?

10 A. Yes. I've held multiple positions within the
11 company including --

12 Q. Speak up.

13 A. -- including customer service, technical
14 operational roles within the company, also was involved -- in
15 charge of the local interconnection operations with
16 CenturyTel.

17 Q. Prior to working for Socket Telecom, could you
18 describe what other kinds of jobs you've held, just briefly?

19 A. I did sales and management consulting and
20 training as well as was a civil engineer in a previous role.

21 Q. And could you briefly cover your educational
22 background?

23 A. I have an engineering degree from the
24 University of Missouri in Columbia.

25 JUDGE WOODRUFF: What kind of degree was that?

1 THE WITNESS: Civil engineering degree.

2 JUDGE WOODRUFF: Civil engineering. Thank you.

3 MR. LUMLEY: Judge, I have a couple of
4 additional exhibits to mark, please.

5 JUDGE WOODRUFF: All right. My next number is
6 39.

7 MR. LUMLEY: And for the exhibit list,
8 Exhibit 39 is an Order Cancelling Local Exchange and
9 Interexchange Certificate, Case No. TD-2002-64.

10 Exhibit 40 is an Order Cancelling Competitive
11 Interexchange Telecommunication Service Certificate, Case
12 No. TD-2000-601.

13 BY MR. LUMLEY:

14 Q. Mr. Coffman, you've been present during the
15 course of these proceedings today. Correct?

16 A. That is correct.

17 Q. And you heard the names Socket Internet
18 Services Corporation and Socket Communications Group
19 referenced earlier today; is that right?

20 A. Correct.

21 Q. And do Exhibits 39 and 40 reflect that the
22 Commission has approved the cancellation of their certificates
23 of telecommunications service authority?

24 A. Yes, they do.

25 Q. And is that consistent with your understanding

1 of what's happened to those companies?

2 A. Yes, it is.

3 MR. LUMLEY: Your Honor, I'd move admission of
4 Exhibits 39 and 40.

5 JUDGE WOODRUFF: 39 and 40 have been offered
6 into evidence. Are there any objections to their receipt?

7 Hearing none, they will be received into
8 evidence.

9 (Exhibit Nos. 39 and 40 were received into
10 evidence.)

11 JUDGE WOODRUFF: Do you have copies of them?

12 MR. LUMLEY: I do not. We will have them made
13 right now.

14 JUDGE WOODRUFF: Thank you.

15 BY MR. LUMLEY:

16 Q. When did Socket Telecom commence efforts to
17 actually implement interconnection with CenturyTel?

18 A. Spring of 2003.

19 Q. And what was the sort of the landmark, you
20 know, for that commencement?

21 A. Probably the first most critical point of that
22 was in May of 2003 we held our first network -- what we call
23 Network Information Meeting with CenturyTel via conference
24 call with multiple parties within their organization.

25 Q. And was a point of interconnection turned up in

1 2003?

2 A. Yes, it was.

3 Q. Where was that?

4 A. Fall 2003, Columbia, Missouri was turned up for
5 local interconnection.

6 Q. What role did you have in the process of
7 commencing the implementation of interconnection between the
8 two companies?

9 A. I was in charge of that process.

10 Q. On behalf of Socket Telecom?

11 A. On behalf of Socket Telecom, correct.

12 Q. Did CenturyTel require Socket Telecom to seek
13 any additional approvals from the Commission regarding the
14 adopted GTE/AT&T interconnection agreement in order to start
15 placing orders?

16 A. No, they did not.

17 Q. And as you testified, you changed positions to
18 sales and marketing, which is your current position. Right?

19 A. Correct.

20 Q. And when did that change occur?

21 A. Shortly after July of this year.

22 Q. So basically in conjunction with Mr. Kohly
23 coming to the company?

24 A. Exactly.

25 Q. And in the course of your dealings with

1 CenturyTel, did it ever raise the issue of Socket Telecom not
2 having an interconnection agreement that applied to all of
3 these exchanges?

4 A. Not once.

5 Q. Did they process orders?

6 A. Yes, they did.

7 Q. I've presented to you what's been marked as
8 Exhibit 32. Are you able to identify that document?

9 A. Yes, I am.

10 Q. And what is it?

11 A. This is a letter sent to Socket Telecom on
12 June 16th sent by Guy Miller at CenturyTel.

13 Q. Of what year?

14 A. 2004.

15 Q. Who was it addressed to specifically?

16 A. Ms. Colleen Dale.

17 Q. Was she still with the company at the time?

18 A. No. She had been gone for quite some time.

19 Q. Was it directed to you because you held that
20 position?

21 A. Yes.

22 Q. So you received that correspondence from
23 Mr. Miller?

24 A. Right. Correct.

25 Q. On behalf of --

1 A. On behalf of --

2 Q. On CenturyTel letterhead?

3 A. Yes.

4 Q. And in that correspondence -- well, if you
5 could just read the introductory?

6 A. This letter -- this is the RE, The notice of
7 discontinuation of specified unbundled network elements. This
8 letter constitutes a formal notice under the terms of the
9 interconnection agreement governing the provision of services
10 between your company and the applicable CenturyTel operating
11 company(s) -- plural, company(s).

12 Q. So it references one agreement and multiple
13 operating companies?

14 A. Correct.

15 MR. LUMLEY: Move admission of Exhibit 32,
16 please.

17 JUDGE WOODRUFF: Exhibit 32 has been offered
18 into evidence. Are there any objections to its receipt?

19 MR. DORITY: No.

20 JUDGE WOODRUFF: Hearing none, it will be
21 received into evidence.

22 (Exhibit No. 32 was received into evidence.)

23 BY MR. LUMLEY:

24 Q. Does the letter indicate Mr. Miller's title on
25 there?

1 A. Yes, it does. Divisional vice president,
2 carrier relations.

3 Q. While you were responsible for implementing
4 interconnection with CenturyTel on behalf of Socket Telecom,
5 who was your original account representative for CenturyTel?

6 A. LaCondra Thompson.

7 Q. Did she ever raise the issue of there being
8 different CenturyTel operating subsidiaries in Missouri or
9 indicate that your company needed an additional
10 interconnection agreement?

11 A. No, she did not.

12 Q. And was there then a change in terms of who
13 your account representative was?

14 A. Yes. I was informed -- it's Susan Smith now
15 currently.

16 Q. And you had dealings with her as the account
17 representative --

18 A. Correct.

19 Q. -- prior to you changing positions?

20 A. Correct.

21 Q. Did she ever raise the issue with you of
22 CenturyTel operating under multiple subsidiaries in Missouri
23 or that -- or Socket Telecom needing an additional agreement?

24 A. No, she did not.

25 Q. Was the process of first establishing

1 interconnection with CenturyTel a well-defined process?

2 A. Relative to other ILECs that I've worked with,
3 no, it was not.

4 Q. Did you have to use forms supplied by other
5 ILECs to interact with CenturyTel?

6 A. Yes. We ended up taking other forms from other
7 ILECs and reworking them to provide them -- the information to
8 CenturyTel.

9 Q. I show you what's been marked as Exhibit 25P.
10 And I'm going to ask you some questions about that document.
11 It has been classified by Socket Telecom as a proprietary
12 document so if I ask you -- I'm not trying to ask you to
13 reveal the contents to the extent that they're proprietary.

14 A. Okay.

15 Q. We would have to go into a different
16 arrangement in the hearing to get into that.

17 Can you identify what that document is?

18 A. Yes, I can. This is a Network Information
19 Sheet and Interconnection Trunk Forecast from Socket Telecom
20 to CenturyTel.

21 Q. And what's its date?

22 A. This was submitted on February 18th of 2004.

23 Q. And did you cause that to be submitted to
24 CenturyTel?

25 A. Yes, I did.

1 Q. And is this an example of the forecasts that
2 have been discussed in testimony earlier today?

3 A. Yes.

4 Q. And does that particular forecast include
5 exchanges that were acquired in the Spectra transaction?

6 A. Yes, it does.

7 Q. In fact, are all of the exchanges in that
8 forecast such exchanges?

9 A. Yes. I believe so, all these are.

10 MR. LUMLEY: I would move admission of
11 Exhibit 25P.

12 JUDGE WOODRUFF: All right. Exhibit 25P has
13 been offered into evidence. Are there any objections to its
14 receipt?

15 MR. DORITY: Just a question of clarification.
16 Are you representing that this was an actual forecast that was
17 sent, Mr. Lumley?

18 MR. LUMLEY: That's the testimony.

19 MR. DORITY: No objection.

20 JUDGE WOODRUFF: All right. 25P will be
21 received into evidence.

22 (Exhibit No. 25P was received into evidence.)

23 BY MR. LUMLEY:

24 Q. Were you aware at the time you submitted this
25 forecast to CenturyTel which exchanges were served by which

1 operating subsidiaries?

2 A. No, I was not.

3 Q. When Socket Telecom submitted forecasts to
4 CenturyTel, did it make any distinction between the -- did
5 CenturyTel make any distinction between the operating
6 subsidiaries?

7 A. No.

8 Q. Did CenturyTel use these forecasts in further
9 discussions with you?

10 A. Yes, they did.

11 Q. And how would they do that?

12 A. In particular, we would have orders rejected
13 based off of discrepancies with these trunk forecasts.

14 Q. And, likewise, would you have orders
15 accepted --

16 A. Yes.

17 Q. -- based on being in compliance with the
18 forecast?

19 A. Right.

20 Q. You have before you what's been marked as
21 Exhibit 31. Are you able to identify that document?

22 A. Yes, I am.

23 Q. What is it?

24 A. This is a letter sent to my attention at Socket
25 Telecom from Susan Smith at CenturyTel.

1 Q. What's the date of the letter?

2 A. Sent via fax on March 23rd of 2004.

3 Q. Does it reference the February 18th, 2004
4 forecast we were just discussing?

5 A. Yes, it specifically does. States, We have
6 received a copy of the forecast provided -- it says, We have
7 received a copy of forecast provided to LaCondra Thompson by
8 Socket on February 18th of 2004.

9 MR. LUMLEY: I'd move admission of Exhibit 31.

10 MR. DORITY: Judge, I'm sorry, but I'm not
11 locating Exhibit 31. Do you have an extra copy, Carl, we
12 could take a quick look at? I'm sure it's buried here
13 somewhere.

14 I'm sorry. I found it.

15 JUDGE WOODRUFF: Exhibit 31 has been offered
16 into evidence. Are there any objections to its receipt?

17 MR. DORITY: Again, Judge, just the continuing
18 objection as to the relevancy as to the determination of the
19 Commission's issue before it.

20 JUDGE WOODRUFF: All right. That objection
21 will be overruled and Exhibit 31 is admitted into evidence.

22 (Exhibit No. 31 was received into evidence.)

23 BY MR. LUMLEY:

24 Q. In this correspondence does Ms. Smith indicate
25 that they had some concerns about the forecast?

1 A. Yes, she does.

2 Q. Did you discuss those concerns with her?

3 A. Yes, we did.

4 Q. Did any of those concerns have anything to do
5 with Socket Telecom not having an interconnection agreement?

6 A. No, they did not.

7 MR. LUMLEY: That's all my questions, your
8 Honor.

9 JUDGE WOODRUFF: All right. Thank you. Then
10 we'll over to cross from Staff.

11 CROSS-EXAMINATION BY MR. HAAS:

12 Q. Good afternoon. I will be brief.

13 You mentioned that the Columbia, Missouri
14 exchange was turned up in the fall of 2003?

15 A. Correct.

16 Q. Was that in a Spectra exchange or a CenturyTel
17 of Missouri exchange?

18 A. That was in -- purchased to the CenturyTel,
19 LLC -- or I'm probably not saying the company name right,
20 CenturyTel of Missouri.

21 Q. All right.

22 MR. HAAS: Thank you.

23 JUDGE WOODRUFF: Thank you.

24 And from CenturyTel?

25 MR. DORITY: Thank you, Judge.

1 CROSS-EXAMINATION BY MR. DORITY:

2 Q. Good afternoon, Mr. Coffman.

3 A. Hi.

4 Q. I'm Larry DORITY representing Spectra and
5 CenturyTel of Missouri in this proceeding.

6 In response to what Mr. Haas was just asking
7 you, I believe you testified that the facilities that were
8 turned up in the fall of 2003 in Columbia were, in fact,
9 CenturyTel of Missouri. Correct?

10 A. Columbia, right.

11 Q. Okay. In fact, that would be pursuant to your
12 tariff that was in effect at that point in time. Columbia was
13 one of several exchanges that was listed; is that correct?

14 A. I'm not sure -- in the tariff or in the trunk
15 forecast?

16 Q. In the tariff that Socket Telecom, LLC had on
17 file with this Commission. There was a listing of about 12 to
18 13 exchanges, all of which were in the serving area of
19 CenturyTel of Missouri; is that correct?

20 A. I can't confirm -- I don't have that in front
21 of me so I can't confirm that.

22 Q. Okay.

23 A. Sorry.

24 Q. You also addressed Exhibit 32, which you
25 identified as a letter from a Guy Miller to Colleen Dale dated

1 June of 2004. Do you recall that?

2 A. Yes.

3 Q. Okay. And you seem to take note that it had a
4 reference to company(s) or c-o-m-p-a-n-y, paren, "s," end
5 paren. Was that your testimony?

6 A. Correct. Yes, it was.

7 Q. In looking at the letter, do you understand
8 that this went to companies with operations in Wisconsin,
9 Minnesota, Michigan, Iowa, Indiana, Iowa, Washington, Oregon,
10 Idaho, Montana, Colorado, Wyoming, Arizona, New Mexico,
11 Nevada, Arkansas, Missouri, Texas, Alabama, Mississippi,
12 Louisiana and Tennessee? It's essentially a form letter.
13 Would you agree with that?

