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STATE OF MISSOURI

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PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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Stipulation and Agreement

8

January 4, 2006  
Jefferson City, Missouri

9

Volume 4

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In the Matter of a Request for the )  
Modification of the Kansas City )

13

Metropolitan Calling Area Plan to ) Case No. TO-2005-0144

14

Make the Greenwood Exchange Part )  
of the Mandatory MCA Tier 2 )

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NANCY M. DIPPELL, Presiding,  
SENIOR REGULATORY LAW JUDGE.

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JEFF DAVIS, Chairman,  
CONNIE MURRAY,  
STEVE GAW,  
ROBERT M. CLAYTON,  
LINWARD "LIN" APPLING,  
COMMISSIONERS.

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23 REPORTED BY:

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1 P R O C E E D I N G S

2 JUDGE DIPPELL: This is Case No.

3 TO-2005-0144, in the matter of a request for modification  
4 of the Kansas City metropolitan calling area plan to make  
5 the Greenwood exchange part of the mandatory MCA Tier 2.

6 My name is Nancy Dippell. I'm the  
7 Regulatory Law Judge assigned to this matter. We've come  
8 here today for a presentation regarding the stipulation  
9 that was entered into by the parties, and we're going to  
10 begin with entries of appearance. Can we start with  
11 Staff?

12 MR. MEYER: Good morning. David Meyer on  
13 behalf of the Staff of the Public Service Commission. Our  
14 address is P.O. Box 360, Jefferson City, Missouri 65102.

15 JUDGE DIPPELL: Mr. Dandino?

16 MR. DANDINO: Michael Dandino, Office of  
17 the Public Counsel, Post Office Box 2230, Jefferson City,  
18 Missouri 65102, representing the Office of the Public  
19 Counsel and the public.

20 JUDGE DIPPELL: Mr. Dority?

21 MR. DORITY: Good morning. Larry Dority  
22 with Fischer & Dority, PC, 101 Madison, Suite 400,  
23 Jefferson City, Missouri 65101, appearing on behalf of  
24 intervenors CenturyTel of Missouri, LLC and Spectra  
25 Communications Group, LLC, doing business as CenturyTel.

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1                   MR. JOHNSON: Thank you. Craig Johnson,  
2 1648A East Elm, Jefferson City, Missouri 65101, here today  
3 on behalf of a Tier 5 exchange company, Mo-Kan Dial, Inc.  
4 Thank you.

5                   MR. McCARTNEY: Brian McCartney of the law  
6 firm Brydon, Swearngen & England, P.C., 312 East Capitol  
7 Avenue, Jefferson City, Missouri 65102, appearing today on  
8 behalf of Cass County Telephone Company and Lathrop  
9 Telephone Company.

10                  MS. MacDONALD: Mimi MacDonald.

11                  JUDGE DIPPELL: Can you speak into the  
12 microphone or turn it on?

13                  MS. MacDONALD: Mimi MacDonald and Paul  
14 Lane appearing on behalf of Southwestern Bell Telephone,  
15 LP, doing business as AT&T Missouri. Our address is  
16 One SBC Center, Room 3510, St. Louis, Missouri 63101.

17                  JUDGE DIPPELL: Thank you. Are there any  
18 other entries?

19                  All right. We're going to begin with  
20 opening statements, then, and I believe Mr. Dandino is  
21 going to start.

22                  MR. DANDINO: Thank you, your Honor. May  
23 it please the Commission?

24                  I would first like to start off and ask the  
25 Commission to recognize State Representative Robert

1 Johnson who's here today. Representative Johnson has been  
2 instrumental in getting the community together to support  
3 this, not only support this, but to bring the problem  
4 forward to the Commission. And he testified in front of  
5 the Commission at the public hearing, and I don't know if  
6 the Commission wants to hear any remarks from him or not.  
7 We'll leave that up to the Commissioners.

8                   At this time, this case has its origin, at  
9 least in this form, back in June of 2000 when the Office  
10 of Public Counsel asked the Public Service Commission to  
11 consider modifying the metropolitan area calling plan to  
12 meet the needs of the toll-free calling between the city  
13 of Greenwood and the city of Lee's Summit and to hold  
14 public hearings to hear customer comments.

15                   Really this case has origins much earlier  
16 than this, probably at the time the MCA was established,  
17 because I think at the time people in the Greenwood  
18 exchange felt that they were cut off from the rest of the  
19 community by being in a Tier 3 rather than in a Tier 2.

20                   This particular case was filed in November  
21 2004 as a result of the Commission's task force on the MCA  
22 and expanded calling, and once again we asked the  
23 Commission to consider expanded calling for MCA.

24                   I am very pleased to present and to ask  
25 this Commission to approve the Stipulation & Agreement

1 entered into by the parties. I think the Stipulation &  
2 Agreement gives the people of Greenwood not only what they  
3 wanted, was parity with their neighbors in the city of  
4 Lee's Summit, and many people in the -- in the Greenwood  
5 exchange is also in the Lee's Summit, and also -- but also  
6 to give them toll-free calling, local calling to their  
7 city government, which is in the south Kansas City  
8 exchange.

9                   They have equal rights with all the Tier 2  
10 MCA customers of MCA. But in addition, under the  
11 Stipulation & Agreement, they also have retained the  
12 calling scope that they had under Tier 3. So, in effect,  
13 they have more than what they asked for, perhaps they --  
14 but at a slightly higher price for what they wanted.

15                   But I think when you look at it, it ends up  
16 being a \$6.14 reduction per month for residential, a  
17 \$13.80 reduction for business, and a \$13.80 per month  
18 reduction for multi line. This is a savings for all the  
19 former MCA customers. True, it will be an increase in  
20 rates for those customers who are in the Greenwood  
21 exchange who do not subscribe to any MCA. However, they  
22 will be getting a much larger local calling scope, and  
23 that number is, while it's highly confidential, is very  
24 small because most of the people in that area did take the  
25 MCA.

1                   Another important aspect of it is all  
2 Greenwood exchange customers will be able to retain their  
3 current telephone numbers. I think in the -- in the whole  
4 that Greenwood has -- the Greenwood exchange has achieved  
5 what it needed, was local calling into the Kansas City  
6 community and into their own community of Lee's Summit.

7                   I think it is -- Southwestern Bell and the  
8 Staff and the Office of Public Counsel, we have all  
9 cooperated to present this Stipulation & Agreement to you,  
10 and we believe it is reasonable and just and in the public  
11 interest for you to adopt the Stipulation & Agreement.  
12 Thank you.

13                   JUDGE DIPPELL: Thank you, Mr. Dandino.  
14 Representative Johnson, I did want to acknowledge you and  
15 thank you for being here today and ask if the parties  
16 would have any objection if the Commissioners wanted to  
17 hear from the Representative?

18                   (No response.)

19                   JUDGE DIPPELL: All right. Thank you.  
20 After opening statements, Representative Johnson, we may  
21 ask if you would also give a statement. Thank you.

22                   Mr. Meyer, do you want to go ahead?

23                   MR. MEYER: Good morning. Staff supports  
24 the Stipulation & Agreement in this matter because it's a  
25 reasonable solution that addresses the Greenwood citizens'



1 position filed by the Office of Public Counsel.

2 Staff finds that this solution, one of the  
3 first to come through at least partially subsequent to the  
4 Commission's rule's effective date governing these types  
5 of situations, is a particularly reasonable one and better  
6 than the Office of the Public Counsel's initial proposal  
7 because it addresses the concern expressed by Staff in  
8 Mr. Voight's direct testimony about the initial OPC  
9 proposal.

10 The Public Counsel had initially proposed  
11 that the Greenwood exchange be moved into Tier 2 of the  
12 MCA, and Mr. Voight indicated by moving from Tier 3 to  
13 Tier 2 the MCA subscribers in the Greenwood exchange would  
14 actually lose the ability to call Tier 3 non-MCA  
15 subscribers without paying a toll, including calls to  
16 nearby Lake Lotawana and Grain Valley.

