

LAW OFFICES  
**BRYDON, SWEARENGEN & ENGLAND**  
PROFESSIONAL CORPORATION

DAVID V.G. BRYDON  
JAMES C. SWEARENGEN  
WILLIAM R. ENGLAND, III  
JOHNNY K. RICHARDSON  
GARY W. DUFFY  
PAUL A. BOUDREAU  
SONDRA B. MORGAN  
CHARLES E. SMARR

312 EAST CAPITOL AVENUE  
P.O. BOX 456  
JEFFERSON CITY, MISSOURI 65102-0456  
TELEPHONE (573) 635-7166  
FACSIMILE (573) 635-0427

DEAN L. COOPER  
MARK G. ANDERSON  
GREGORY C. MITCHELL  
BRIAN T. MCCARTNEY  
DIANA C. FARR  
JANET E. WHEELER

OF COUNSEL  
RICHARD T. CIOTTONI

November 21, 2002

Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, Missouri 65102

**FILED**<sup>3</sup>

NOV 21 2002

**Re: Case No. TO-99-593**

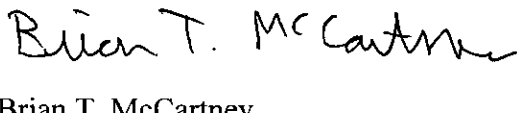
**Missouri Public  
Service Commission**

Dear Mr. Roberts:

Enclosed for filing please find an original and eight copies of the Missouri Independent Telephone Company Group and the Small Telephone Company Group's Joint Motion to Adopt Business Relationship.

Please see that this filing is brought to the attention of the appropriate Commission personnel. If there are any questions regarding this filing, please give me a call. I thank you in advance for your attention to and cooperation in this matter.

Sincerely,



Brian T. McCartney

BTM/da  
Enclosures  
cc: Parties of Record

FILED<sup>3</sup>

NOV 21 2002

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

In the Matter of the Investigation into Signaling )  
Protocols, Call Records, Trunking Arrangements, )  
and Traffic Measurement. )

Case No. TO-99-593

**THE MISSOURI INDEPENDENT TELEPHONE COMPANY GROUP**  
**AND THE SMALL TELEPHONE COMPANY GROUP'S**  
**JOINT MOTION TO ADOPT BUSINESS RELATIONSHIP**

Come now the Missouri Independent Telephone Company Group (MITG) and the Small Telephone Company Group (STCG) and submit this joint motion to adopt a business relationship pertaining to traffic terminating to small company tandems or end offices from former Primary Toll Carriers (PTCs), as set forth in Attachment A to this Motion. In support of this Motion, the MITG and STCG state as follows:

1. During the term of the PTC Plan, the PTC delivering terminating intraLATA toll traffic to a Secondary Carrier (SC), either to an SC access tandem or to an SC end office, was responsible for compensating the SC for all traffic so delivered, regardless of whether the delivering PTC also originated the traffic.

2. On June 10, 1999, the Commission issued a *Report and Order* in Case No. TO-99-254 finding that the PTC Plan was incompatible with competition and intraLATA dialing parity. Accordingly, the Commission ordered the elimination of the PTC Plan and the implementation of intraLATA dialing parity.

3. The Commission's *Report and Order* in Case No. TO-99-254 also established the instant case. The *Order* discussed concerns raised by the MITG and STCG about the "business

relationship” to be utilized for terminating traffic delivered by former PTCs in a competitive intraLATA environment. At pages 10-14 of the *Order*, the Commission discussed the testimony regarding the Feature Group “C” (FGC) and Feature Group “D” (FGD) signaling protocols, the potential for disparities in compensated versus recorded terminating traffic resulting from originating records used for FGC traffic, concerns regarding the cost of conversion to FGD, and concerns regarding the use of different business relationships for intraLATA traffic delivered by former PTCs as opposed to intraLATA traffic delivered by other IXC. At page 17 of the *Order*, the Commission recognized the small company concerns as “important issues that will need to be addressed as competition develops.” Accordingly, the *Order* directed that Case No. TO-99-593 would be established to investigate “signaling protocols, call records, trunking arrangements and traffic measurement.”