14 A. It was addressed specifically to us. And, no,
15 I did not -- wouldn't have assumed that.

16 Q. Okay. In terms of Exhibit 31, which was
17 received, which was a letter from Susan Smith to you, you
18 acknowledge that Ms. Smith indicated that certain items on the
19 forecast appear inaccurate and need to be discussed; is that
20 correct?

21 A. Uh-huh. That is correct.

22 Q. In fact, wasn't it CenturyTel's position that
23 all of these facilities were, in fact, interexchange
24 facilities?

25 A. I don't --

1 Q. Do you remember that?

2 A. Are you referencing the letter?

3 Q. To Ms. Smith's point in terms of -- that the
4 forecast, as you presented them was inaccurate, that all of
5 the facilities would be interexchange facilities?

6 A. She doesn't say that in this letter, no, she
7 does not. There was a follow-up phone call. Is that what --
8 are you referring to the entire event?

9 Q. Sure. Was that your understanding of what her
10 position was regarding these facilities?

11 A. There were multiple issues that were brought
12 up. There were many.

13 Q. Was the fact that these were -- that we
14 considered them to be interexchange facilities a part of that,
15 best of your recollection?

16 A. I'm recalling a long time ago. It could have
17 been one of many, yes.

18 Q. Okay. Let me read a statement to you and I'd
19 just like to see if you agree with it. One of Socket Telecom,
20 LLC's customers happens to be Socket Internet, Inc. These are
21 separate, legal entities similar to CenturyTel and Spectra,
22 SBC and ASI, etc.

23 Would you agree with that?

24 A. Legal entities, yes, I would.

25 Q. Okay.

1 MR. DORITY: Thank you. That's all I have at
2 this time.

3 JUDGE WOODRUFF: Questions from the Bench?
4 Commissioner Murray?

5 QUESTIONS BY COMMISSIONER MURRAY:

6 Q. Good afternoon.

7 A. Hi.

8 Q. I'm sorry. I wasn't in the room when you first
9 took the stand. Would you please tell me your name and your
10 position?

11 A. My name is Carson Coffman. I'm currently vice
12 president of sales and marketing with Socket Telecom.

13 Q. Thank you.

14 MR. LUMLEY: I think it would help the
15 Commissioner if you'd tell her your prior positions as well.

16 THE WITNESS: I previously was involved before
17 Matt Kohly in -- as his current role in working with
18 CenturyTel for local interconnection. I was in charge of
19 operations for that -- that particular process.

20 BY COMMISSIONER MURRAY:

21 Q. Okay. I just want to clarify some dates there
22 because I seem to keep getting confused about what happened
23 when and I'd like you to confirm if these are correct. The
24 GTE/AT&T interconnection agreement was in 1998; is that right?

25 A. Yes.

1 Q. And then in April of 2000, Spectra was
2 certificated by this Commission and the 107 exchanges were
3 transferred to Spectra; is that right?

4 A. I'm going to have to reference back here. I
5 believe -- yes, the -- I believe that's correct. During 2000,
6 the Spectra -- the first round of purchases took place.

7 Q. Okay. And then in 2001, the Commission
8 acknowledged the fictitious name to be used by Spectra which
9 was CenturyTel; is that right?

10 A. I -- I can't confirm that myself. It sounds
11 right, but I can't confirm it.

12 Q. I'm sorry. I'm just trying to establish the
13 order that these things occurred.

14 Do you know that -- do you know if it was in
15 May of 2002 that CenturyTel was granted a certificate and the
16 remaining 96 GTE exchanges were authorized to be transferred
17 to CenturyTel? Was that in 2002, or do you know?

18 A. Yeah. I believe that was -- I believe late
19 2002, that is correct.

20 Q. When you say "late," -- well, I shouldn't be
21 pursuing this with you because you don't know.

22 A. I don't have exact information, no. I can --
23 could --

24 Q. But in reviewing my notes, it appears to me
25 that the -- that Socket adopted the GTE/AT&T interconnection

1 agreement in June of 2002?

2 A. Yes.

3 Q. And that that adoption, by order of this
4 Commission, was recognized and it was to be effective on
5 July 7 of 2002?

6 A. Correct.

7 Q. Now, it appears to me that the adoption
8 occurred after the Commission authorized the transfer of all
9 of the exchanges, some of them to Spectra and some of them to
10 CenturyTel. Is that not --

11 A. Can you say that one more time? I'm sorry.

12 Q. And I'm not -- well, who should I be asking
13 these questions to?

14 JUDGE WOODRUFF: This is the last witness for
15 Socket, so --

16 COMMISSIONER MURRAY: Perhaps I should wait for
17 a CenturyTel witness to ask these questions.

18 MR. LUMLEY: We could bring Mr. Kohly back to
19 the stand. But if I could, I think your confusion is coming
20 from the distinction between -- the approval of the
21 transaction did occur before the adoption. The closing of the
22 transaction occurred subsequently, which is why I believe we
23 don't have a dispute about the agreement applying in those
24 particular exchanges.

25 BY COMMISSIONER MURRAY:

1 Q. Okay. And my question is, didn't everyone know
2 that all of these GTE exchanges were transferring, that GTE
3 was no longer going to be retaining any of them at the time
4 Socket adopted the interconnection agreement between GTE and
5 AT&T?

6 A. I personally didn't -- are you asking --

7 Q. You don't know that?

8 A. Yeah, I got involved with it after the -- after
9 we had adopted the agreement. I came in for the operational
10 side of it.

11 Q. Okay.

12 A. And at that time it was viewed as CenturyTel by
13 myself as well as the different consultants and individuals
14 who I worked with.

15 Q. And in your work there, there has been no
16 distinction made between CenturyTel and Socket?

17 A. And Spectra. And Spectra.

18 Q. I keep saying Socket. I mean Spectra.

19 A. No. Not at all. We treat them as CenturyTel
20 territories.

21 Q. Okay. I apologize for asking you all those
22 questions.

23 A. That's okay.

24 Q. I just sat down with that time line after
25 Mr. Kohly got off the stand.

1 COMMISSIONER MURRAY: So I'll pass back to
2 Chairman Gaw.

3 CHAIR GAW: Thank you Commissioner. Judge,
4 thank you.

5 QUESTIONS BY CHAIR GAW:

6 Q. Tell me the time frame that you were in
7 operations again.

8 A. We started operations in --

9 Q. You individually with --

10 A. Socket Telecom, we started operationally
11 working on local interconnection in the spring of 2003
12 specifically creating documents, getting ready and talking
13 with CenturyTel account reps -- or account rep at the time and
14 different individuals within that company.

15 Q. When in 2003?

16 A. Spring, early. Our first actual official
17 call -- conference call with them was in -- in May of 2003, I
18 believe.

19 Q. Were you on that call?

20 A. Yes, I was.

21 Q. And who else was on that call?

22 A. I know LaCondra Thompson was on that call.

23 Q. Who is that?

24 A. She was the individual we were working with,
25 our account rep at that time.

1 Q. Okay. Who else?

2 A. There was another individual from our company,
3 John Dupuis was on there technically with me. He was setting
4 up our switch. There were multiple people that were invited
5 to the meeting from CenturyTel. I don't know which
6 individuals there were.

7 Q. Do you know any of them that were there?

8 A. I know -- I can remember some of the names that
9 were CC'd on the e-mail that were invited to the meeting, but
10 I don't know who else was there on the call.

11 Q. You could not identify for us any particular
12 individual with CenturyTel that was on that call?

13 A. LaCondra Thompson initiated the call.

14 Q. I'm sorry. She is with CenturyTel?

15 A. She initiated the call. There were some other
16 technical people and different people involved.

17 Q. What is her position with CenturyTel, or was it
18 at that time?

19 A. At that-- at tha time we were -- she -- I was
20 informed she was our account representative. She set up that
21 meeting.

22 Q. You say "our." You mean she was --

23 A. Socket Telecom's account representative,
24 correct.

25 Q. But she worked for who?

1 A. CenturyTel.

2 Q. Did you know who in CenturyTel she worked for?

3 Did she work for Spectra? Did she work for CenturyTel

4 Missouri, Inc.? Do you know who she worked for?

5 A. Her e-mail -- everything came from Louisiana.

6 She was -- her phone number was Louisiana. She was a

7 CenturyTel employee that was heading up -- working with me on

8 our local interconnection agree-- process.

9 Q. Okay. And how many of those -- what was

10 discussed in that phone call?

11 A. At that phone call we provided the

12 documentation to her. I had been in contact with her over --

13 over the course of several months and she had provided some

14 documentation to us, a profile, and -- specifically that they

15 wanted filled out about who are you, how do we get a hold of

16 you.

17 We provided that prior to that meeting as well

18 as forecasting and drawings for them to look at. Actually the

19 drawings came after the meeting, but before that we provided

20 the trunk forecasting information for them. And at that

21 meeting we went over that and discussed that with them.

22 Q. All right. And what exchanges were discussed

23 in that conversation?

24 A. I can't recall specific exchanges, but --

25 Q. Were any of them in the Spectra region?

1 A. I don't -- I don't believe so. I'm not -- not
2 specific trunk forecasts, no. I don't believe so at that
3 time.

4 Q. Were there subsequent conversations of a
5 similar nature with representatives of CenturyTel?

6 A. Yes. There were -- there were various calls to
7 talk about technical details of how to interconnect the
8 networks. Some of those calls were initiated by Socket or
9 most of them -- the majority of those were initiated by Socket
10 to different networking people.

11 Q. Over what time frame were those conversations
12 held, generally?

13 A. Pretty much through to the time of
14 implementation.

15 Q. Which would have been when?

16 A. So, for example, the first turn-up was in the
17 fall of 2003. Between early spring through that
18 implementation phone call all the way through turn-up, we were
19 in constant contact with what are the circuits, you know, how
20 are they going to be provisioned, who's going to be providing
21 different network components to make this work. They assigned
22 us a billing account number at that time, different --
23 different things like that.

24 Q. And at some point in time was there a
25 conversation involving any exchanges that were in the Spectra

1 region?

2 A. We verbally discussed it. On paper the first
3 forecast that we sent to them was on February 18th of 2004
4 that reflected those -- those areas.

5 Q. All right. And you say there was something in
6 paper. Is that an exhibit?

7 A. It is.

8 Q. Which exhibit number is that?

9 MR. LUMLEY: 25.

10 CHAIR GAW: 25?

11 MR. LUMLEY: 25P.

12 CHAIR GAW: 25 P. Okay.

13 BY CHAIR GAW:

14 Q. All right. And you say you verbally discussed
15 it. Who did you discuss it with?

16 A. LaCondra Thompson.

17 Q. Okay. And when was that, if you know?

18 A. I don't have -- no, I don't. It was during the
19 course. We broke up -- from our experience with other ILECs,
20 we broke up the local interconnections into smaller groups
21 geographically located. And so we started with Columbia,
22 Westphalia area and then progressed to different areas.

23 Q. Would it have been prior to the preparation of
24 this Exhibit 25P or subsequent to it?

25 A. It would have been -- I would have discussed

1 this prior. I wouldn't have sent this cold to her. So it
2 would have been prior. I can't give you an exact date of how
3 many days prior.

4 Q. Okay. But prior to?

5 A. Prior to this date, correct. I didn't just
6 send it to her.

7 Q. Were there discussions subsequent to this
8 document being submitted on February the 18th of '04 with
9 LaCondra?

10 A. I'm sorry. Were they --

11 Q. Subsequent discussions in regard to these
12 exchanges listed in Exhibit 25P?

13 A. Yes.

14 Q. Okay. And how many conversations were there,
15 if you recall?

16 A. I don't recall.

17 Q. Were these telephone conversations?

18 A. Yes. We never met face to face.

19 Q. Were they always with LaCondra?

20 A. No, they were not.

21 Q. Sometimes they were other individuals?

22 A. Technical individuals, correct. We --

23 Q. Do you know their names?

24 A. I've got listings of the people I would work
25 with. We would call into technical areas that people -- if we

1 couldn't get an answer, we would try to call into that area
2 and try to find a switchman or someone who would know the
3 details of how that network was configured.

4 Q. During any of those conversations did anyone
5 ever suggest to you there was not an interconnection
6 agreement --

7 A. Not once.

8 Q. -- in regard to these exchanges?

9 A. Never.

10 Q. Did you personally believe there was an -- that
11 there was -- there was an interconnection agreement that would
12 have covered these exchanges?

13 A. Personally, yes, I do believe that.

14 Q. Did you believe it at the time?

15 A. Yes, I did.

16 Q. And can you tell me why you believed that to be
17 the case?

18 A. I didn't even realize there was a difference
19 between the Spectra and CenturyTel areas. I thought it was
20 one company. There was no differentiation between operations,
21 there was no reason to believe otherwise.

22 Q. Are any of the exchanges that are listed in
23 25P -- and without naming them, are any of those in the
24 CenturyTel of Missouri, Inc. exchanges?

25 MR. LUMLEY: We don't believe the exchange

1 names are confidential, so feel free to mention those.

2 CHAIR GAW: Okay. I just didn't want to --

3 MR. LUMLEY: I understand.

4 CHAIR GAW: -- cause a problem.

5 BY CHAIR GAW:

6 Q. I'll still ask you the same question. Are any
7 of them in the CenturyTel of Missouri, Inc. exchanges, if you
8 know?