17 And as Mr. Dandino acknowledged and is  
18 certainly fully supporting, the proposal now before the  
19 Commission addresses this concern by maintaining the  
20 calling scope of an MCA Tier 3 exchange for the Greenwood  
21 exchange and applying it to all Greenwood exchange  
22 customers.

23 The proposal also provides the customers  
24 who wanted to receive service for the same rates as the  
25 Lee's Summit exchange customers a reasonable accommodation

1 within the existing MCA system, they'll be treated as Tier  
2 2 customers, and that they'll be in a mandatory  
3 environment and will all be on the same sort of level, so  
4 to speak, but will have the calling scope of a Tier 3  
5 customer. As a result, although they'll not pay the same  
6 amount exactly as Lee's Summit exchange customers, their  
7 rates will certainly be much, much closer together, and  
8 the differential is supported by the remaining difference  
9 in calling scopes.

10 Mr. Voight and Mr. Scheperle are available  
11 to answer any questions the Commissioners may have, as  
12 well as I am. And Mr. Voight has spent a significant  
13 amount of time following up with some of the individuals  
14 who spoke at the public hearing to investigate their  
15 concerns and would be happy to speak about that if there  
16 are any questions. Thank you.

17 JUDGE DIPPELL: Thank you, Mr. Meyer.  
18 Ms. MacDonald?

19 MS. MacDONALD: Good morning. Just  
20 briefly, AT&T Missouri would like to thank David Meyer,  
21 the Staff of the Missouri Public Service Commission, Mike  
22 Dandino and the Office of the Public Counsel, Craig  
23 Johnson, Brian McCartney and Larry Dority for all working  
24 together on the Stipulation & Agreement.

25 We believe that the Stipulation & Agreement

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1 would be very beneficial for the consumers in the  
2 Greenwood exchange, and we ask that the Missouri Public  
3 Service Commission approve the Stipulation & Agreement.  
4 Thank you.

5 JUDGE DIPPELL: Thank you. Mr. Dority, did  
6 you want to make any remarks?

7 MR. DORITY: No, thank you, your Honor. We  
8 would waive opening statement. I would indicate on the  
9 record that while not a signatory to the Stipulation &  
10 Agreement, both Spectra and CenturyTel do not oppose.  
11 Therefore, I believe all the parties are in that position  
12 and thereby rendering the Stipulation unanimous.

13 Thank you.

14 JUDGE DIPPELL: Thank you. Mr. Johnson?

15 MR. JOHNSON: Thank you, Judge. I'd waive  
16 my opening statement. I'm in the same position Mr. Dority  
17 indicated. We haven't signed the Stipulation, but we do  
18 not oppose it, or Mo-Kan Dial does not.

19 JUDGE DIPPELL: Thank you. Mr. McCartney?

20 MR. MCCARTNEY: Thank you. We have not  
21 signed, but we do not oppose.

22 JUDGE DIPPELL: All right. Representative  
23 Johnson, would you like to make any remarks?

24 REPRESENTATIVE JOHNSON: Just briefly,  
25 then.

1                   Thank you, your Honor and members of the  
2   Commission. I am Bob Johnson. I represent the southern  
3   portion of Lee's Summit and Greenwood in the legislative  
4   district that I represent. And I realize that by  
5   appearing this morning Southwestern Bell is waiting for me  
6   to make my normal oligopolistic, monopolistic business  
7   practices oration, but I'm not going to do that today.

8                   Let me say in all sincerity, I think this  
9   is a very workable compromise. Obviously I've talked to  
10   constituents of mine in the southern portion of the  
11   district I represent. Yes, most would like to go the full  
12   \$9 reduction to meet the \$12.07 rate that the Lee's Summit  
13   residents pay, but they understand this is a great start,  
14   a great compromise, and \$6.14 savings for residential  
15   customers is pretty much accepted as I talked to people.

16                  And again, I would ask the Commission to  
17   rapidly issue an Order to place this in existence so that  
18   the process can continue and this new charge be  
19   implemented as soon as possible.

20                  JUDGE DIPPELL: Thank you. Is there any  
21   questions for the Representative?

22                  COMMISSIONER CLAYTON: Representative  
23   Johnson, I want to thank you again for coming before the  
24   Commission and for all of your work on this issue. I know  
25   you've been working on this much longer than those of us

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1 at the Commission have.

2 I wanted to ask you a few questions about  
3 the agreement. First of all, you've already stated that  
4 you're satisfied with the compromise that has been  
5 established, even though it doesn't reach the point where  
6 you wanted to go?

7 REPRESENTATIVE JOHNSON: That's correct.

8 COMMISSIONER CLAYTON: Now, there's another  
9 component to this. There are some people that live in  
10 this exchange that will receive an increase that don't  
11 currently subscribe to the optional MCA plan; is that  
12 correct?

13 REPRESENTATIVE JOHNSON: That is correct.

14 COMMISSIONER CLAYTON: Are you aware of how  
15 much that increase would be to those customers?

16 REPRESENTATIVE JOHNSON: I think that's in  
17 the area of, I think, approximately a little more than \$6.  
18 I believe that's what it is.

19 COMMISSIONER CLAYTON: \$6.11, I think is  
20 what my notes indicate, which is not an outrageous sum of  
21 money. But even in light of that increase, you're still  
22 supportive of this Stipulation & Agreement?

23 REPRESENTATIVE JOHNSON: Yes. And I think  
24 many reasons why -- and I'm going to estimate, because I  
25 do a lot of in my occupation, I calculate phone numbers

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1 quite often with people who may vote. And I would say  
2 that probably it's a nine to one ratio in terms of people  
3 who have the 537 exchange versus the 623, and the 623  
4 exchange is what you're talking about in particular. And  
5 many of those people have it because they're using cell  
6 phones to do long distance calling, and they're using 623  
7 phone to serve as their landline just for basic services  
8 and local communications. I think once this is placed  
9 into agreement, I think you'll find many of the present  
10 623 subscribers will now move to a 537.

11 COMMISSIONER CLAYTON: Now, I think as part  
12 of this everyone will keep their current phone numbers; is  
13 that right?

14 REPRESENTATIVE JOHNSON: I mean, the  
15 concept -- you're right. I'm sorry. Meaning that I think  
16 from their perception, had they had to give up their  
17 number to go to a 537 to get this service, they would have  
18 done that. So I don't -- and I will tell you, there was a  
19 major article in our local newspaper about this, and I  
20 haven't received one negative comment about the proposed  
21 compromise.

22 COMMISSIONER CLAYTON: And with that  
23 additional \$6.11, they do get additional value, do they  
24 not?

25 REPRESENTATIVE JOHNSON: Yes, they do.

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1 Most definitely on the people that are on the present 623  
2 local exchange only, they have certainly increased the  
3 calling scope.

4 COMMISSIONER CLAYTON: So while some  
5 surcharges that may show up on the bill may not affect  
6 their service, this additional \$6 will significantly  
7 increase their calling scope?

8 REPRESENTATIVE JOHNSON: Certainly it's in  
9 the overall metropolitan area.

10 COMMISSIONER CLAYTON: Okay. And for the  
11 community at large, this is -- you would agree that this  
12 is an important -- an important change, an important  
13 compromise that's been reached?

14 REPRESENTATIVE JOHNSON: Well, we do. As  
15 you recall from the hearing, one of the concerns and why  
16 people became involved, as Mr. Dandino mentioned, the  
17 Greenwood community is a separate political subdivision,  
18 although they are all part of the Lee's Summit School  
19 District. And the residents in Greenwood who have the  
20 local exchange only who may live behind the school would  
21 have to pay a long distance charge to call one block away  
22 to the Greenwood Elementary School to talk about their  
23 child.

24 So I think this is overall -- even though,  
25 yes, I want the \$12.07 rate, I think this is a great

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1 start, and I think you'll find the community will in an  
2 overall capacity support this.