9 A. I don't believe so.

10 Q. Okay.

11 A. I'm not 100 percent positive.

12 Q. And what did you say happened again when you
13 actually brought these up? What was your term? Was that your
14 phrasing? Is that what you say, they're brought up? I can't
15 remember.

16 A. Oh, turned up.

17 Q. Turned up?

18 A. Yeah.

19 Q. What does that mean?

20 A. Traffic can pass back and forth. Network
21 interconnection, is what we refer to it as, was established.

22 Q. And in these exchanges that are listed in 25P,
23 were any of them turned up?

24 A. Yes, they were. And still happening, yes.

25 Q. Okay. When was the first one turned up, if you

1 recall?

2 A. We submitted these forecasts, as you can see,
3 on February 18th. Exact dates it -- there were some forecast
4 rejects as we mentioned. The first ones I would guess
5 probably around 60 days, 90 days after that. That's kind of
6 typically what we've seen on a new area with CenturyTel for
7 turn up.

8 Q. Okay.

9 CHAIR GAW: Thank you. That's all I have,
10 Judge. Thanks.

11 JUDGE WOODRUFF: I don't have any questions so
12 we'll go to recross for Staff.

13 MR. HAAS: No questions.

14 JUDGE WOODRUFF: For CenturyTel?

15 MR. DORITY: No, thank you.

16 JUDGE WOODRUFF: All right. Redirect?

17 MR. LUMLEY: No, your Honor.

18 JUDGE WOODRUFF: Mr. Coffman, you can step
19 down.

20 THE WITNESS: Thank you.

21 MR. LUMLEY: Your Honor, I do have copies of
22 those two --

23 JUDGE WOODRUFF: If you'll bring them up,
24 please. And that was Exhibits 39 and 40?

25 MR. LUMLEY: Correct.

1 (Exhibit Nos. 39 and 40 were marked for
2 identification.)

3 MR. LUMLEY: And I believe I informed -- this
4 was off the record -- at least some of the Commissioners, we
5 are not calling our third witness so that's the end of our
6 evidence. And there are exhibits on our list I recognize that
7 we have not gotten into. I tried to streamline things a
8 little bit and skip over those.

9 JUDGE WOODRUFF: That's fine.

10 And are we going to the CenturyTel witness next
11 then?

12 MR. DORITY: Yes, Judge. I was wondering if we
13 could just have about five minutes based upon what Mr. Coffman
14 was just testifying to.

15 JUDGE WOODRUFF: We'll call it about a
16 seven-minute break and come back at 3:15.

17 (A recess was taken.)

18 JUDGE WOODRUFF: All right. While we are on
19 break, Ms. Smith's taken the stand.

20 (Witness sworn.)

21 JUDGE WOODRUFF: Thank you. You may inquire.

22 MR. DORITY: Thank you, Judge.

23 SUSAN SMITH testified as follows:

24 DIRECT EXAMINATION BY MR. DORITY:

25 Q. Good afternoon, Ms. Smith.

1 A. Good afternoon.

2 Q. Would you please state your name and business
3 address for the record?

4 A. Susan Smith, 911 North Bishop Road, Suite
5 C-207, Texarkana, Texas.

6 Q. And by whom are you employed?

7 A. I'm employed by CenturyTel Service Group, LLC.

8 Q. And could you briefly describe the CenturyTel
9 Service Group?

10 A. CenturyTel Service Group is a wholly owned
11 entity of CenturyTel, Inc. CenturyTel Service Group provides
12 the -- several management and accounting, customer service,
13 billing type functions to our operating entities, which would
14 include CenturyTel of Missouri, LLC and Spectra Communications
15 Group.

16 Q. And what are your specific responsibilities
17 with the CenturyTel Service Group?

18 A. I am a director of external affairs for
19 CenturyTel Service Group. My primary responsibility is
20 negotiation of contracts and interpretation of contracts with
21 CLECs, interexchange providers, other connecting carriers. I
22 provide that function for the states of Missouri, Arkansas,
23 Texas, Tennessee and Mississippi.

24 Q. Could that be globally described as carrier
25 relations?

1 A. Yes, it could.

2 Q. Okay. And have you testified before regulatory
3 agencies previously?

4 A. Yes, sir, I have.

5 Q. And could you give the judge just a very brief
6 overview of that, please?

7 A. I have testified before various commissions,
8 Arkansas, Texas, Tennessee, Arizona, New Mexico, Michigan
9 concerning arbitration matters, concerning ETC certification,
10 desegregation, state certification issues, licensing for
11 several of CenturyTel's other operating entities, just to name
12 a few.

13 Q. Thank you.

14 And briefly, could you describe your
15 educational background and work-related training?

16 A. I have been employed by CenturyTel for
17 21 years. I have a degree from -- I have a BA in management
18 and a BA in marketing from Texas A&M University. I have had
19 various functions within CenturyTel from marketing to -- I
20 started out in the marketing department, went to work for the
21 assistant of the senior vice president of revenues and
22 external affairs, was director of industry relations and then
23 became director of external affairs in 1989 dealing with
24 CenturyTel's deregulated entities.

25 And then in '96 went to work for CenturyTel

1 still as director of external affairs, but began dealing with
2 our regulated operations as well.

3 Q. Okay. Thank you very much.

4 Ms. Smith, you have been in the hearing room
5 through the course of the proceedings today; is that correct?

6 A. Yes, sir.

7 Q. And you're certainly aware that a good deal of
8 time and attention has been provided to the activities that
9 have been labeled on the sheet there by -- I think Mr. Kohly
10 was our scribe earlier this afternoon setting those forth. I
11 want to just briefly go over some of those specific dates and
12 activities with you and get your understanding of what was
13 involved. Let me hand --

14 MR. DORITY: May I approach the witness?

15 JUDGE WOODRUFF: You certainly may.

16 MR. DORITY: Would you bear with us just a
17 moment?

18 JUDGE WOODRUFF: Sure.

19 BY MR. DORITY:

20 Q. Ms. Smith, I'm going to hand you what's been
21 marked previously as Exhibits 6 and 9, which are the
22 Commission's order in Case No. TM-2000-182 issued on April
23 4th, 2000, effective April 14th, 2000; as well as Exhibit 9,
24 which reflects a cover letter regarding the submission of a
25 Joint Recommendation in that docket. And I will leave those

1 with you.

2 A. Thank you.

3 Q. Are you familiar with that Report and Order and
4 the Joint Recommendation that's referenced therein?

5 A. Yes, sir.

6 Q. There's been quite a bit of testimony today
7 regarding particularly subsection I of the Joint
8 Recommendation and the resulting effect and responsibilities
9 flowing from that particular section titled Interconnection
10 Agreements. Could you just briefly describe for the judge
11 your understanding of what that language consists of and what
12 it applies to?

13 MR. LUMLEY: Well, your Honor, I would object.
14 This is precisely the line of questioning that Mr. Dority
15 objected to when I was conducting direct exam of my witness.
16 If he wants her to read it aloud, I have no objection to that,
17 but giving her understanding of it is exactly what he objected
18 to before.

19 JUDGE WOODRUFF: It does sound like the same
20 situation, and she's not qualified to interpret the document.
21 She can certainly highlight for the Commission the parts of
22 the document that you want to bring to the Commission's
23 attention. Is that what you're asking her to do?

24 MR. DORITY: I was asking her for her
25 interpretation as CenturyTel, a party -- a party to the

1 agreement. What was her understanding of this particular
2 language.

3 MR. LUMLEY: Well, and absent evidence of the
4 document being ambiguous, oral interpretations would not be
5 permitted anyway even if this was a specific dispute about
6 their meaning. So, I mean, as he said, the document speaks
7 for itself.

8 JUDGE WOODRUFF: I'm going to sustain the
9 objection.

10 BY MR. DORITY:

11 Q. Would you read the first sentence of subsection
12 I, Interconnection Agreements?

13 A. Spectra agrees to make every effort to
14 negotiate new interconnection agreements with all competitive
15 local exchange companies, CLECs, who currently have
16 interconnection agreements with GTE and who desire to have
17 interconnection with Spectra.

18 Q. There were a number of questions particularly
19 from the Bench, I believe it was Chairman Gaw, regarding what
20 actions CenturyTel took in response to this particular order
21 in the Joint Recommendation regarding the interconnection
22 agreements that were in place at that point in time. What is
23 your understanding and your role as head of carrier relations
24 as to what activities were taken by Spectra Communications
25 Group?

1 MR. LUMLEY: Your Honor, if I could, I need to
2 clarify is he asking for her personal knowledge? The question
3 was phrased as understanding, which causes me concern that it
4 might include hearsay evidence. But if he's asking her for
5 personal knowledge, I wouldn't have an objection

6 MR. DORITY: I am asking for her personal
7 knowledge of what happened.

8 JUDGE WOODRUFF: Thank you.

9 THE WITNESS: What happened here was that,
10 number one, a list was obtained from GTE of all of the
11 existing interconnection agreements between GTE and operatin--
12 and CLECs. GTE, in turn, canceled all of those agreements.
13 Letters were sent to every CLEC.

14 CenturyTel, in turn, Spectra Communications
15 Group, sent letters to all of those CLECs as well telling them
16 that if it was their desire to enter into a new
17 interconnection agreement directly between Spectra and the
18 CLEC, to notify us and we would begin negotiations.

19 MR. DORITY: Thank you, Ms. Smith.

20 Judge, could I have -- actually I have three
21 documents that I need to have marked separately, please.

22 JUDGE WOODRUFF: Beginning with 41 then.

23 (Exhibit No. 41 was marked for identification.)

24 BY MR. DORITY:

25 Q. Ms. Smith, in the course of your

1 responsibilities with CenturyTel as director of external
2 affairs and involved in carrier relations, would it be your
3 responsibility to maintain correspondence that the company
4 would have sent to those CLECs that -- the correspondence that
5 you referenced just now in your answer?

6 A. Yes, sir.

7 MR. DORITY: May I approach the witness, Judge?

8 JUDGE WOODRUFF: You may.

9 BY MR. DORITY:

10 Q. I'm going to hand you, Ms. Smith, what's been
11 marked as Exhibit 41 and ask you if that, in fact, is
12 representative of the letter that would have been sent by
13 CenturyTel to the CLECs; this one being, in fact, to AT&T
14 Communications of the Southwest, Inc.?

15 A. Yes, sir, it is.

16 Q. And would you quickly read into the record --

17 A. This letter?

18 Q. -- the text of the letter?

19 A. It's addressed to AT&T Communications of the
20 Southwest regarding agreement with GTE. Ms. Charlotte I.
21 Field: Spectra Communications Group, LLC, Spectra, has
22 announced plans to purchase the assets of certain GTE Missouri
23 exchanges listed on the attached page. The date of close of
24 this transaction is estimated to be May 31, 2000. CenturyTel,
25 Inc. is a principal owner of Spectra.

1 Our records show that your company presently
2 has a comprehensive agreement with GTE. In light of Spectra's
3 purchase of the assets of the GTE exchanges identified, your
4 company's existing GTE agreement will need to be replaced by
5 an agreement with Spectra. Please contact Scott Sawyer of
6 CenturyTel within a week to 10 days of today's date if you
7 wish to discuss a replacement agreement. And then it says
8 where he can be reached. Thank you for your attention to this
9 matter.

10 MR. DORITY: Your Honor, I would offer into
11 evidence Exhibit 41.

12 JUDGE WOODRUFF: Exhibit 41's been offered into
13 evidence. Are there any objections to its receipt?

14 Hearing none, it will be received into
15 evidence.

16 (Exhibit No. 41 was received into evidence.)

17 MR. DORITY: If I could have two other exhibits
18 marked, please.

19 JUDGE WOODRUFF: Be 42 and 43.

20 (Exhibit Nos. 42 and 43 were marked for
21 identification.)

22 MR. DORITY: May I approach, Judge?

23 JUDGE WOODRUFF: You may.

24 BY MR. DORITY:

25 Q. Ms. Smith, I've handed you what has been marked

1 for identification as Exhibits 42 and 43. And I would ask
2 you, in the course of your responsibilities with CenturyTel in
3 carrier relations, would you be in control and possess the
4 documents that would have been related to the Spectra
5 acquisition in Missouri?

6 A. Yes, sir.

7 Q. And are these documents -- have they been
8 maintained under your supervision and control?

9 A. Yes, sir.

10 Q. And would you identify for the Commission what
11 these letters represent?

12 A. There are two letters here. They are from GTE
13 to the contacts -- in this case for AT&T Communications of the
14 Southwest -- terminating the existing agreement between GTE
15 and that particular company and notifying them that Spectra is
16 in the process of buying that property and that they will be
17 contacted by Spectra concerning that agreement.

18 Q. And that would be relative to the 107 exchanges
19 that Spectra was purchasing from GTE. Is that your
20 understanding?

21 A. That is correct.

22 MR. DORITY: Your Honor, I would offer into
23 evidence Exhibits 42 and 43.

24 JUDGE WOODRUFF: 42 and 43 have been offered
25 into evidence. Are there any objections to their receipt?

1 MR. LUMLEY: No.

2 JUDGE WOODRUFF: Hearing none, they will be
3 received into evidence.

4 (Exhibit Nos. 42 and 43 were received into
5 evidence.)

6 BY MR. DORITY:

7 Q. As a result of these actions of CenturyTel and
8 GTE advising those entities that had existing interconnection
9 agreements with GTE at the time of the Spectra acquisition,
10 were, in fact, new agreements negotiated and entered into with
11 the CLECs on behalf of Spectra Communications Group?