3 COMMISSIONER CLAYTON: Thank you very much,  
4 Representative.

5 JUDGE DIPPELL: Thank you. Was there  
6 anything else for the Representative? Commissioner Gaw?

7 COMMISSIONER GAW: Thank you, Judge.  
8 Good morning.

9 REPRESENTATIVE JOHNSON: Good morning.

10 COMMISSIONER GAW: Thank you for all your  
11 hard work on this, Representative. I don't think it would  
12 be happening without you, and I don't want to -- that's  
13 not to diminish the great work of Public Counsel, but I  
14 just -- I know how hard you have pushed on this. And I  
15 don't know that I can say that I know every detail,  
16 because I surely don't, about the hours you spent trying  
17 to get something done here, but it's one of those -- one  
18 of those times when it just needs to be acknowledged. So  
19 I want to say that to you.

20 REPRESENTATIVE JOHNSON: Thank you.

21 COMMISSIONER GAW: This concept that we're  
22 dealing with here as far as the result is concerned, I'm  
23 going to rely just pretty darn heavily on what you have to  
24 say. You're telling me that you think this is a positive  
25 step for your area, and that's pretty much what I want to



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1 know.

2 Is there anything here that you want to  
3 raise a concern about or -- I know it's not exactly what  
4 you wanted, but is there anything in particular that you  
5 have a concern about that you'd like to bring up?

6 REPRESENTATIVE JOHNSON: No, not really. I  
7 would like the Commission to know that, although I'm not a  
8 party to this negotiation, certainly SBC has talked to me.  
9 Let me tell you, I really appreciate the efforts they've  
10 gone to to talk to me. I offered in a last-minute  
11 compromise at 13.50, which you-all ignored, which is fine.

12 The point being is that for years I have  
13 heard the complaints about the \$9 difference, monthly  
14 difference, and people I have talked to have certainly  
15 accepted the fact that the \$6 reduction is better than  
16 paying the old rate. So again, I want to emphasize, and  
17 I'm sure there are some people that will end up paying  
18 more, by and large I haven't had one opposition statement  
19 to me about this proposed compromise.

20 COMMISSIONER GAW: Yeah. Judge, may I ask  
21 a couple of quick questions to counsel for clarification  
22 purposes? And then I want to come back to Representative  
23 Johnson.

24 JUDGE DIPPELL: Certainly.

25 COMMISSIONER GAW: Could someone enlighten

1 me on the status of Greenwood in regard to the case that  
2 was decided by the Commission on competitive status?

3 MR. DANDINO: Commissioner, I believe it's  
4 competitive for both commercial and residential.

5 COMMISSIONER GAW: Any disagreement about  
6 that? Everyone agrees with that?

7 MR. MEYER: That's correct.

8 COMMISSIONER GAW: I'm having difficulty  
9 calling SBC AT&T, but I'll try to -- I'll try to make the  
10 jump. Since that order went out by delegation, I  
11 discovered it after the fact. So AT&T agrees with that?

12 MS. MacDONALD: That's correct.

13 COMMISSIONER GAW: Now, what assurance do  
14 we have in this compromise that these prices are not going  
15 to be jumped since you've -- after this stipulation is  
16 entered into, and what -- what kind of oversight is there  
17 over setting the prices as far as the parties are  
18 concerned?

19 It has a price in here. Can that be  
20 legally changed after the -- if the Commission approves  
21 this Stipulation and it becomes final to any price that  
22 AT&T wants to set it at?

23 MR. DANDINO: Yes, it can. The initial  
24 price, the Stipulation does say it's the initial price,  
25 because that is their status as a competitive company.

1     However, I think that SBC has generally indicated that  
2     they wanted to get this resolved, and I think they're  
3     going to have a very difficult time if they're going to  
4     raise this, that their ability to negotiate or to deal  
5     with this Commission and other political entities would be  
6     eroded. I sincerely think so. And I think they're a good  
7     citizen, and I think they'll live up to their obligations.  
8     At least I certainly hope so. That's the only faith I can  
9     have because of the competitive classification.

10                     In addition, I think it is very important  
11     that in this that SBC or AT&T was -- even though they may  
12     claim that they have a right to recover the revenue, they  
13     are specifically saying that they will not seek to recover  
14     this revenue, whatever revenue they feel they've lost.

15                     In essence, this gives us the ability to go  
16     forward with this case rather than have it tied up in  
17     litigation. Well, not only we'd have to try this whole  
18     case, but also into appeals, a case that certainly would  
19     go to the Missouri Supreme Court, perhaps even to the U.S.  
20     Supreme Court. And I would certainly think that in the  
21     spirit of cooperation, spirit of negotiation, they would  
22     live up to their agreements.

23                     COMMISSIONER GAW: Well, I understand that  
24     this -- there's a difference between the spirit of the  
25     agreement perhaps and the words of the agreement. The

1 words of the agreement don't give me any guarantees that  
2 this price isn't going to change after this Order is  
3 adopted. As a practical matter, I would think they would  
4 wait at least until after sometime in May.

5 MR. DANDINO: I would also think that  
6 because the -- because of the statute now which gives them  
7 competitive classification, which gives them the right to  
8 change their rates at any level, the recent Missouri Court  
9 of Appeals decision that said that they could increase  
10 their rates, even MCA rates, Sprint can increase MCA  
11 rates. You know, straightforward, there is no oversight  
12 of competitive rates in this state by this Public Service  
13 Commission.

14 And I don't think by Stipulation &  
15 Agreement we can necessarily change the law either. I  
16 think the only -- the only thing -- public opinion is the  
17 only thing that we -- instrument that we have left in our  
18 bag to fight or to challenge potential rate increases.

19 COMMISSIONER GAW: Does Staff disagree with  
20 Public Counsel on any of those statements?

21 MR. MEYER: No. I think that the  
22 Stipulation's fairly clear on those issues. AT&T Missouri  
23 reserved the right to change the rates, and they also  
24 agree that they would waive any right they might have to  
25 revenue neutrality.

1                   COMMISSIONER GAW: I'm not sure what the  
2   significance of that second thing is after the first  
3   statement, the first part of that statement.

4                   I will ask AT&T if they want to give any  
5   additional assurances on price other than what's in the  
6   stip?

7                   MS. MacDONALD: I don't think we want to  
8   give that assurance at this time. We under the statute  
9   have to be able to respond to the competitive environment,  
10   and we need to retain all the rights that we have under  
11   the law.

12                  COMMISSIONER GAW: That's what I assumed  
13   you would say.

14                  Staff, if this -- the MCA is premised on a  
15   concept regarding what customers pay on the outside, but  
16   what I'm not clear about sometimes is how that relates to  
17   intercarrier compensation and whether or not there are any  
18   barriers to the setting of prices on the MCA to other  
19   carriers who are not owners of the network that transits  
20   calls within an MCA territory.

21                  MR. MEYER: Commissioner, I believe  
22   Mr. Voight would like to respond to that on a technical  
23   level.

24                  COMMISSIONER GAW: Okay. Well, before we  
25   go to that, I may need to allow Representative Johnson to

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1 sit down, but I might ask if you want to respond or make  
2 any remarks as a result of the last. I'm not asking that  
3 you do that, just if you choose to, Representative.

4 REPRESENTATIVE JOHNSON: As a former  
5 college instructor of economics, this industry is in no  
6 way by any economic definition a competitive industry. I  
7 said I wasn't going to get into this. This is an  
8 oligopolistic industry, and probably this calling exchange  
9 is more monopolistic on the part of one entity. The  
10 Legislature in its infinite wisdom, which I disagree with  
11 many times, said otherwise.

12 COMMISSIONER GAW: Well, what concerns  
13 me -- and I hope we don't see this, but what concerns me  
14 about this stip is this open-ended price, that I just  
15 don't know whether or not we're dealing with a price  
16 that's been set as a result of compromise that the parties  
17 are relying on to be in effect for at least some period of  
18 time.

19 And I cannot -- I cannot see anything in  
20 this document, and I understand why not, but I can't see  
21 anything in this document that assures those customers out  
22 there that something isn't going to happen to this price  
23 after this change has been made that is totally different  
24 than what they were expecting. That's concerning me.