12 A. Yes, sir.

13 Q. Can you give the Commission a general idea of
14 how many we would be talking about?

15 A. I can't tell you the quantity. Numerous. More
16 than 10.

17 Q. Okay.

18 A. More than 15. I don't know the exact quantity.

19 Q. Okay. Did AT&T Communications of the
20 Southwest, Inc. respond to this letter to CenturyTel in terms
21 of negotiating a new agreement?

22 A. No, sir.

23 MR. LUMLEY: I'm going to object, your Honor.
24 This is hearsay as to what AT&T did or didn't do.

25 MR. DORITY: Let me lay a better foundation,

1 your Honor, if I may.

2 BY MR. DORITY:

3 Q. Ms. Smith, would your office be in possession
4 and control of any documentation that would have been received
5 from AT&T in response to the letters from CenturyTel
6 suggesting that if they wished to interconnect with Spectra,
7 they would indeed need to negotiate a new interconnection
8 agreement for these Spectra properties in Missouri?

9 A. Yes, sir.

10 Q. In searching your records, is there any
11 reference that AT&T responded to CenturyTel's request?

12 A. Review of our records indicates no
13 documentation.

14 Q. In fact, did Spectra Communications Group ever
15 consider that it had an interconnection agreement with AT&T
16 Communications of the Southwest, Inc. relative to these 107
17 exchanges in the state of Missouri?

18 A. No, sir.

19 Q. Thank you.

20 MR. DORITY: Judge, could you assist me in
21 terms of the exhibit number for the Report and Order in
22 TM-2002-232, please?

23 MR. LUMLEY: 12.

24 MR. DORITY: Thank you.

25 JUDGE WOODRUFF: It is 12.

1 BY MR. DORITY:

2 Q. Ms. Smith, you have also heard testimony today
3 regarding the CenturyTel of Missouri, LLC acquisition of the
4 remaining 96 exchanges that GTE owned in Missouri in the 2002
5 time frame, have you not?

6 A. Yes, sir.

7 Q. And are you familiar with that transaction?

8 A. Yes, sir.

9 Q. Are you also familiar with the Report and Order
10 that was issued by this Commission in Case No. TM-2002-232?

11 A. Yes, sir.

12 MR. DORITY: If I may approach, Judge.

13 JUDGE WOODRUFF: You may.

14 BY MR. DORITY:

15 Q. Let me hand you what's been marked as
16 Exhibit 12 for identification. In the Joint Recommendation
17 attached to the Commission's Report and Order in that case, is
18 there a specific reference to interconnection agreements?

19 A. Yes, there is. On page 4.

20 Q. And you have heard the testimony offered here
21 today regarding the responsibilities of the parties relative
22 to that particular language. And let me focus your attention
23 on Socket Telecom, LLC. Is it CenturyTel of Missouri, LLC's
24 position -- or what is CenturyTel of Missouri, LLC's position
25 regarding Socket Telecom's adoption of the GTE agreement and

1 the implications of this particular Report and Order?

2 A. It is CenturyTel of Missouri, LLC's
3 interpretation that we will continue to honor the existing
4 AT&T agreement that they adopted until such time that there is
5 a new agreement negotiated and replacing it.

6 Q. Okay. Thank you.

7 MR. DORITY: Let me approach.

8 BY MR. DORITY:

9 Q. And what is Spectra Communications Group, LLC,
10 doing business as CenturyTel's, position regarding any
11 contractual relationship that it might have with Socket
12 Telecom, LLC in the state of Missouri?

13 A. It is Spectra Communication Group, LLC's
14 position that we have no existing arrangement with Socket
15 Telecom, LLC and it is their prerogative to issue a bonafide
16 request and we would immediately begin negotiations with them,
17 or that they could adopt any existing Spectra Communication
18 Group, LLC interconnection agreement currently on file and
19 approved by the Missouri Public Service Commission.

20 Q. Okay. Thank you.

21 I believe you were here when Mr. Coffman just
22 testified regarding the discussions that he was involved in
23 with representatives of CenturyTel concerning the provisioning
24 of facilities in the state of Missouri for Socket Telecom, LLC
25 by CenturyTel of Missouri. And he referenced a LaCondra

1 Thompson. I know there were some questions by the Bench as to
2 Ms. Thompson's role. And could I just ask you to please
3 clarify that at this point?

4 A. LaCondra Thompson is a customer service
5 representative that is located in Monroe, Louisiana that
6 handles orders placed by competitive local exchange companies
7 and wireless companies. It is their group that merely
8 processes orders. They only handle orders related to resale
9 UNEs, porting.

10 Q. Would they have specific knowledge of
11 interconnection agreements that may or may not be applicable
12 to certain companies as a result of their role?

13 A. She -- they do have information concerning what
14 interconnection agreements are in existence. Would she
15 interpret those agreements? No. Would she determine anything
16 based upon a forecast? No.

17 Q. Okay. There has certainly been reference today
18 to Spectra Communications Group, LLC actually provisioning
19 some trunking facilities to Socket Telecom in some of the
20 Spectra Communications Group exchanges in Missouri. Could you
21 please share with the Commission what your involvement has
22 been and your knowledge of what has transpired regarding the
23 provision of those services?

24 A. I became involved with Socket in mid-March of
25 this year. I became aware that there was a dispute concerning

1 provisioning numerous facilities with Socket. I believe my
2 first conversation with Mr. Coffman was on March the 15th.

3 I -- he had said then that -- that they had
4 sent copies of forecasts and that we had denied installation
5 of certain facilities. I searched for those forecasts and did
6 find them on review. Now, at this point in time too I am not
7 familiar with that -- with all the different exchanges, names
8 and all that within the Missouri area.

9 I finally obtained a copy of the forecast that
10 he was inquiring about. There were numerous forecasts. Upon
11 review of that forecast, and this was a limited review, it had
12 to do with whether the facilities were indeed local in nature
13 as opposed to interexchange facilities that would be ordered
14 out of an access-type tariff.

15 I did write Mr. Coffman a letter to let him
16 know that we were in -- I had discovered these forecasts, but
17 that I did have issues with those forecasts in relation to
18 whether they were truthfully local facilities. I did not look
19 at the specific areas at all. We -- and knowing too that
20 there were many orders that were pending, not just these
21 for -- that have been identified on this 2/18 letter. I -- we
22 went back and forth. At this point Socket did invoke
23 arbitration. All arbitration correspondence was directed
24 towards CenturyTel of Missouri.

25 The information that I finally did receive on

1 pending orders did not contain any Spectra pending orders. It
2 was only for CenturyTel of Missouri. We went back and forth
3 concerning those arbitrations and what was the proper way to
4 handle this.

5 And I believe it was on April the 29th that we
6 finally came to some resolution with Socket, sent Socket a
7 letter telling them that we still had problems with their
8 facilities and their interpretation of the agreement; however,
9 at that time we would release the orders.

10 New ASRs had to be submitted and corrected, so
11 those ASRs I think were finalized by the end of May. I gave
12 instruction to the access service provisioning group that the
13 Socket orders were to be released. I had no idea that there
14 was any orders for Spectra.

15 Those orders were released, they were
16 installed. I believe the first one was actually installed
17 August the 9th. And, again, there were numerous orders.
18 There were orders for CenturyTel of Missouri and apparently
19 there were orders for Spectra. I was not aware of those.

20 In September -- well, I believe it was
21 August the 30th, I received notification from Socket from
22 Mr. Kohly that there was another dispute. Upon receipt of
23 that dispute, I -- we sent him a letter. And eventually --
24 the letter indicated there were two areas that I was
25 responding to specifically in this letter. Both of those

1 areas were concerning CenturyTel of Missouri where they were
2 ordering additional trunking.

3 And I was explaining to him that CenturyTel's
4 position still was that these were not local facilities, that
5 they needed to be ordered out of the interexchange tariff and
6 even if they were local, that our traffic studies indicated
7 that at the time, that they had approximately in excess of
8 600 trunks that their traffic -- that the traffic study
9 indicated, that there would be no additional facilities
10 installed in these locations.

11 Q. Briefly, let me interrupt you. Could you share
12 with the Commission what two exchanges you were referring to?

13 A. They were Columbia and Troy, which are both
14 CenturyTel of Missouri exchanges.

15 Q. Thank you.

16 A. During that call on the 9th, Mr. Kohly said,
17 Well, I don't really care about those exchanges. I'm -- I'm
18 inquiring about these other areas that you didn't address in
19 your letter.

20 What other areas are you referring to?

21 And when he listed all these exchanges, I put
22 him on hold for a moment and came back and I said, Well,
23 Mr. Kohly, all these exchanges are Spectra exchanges. You do
24 not have an agreement with Spectra.

25 Q. Okay. And have you taken any further action as

1 a result of Mr. Kohly's request for a dispute resolution
2 regarding this particular area of dispute?

3 A. Well, we've had numerous discussions
4 concerning -- right after that is when he filed this
5 concerning the Spectra area, but there's -- we still have
6 disputes pending and we still have issues with Socket
7 concerning provision of local facilities.

8 Q. In terms of those specific exchanges that were
9 identified -- I'm sorry, let me back up.

10 When did you become aware that, in fact,
11 certain Spectra exchanges had been provisioned?

12 A. After my discussion with Mr. Kohly, I -- I did
13 go back and confirm -- he indicated that he believed that we
14 had provisioned some circuits in August for Spectra. And I
15 went back and confirmed that, yes, there were three locations
16 where facilities were installed. And those were Van Buren,
17 Monroe City and Licking.

18 Q. In subsequent conversations with Mr. Kohly and
19 representatives of Socket Telecom, what has been CenturyTel
20 of -- I'm sorry, Spectra Communications Group's position
21 regarding those facilities that were provisioned in those
22 three particular exchanges?

23 A. That it was our mistake. We have no intentions
24 of disconnecting those facilities. You know, I have explained
25 that we need to -- we will be willing to enter into an interim

1 arrangement with them for continuing provision of those
2 facilities, but that we do need to begin negotiations of an
3 agreement specifically with Spectra Communications Group or
4 that they need to adopt an existing agreement.

5 Q. Has Mr. Kohly ever inquired to you as to other
6 agreements to which they might opt into?

7 A. No, he has not.

8 Q. Okay. And have you or anyone within Spectra
9 Communications Group, LLC received a bonafide request to
10 initiate negotiations regarding a new interconnection
11 agreement?

12 A. No, we have not.

13 Q. Okay. Thank you.

14 MR. DORITY: I believe that's all I have at
15 this time, your Honor. Thank you.

16 JUDGE WOODRUFF: Thank you.

17 We'll go to cross. And beginning with Staff.

18 MR. HAAS: No questions, your Honor.

19 JUDGE WOODRUFF: Socket?

20 CROSS-EXAMINATION BY MR. LUMLEY:

21 Q. Good afternoon.

22 A. Good afternoon.

23 Q. I just really would like to clarify one point
24 in your testimony. And it was towards the end of your
25 discussion when you were referring to your company not having

1 an intention of disconnecting the facilities that are part of
2 this dispute. Do you recall that testimony?

3 A. Yes, sir.

4 Q. And you referred to being willing to have an
5 interim arrangement. And I just want -- I don't want to get
6 into settlement offers, but your company is not willing to
7 have an interim arrangement on the terms and conditions of the
8 GTE/AT&T agreement; is that correct?

9 A. That's correct.

10 MR. LUMLEY: Thank you.

11 JUDGE WOODRUFF: Come up to questions from the
12 Bench then. Chairman Gaw?

13 CHAIR GAW: Thank you, Judge. I have a point
14 of inquiry for counsel first, if it's all right.

15 JUDGE WOODRUFF: Go right ahead.

16 CHAIR GAW: In regard to -- I think it's
17 Exhibit 6 and the order that dealt with the transfer of the
18 exchanges to Spectra from GTE, was there anything addressed in
19 that order or in the non-unanimous stipulation regarding
20 interconnection agreements?

21 MR. DORITY: Yes, Judge.

22 MR. LUMLEY: Yes.

23 CHAIR GAW: And remind me where that is, would
24 you, please, and what it was and how it varied from the later
25 order regarding the transfer to CenturyTel --

1 MR. DORITY: I believe it's --

2 CHAIR GAW: -- of Missouri LLC?

3 MR. DORITY: Chair Gaw, may I --

4 JUDGE WOODRUFF: Come up here, yes.

5 MR. DORITY: The actual order that is in the
6 Commission's files has an attachment to the order which is, in
7 fact, the Unanimous Stipulation and Agreement that was reached
8 in the Spectra acquisition case.

9 The way it was provided to the Commission this
10 morning was in actually two separate documents. I believe
11 Exhibit 6 is the actual Report and Order and Exhibit 9 is a
12 separate document reflecting the Stipulation and Agreement. I
13 believe it has a cover letter from Ms. Sondra Morgan on the
14 cover of it -- on the front of it attaching the agreement.

15 MR. LUMLEY: And actually the title is Joint
16 Recommendation as opposed to Stipulation.

17 CHAIR GAW: Was it a unanimous or non-unanimous
18 stip?

19 MR. DORITY: It was a unanimous stipulation.

20 MR. LUMLEY: I just didn't want you to look for
21 that title, because the title of the document is Joint
22 Recommendation.

23 CHAIR GAW: Okay. And tell me what varies from
24 the treatment of interconnection agreements in existence
25 between the two orders.

1 MR. DORITY: If I may.

2 CHAIR GAW: Yes, please.

3 MR. DORITY: That particular Stipulation and
4 Agreement indicates that those CLECs who desire to have
5 interconnection with Spectra Communications Group need to
6 contact Spectra and negotiate a new agreement.

7 And I believe there's language similar to what
8 is in the CenturyTel of Missouri agreement that to the extent
9 technically feasible, the ILEC will adopt similar terms, rates
10 and conditions with the CLEC in negotiations.

11 Since Verizon was continuing in existence its
12 operations as an ILEC in Missouri, there was certainly a need
13 for a new agreement to be executed with Spectra. And that is,
14 in fact, what happened.

15 Both the exhibits that Ms. Smith identified and
16 were just now offered into evidence reflect correspondence
17 that went out from both CenturyTel, Inc. and GTE advising
18 carriers that Spectra was indeed purchasing those 107
19 exchanges, that the terms of the interconnection agreement
20 that a carrier might have with Verizon pertaining to those
21 exchanges was being terminated and they would indeed have to
22 negotiate a new agreement.

23 CHAIR GAW: Where is it in the order in
24 Exhibit 6 that it says that?

25 MR. DORITY: It's actually in Exhibit 9.

1 CHAIR GAW: It's not in the order?

2 MR. DORITY: It's not in the order.

3 CHAIR GAW: It's in the stip?

4 MR. DORITY: When I've seen your order, I
5 believe it's Attachment A.

6 CHAIR GAW: Do you have it, Judge?

7 MR. DORITY: I can get it for you.

8 If I may, I have --

9 JUDGE WOODRUFF: It's right here.

10 CHAIR GAW: Okay. Thank you, Judge.

11 Where is it on what --

12 MR. DORITY: It's on the last page, page 5.

13 I'm sorry, there's six pages. But it's page 5, the last
14 substantive section, subsection I, Interconnection Agreements.

15 CHAIR GAW: So how does this vary -- this
16 provision vary from what we saw in the later order?

17 MR. DORITY: If I may, in the later order,
18 there is additional language addressing the fact that not only
19 should there be an effort to negotiate new agreements, but
20 added language that to the extent new agreements are not
21 negotiated within a one-year period -- which the Commission I
22 think added as a condition that CenturyTel of Missouri would,
23 in fact, recognize and honor existing agreements for a
24 one-year period -- to the extent that they were not
25 renegotiated within that time frame, then those existing

1 agreements would continue on a month-to-month basis. That
2 language is not contained in the Spectra stipulation nor was
3 it applicable.

4 CHAIR GAW: So, Mr. Dority, is it your position
5 that the provisions of the interconnection agreements that
6 would have been continuing obligations for GTE were somehow
7 terminated by this sale and order?

8 MR. DORITY: As to those exchanges.

9 CHAIR GAW: As to interconnection agreements --

10 MR. DORITY: As to those 107 exchanges that
11 were transferred to Spectra, yes.

12 CHAIR GAW: And on what legal basis would that
13 have occurred?

14 MR. DORITY: That would have occurred on the
15 basis of this Commission's order and actually the agreement
16 that the parties themselves entered into, which form the basis
17 for this Stipulation and Agreement.

18 CHAIR GAW: Were all of the parties to the
19 Stipulation and Agreement that -- were all of the parties to
20 the interconnection agreements also parties in this
21 Stipulation and Agreement?

22 MR. DORITY: That I don't know, your Honor. I
23 was not counsel to either of these companies at the time this
24 transpired. I know that -- I would hazard a guess that they
25 were certainly all provided notice in terms of the fact that

1 this sale was taking place. And I -- as Mrs. Smith testified,
2 all of those CLECs were notified as a result of this Report
3 and Order being issued.

4 CHAIR GAW: And I guess what I'm asking you is
5 what legal theory is there that would say that the terms of a
6 contract could be abrogated by some other entity and -- or
7 were there provisions in the interconnection agreements that
8 would have allowed this order to abrogate those contracts?

9 MR. DORITY: I think the activities were taken
10 pursuant to the agreement. And, again, I'm sorry, I can't
11 point you to a specific provision, but I think everyone that
12 was involved reached the same conclusion, that pursuant to
13 that agreement, they would be well founded to go ahead and
14 terminate and give notice of termination as to exchanges that
15 the contracting party, GTE, no longer had any ownership
16 interest in.

17 CHAIR GAW: Not being there at the time either,
18 it would be helpful for me to understand how legally those
19 contractual terms could have been cut off by any other party
20 other than the original parties to the interconnection
21 agreements. And I'm not suggesting that can't be done, but
22 I'd like to understand how that process would have -- would
23 have worked.

24 And, Mr. Lumley, I mean, maybe you'll just
25 concede the issue to Mr. DORITY and I won't have to ask those

1 questions.

2 MR. LUMLEY: Well, actually I think the
3 evidence that has already been adduced contradicts him to a
4 certain extent. I mean, it certainly wasn't by means of the
5 Commission's order approving the sale. There's nothing in
6 there terminating the agreements. And that's confirmed by the
7 fact that GTE felt that it needed to send letters of
8 termination.

9 And CenturyTel sends a letter to AT&T which is
10 basically a negative option letter, you know, that says if you
11 wish to discuss replacement agreement, call us. Well, that
12 doesn't say that AT&T didn't believe that the agreement
13 remained in effect.

14 CHAIR GAW: I'm just not clear about what the
15 ramification is of this order regarding the interconnection
16 agreements. The second order is much clearer to me in regard
17 to intent than -- at least from what I've gathered so far. So
18 I guess I'm going to be looking for some help on that when you
19 all get to that portion of your legal arguments. Anyway,
20 thank you.

21 MR. DORITY: Thank you.

22 CHAIR GAW: I apologize for interrupting the
23 witness. Let me go back -- let me go back I guess to a few
24 questions I have.

25 QUESTIONS BY CHAIR GAW:

1 Q. A little earlier I heard you say "we" several
2 times. And I'm assuming when you were using the word "we,"
3 that you were referring to the entity or entities that you
4 work for. Is that what you meant by that?

5 A. I don't know. You'd have to direct me to the
6 proper "we."

7 Q. Well, you know, we could go back and read that
8 back, if you'd like.

9 A. Which question?

10 Q. I don't know.

11 A. Okay.

12 Q. I heard you say "we" on numerous occasions, but
13 I didn't know who "we" might be.

14 A. There were some instances I was referring to
15 conversations that were taking place and there would be more
16 than one party involved in the conversations.

17 Q. All right.

18 A. For example, the conversations with Socket
19 concerning the provisioning of these facilities that went on
20 between the period of March and their actual establishment
21 date in August.

22 Q. All right. Is that the only "we" that you
23 might have been referring to?

24 A. I think when you were in the room, that that
25 was the "we."

1 Q. Did you ever say anything in your testimony in
2 regard to "we" that had anything to do other than you and
3 someone else discussing something?

4 A. I don't recall.

5 Q. Okay. I thought I heard you say something
6 about "we" in regard to Spectra earlier and I'm curious
7 about -- who do you work for? Who gives you your paycheck?

8 A. I work for CenturyTel Service Group.

9 Q. All right. And how are they affiliated with
10 Spectra?

11 A. CenturyTel Service Group is a wholly owned
12 entity of CenturyTel, Inc. Spectra Communications Group, LLC
13 is also a wholly owned entity of CenturyTel, Inc. CenturyTel
14 Service Group, LLC provides management, accounting, some
15 billing, customer service, that type of functions for all of
16 CenturyTel, Inc.'s local operating entities, which would
17 include both Spectra Communications Group and CenturyTel of
18 Missouri.

19 Q. Okay. And how is that group related to
20 CenturyTel of Missouri?

21 A. CenturyTel of Missouri is a -- a Louisiana LLC,
22 I believe, that is a wholly owned entity of CenturyTel of
23 Missouri Holding Company. Is that right? Which is a wholly
24 owned entity of CenturyTel, Inc.

25 Q. I see. Okay. So in Missouri when you're doing

1 business as Spectra or as CenturyTel of Missouri, LLC, how do
2 you -- how do those companies hold themselves out to the
3 general public? Under what name?

4 A. Their d/b/a is CenturyTel.

5 Q. Both of them?

6 A. Spectra Communications Group and CenturyTel of
7 Missouri, LLC use a d/b/a of CenturyTel.

8 Q. Do they both have fictitious name
9 registrations -- d/b/a registrations filed with the Secretary
10 of State?

11 A. Just Spectra.

12 Q. But they both hold themselves out as
13 CenturyTel?

14 A. Correct.

15 Q. And has CenturyTel of Missouri, LLC ever filed
16 anything with the Secretary of State or the Public Service
17 Commission to do business as CenturyTel?

18 A. I am not aware.

19 Q. Does that mean you don't believe they have or
20 you just don't have any idea?

21 A. I don't have any idea.

22 Q. All right. I'm sure that's a record that we
23 can look at here unless counsel knows.

24 MR. DORITY: I don't know personally, Judge. I
25 mean, since CenturyTel of Missouri is Cent-- that is a part of

1 their name, I don't know that a d/b/a is required.

2 CHAIR GAW: Even necessary?

3 MR. DORITY: Exactly.

4 CHAIR GAW: I don't know the answer to that
5 either.

6 BY CHAIR GAW:

7 Q. In any of the correspondence that you have had
8 with Socket, would it have been made clear that CenturyTel --
9 CenturyTel of Missouri, LLC and Spectra Communications Group,
10 LLC were different entities?

11 A. In -- in most all the correspondence that we
12 have, we always reference a specific agreement or a specific
13 company name. So the correspondence -- for example, the
14 arbitration issue, everything was addressed towards CenturyTel
15 of Missouri, LLC.

16 Q. I'm asking you whether you can point to any
17 documents that would have been sent to Socket that would have
18 stated the name Spectra in it?

19 A. The name Spectra? All the correspondence was
20 in relation to CenturyTel Missouri, LLC, because that's who
21 the contractual party was with Socket -- actually, the
22 contractual party is GTE, but we were honoring the GTE
23 arrangement.

24 Q. These discussions that were discussed earlier
25 by I think witnesses for Socket with regard to the exchanges

1 that were in Spectra's region, I think that's Exhibit 25P, was
2 there ever any written communication from Spectra or
3 CenturyTel or anyone affiliated with that company regarding
4 those exchanges?

5 A. No. And the only correspondence that had to do
6 with that particular February 18th forecast that I believe
7 you're referring to was my letter back, which in that letter I
8 indicated that we had problems with that forecast.

9 Q. Which exhibit is that again?

10 MR. LUMLEY: 31.

11 BY CHAIR GAW:

12 Q. 31. Did you -- and where was that letter from?
13 Did it say anything about Spectra in it?

14 MR. DORITY: May I approach?

15 CHAIR GAW: Please.

16 THE WITNESS: No, it does not reference
17 Spectra.

18 BY CHAIR GAW:

19 Q. And did you in that letter in any way say that
20 there was no interconnection agreement with Spectra or
21 pertaining to the exchanges listed that had to do with that
22 letter?

23 A. No. And at this point I was not aware that
24 there were even any Spectra orders or anything pending. I was
25 only aware of orders that were pending for CenturyTel of

1 Missouri.

2 Q. Who should have -- who should have caught that?

3 A. It should have been caught when it went -- when
4 the order was placed. And when the order is placed, when the
5 ASR is placed for the trunking facility, it should indicate
6 the proper telephone company number and then it should be
7 verified that that particular entity has a contractual
8 arrangement with that company. Because, though, all of
9 Socket's orders were being -- being held and were in dispute
10 both for CenturyTel of Missouri which we believed -- I
11 believe -- I can't say we. I believed that they were all
12 for --

13 Q. You did use the word "we." That's what I was
14 talking about earlier when you said "we" and I didn't know who
15 "we" was. So who was it at that time?

16 A. It was I. I believed that they were all for
17 CenturyTel of Missouri. So when I gave instructions for them
18 to release all of the Socket orders and to begin working
19 those -- and as I said, they were completed in August of this
20 year -- I had no idea that there were any orders in relation
21 to Spectra.

22 Q. Well, I asked you a question earlier, who was
23 supposed to catch that. I don't know that you told me.

24 A. It should have been caught when the order was
25 placed, but because all their orders were being held, there

1 was no review of that matter.

2 Q. Would that be normal business?

3 A. The -- the procedure is that when the order is
4 sent to the access service requesting group, that they are to
5 verify that there is a forecast, they are to verify that there
6 is a contractual arrangement prior to working the order.

7 Q. But they didn't do that in this case?

8 A. And the reason why -- and this is my
9 understanding -- is because all of Socket's orders were being
10 held.

11 Q. But no one checked on it?

12 A. That's correct.

13 Q. You're telling me no one checked on it; is that
14 correct?

15 A. No one checked on it, that is correct.

16 Q. But they did go ahead and turn some of -- turn
17 them up?

18 A. They turned up all of the Socket orders.

19 Q. They turned all of them up?

20 A. (Witness nodded head.)

21 Q. And is that proper procedure within your group
22 of companies?

23 A. No. And I'm accepting responsibility for this
24 because I did not know that there were any Spectra orders.
25 And I merely gave them authorization to work all of the Socket

1 orders. I was not clear.

2 Q. I'm not trying to get you in trouble, but are
3 you the one that is supposed to be --

4 A. No.

5 Q. -- checking on that?

6 A. No, I am not.

7 Q. Who is supposed to check on that?

8 A. It is the access service requesting group.

9 Q. And who was that in this case?

10 A. That group is under Ken Williams.

11 Q. Under Ken Williams. And was it LaCondra?

12 A. LaCondra has nothing to do with these type of
13 orders.

14 Q. That's not her. So how did this not happen in
15 this case?

16 A. All I -- the reason -- all of their orders were
17 being held. And so there was just no verification. And when
18 I told them to release the orders, there was no further
19 clarification. It was just a mistake.