25 REPRESENTATIVE JOHNSON: The only concern I

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1 have about that is that I don't think there's any  
2 guarantee for any telephone rate in any of the calling  
3 areas.

4 COMMISSIONER GAW: That is -- that is  
5 probably true, Representative. That is probably true.  
6 And so I'll just -- I'll just leave that part where it is  
7 right now, and I would assume that if something different  
8 happens, that there will be loud outcries from certain  
9 parts of this state on the MCA prices that might have some  
10 impact on those that represent them. I don't have any  
11 doubt but what that would have an impact on you. Perhaps  
12 it will have an impact on others as well.

13 REPRESENTATIVE JOHNSON: Well, eminent  
14 domain is probably going to be dealt with, so I would  
15 think there will be discussion if something radically  
16 happens that no one expects.

17 COMMISSIONER GAW: Thank you very much,  
18 Representative Johnson, for all your work again.

19 JUDGE DIPPELL: Thank you, sir. All right,  
20 then. Let's go then to questions from the Commissioners  
21 for the parties. Commissioner Murray, did you have any  
22 questions?

23 COMMISSIONER MURRAY: I have a couple of  
24 questions. Thank you, Judge. And I guess I will direct  
25 this question to Staff.

1                   Does this plan accelerate the exhaust of  
2   numbering resources? And perhaps we need to -- I don't  
3   know if we need Mr. Voight up here or not.

4                   MR. MEYER: Mr. Voight would like to answer  
5   that question.

6                   JUDGE DIPPELL: Mr. Voight, do you want to  
7   go ahead and come up to the witness stand?

8                   (Witness sworn.)

9                   JUDGE DIPPELL: Thank you. We'll go ahead  
10   and have him answer your questions, and then since  
11   Commissioner Gaw had a question for him to answer, we may  
12   see if there are other questions specifically of  
13   Mr. Voight at this time.

14   BILL VOIGHT testified as follows:

15   QUESTIONS BY COMMISSIONER MURRAY:

16               Q.     Mr. Voight, you heard my question, didn't  
17   you?

18               A.     Yes. As I understand the question, does  
19   the Stipulation & Agreement in any way contribute to  
20   depletion of numbering resources

21               Q.     That's correct.

22               A.     The very short answer, Commissioner, would  
23   be no. Everyone will keep their telephone numbers. We do  
24   not expect any additional NXX codes to be issued as a  
25   result of this agreement.



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1 Q. Great. Happy to hear that. Thank you.

2 JUDGE DIPPELL: Did you have any other  
3 questions for him, Commissioner Murray?

4 COMMISSIONER MURRAY: I don't believe I do  
5 for Mr. Voight.

6 JUDGE DIPPELL: Okay. Commissioner Gaw,  
7 did you want to --

8 COMMISSIONER GAW: Yes. And I'll try not  
9 to spend a lot of time on this, hopefully.

10 QUESTIONS BY COMMISSIONER GAW:

11 Q. Mr. Voight, as far as the intercarrier  
12 compensation matter works within the MCA, can you briefly  
13 describe it for me?

14 A. Very briefly, the intercarrier compensation  
15 is one known in the industry as bill and keep. I would  
16 like to be very clear about that. Sometimes bill and keep  
17 becomes a little bit unclear. The FCC as I would  
18 understand it as part of their intercarrier compensation  
19 dockets does talk about bill and keep.

20 However, as I would understand it, that  
21 that might involve a surcharge placed on end users' lines  
22 as a form of revenue neutrality to carriers. That would  
23 be a different form of bill and keep than what is  
24 practiced in Missouri where it is bill and keep with no  
25 surcharges placed on end users' lines to make up for any

0044

1 potential lost revenue.

2 Q. Okay. And so in that event, can you tell  
3 me, help me to understand here, if there is any advantage  
4 to the transiting carrier in the area if they are also a  
5 retail player in the area in providing local exchange  
6 services over a competitor that is not a transiting  
7 carrier in regard to the setting of prices? And I'm  
8 hoping your answer is no, but I want to make sure that  
9 that's -- that I'm clear on that.

10 A. Just so I'm clear, the setting of prices,  
11 do you mean like retail MCA prices?

12 Q. The setting of retail prices, yes, sir.

13 A. So the question would be, does bill and  
14 keep present any sort of competitive advantage to the  
15 transiting carrier?

16 Q. Yes, who would also be in this instance a  
17 provider of local exchange service.

18 A. I don't believe there are any undue or  
19 unfair advantages. The transiting carriers by themselves  
20 tend to be the largest carriers. They can take advantage  
21 of normal economies of scale and scope, which would be  
22 expected just because of their sheer size. But I don't  
23 believe in and of itself bill and keep presents any sort  
24 of advantage to a transiting carrier for the establishment  
25 of resale MCA prices.

0045

1           Q.       In the Greenwood exchange, are there -- are  
2   there CLECs operating?

3           A.       Yes, there is. The percent of lines  
4   attributable to competitors is shown in Mr. Scheperle's  
5   highly confidential Schedule 6. It shows the percent of  
6   lines attributable to SBC, now known as AT&T, and those  
7   attributable to CLECs, and it's broken down in both  
8   business and residential lines.

9                   JUDGE DIPPELL: Sir, where was that?

10           THE WITNESS: It's on Mr. Scheperle's  
11   highly confidential Schedule 6 of his direct testimony.  
12   And there we can see Greenwood listed under both the  
13   residential and the business category. First column shows  
14   the competitive status, whether or not that was obtained  
15   on either the 30 or the 60-day track pursuant to Senate  
16   Bill 237. Then we see SBC residential access lines and  
17   CLEC residential access lines, and then a total and then  
18   percent of those that are attributable to SBC.

19   BY COMMISSIONER GAW:

20           Q.       Okay. I've never been sure why these  
21   numbers if they were generically stated as far as  
22   competitors are concerned are HC, but we'll leave it  
23   alone.

24                   The price set by this agreement, the CLECs  
25   in the area, are they in any way under this competitive

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1 environment, will they will be -- will they be setting the  
2 price at the same rate, or do we have any idea about that?

3 A. Based on my experience, the CLECs would use  
4 the incumbent's price as a benchmark, tend to price below  
5 that as a general matter.

6 Q. Okay. Is there anything else there besides  
7 again Greenwood that we're dealing with on the Schedule 6?

8 A. No, not -- not that is particularly  
9 relevant to the Stipulation & Agreement. It does  
10 primarily involve just those in the Greenwood telephone  
11 exchange. The other exchanges that are listed I do --  
12 well, I'll just leave it at that. No, I don't believe  
13 it -- that there's any material bearing on anyone other  
14 than Greenwood.

15 Q. Okay. And just real quickly, give me  
16 the -- again, as it was explained earlier, but would you  
17 give me in your words the explanation of the distinction  
18 between what the customers that are in the impacted area  
19 here will see as far as their ability to call in and have  
20 calls to them, call from and call to that area in  
21 comparison to what it would be like in Tier 2, if they had  
22 been in Tier 2?

23 A. It has to do with their ability to call  
24 Tier 3. If they would have been moved into Tier 2, then  
25 that would have represented a small -- a slight decrease

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1 in calling scope, because the people in Greenwood  
2 currently who have MCA service are able to call everyone  
3 in Tier 3, including those who do not subscribe to MCA.

4 Q. And they will be able to continue to do  
5 that under this plan?

6 A. Yes, that's correct.

7 Q. Plus they'll be able to call everywhere  
8 else in Tier 1 and 2, too?

9 A. That's correct, Tier 01 and 2, as well as  
10 subscribers in Tiers 4 and 5.

11 Q. And there's no loss of advantage from not  
12 being in Tier 2 under this proposal?

13 A. No, none at all.

14 Q. But this is a separately priced plan from  
15 Tier 2 pricing?

16 A. Yes, that's correct. It is priced  
17 differently than Tier 2 or Tier 3. It has slightly  
18 different calling scope than Tier 2 or Tier 3. I jokingly  
19 referred to it as MCA Tier 2 1/2. It will be unique.