20 Q. Who else works with Mr. Williams?

21 A. Olga Shewmake -- Shewmaker, Pansy Dickson.

22 Q. Who -- anybody else?

23 A. There's a --

24 Q. Quite a few of them?

25 A. Yes, sir.

1 Q. Who pays them?

2 A. I believe -- I would have to -- to verify that
3 and I would be happy, but I believe that they are also under
4 CenturyTel Service Group.

5 Q. Were there any adoptions of the AT&T/GTE type
6 agreement -- let me strike that. Let me start over.

7 Does Spectra have agreements currently in
8 effect -- interconnection agreements currently in effect with
9 other companies?

10 A. Spectra has 36 operating agreements.

11 Q. All right. And of those 36 agreements, were
12 all of them initiated subsequent to the purchase of these
13 exchanges by Spectra?

14 A. Yes. They are all direct agreements between
15 another entity and Spectra.

16 Q. Were any of those entities also parties to
17 interconnection agreements with GTE in those exchanges?

18 A. Yes.

19 Q. How many, approximately?

20 A. I -- I don't know the count. I'd be happy to
21 get that for you, but I'm going to estimate approximately
22 half.

23 Q. About half. All right. And are all of those
24 interconnection agreements -- have all of those
25 interconnection agreements been recognized by the Missouri

1 Commission?

2 A. Yes, sir.

3 Q. And are any of them similar to the
4 interconnection agreements that those companies would have had
5 with GTE prior to the sale?

6 A. Yes, sir.

7 Q. All right. And do you view all of those as
8 being adoptable by other entities?

9 A. Yes, sir. I mean, there are certain provisions
10 that may not be adopted because of change in law, but that
11 would be recognized in the adoption letter.

12 Q. And give me some examples of those kind of --
13 of those provisions that you might think were no longer
14 adoptable?

15 A. There potentially is certain compensation
16 issues, there's certain types of services that may have been
17 required to be provided under that interconnection agreement
18 that are no longer under federal law required to be provided.

19 Q. Give me an example.

20 A. Like a combination perhaps of UNEs,
21 compensation concerning certain types of termination of
22 traffic, Internet traffic may not be compensatable any longer,
23 you know, potentially line sharing.

24 Q. Okay. You have allowed the exchanges that
25 Spectra has turned on, turned up for Socket to continue --

1 A. Yes, sir.

2 Q. -- to be left on; is that correct?

3 A. Yes, sir.

4 Q. Why?

5 A. Well, I mean, it was our mistake. And we have
6 no intentions of disconnecting them because it -- I mean, it
7 could potentially be service affecting. It was our mistake.

8 Q. And how do you view that relationship going
9 forward?

10 A. Well, and that -- that's been our negotiation
11 with Socket is that we've got to have an arrangement, an
12 interconnection arrangement. Either we need to negotiate one,
13 we need to adopt an agreement, something. Because there is no
14 billing, no nothing going on at all today concerning those
15 facilities.

16 Q. Okay. So let me ask you this: In regard to
17 the GTE/AT&T agreement provisions, are those provisions being
18 honored by -- in those areas that you have turned up in the
19 Spectra areas for Socket?

20 A. There's no honoring of any agreement. The
21 facilities were turned up, they're not being -- they were not
22 established under any interconnection agreement, they have not
23 been billed or compensatable under any interconnection
24 agreement. They're just there and working.

25 Q. Are they able to be billed -- let me ask you

1 this: What would be the arrangement that would be different
2 under the terms of the GTE/AT&T agreement than what you are
3 currently doing?

4 A. For example, these particular facilities are
5 two-way facilities. They're being used to both -- or should
6 be being used for origination/termination of traffic. We
7 should agree on some type of a percentage for that traffic and
8 that -- they should be compensatable based upon what type of
9 traffic is going across the facility.

10 So the facility itself and the usage should be
11 reviewed to determine what type of traffic is going across
12 that facility, is it interexchange in nature, is it local in
13 nature and what is the proper compensation.

14 Q. And are you talking about under the terms of
15 the GTE/AT&T agreement --

16 A. Under either --

17 Q. -- or are you telling me that that's what you'd
18 be discussing?

19 A. Under either agreement. But right now there is
20 nothing taking place with that facility.

21 Q. All right. And whose fault is that, would you
22 say, if there is fault? Who is -- which party is it that is
23 not completing the compliance of the AT&T/GTE agreement, if
24 there was one to comply with?

25 A. Well, it is -- it is our position that there is

1 no AT&T agreement.

2 Q. I understand that's your position. But if it
3 were to be in effect, are both sides not fulfilling the
4 agreement or just one?

5 A. If it was in effect, then we would be still at
6 the table trying to determine what was the appropriate billing
7 even for that facility because we're not even there for the
8 CenturyTel of Missouri exchanges.

9 Q. Okay. So that's still up in the air even on --
10 for instance, in Columbia?

11 A. Correct.

12 Q. And what is the answer in the Columbia and
13 other CenturyTel of Missouri, LLC exchanges if you don't come
14 up with a resolution of that procedurally?

15 A. Procedurally we will begin arbitration.

16 CHAIR GAW: Thanks, Judge.

17 JUDGE WOODRUFF: Commissioner Murray?

18 COMMISSIONER MURRAY: Thank you.

19 QUESTIONS BY COMMISSIONER MURRAY:

20 Q. Good afternoon.

21 A. Good afternoon.

22 Q. This may have been one of the questions that
23 Chair Gaw asked and if it is, I'm sorry, but did any carrier
24 other than Socket adopt or attempt to adopt the AT&T/GTE
25 interconnection agreement after GTE transferred any of its

1 exchanges?

2 A. Well, I'm not sure I understand, because I
3 believe that Socket actually filed for adoption of the
4 GTE/AT&T arrangement in March of 2002.

5 Q. Are you saying Socket did?

6 A. Socket. I'm sorry, yes. I believe Socket
7 filed for adoption of the GTE/AT&T agreement in March of 2002,
8 which would have been prior to the acquisition.

9 Q. But I'm asking you about any other carriers
10 other than Socket.

11 A. We have one -- I'm aware of one other company
12 that is operating in the CenturyTel of Missouri area where we
13 are honoring that particular agreement.

14 Q. And you did not send out letters regarding
15 CenturyTel exchanges and the need to come in and get another
16 agreement; is that right?

17 A. For the CenturyTel of Missouri exchanges, no.
18 Verizon did notify those companies that the sale was taking
19 place, but we were not in a position yet to renegotiate those
20 agreements.

21 Q. Did any other carrier attempt to apply the
22 interconnection agreement to the Spectra exchanges?

23 A. No, ma'am.

24 Q. Did any other carrier -- besides the one that
25 you say you are honoring the agreement in the CenturyTel

1 exchanges, did any other carrier attempt to adopt that
2 agreement in the CenturyTel exchanges and you did not honor
3 it?

4 A. No, ma'am. We have -- at the present time we
5 have 80 contractual arrangements that we're operating under
6 for CenturyTel of Missouri. We have 36 for Spectra. Of those
7 two, there are 20 companies that have agreements with both
8 Spectra and CenturyTel of Missouri.

9 So of those 60 -- there are 60 companies that
10 just have agreements with CenturyTel of Missouri or that
11 were -- we may be honoring the existing Verizon agreement.
12 And Socket is the only company that has attempted to apply
13 their contract to Spectra.

14 Q. And what did you say about a number that have
15 an interconnection agreement that applies in both Spectra and
16 CenturyTel?

17 A. There are 20 companies that have an
18 interconnection agreement with both a CenturyTel of Missouri
19 or with Verizon that we're honoring and a separate agreement
20 with Spectra.

21 Q. Is there any carrier that has an
22 interconnection agreement that is being applied to both
23 CenturyTel and Spectra exchanges?

24 A. No. They are all separate agreements.

25 Q. I'm losing my list of dates here. When Socket

1 applied to the Commission to recognize the adoption of the
2 interconnection agreement between GTE and AT&T, Socket did
3 not -- or Spectra did not intervene in that proceeding; is
4 that right?

5 A. Spectra would not have been a party.

6 Q. But all of the GTE -- all of the 107 exchanges
7 that GTE exchanged with Spectra, that had already occurred?

8 A. That's correct. So in March of 2002 when
9 Socket filed their adoption of the GTE/AT&T agreement, it
10 would have been directed towards GTE of the Midwest, which
11 owned 96 exchanges.

12 Q. But CenturyTel at that time, prior to that date
13 had already applied for authorization to transfer all of the
14 remaining GTE exchanges to CenturyTel, had it not?

15 A. Yes, we had. But it had not been approved.

16 Q. And CenturyTel did not intervene in that
17 application for recognition of adoption either; is that right?

18 A. That's correct.

19 Q. So why would -- I know you can't answer this
20 question, but I'm wondering out loud. Why would Socket
21 attempt to adopt an interconnection agreement that would --
22 where the exchanges would no longer, in the next month or two,
23 belong to anyone who was a party to that original
24 interconnection agreement?

25 A. I can't answer that. The -- the very first

1 services that we turned up for Socket were established in
2 November -- I believe November 6th of 2003. So we could
3 have -- I mean, if they would have submitted a bonafide
4 request, we could have easily negotiated an agreement with
5 them.

6 Q. Are you familiar with the AT&T/GTE
7 interconnection agreement?

8 A. Yes, I am.

9 Q. And have you looked at Section 23.4 on page --
10 that 000031 -- or it's actually page 26 of the agreement?

11 A. I don't -- let me get a copy.

12 MR. DORITY: May I approach, Judge?

13 JUDGE WOODRUFF: Yes, you may.

14 MR. DORITY: Actually I'm not sure this one is
15 serrated in number.

16 COMMISSIONER MURRAY: Can you find paragraph
17 23.4?

18 MR. DORITY: Can we have that page number if
19 you wouldn't mind repeating that?

20 BY COMMISSIONER MURRAY:

21 Q. It's four zeros and 31.

22 A. Yes, ma'am.

23 Q. Would you read that 23.4 out loud, please?

24 A. Binding effect. This agreement shall be
25 binding on or enure to the benefit of the respected successors

1 and permitted assigns of the parties.

2 Q. Do you consider Spectra a successor of GTE?

3 A. In this instance? No. CenturyTel of Missouri
4 would be the successor to this.

5 Q. What about the exchanges that Spectra acquired?

6 A. Well, when Spectra -- when Spectra purchased
7 those 107 exchanges, these agreements were with GTE of the
8 Midwest. GTE of the Midwest continued to operate, so they
9 still needed these contractual arrangements. Spectra only
10 purchased a portion. So what we, in turn, did was enter into
11 an offer like agreements to those entities that desired an
12 interconnection an arrangement with Spectra.

13 Q. And I'm trying to understand why that agreement
14 wouldn't have been binding on Spectra as a successor to GTE
15 and -- at least as to the carriers that had -- well, at least
16 as to AT&T.

17 A. AT&T had no services with Spectra or with--
18 within those 107 exchanges.

19 Q. But it had an interconnection agreement.

20 A. It did. And they were notified that they could
21 enter into an agreement with Spectra under like terms and
22 conditions. So Spectra would have offered them an agreement
23 that contained the same rates and terms that are in this
24 agreement. And AT&T, by no contact did not enter into an
25 arrangement.

1 Q. So are we just talking about a name change here
2 that Spectra -- all Spectra wanted was for AT&T to say, Yes,
3 we want to continue the interconnection agreement, which --

4 A. It wasn't offered as a name change though.
5 There were new contracts and there were provisions that --
6 such as automated order taking and things like that that we
7 could not provide.

8 But the basic terms and rates that we offered
9 as Spectra to all of those approximately 60 companies that had
10 an agreement at the time with GTE of the Midwest, they were
11 offered an agreement with like terms, conditions and rates.

12 Q. And you're not offering to agree-- well, let me
13 ask you this: Was that agreement with like terms, conditions
14 and rates then offered to other carriers and accepted by other
15 carriers in the Spectra exchanges?

16 A. Yes. Like I said, there are 36 agreements out
17 there that they could review for adoption. Wow --

18 Q. Wait. Let me ask -- I want to be clear on what
19 I'm asking you. You said you would offer them -- if AT&T had
20 come in, you said you would offer them an agreement with like
21 terms, conditions and arrangements, sounding as if you mean
22 very little substantive change, just a few changes that were
23 not -- where it was technically impossible for you to do it
24 exactly under the terms of that current agreement and with a
25 different name. Is that what you -- you would have offered to

1 AT&T had they asked?

2 A. Yes. If AT&T had chosen to negotiate --

3 Q. You answered my question.

4 Then I want to ask you then, did you offer
5 those like terms and conditions to other carriers who also at
6 the time had adopted the AT&T interconnection agreement?

7 A. That I'm aware of, there -- and this is subject
8 to check. There was no other company that exercised that
9 arrangement that had the AT&T agreement.

10 Q. Okay. So the only company that your letter
11 applied to was AT&T?

12 A. No. Any -- of those 60 companies that had an
13 agreement with GTE, they were all offered a new agreement.

14 Q. Okay. With like terms and conditions to the
15 agreement that each company --

16 A. That they had in existence.

17 Q. -- at the time had?

18 A. Yes.

19 Q. And no other company had adopted the AT&T
20 agreement in the Spectra -- or in the exchanges that became
21 Spectra?

22 A. That I'm aware of, no.

23 Q. Okay. Now, this renegotiation you're saying
24 did not take place and you're saying, I think, that you had
25 the right to require that renegotiation, although I would like

1 the attorneys to brief why it is that this language did not
2 bind Spectra as a successor.

3 But assuming that you're correct in that, is
4 Spectra currently offering to Socket terms and conditions that
5 are very similar to this AT&T/GTE agreement?

6 A. Before we can offer anything to Socket as a
7 permanent arrangement, the act requires that they submit a
8 bonafide request. It is their responsibility to initiate
9 negotiations.

10 Q. Is that no?

11 A. I'm not in a position to offer them anything.

12 Q. So are you saying you have not offered them
13 anything?

14 A. As -- for a permanent arrangement, no.

15 Q. How far apart are Spectra and Socket on rates
16 and terms and conditions that would be acceptable to both, or
17 do you know?

18 A. I don't know.

19 Q. And are you familiar with the Exhibit 8 that
20 was provided? It's the CenturyTel, Inc. -- I guess it's the
21 10-K. Do you have -- you don't have that?

22 A. No, I don't.

23 Q. Are you familiar with it? Would you know what
24 the items indicated that are listed on it? If you don't --

25 MR. DORITY: If you would --

1 BY COMMISSIONER MURRAY:

2 Q. -- know, you can say so.

3 A. No, I don't.

4 Q. Okay. All right.

5 COMMISSIONER MURRAY: I think that's all.

6 Thank you.

7 JUDGE WOODRUFF: Thank you.

8 I've got a couple questions.

9 QUESTIONS BY JUDGE WOODRUFF:

10 Q. The first concerns the interim arrangement that
11 you've described with the exchanges that are turned up now for
12 Socket that there is no agreement for apparently. Am I
13 correct in understanding then that at this point Socket is
14 getting those services for free?

15 A. That's correct.

16 Q. Okay. And how long can that arrangement go on?

17 A. It can't -- can't go on indefinitely. We have
18 not defined a time frame, but --

19 Q. Okay. But I take it CenturyTel is not willing
20 to turn up any other exchanges under those arrangements?

21 A. That's correct.

22 Q. Also had a question about something you talked
23 about as the basis of your original dispute with Socket. And
24 that was a question of whether these were truly local
25 facilities. I don't want to go into this too deep, but can

1 you tell me briefly what that dispute was about?

2 A. That had to do with whether the traffic that
3 was going -- local traffic is defined as traffic that
4 originates and terminates within the local calling area. It
5 is CenturyTel's position that all of these calls are
6 terminating in St. Louis, which is not within the local
7 calling area.

8 Q. Is that a function of it being an ISP? Is this
9 Internet traffic?

10 A. It is basically the function of assigning
11 telephone numbers to customers outside of the local calling
12 area.

13 Q. Okay. That's probably as deep as I want to go
14 into it at this point.

15 JUDGE WOODRUFF: All right. Then we'll go onto
16 recross. Staff?

17 CHAIR GAW: Judge, I have one quick --

18 JUDGE WOODRUFF: Go right ahead.

19 FURTHER QUESTIONS BY CHAIR GAW:

20 Q. Is it CenturyTel's intention to merge Spectra
21 and CenturyTel in the near future?

22 A. No, sir.

23 Q. And was it ever their intention to do so?

24 A. Not that I'm aware of.

25 Q. And so when there was an application made to do

1 business as CenturyTel, that was not some precursor to a
2 merger?

3 A. No, sir.

4 Q. So if the Commission were to find some issue
5 with the continuation of use of CenturyTel as a name for
6 Spectra in Missouri, it would -- that would come up because of
7 some understanding or some belief that that might have been
8 the intention, I would assume you'd understand.

9 CHAIR GAW: Thank you.

10 JUDGE WOODRUFF: Okay. Go to recross with
11 Staff?

12 MR. HAAS: No questions.

13 JUDGE WOODRUFF: Socket?

14 RE-CROSS-EXAMINATION BY MR. LUMLEY:

15 Q. When you were responding to the Judge's
16 question about whether payment has been made for the
17 interconnection facilities and the disputed exchanges and you
18 said no, your company has not sent bills yet. Correct?

19 A. That's correct.

20 Q. Has your company made a binding decision that
21 it's actually giving those services away, or it just hasn't
22 billed yet? Do you understand my question?

23 A. Have we -- no. Rephrase, please.

24 Q. Okay. Your company has not prejudiced its
25 rights to send bills for the services back to August, have

1 they?

2 A. Based on -- on some kind of an agreement with
3 Socket, no, I believe we probably could back bill.

4 Q. Now, in your testimony with Chairman Gaw you
5 used one of those magic words that lawyers just love, and you
6 said that you always -- the correspondence from your company
7 always refers to the specific company name and agreement. If
8 you look at Exhibit 31 -- do you have that in front of you?

9 A. No, I do not. Wait, yes, I do. I'm sorry.

10 Q. And that's your letter to Mr. Coffman at Socket
11 Telecom. Correct?

12 A. That's correct.

13 Q. And it's discussing the February 18th, 2004
14 forecast. Correct?

15 A. Correct.

16 Q. And would you agree with me that that forecast
17 lists exchanges that are in the Spectra area today? You agree
18 with me?

19 A. I will tell you that at the time that this
20 letter was sent, I didn't have any idea. I did not review
21 that.

22 Q. That's not my question. My question is, do you
23 agree with me today, as you look at the forecasts, that those
24 are exchanges in the Spectra area?

25 A. Yes. But there was more than one February 18th

1 forecast.

2 Q. And in your letter you specifically refer to
3 the adopted GTE agreement. Correct?

4 A. Correct.

5 Q. And you specifically refer to Socket?

6 A. Correct.

7 Q. And you were explaining on questions from
8 Chairman Gaw how the facilities were activated in August. Do
9 you recall that?

10 A. Yes, sir.

11 Q. How then were facilities activated this week?

12 A. I don't know.

13 Q. Would you agree with me -- well, let me state
14 it a different way.

15 Are you aware that at least some ILECs are
16 taking the position that entire agreements are not available
17 for adoption because of the FCC's interim rules?

18 A. I am aware that there are some ILECs that are
19 saying certain provisions of agreements are not adoptable.

20 Q. But you're not familiar with ILECs taking the
21 position that entire agreements are not adoptable today?

22 A. No, I'm not.

23 MR. LUMLEY: I have no further questions.

24 JUDGE WOODRUFF: Thank you.

25 CHAIR GAW: Judge, can I follow up on that last

1 question before he sits down so I don't interfere too much.

2 FURTHER QUESTIONS BY CHAIR GAW:

3 Q. Is CenturyTel taking that position?

4 A. No, sir.

5 Q. So if there is an agreement in its entirety
6 that is currently in existence with Spectra, is there any
7 problem with Socket adopting an agreement in full?

8 A. Again, when we complete the adoption letter, we
9 recognize that certain provisions of that agreement may not be
10 in effect, but it does not preclude them from adopting the
11 agreement. He -- I understood his question to say that there
12 are certain companies that are saying that agreements can't be
13 adopted, period, at this point in time. CenturyTel is not
14 taking that position.

15 Q. But you're suggesting that some provisions of
16 agreements that are currently in effect may not be included if
17 they're adopted at this point in time?

18 A. That's always been the case. That is not a new
19 phenomenon.

20 CHAIR GAW: All right. Judge, if there's more
21 explanation there, I'll let counsel do it.

22 JUDGE WOODRUFF: Commissioner Murray, go ahead.

23 COMMISSIONER MURRAY: And this is for counsel.

24 Mr. Lumley, it's my understanding that Socket
25 is here for us to recognize that an interconnection agreement

1 was adopted in the past, not to currently adopt an
2 interconnection agreement?

3 MR. LUMLEY: That's correct.

4 COMMISSIONER MURRAY: Okay. Thank you.

5 JUDGE WOODRUFF: Mr. Lumley, you can follow up
6 on these questions if you need to with your witness.

7 FURTHER RECROSS-EXAMINATION BY MR. LUMLEY:

8 Q. Well, why don't you explain your company's
9 position on how it's determined -- what portions of agreements
10 can and can't be adopted. And I guess let me clarify that
11 because your answer was so general.

12 You don't need to address the impact of the
13 current interim rules, but you said that that's always been
14 the case. So prior to these interim rules, how has that been
15 the case?

16 A. For example, old agreements may have had
17 compensation in it for Internet. In the adoption letters that
18 are filed now, it will state in there that Internet traffic is
19 on a bill and keep basis. That would be an example of
20 something that has been included in adoption letters for
21 approximately two years now.

22 Q. And that specific provision has just changed
23 again, right, with the elimination of certain caps?

24 A. Possibly.

25 MR. LUMLEY: I don't have any further

1 questions.

2 JUDGE WOODRUFF: All right. Redirect?

3 REDIRECT EXAMINATION BY MR. DORITY:

4 Q. Just as a point of clarification in response to
5 the last question of Mr. Lumley regarding the company's
6 position in terms of adoption generally, would you also
7 address the company's position that has been espoused by Staff
8 in this proceeding as well as both CenturyTel and Spectra
9 concerning the requirements of United States Code Section 252I
10 of being a party to an agreement in terms of having an
11 agreement that would be able to be adopted?

12 A. I believe what you're referring to there is
13 that I cannot, for example, adopt an agreement that I was not
14 a party to, that somebody was not a party to. You have -- you
15 can only adopt an existing agreement that those people were a
16 party to. For example, I could adopt a CenturyTel of Missouri
17 agreement with another CLEC, but you could not adopt a
18 Southwestern Bell agreement and try to apply it to CenturyTel.

19 MR. DORITY: Thank you. That's all I have.

20 JUDGE WOODRUFF: Thank you. You may step down.

21 Next witness I believe is Mr. Voight for the
22 Staff.

23 (Witness sworn.)

24 JUDGE WOODRUFF: You may be seated.

25 And, Mr. Haas, you may inquire.

1 WILLIAM VOIGHT testified as follows:

2 DIRECT EXAMINATION BY MR. HAAS:

3 Q. Mr. Voight, will you please state your name for
4 the record?

5 A. William L. Voight, V-o-i-g-h-t.

6 Q. Where are you employed?

7 A. Missouri Public Service Commission.

8 Q. What are your duties?

9 A. I supervise the telecommunications department.

10 Q. What is your experience?

11 A. 11 years in -- with the Missouri Commission,
12 approximately 20 years in industry, a lot with a company now
13 known as Sprint and also with -- involved in the long distance
14 industry.

15 Q. Earlier today there have been some questions
16 about what's the difference between the agreement concerning
17 interconnection agreements made in the Spectra case and the
18 agreement concerning interconnection agreements made in the
19 CenturyTel Missouri case. Those two documents are at page 5
20 of Exhibit 9 and pages 4 and 5 of attachment 1 of Exhibit 12.
21 Can you briefly tell the Commission what the difference is
22 between those two documents?

23 A. Yes. Exhibit 12 contains an additional
24 paragraph that's not contained within Exhibit 9. That
25 additional paragraph fundamentally states that CenturyTel will

1 honor the GTE/AT&T agreement for one year and I believe
2 thereafter on a month-to-month basis until new contracts are
3 negotiated. Such a provision is not contained within what's
4 known as the Joint Recommendation in Case TM-2000-182,
5 Exhibit 9, which involved the Spectra properties.

6 Q. In both of those agreements, there is language
7 that says there may need be to some changes in interconnection
8 agreements because of interfaces. Can you tell me what
9 interfaces?

10 A. I think lots of competitors, especially
11 facility-based competitors such as Socket and AT&T, what they
12 like to have is electronic bonding with their -- their order
13 provisioning systems with legacy, back office-type systems of
14 the incumbent. They want to be able -- for service orders to
15 flow through smoothly. And that would be my interpretation of
16 what that is talking about there as one of the likely
17 differences between A-- excuse me, GTE and Spectra and/or
18 CenturyTel.

19 Q. There's been some testimony today about the
20 history of these various cases beginning with the AT&T/GTE
21 arbitration. If we begin at that point, what would you
22 describe as being the next event that's of significance to
23 today's case?

24 A. On August 4th, 1998 the Commission approved the
25 arbitrated GTE and AT&T Interconnection Agreement. On

1 August -- excuse me, April 14th, 2000, the Commission granted
2 its initial conditional approval of the transfer of the
3 Spectra properties to Spectra. And then on August 1st, 2000,
4 Spectra's tariffs received approval and it's of that date,
5 August 1st, 2000, that would be the date that Spectra -- the
6 end-user customers actually became Spectra customers and GTE
7 was no longer involved with -- with those exchanges.

8 Socket received its certificate on August 13th,
9 2001. And May 21st, 2002, the Commission granted its initial
10 conditional approval of the transfer of the remaining
11 property, that being the -- the CenturyTel property from GTE.
12 And then on June 27th, 2002, the Commission approved Socket's
13 adoption of the AT&T/GTE agreement. And on September 1st,
14 2002, CenturyTel received tariff approval to begin operating
15 the CenturyTel exchanges. As of that date, GTE was no longer
16 providing local telephone service in Missouri.

17 MR. HAAS: May I approach?

18 JUDGE WOODRUFF: Yes.

19 BY MR. HAAS:

20 Q. Mr. Voight, I've handed you what's been marked
21 Exhibit No. 35. Can you identify that?

22 A. It's an Order Approving Tariff in Compliance
23 with Commission Order in Case No. TM-2000-182.

24 MR. HAAS: At this time I would move the
25 admission of Exhibit No. 35.

1 JUDGE WOODRUFF: Exhibit 35 has been offered
2 into evidence. Are there any objections to its receipt?

3 Hearing none, it will be received into
4 evidence.

5 (Exhibit No. 35 was received into evidence.)