20 Q. And in that regard, the price for it could  
21 be changed in a different way than what Tier 1 or Tier 3  
22 would be if the company chose to do that?

23 A. I don't know. I think they could change  
24 the price in Tier 01, 2, just as easily as they could the  
25 new Greenwood exchange.

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1           Q.       Yes. It could be -- it could be done in  
2 any of those areas, but it could be done separate from  
3 those areas is my point?

4           A.       I'm with you. Yeah, I understand. Yes,  
5 you're right.

6                   COMMISSIONER GAW: Thank you, Mr. Voight.

7                   JUDGE DIPPELL: Commissioner Clayton, did  
8 you have any questions for Mr. Voight? We can always call  
9 him back if questions come up later.

10                  COMMISSIONER CLAYTON: If Lin has any  
11 questions, he can go.

12                  JUDGE DIPPELL: Commissioner Appling?

13 QUESTIONS BY COMMISSIONER APPLING:

14           Q.       Good morning, Bill. How are you doing?

15           A.       Fine, sir. Thank you.

16           Q.       Good. One question. There was a petition  
17 signed for an opposition, I think it was -- this might be  
18 a better question for OPC, but there was 200 people, 270  
19 to 300 people signed a petition to get rid of the \$12.35.  
20 How was that treated under the Stipulation?

21           A.       Well, it was directed -- and yes, the  
22 petition I believe was submitted in March of 2003, as I  
23 recall. They wanted to get rid of what they called the  
24 lug or the adder, which was approximately -- for  
25 residential customers was an additional roughly \$12.35.

1 And in terms of how that was addressed in the Stipulation,  
2 rather than -- what the petition wanted was to -- what was  
3 envisioned, that they would be moved into the Lee's Summit  
4 area.

5 Q. Right.

6 A. And to pay the rates associated with those  
7 in Lee's Summit. And as has been pointed out today, doing  
8 that would have actually reduced the calling scope for the  
9 people in Greenwood in some instances. So that was  
10 addressed. The calling scope was addressed by keeping  
11 basically their calling scope the same, by establishing  
12 these what are now called extended area service routes  
13 that go to lake Lotawana, Grain Valley, Buckner and so on  
14 and so forth.

15 So that's how -- that's how that was  
16 addressed, Commissioner, in the Stipulation & Agreement.  
17 It did not move them into the same calling scope as Lee's  
18 Summit because that would have been -- I think that would  
19 have been viewed as in ways a step backwards. So the  
20 Stipulation actually gives them the benefits of their  
21 current calling scope for MCA subscribers.

22 In terms of price, it didn't knock off the  
23 entire 12 dollars and approximately 35 cents. It didn't  
24 knock off all of that, but it knocked off the majority of  
25 that.

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1                   COMMISSIONER APPLING: Thank you very much,  
2   sir. That's the question that I had. Judge, that's all I  
3   have.

4                   JUDGE DIPPELL: Thank you. Commissioner  
5   Clayton, do you want me to go on?

6                   COMMISSIONER CLAYTON: I think all my  
7   questions have been answered. Thank you, Mr. Voight.

8                   JUDGE DIPPELL: Thank you, Mr. Voight.  
9   I'll ask you just to step down, and you'll remain sworn,  
10  so if something comes up later, you can answer for us.

11                  THE WITNESS: Yes, your Honor.

12                  JUDGE DIPPELL: Commissioner Murray, did  
13  you have other questions of the parties?

14                  COMMISSIONER MURRAY: Yes. I had a  
15  question for AT&T, and I guess probably I need Mr. Unruh  
16  to take the stand.

17                  JUDGE DIPPELL: All right. Did you want to  
18  see if Ms. MacDonald can answer it, or is it specifically  
19  for Mr. Unruh?

20                  COMMISSIONER MURRAY: I think it's -- I  
21  think we probably need the witness.

22                  JUDGE DIPPELL: All right. Is there any  
23  objection to Mr. Unruh? He's here. I assume that means  
24  he's willing to talk. Mr. Unruh.

25                  (Witness sworn.)



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1 JUDGE DIPPELL: Thank you.

2 CRAIG UNRUH testified as follows:

3 QUESTIONS BY COMMISSIONER MURRAY:

4 Q. Good morning, Mr. Unruh.

5 A. Good morning.

6 Q. In your testimony that was filed prior to  
7 this Stipulation & Agreement, you had indicated some  
8 pricing to achieve a level that did not -- that did not  
9 give AT&T revenue neutrality; is that correct?

10 A. That's correct. The pricing that was  
11 proposed and has been agreed to in this Stipulation does  
12 not recover -- will not recover for AT&T Missouri the same  
13 amount of revenue that we're recovering today.

14 Q. And I understand that. My question really  
15 is related to, is what you were recovering under the  
16 Stipulation & Agreement more distant from revenue  
17 neutrality than what you had originally proposed?

18 A. No. What we proposed in my testimony is  
19 the same thing that's been agreed to in the Stipulation.

20 Q. Okay. And every -- I can't ask you this, I  
21 suppose, but it appears to me that no one is in  
22 disagreement that this does not achieve revenue  
23 neutrality; is that correct?

24 COMMISSIONER MURRAY: Does anybody disagree  
25 with that?

1 (No response.)

2 BY COMMISSIONER MURRAY:

3 Q. And it's my understanding that AT&T has  
4 voluntarily agreed to implement this plan, which does not  
5 allow you to recover the full amount that you would be  
6 entitled to recover, but you voluntarily agreed to do  
7 that; is that correct?

8 A. That is correct. In the spirit of  
9 cooperation and in an effort to try to resolve the issues  
10 of the various parties, we've been able to reach this  
11 agreement with the parties.

12 COMMISSIONER MURRAY: I think that's all I  
13 have. Thank you.

14 JUDGE DIPPELL: Thank you. Commissioner  
15 Gaw, did you have any questions of Mr. Unruh while he's  
16 here?

17 COMMISSIONER GAW: I'll defer to  
18 Commissioner Clayton.

19 COMMISSIONER CLAYTON: I was going to let  
20 him go until I heard about the spirit of cooperation, and  
21 it warmed my heart and made me want to ask a few  
22 questions.

23 QUESTIONS BY COMMISSIONER CLAYTON:

24 Q. First of all, Mr. Unruh, I appreciate that  
25 statement, a spirit of cooperation, and a Stipulation &

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1 Agreement is working towards some middle ground, working  
2 on a compromise. And the testimony that we've received,  
3 the evidence we've received so far is that this is not a  
4 revenue neutral change, that AT&T will not be receiving  
5 the same amount of revenue that it was under the  
6 agreement; is that correct?

7 A. That is correct.

8 Q. And it's based on that that AT&T in a  
9 spirit of cooperation is willing to sacrifice to achieve a  
10 goal that this community's been fighting for; is that  
11 correct?

12 A. That's correct.

13 Q. Can you give me in a spirit of cooperation  
14 some assurance that the day after this Order becomes  
15 final, that the ability for AT&T to raise prices up to  
16 where they are today is not going to happen, that this  
17 Stipulation & Agreement is actually going to do something,  
18 that we're not going to give hope and then take it away  
19 the next day?

20 And I'm not saying it's going to be the  
21 next day, but in a spirit of cooperation the parties have  
22 given to you or given to AT&T, even though this waiver of  
23 revenue neutrality is there, the right to raise prices the  
24 day after the Order becomes final is there. Would you  
25 agree with that statement?



0055

1     you.  No questions.

2                     JUDGE DIPPELL:  All right.  Mr. Unruh, I'll  
3     ask you to step down.

4                     COMMISSIONER GAW:  No, not yet, Judge.

5                     JUDGE DIPPELL:  Oh, I'm sorry.  
6     Commissioner Gaw.

7     QUESTIONS BY COMMISSIONER GAW:

8             Q.       Mr. Unruh, does setting up this new  
9     boundary, this new MCA 2A or whatever the heck it's  
10    called, does it actually do something in regard to  
11    providing the ability for competitors to offer something  
12    that they could not offer before?

13            A.       I would -- I would say for the carriers who  
14    are using their own switches, they can define their own  
15    calling scopes, so they probably could have done something  
16    like this if they so choose, or --

17            Q.       Let me stop you just real quickly.  Would  
18    that -- would that be the case in regard to the status of  
19    intercarrier compensation if this -- if they had offered a  
20    different calling scope than what the MCA boundaries were  
21    at the time?  Do you understand what I'm asking?

22            A.       I think so.  I would have to go back and  
23    research the -- I'm going to forget the case number, but  
24    there was an MCA case back in 1999 that laid out the  
25    parameters for how CLECs would participate in the MCA

1 plan, and I believe it was established that the CLECs  
2 could offer their own plan. If they wanted to participate  
3 in the MCA plan, they had to follow sort of the same terms  
4 and conditions as the other carriers, and then they could  
5 call it the MCA plan. That would include calling scope  
6 and intercarrier compensation. If they chose to offer a  
7 different calling scope than the MCA plan, the Commission  
8 required them to not call it the MCA plan.

9                   What I'm not clear about at the moment is  
10 how that affected intercarrier compensation. It may have  
11 been that within the MCA any of those calls, whether or  
12 not they were officially called an MCA call or not, might  
13 have been bill and keep, but I'm not certain of that.

14                   It is equally plausible that a carrier  
15 establishing its own local calling scope within the MCA  
16 plan, for example, creating this Greenwood type calling  
17 plan that we're suggesting be created, they might have had  
18 to pay intercompany compensation on the calls that would  
19 not have otherwise been MCA calls.

20               Q.       You're understanding my question. Perhaps  
21 Mr. Voight might know the answer to that in a couple of  
22 minutes --

23               A.       He may have researched that.

24               Q.       -- and can enlighten me. And I stopped you  
25 before you went on to those carriers that did not have

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1 their own switches.

2 A. Yeah. What I wanted to add to the mix was  
3 for a carrier that's using our switching, for example,  
4 this will give them that same, call it Greenwood calling  
5 scope. They'd be able to do the same thing.

6 Q. They wouldn't have been able to do that  
7 without this particular designation of a calling area?

8 A. Without possibly reaching some type of  
9 special arrangement with us, you know, if they might have  
10 been able to do something like that, but that would not  
11 typically be the way it worked.

12 COMMISSIONER GAW: Okay. That's all I  
13 have. Thank you, Judge.

14 JUDGE DIPPELL: Thank you. Commissioner  
15 Murray?

16 FURTHER QUESTIONS BY COMMISSIONER MURRAY:

17 Q. Mr. Unruh, the implementation of this, the  
18 revising of the network routing functions, is there any  
19 estimate of how long that will take?

20 A. I don't have a good timeline for you at  
21 this point in time. There's a number of steps that have  
22 to be taken. The carriers have to work together to  
23 establish, you know, a process or a timeline for when it  
24 will all go into effect. So that will all have to be  
25 changed among the carriers.

1                   There's certain industry standards that  
2   have to be followed on changing switching routing and  
3   number usage and things like that. So we have to go  
4   through all those processes. So once the -- assuming the  
5   Commission approves this Stipulation and issues an Order,  
6   then that will kind of kick off the process of getting all  
7   of those -- all of our internal people as well as other  
8   companies together to kind of sort out what all needs to  
9   be done. It's certainly a matter of I think months but  
10  not -- certainly not a year or anything like that.

11               Q.       And approximately how many carriers are  
12  involved?

13               A.       Well, it potentially involves everybody  
14  operating within the MCA. It somewhat impacts carriers --  
15  I would say generally it will impact the carriers  
16  operating within the MCAs.

17               Q.       And only those carriers?

18               A.       40, 50 carriers or more.

19               Q.       And each one's network will have to have  
20  some adjustments; is that correct?

21               A.       Correct.

22                       COMMISSIONER MURRAY: Thank you.

23                       JUDGE DIPPELL: Thank you. Are there any  
24  other questions for Mr. Unruh?

25                       (No response.)



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1 JUDGE DIPPELL: Thank you, Mr. Unruh. You  
2 may step down.

3 Commissioner Murray, did you have some  
4 other questions for the parties?

5 COMMISSIONER MURRAY: I believe that's all  
6 I have.

7 JUDGE DIPPELL: Commissioner Gaw, did you  
8 have other questions?

9 COMMISSIONER GAW: If I could just ask  
10 Mr. Voight if he knows the answer to the question I asked  
11 Mr. Unruh.

12 JUDGE DIPPELL: Mr. Voight, you can answer  
13 from there if you like.

14 MR. VOIGHT: As I understand the question,  
15 it was what sort of intercompany compensation exists with  
16 competitors in the MCA, and in particular if they do not  
17 participate in the MCA plan?

18 COMMISSIONER GAW: In particular I'm trying  
19 to discern if this agreement were not reached, whether or  
20 not a CLEC could have offered a different calling scope,  
21 perhaps provided this particular plan that's being adopted  
22 in the stip and have done it on a bill and keep  
23 intercarrier comp?

24 MR. VOIGHT: The answer I believe would be  
25 no, a CLEC could not in and of itself change the MCA

0060

1 calling scope and do so on a bill and keep basis absent  
2 Commission approval in a docketed case of this sort.

3 COMMISSIONER GAW: Okay. So by adopting  
4 this or by -- if the Commission adopts this stip, it does  
5 provide other competitors the opportunity to access  
6 intercarrier compensation within this plan on a bill and  
7 keep methodology?

8 MR. VOIGHT: That's correct. Pursuant to  
9 the case Mr. Unruh referenced, which neither one of us can  
10 remember the case number, but it was in the late '90s, the  
11 Commission's determination was that competitors may  
12 participate fully in the MCA, but if they do so, they must  
13 do it under the same terms and conditions, meaning bill  
14 and keep, observe the same calling scopes as has been  
15 established by the Commission. However, they may charge  
16 any price that they want, but everything else has to be  
17 the same, including the bill and keep mechanisms, the  
18 calling scopes and so forth.

19 I would add, in my experience, since that  
20 time period there has been, to my knowledge, one major  
21 carrier and only one who has chosen not to participate in  
22 the MCA plan, and the compensation for that carrier, to my  
23 understanding, would be exchange access rates.

24 COMMISSIONER GAW: Do you know if the  
25 entities that offer local exchange service in the

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1 Greenwood area, let me say in this area that's impacted by  
2 this stip, do they all participate in the MCA currently?

3 A. Yes, to my knowledge, they do. The one  
4 exception that I talked about, I don't know how -- I don't  
5 know if as a result of the intercarrier compensation  
6 decisions, in particular that involving Internet traffic  
7 that have been made at the FCC, I don't know if that sole  
8 carrier has modified its participation or not.

9 We have some -- we have new interconnection  
10 agreements that have been negotiated with SBC, now known  
11 as AT&T. So I don't know how -- I don't know but what my  
12 information may be a little bit dated in that regard, but  
13 to my knowledge, all the competitors who participate in  
14 Greenwood observe the traditional calling scope.

15 COMMISSIONER GAW: Okay. Thank you. Thank  
16 you, Judge.

17 JUDGE DIPPELL: Thank you. Did you have  
18 any other questions for the parties, Commissioner Gaw?

19 COMMISSIONER GAW: I don't think so. I  
20 expressed my concern. I hope that this is a sincere  
21 effort to set this price and that it's going to be  
22 something that the people that are anticipating receiving  
23 it are going to be able to rely on. That's -- I recognize  
24 that at this point that is as much as I can do is hope  
25 that that's the case. Thank you.

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1 JUDGE DIPPELL: Commissioner Clayton, did  
2 you have any other questions?

3 COMMISSIONER CLAYTON: No other questions.

4 JUDGE DIPPELL: Commissioner Appling, did  
5 you have any other questions?

6 COMMISSIONER APPLING: No further  
7 questions, Judge.

8 JUDGE DIPPELL: Mr. Chairman, did you have  
9 any questions?

10 CHAIRMAN DAVIS: I was going to see if  
11 Commissioner Murray -- did you ask Commissioner Murray if  
12 she has any questions?