6 MR. HAAS: I have no further questions and
7 would tender the witness for cross-examination.

8 JUDGE WOODRUFF: All right. For
9 cross-examination we begin with Spectra CenturyTel. Hello,
10 Mr. Fischer.

11 MR. FISCHER: Good evening.

12 CROSS-EXAMINATION BY MR. FISCHER:

13 Q. Mr. Voight, I have a small role in this. I
14 just had a couple questions based upon what we've heard today.
15 Were you involved in the drafting or the substance of the
16 Staff memorandum in this case determining what the policy of
17 the Staff would be in this case or the recommendation?

18 A. I might ask you to show it to me, but I believe
19 the answer is no.

20 Q. Okay.

21 A. No, I was not involved with this.

22 Q. Okay. As I understand it, in this case the
23 Staff is recommending that the Commission reject Socket
24 Telecom's proposed adoption and application of the GTE and
25 AT&T interconnection agreement; is that correct?

1 A. Yes.

2 Q. And you've been sitting here throughout the day
3 hearing all the testimony; is that correct?

4 A. Yes.

5 Q. Would the Staff's recommendation change in any
6 way after what you've heard today?

7 A. I don't believe so, no.

8 Q. Okay. Is it your understanding that the sale
9 of the Spectra exchanges from GTE to Spectra was an asset
10 sale, not a merger or anything like that? It was a -- what
11 was the nature of that sale?

12 A. They sold some property for X amount of
13 dollars.

14 Q. It was a property sale of specific exchanges,
15 it wasn't a sale of the entire company; is that correct?

16 A. That's correct.

17 MR. FISCHER: That's all I have. Thank you.

18 JUDGE WOODRUFF: Thank you.

19 And then for Socket?

20 CROSS-EXAMINATION BY MR. LUMLEY:

21 Q. Hi, Mr. Voight.

22 A. Hi, Mr. Lumley.

23 Q. Following up on that last question first, would
24 you agree with me that in the second transaction, GTE was
25 selling its entire Missouri operation and leaving the state?

1 A. Yes.

2 Q. Were you involved on behalf of the Staff in
3 that case, the TM-2000-232 case that approved the second
4 transaction?

5 A. Yes, I believe I was.

6 Q. And were you involved in working out the
7 details of the non-unanimous stipulation?

8 A. To the best of my recollection, those were --
9 that's wording that was agreed to by the parties, in
10 particular, companies like Fidelity. I don't -- I can't take
11 credit for contributing any of the substance or the words, but
12 certainly we signed the agreement and we did have some
13 involvement to that extent.

14 Q. And do you have -- do you have that available
15 to you right now or do I need to hand it to you?

16 A. The entire Stipulation and Agreement?

17 Q. Yeah.

18 A. No. I don't have -- it's over at my desk. I
19 apologize to you. I think I do have that. It's attached. Is
20 that it?

21 Q. Yeah.

22 A. Yes, I do have that.

23 Q. Can you turn to page 6? I just want to take a
24 peek and make sure that's the same page. Yes, okay. Thank
25 you.

1 And on page 6 of this document, it's addressing
2 Service Quality. Do you see that category heading?

3 A. Yes.

4 Q. And specifically it calls for CenturyTel of
5 Missouri, LLC and Spectra Communications Group, LLC, d/b/a
6 CenturyTel to provide quality of service reports. Do you see
7 that?

8 A. Yes.

9 Q. And those were to be provided to Public Counsel
10 and Staff. Correct?

11 A. Yes.

12 Q. On a monthly basis until the company meets all
13 service objectives for six consecutive months --

14 A. Yes.

15 Q. -- is that what it says?

16 A. Yes, I see that.

17 Q. And was that a provision that was of interest
18 to Staff in the preparation of this document?

19 A. Yes. It always -- I mean, yes, obviously it
20 was, I believe.

21 Q. You would agree with me that Spectra was not a
22 party to the case, were they?

23 A. No, I don't believe that Spectra was a party to
24 this case.

25 Q. Is it your understanding that Staff walked away

1 from the execution of this agreement believing that CenturyTel
2 had committed Spectra to providing those reports?

3 A. Yes.

4 MR. DORITY: Again, I'm going to object. In
5 Mr. Lumley's words, the document speaks for itself.

6 JUDGE WOODRUFF: Sustained.

7 BY MR. LUMLEY:

8 Q. Well, still looking at that page, it says,
9 CenturyTel of Missouri, LLC and Spectra Communications Group,
10 LLC, d/b/a CenturyTel each agree to provide quality service
11 reports. Correct?

12 A. Yes, sir, that's what it says.

13 Q. But CenturyTel -- I'm sorry.

14 But Spectra did not sign the document, did
15 they?

16 A. No.

17 Q. But that was a provision of interest. and my
18 question is, was Staff satisfied that they had Spectra's
19 commitment?

20 MR. DORITY: Again, I'm going to object, your
21 Honor. The document speaks for itself.

22 MR. LUMLEY: Well, I'm asking for Staff's
23 position. He asked his witness plenty of times what their
24 position was about something. I'm asking Mr. Voight --

25 MR. DORITY: To which Mr. Lumley objected,

1 pointing out that the document speaks for itself.

2 MR. LUMLEY: No, I didn't object to those
3 questions. The witness was allowed to testify to the
4 company's position.

5 JUDGE WOODRUFF: Let me ask a clarifying
6 question of Mr. Voight. Were you participant in this
7 negotiation at that time to create this document?

8 THE WITNESS: Yes. I would have reviewed this
9 document, yes.

10 JUDGE WOODRUFF: I'm going to overrule the
11 objection. You can answer the question.

12 THE WITNESS: As to Staff's satisfaction?
13 Maybe I've forgotten the question.

14 BY MR. LUMLEY:

15 Q. Did Staff walk away from the execution of this
16 agreement believing that it had Spectra's commitment to
17 provide these reports?

18 A. Yes.

19 MR. LUMLEY: That's all my questions.

20 JUDGE WOODRUFF: Come up to questions from the
21 Bench. Commissioner Murray?

22 COMMISSIONER MURRAY: Thank you.

23 QUESTIONS BY COMMISSIONER MURRAY:

24 Q. Mr. Voight, I noticed in the -- in Exhibit 12,
25 which is the Report and Order regarding the CenturyTel

1 exchanges, that CenturyTel was recognized as subject to price
2 cap regulation as a result of taking those GTE exchanges; is
3 that right?

4 A. Yes.

5 Q. And does that price cap status apply to
6 Spectra?

7 A. Not as a result of Exhibit 12, I don't believe.

8 Q. Does it apply to Spectra at all?

9 A. I believe Spectra is under price caps.

10 Q. Was it in the order that -- for the GTE
11 exchanges were transferred to Spectra? I don't recall seeing
12 it there, but --

13 MR. LUMLEY: If I could, that was a separate
14 case that came later.

15 COMMISSIONER MURRAY: Came later?

16 MR. LUMLEY: Yes.

17 COMMISSIONER MURRAY: Okay. Thank you.

18 BY COMMISSIONER MURRAY:

19 Q. As a result of the Non-unanimous Stipulation
20 and Agreement attached to Exhibit 12 or as a part of Exhibit
21 12, is Staff receiving from Spectra Communications quality of
22 service reports on a monthly basis or did -- I guess what I
23 should say is, was that provision complied with by Spectra?

24 A. That would be handled by our engineering group,
25 and I don't know.

1 Q. Don't know?

2 A. I would expect quality of service reports are
3 being turned in for those exchanges, but I don't know for
4 certain.

5 Q. And you don't know if you were not getting them
6 or if the appropriate Staff were not getting them, whether the
7 complaint would be against Spectra or against CenturyTel, I
8 guess?

9 A. No, I don't know.

10 Q. If a party to an interconnection agreement
11 transfers its exchanges to another carrier and the
12 interconnection agreement provides that the agreement shall be
13 binding on successors, would you think that the carrier that
14 received those exchanges would be in the place of the
15 successor?

16 A. It would certainly seem so, yes. The binding
17 effect would carry over to the -- to the company assuming the
18 exchanges.

19 Q. And can you explain what is the practical
20 difference between the ability for Socket to interconnect
21 under the terms of this AT&T/GTE Interconnection Agreement
22 versus having to adopt another interconnection agreement?

23 A. I can give you my understanding of -- based
24 upon our discussions with the companies and tariffs and so
25 forth. The GTE/AT&T agreement was an arbitrated agreement

1 that contained provisions for quite possibly unbundled network
2 elements and transport facilities. That -- that type of
3 agreement is absolutely necessary for a company like AT&T or
4 Socket who has a switch and they need the use of transport and
5 unbundled network elements in those interconnection
6 agreements.

7 Whether or not these newly negotiated
8 agreements between the various other carriers contained such
9 provisions, I do not know; however, as far as the Spectra
10 territory is concerned, there just simply are not that many
11 facilities-based carriers who want to do business in the
12 Spectra territories. I would expect to see resellers, but no
13 one with a switch. Only Socket would have a switch and would
14 need the type of arrangements that are contemplated in the GTE
15 and AT&T agreement.

16 Q. And are those arrangements -- do they fall into
17 the category of what would no longer have to be provided?

18 A. Based on what has been said here today, I think
19 there probably are some negotiated -- or excuse me, arbitrated
20 elements of that GTE/AT&T agreement that do fall under what's
21 being called the interim decision or interim rules of the FCC.

22 Q. So that if the petitioner here were to
23 presently adopt that agreement, there would be a genuine
24 question as to whether that agreement had to be provided; is
25 that correct?

1 A. Well, based on what's been said here today, I
2 would expect that there may be perhaps one or two elements --
3 key elements that may be called into question. I think there
4 was testimony earlier today that that's one of the
5 difficulties of negotiating between Socket and Spectra is
6 the -- the unknown nature of what the final rules will be for
7 some of those elements.

8 Q. But if, in fact, we find that Socket did adopt
9 that agreement previously and just confirmed that that was
10 done, those interim rules would not affect that agreement; is
11 that correct?

12 A. I'm unsure. I don't -- I really am not --
13 Natelle is much more familiar with those recent FCC rulings
14 than I am.

15 JUDGE WOODRUFF: During a break here, I will
16 tell you that since it's after five o'clock, the overrides on
17 the back doors have been locked. So if you exit through the
18 back door and you need to come back, you can come back through
19 the front door. I didn't want anybody to be locked out in the
20 hallway and wondering what's going on.

21 I'm sorry, Commissioner. Go ahead.

22 BY COMMISSIONER MURRAY:

23 Q. Are you familiar with the 10-K -- CenturyTel's
24 10-K that was presented as Exhibit 8?

25 A. Not at all, no.

1 Q. Okay.

2 A. I'm sorry.

3 COMMISSIONER MURRAY: Judge, I think that's all

4 I have. Thank you.

5 JUDGE WOODRUFF: All right. Thank you.

6 Then we'll go to recross beginning with

7 CenturyTel.

8 MR. FISCHER: No questions, your Honor.

9 JUDGE WOODRUFF: All right. And for Socket?

10 MR. LUMLEY: No questions.

11 JUDGE WOODRUFF: Any redirect?

12 MR. HAAS: No, sir.

13 JUDGE WOODRUFF: All right. Thank you. You

14 can step down.

15 A few housekeeping matters to take care of.

16 There was a number of Socket exhibits that were marked but

17 were not offered. I just want to make sure we agree on the

18 list. I show 10 as not being offered.

19 MR. LUMLEY: Correct.

20 JUDGE WOODRUFF: 15 is withdrawn.

21 MR. LUMLEY: Correct.

22 JUDGE WOODRUFF: 22 and 24 not offered.

23 MR. LUMLEY: Correct.

24 JUDGE WOODRUFF: 26, 27, 28, 29 and 30 not

25 offered.

1 MR. LUMLEY: Correct.

2 JUDGE WOODRUFF: And 34 not offered.

3 MR. LUMLEY: That's correct.

4 JUDGE WOODRUFF: Everything else was offered
5 and admitted and all the other exhibits were offered and
6 admitted.

7 The only other matter then to take care of is
8 the question of the brief. I've been operating under the
9 assumption that the 90-day rule in the federal statute
10 applies. And I see head shaking there that suggests perhaps
11 it doesn't. What's the position of the other parties?

12 MR. LUMLEY: We believe that it does.

13 JUDGE WOODRUFF: You believe it does.

14 What does Staff say?

15 MR. HAAS: It's Staff's position that the
16 90 days does not apply because of our position that they --
17 that Socket has not presented an agreement to the Commission.

18 JUDGE WOODRUFF: Okay. And, Mr. Dority, you
19 were the one that was shaking your head.

20 MR. DORITY: I apologize. We would agree with
21 Staff on that.

22 JUDGE WOODRUFF: All right. Well, whether or
23 not it applies, certainly there's a lot of reasons to try and
24 act quickly on this case. I don't think anybody will disagree
25 with that.

1 As far as the transcript, first of all, I'll
2 ask that it be expedited. I believe the quickest we can do it
3 is basically a two-day turnaround, which I believe would get
4 the transcript in next Wednesday. And pulling up my calendar
5 here as far as the -- so next Wednesday would be the 17th. I
6 was going to suggest one round of briefs to be filed on the
7 29th of November, which would be the Monday following
8 Thanksgiving. That doesn't appear to make anybody too very
9 happy, but any serious objections to that?

10 MR. DORITY: Would one day make a big
11 difference, your Honor, if we could do it on the 30th?

12 JUDGE WOODRUFF: I don't have a problem with
13 that. We'll make briefs due on November 30th and I'll send
14 out a notice on Monday confirming that.

15 Anything else anyone wants to bring up while
16 we're still on the record?

17 All right. With that then, this hearing is
18 adjourned

19 WHEREUPON, the hearing was adjourned.

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