13 JUDGE DIPPELL: Commissioner Murray's  
14 already gone. I have just a couple questions that I'll  
15 ask and then give you a chance to get settled.

16 CHAIRMAN DAVIS: Go ahead.

17 JUDGE DIPPELL: Of the intervening parties,  
18 will there be technical issues that your companies will  
19 also have to do to implement this, or is the technical  
20 side of it strictly on SBC's part?

21 MR. JOHNSON: Judge Dippell, this is Craig  
22 Johnson. I think from -- I'll just take one of my clients  
23 as an example. Mo-Kan Dial's a Tier 5 company. Today  
24 their MCA subscribers can call the mandatory tiers, and  
25 under this agreement, there will be some people who will

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1 have to be -- these people who don't subscribe to MCA  
2 today, their prefixes will have to be included in our  
3 client's MCA calling scope. So there will be some  
4 translations changes required in that regard. Other than  
5 that, I don't think there's anything.

6 JUDGE DIPPELL: And do you have any idea  
7 how long it takes to implement that kind of change?

8 MR. JOHNSON: No. No, I really don't.

9 JUDGE DIPPELL: Then Mr. Dority, I assume  
10 your clients are in the same situation?

11 MR. DORITY: That's correct. That's  
12 correct, your Honor.

13 JUDGE DIPPELL: And Mr. McCartney?

14 MR. MCCARTNEY: Yes, that's correct.

15 JUDGE DIPPELL: Mr. Unruh, I'll just ask if  
16 you -- you answered Commissioner Murray basically on that  
17 question that you didn't know how long it would take, but  
18 is there any time frame you can give us how long it takes  
19 to implement this once the Commission approves it, if they  
20 do?

21 MR. UNRUH: I don't really have a good  
22 estimate, your Honor. I think it will take several months  
23 at a minimum. For example, we'll have to put the new --  
24 the Greenwood non-MCA numbers into what's called the LERG,  
25 which is an industry database, and there's a timeline for

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1    how long that has to be in place before we can actually  
2    make the changes to the switches.  So there's just a  
3    series of steps that you have to go through and a  
4    timeline, so it will be several months.

5                   What I think our preferred approach would  
6    be, if it's all right with the Commission, is that the  
7    Commission, assuming you order -- approve the stip, what  
8    we would then do is file a tariff to implement the  
9    changes, and in that tariff we would indicate a time frame  
10   of when it would be implemented, you know, six months out  
11   or five months out or seven months out, whatever it ends  
12   up being that we can work out from an internal  
13   implementation standpoint and ensuring that other impacted  
14   carriers have sufficient time to make their changes as  
15   well.

16                   JUDGE DIPPELL:  And, Mr. Dandino, Office of  
17   the Public Counsel signed this agreement basically leaving  
18   this time frame out.  Is Office of the Public Counsel  
19   comfortable with the fact that the time of implementation  
20   is in AT&T's hands?

21                   MR. DANDINO:  Well, you know, since this  
22   involved a technical implementation, there's a provision  
23   in there that they'll use -- do it as soon as they  
24   technically can.  We didn't set a time limit on it.  We  
25   figured they would do it as quickly as possible.  That's

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1 the agreement in there. But I didn't want to set a, we  
2 didn't, set an outside limit.

3 JUDGE DIPPELL: And the Office of the  
4 Public Counsel is going to be the watchdog for making sure  
5 they don't delay unnecessarily?

6 MR. DANDINO: Well, I certainly will assure  
7 the Commission of that. We don't intend to have an  
8 agreement that we agree to and worked so hard be  
9 nullified.

10 MR. UNRUH: Your Honor, if I might add?

11 JUDGE DIPPELL: Yes, Mr. Unruh.

12 MR. UNRUH: I would just say that we  
13 certainly have no intention to delay any of this. We've  
14 reached this agreement. It's our intention to implement  
15 it. We have no intention to delay it. We'll move as  
16 quickly as possible while ensuring that it's done  
17 correctly in cooperation with the other parties.

18 We'll certainly stay in communication with  
19 the Office of the Public Counsel and staff, as well as the  
20 industry participants, to ensure good communication and  
21 thorough understanding of the timelines as we proceed.

22 JUDGE DIPPELL: And for the intervening  
23 parties, you're confident that your companies can  
24 implement their side of it in whatever time it takes SBC  
25 to implement their end? Everybody's nodding yes.

1                   Is there a cost to the intervenors for  
2 making these changes and is the -- this is a double  
3 question -- is the fact that no one is opposing, I'm  
4 assuming that cost is not so significant as to cause you  
5 problems?

6                   MR. DORITY: I think that's an accurate  
7 portrayal, your Honor.

8                   MR. JOHNSON: Judge Dippell, Craig Johnson.  
9 Once the flashover date is known and the LERG's been  
10 changed, then someone at MoKan Dial will have to do a  
11 translation change in the switch. That will require some  
12 time. There will be a cost of that, but it's not  
13 significant.

14                   With respect to the revenue impacts, we've  
15 decided that it would take more money to study those  
16 revenue impacts than they're likely to be. So we've  
17 foregone our right to revenue neutrality as part of not  
18 opposing the Stipulation.

19                   JUDGE DIPPELL: Mr. McCartney, do you have  
20 anything to add?

21                   MR. McCARTNEY: No. I concur with what  
22 Mr. Johnson and Mr. DORITY said.

23                   JUDGE DIPPELL: All right. For AT&T, with  
24 regard to how many customers are affected by actually a  
25 cost increase or price increase for their service, those



1 currently not subscribing to the MCA, are you comfortable  
2 with the numbers presented in Mr. Scheperle's schedule,  
3 that that's a reasonable approximation of how many people  
4 are affected?

5 MS. MacDONALD: Yes, we are.

6 JUDGE DIPPELL: And I guess the flip side  
7 of that, also those numbers with regard to how many  
8 customers would receive a price reduction?

9 MS. MacDONALD: That's correct.

10 JUDGE DIPPELL: I guess that's all the  
11 questions I had. Just to make it clear for the record,  
12 the case number that was referred to, the previous MCA  
13 case, was TO-99-483.

14 Commissioner Davis, did you -- or Chairman,  
15 did you have any additional questions?

16 CHAIRMAN DAVIS: I guess I just want to ask  
17 all the -- ask all the parties present, and I guess anyone  
18 in our audience, too, is there any reason why anyone can  
19 think of why we shouldn't approve this agreement?

20 JUDGE DIPPELL: Not seeing anyone.

21 CHAIRMAN DAVIS: Going once. Going twice.

22 JUDGE DIPPELL: See no objection. Are  
23 there any further questions?

24 COMMISSIONER GAW: Judge, I'd like to  
25 follow up briefly on your inquiry about timelines here.

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1 And I think what I'd like to know is should we have some  
2 sort of a notice up for status update on this within so  
3 much time to see where we are, or is there an estimate  
4 about when you might expect there to be some indication of  
5 when this would be done so that we would be noticed of  
6 that and so the Representative would have some idea,  
7 though I'm sure he has his own contacts and will be  
8 checking on it? Can someone give me some idea about how  
9 we could be kept informed of the status?

10 MS. MacDONALD: 30 to 60 days after  
11 approval we could file a pleading giving you an update of  
12 exactly how long that we expect it to take, and in that  
13 pleading we can also, you know, say we'll let you know  
14 where we are in 45 more days, assuming it's going to take  
15 a period of months.

16 COMMISSIONER GAW: Okay. So we could  
17 perhaps put that in the Order, Judge. Anyone have any  
18 other ideas besides that concept? Is everyone all right  
19 with that concept? Everyone's nodding their head, it  
20 seems to me, Judge.

21 Realistically, does AT&T believe they're  
22 going to be able to do this within five months or so? Is  
23 that --

24 MS. MacDONALD: We hope to do it as quickly  
25 as possible. We just don't know exactly how long it's

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1 going to take, because it really depends on so many  
2 factors that we just don't know, like how soon the  
3 Commission could approve the Stipulation & Agreement, when  
4 we get the information to the LERG and when they publish  
5 the information for all the carriers to change their  
6 switches. Plus we have to do internal billing changes to  
7 change the rates for the customers affected by it.

8 So we really intend to do it as quickly as  
9 possible. It's just we don't know exactly how long it  
10 will take.

11 COMMISSIONER GAW: In that first report, if  
12 it's a 30-day report, would you have answers to most of  
13 those questions, do you think?

14 MS. MacDONALD: 30 days from now?

15 COMMISSIONER GAW: Yes.

16 MS. MacDONALD: I think we would have a  
17 pretty good idea of how long it would take.

18 COMMISSIONER GAW: All right. You want in  
19 on this, Representative Johnson, on this timeline?

20 REPRESENTATIVE JOHNSON: I just told  
21 Mr. Unruh that we have ten days, business days after the  
22 Order is approved. We're in session.

23 COMMISSIONER GAW: So there might be some  
24 additional incentive. All right. Thank you very much,  
25 Judge.

1 JUDGE DIPPELL: All right. I believe  
2 that's all the presentation. I do want to discuss with --

3 MR. DANDINO: Your Honor, I just -- I just  
4 wanted to add a couple points that I think came up, which  
5 I think the Commission should take note of, is that also  
6 there's a benefit in this to all the customers in the MCA  
7 area because now they can't -- their calling has been  
8 expanded to call into Greenwood, and I think that is a  
9 benefit, and it's at no cost to any of those -- any of  
10 those customers.

11 In addition, as far as Commissioner Murray  
12 had inquired about about utilization of numbers, is that  
13 this, in fact, is a better utilization of numbers because  
14 you'll no longer have to have a separate MCA NXX for  
15 Greenwood in order to have that expanded calling.

16 And I think -- and also, I think the other  
17 point just to add is this is also structured -- even  
18 though it's called an MCA rate, I think it is structured  
19 as an EAS. And so I guess all the rules and regulations  
20 and rates and routes concerning EAS would be applying  
21 here. I can't tell you what that means. Maybe Mr. Voight  
22 or the -- can explain about it. But I think there's kind  
23 of a -- at least that's a little different.

24 But I did want to bring up that point about  
25 all the benefits to all the MCA customers. Thank you.

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1 JUDGE DIPPELL: Thank you. Okay.

2 Mr. Voight, Mr. Dandino left that one open, so can you  
3 explain the difference between an EAS and an MCA, or is  
4 that an hours long lecture?

5 MR. VOIGHT: No. I don't think there's any  
6 material difference in this case. Mr. Dandino's correct,  
7 it will be -- when they get the tariffs filed, it will be  
8 listed as an extended area service routes. There will be  
9 some 12 or so of those. To my knowledge, I don't think  
10 that will have any impact on intercarrier compensation. I  
11 should hope not. I don't think it will have any material  
12 impact. But technically I am more comfortable with the  
13 terms extended area service than MCA.

14 One other point. As to the notion that  
15 this is actually a better use of NXX codes, getting back  
16 to Commissioner Murray's question, I do not necessarily  
17 disagree with that, especially on a going-forward basis,  
18 but I would like to state that I don't believe it will  
19 have any material impact on NXX code utilization for the  
20 simple reason that the numbers that are currently in use  
21 are already contaminated anyway. We're not looking at  
22 reclaiming any numbers as a result of this action.

23 JUDGE DIPPELL: Okay. And, Mr. Voight,  
24 several people have used the term LERG here today. Could  
25 you just define that for the record?

1                   MR. VOIGHT: That is a Local Exchange  
2   Routing Guide. It is a very extensive and large industry  
3   document that all of the facility-based telephone  
4   companies use in order to program their switching  
5   translations. There are at least monthly updates that  
6   occur to that document. It's a software tool by and  
7   large.

8                   And Ms. MacDonald is exactly correct, it  
9   does take some time to update that document, for all of  
10  the other carriers affected by this change to take note of  
11  that document and the changes that are occurring in the  
12  document, and then to make the corresponding changes  
13  within their own translation.

14                  So at best I would expect, based on my  
15  experience, at best just that part of the process would be  
16  a minimum of two months in my view.

17                  JUDGE DIPPELL: Thank you.

18                  MR. VOIGHT: Because Bell is going --  
19  excuse me -- AT&T is going to have to take these Greenwood  
20  prefixes or the prefix that is currently non-MCA numbers  
21  and mark those as MCA numbers, and the Local Exchange  
22  Routing Guide is the tool used to do that.

23                  JUDGE DIPPELL: Thank you. All right. I  
24  want to talk about bringing the testimony into the record  
25  so that the Commissioners can consider that in support of

1 the Stipulation. I know the parties approached me before  
2 we went on the record and said that they had not come  
3 intending to do that because that's not what the  
4 Stipulation intended, but I believe that it might aid the  
5 Commission in having some support for the Stipulation, in  
6 that at least Mr. Scheperle's testimony talks about those  
7 numbers and they're nowhere to be found in the  
8 Stipulation.

9 So would there be objections to the  
10 testimony as a whole coming into the record? I see some  
11 puzzled looks.

12 MS. MacDONALD: I don't think we would  
13 object to it, but that was not part of the Stipulation.  
14 In fact, in the Stipulation we specifically said that we  
15 waive the right to present testimony.

16 MR. DANDINO: Your Honor, perhaps we could  
17 just -- and this is just a suggestion. That part of  
18 Mr. Scheperle's testimony, we could offer that.

19 MS. MacDONALD: That's fine with us.

20 JUDGE DIPPELL: Okay. I think that  
21 that's -- Mr. Meyer, you were about to say something?

22 MR. MEYER: I was just going to suggest, we  
23 don't have any objection to admitting any of the  
24 testimony, but if the Commission wishes, I can certainly  
25 pull off the pertinent part of Mr. Scheperle's testimony

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1 and offer that now.

2 JUDGE DIPPELL: I think what we'll go ahead  
3 and do, then, is - and we didn't actually mark the  
4 Stipulation previously, but we'll mark the Stipulation &  
5 Agreement as Exhibit 1, and I'm going to enter that into  
6 the record, unless there's an objection. Is there any  
7 objection to Exhibit 1?

8 MR. DANDINO: No objection.

9 JUDGE DIPPELL: Seeing none, then I will  
10 enter Exhibit 1 into the record.

11 (EXHIBIT NO. 1 WAS RECEIVED INTO EVIDENCE.)

12 JUDGE DIPPELL: And I will make Schedule 6,  
13 I believe it was, HC, Mr. Scheperle's testimony, as  
14 Exhibit No. 2. Would there be any objection to  
15 Exhibit 2HC coming into the record?

16 MR. DANDINO: No objection.

17 JUDGE DIPPELL: Then I will receive that  
18 into the record also.

19 (EXHIBIT NO. 2HC WAS RECEIVED INTO  
20 EVIDENCE.)

21 JUDGE DIPPELL: Mr. Meyer, if you could  
22 possibly provide copies of those, both of those documents  
23 to the court reporter.

24 Is there anything further?

25 CHAIRMAN DAVIS: Judge, I got here a little



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1 late, but I did think it would be appropriate to  
2 recognize, I guess, Mr. Lane's, Ms. MacDonald's first  
3 appearance on behalf of AT&T.

4 JUDGE DIPPELL: First hearing appearance.

5 CHAIRMAN DAVIS: Offer them a big hearty  
6 welcome.

7 JUDGE DIPPELL: Seeing nothing further,  
8 then I believe this concludes our stipulation hearing.  
9 Thank you. We're adjourned.

10 (EXHIBIT NOS. 1 AND 2HC WERE MARKED FOR  
11 IDENTIFICATION.)

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EXHIBITS

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MARKED RECEIVED

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EXHIBIT NO. 1

Stipulation & Agreement

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EXHIBIT NO. 2HC

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Schedule 6 to Scheperle Testimony

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