4. It has been over three years since the PTC Plan was eliminated, and the issues of responsibility for unidentified, unreported, and uncompensated traffic have not been resolved. There has yet to be a determination of the appropriate business relationship between former PTCs and former SCs to permanently replace the relationship that was in place during the PTC Plan.

5. During the past three years, small company concerns regarding the failure to receive compensation for terminating traffic for which “originating records” and “originating carrier” compensation responsibilities were being used have been realized. In testimony and in network tests, it has been undisputed that the small LECs have suffered the loss of compensation on material amounts of traffic.

6. The Commission’s December 13, 2001 *Order Directing Implementation* anticipated that OBF Issue No. 2056 would reduce the number of billing discrepancies and make

it easier to resolve discrepancies that do arise. At that time, the Commission declined to order a specific business relationship. The *Order* did state that in the future the Commission may consider the business relationship proposed by the MITG and STCG, but that it was too drastic a measure at that point. Implementation of OBF Issue 2056 and the enhanced record exchange it could provide was a preferred first step.

7. This preferred first step has not resolved the issues. The industry has now agreed that OBF Issue 2056 will not resolve the issues.<sup>1</sup> See Staff's May 7, 2002 *Report on the Status of the Implementation of OBF Issue No. 2056*, and Staff's August 7, 2002 *Report as to the Efficacy of Issue 2056 in Reducing Billing Discrepancies or Reducing the Difficulty in Resolving Such Discrepancies*.

8. The problem of unidentified and uncompensated traffic that is delivered by the former PTCs to MITG and STCG member companies continues. Until the business relationship issue is resolved, the small companies are forced to bear the risk for the former PTCs' recording mistakes and the unidentified traffic that the former PTCs allow onto the network.

9. The MITG and STCG request the Commission to address the business relationship issue, and to adopt the business relationship proposed by the small companies, set forth in Attachment A to this Motion. The issue has become more urgent and more complex in the past three years due to new and different types of traffic. It appears that even some traffic formerly terminating on the IXC/FGD network has migrated to the former PTC trunks (i.e. FGC trunks) to

---

<sup>1</sup> Ironically, the main proponent of OBF Issue No. 2056 in this case – Verizon Midwest (formerly GTE) – has sold its Missouri exchanges and is no longer doing business in Missouri.

small companies. The potential for lost compensation is growing. The amount of past uncompensated traffic is growing.

10. The former PTCs, particularly SWBT, continue to deliver unidentified, unreported, and uncompensated traffic to Missouri's small company exchanges. Instead of industry standard Category 11-01 records, as ordered by this Commission (and contemplated by OBF Issue No. 2056), the former PTCs press for a category 92 billing record created at the originating side of the call. SWBT has even gone so far as to unilaterally demand that the former SCs accept "transiting" reports in a category 92 billing record format, and obtain these reports by going to an SWBT maintained website with SWBT authorized passwords. This complicated, lengthy, and unreliable process<sup>2</sup> appears to directly violate the June 10, 1999 *Report and Order*'s requirement that the former PTCs provide Category 11 Records.<sup>3</sup>

11. Under the revised business relationship proposal, the former PTCs will play by the same rules that other interexchange carriers (IXCs) do. In a competitive environment: (1) all IXCs, including the former PTCs, should be placed on equal footing; and (2) the small companies should not be forced to bear the risk for the former PTCs' recording mistakes and the unidentified traffic the former PTCs deliver to the small companies. Ending the originating records system will assure that the former PTCs are not given a competitive advantage over other traditional IXCs. Ending the originating records system and adopting the small company proposal will assure that the small companies are not unfairly prejudiced as a result of the former PTCs' interconnection

---

<sup>2</sup> It has been reported that this website provides data access limited by a 14.4 kb server connection, and retrieval of the billing data could take days of a continuous connection. The connection is subject to disconnects.

<sup>3</sup> *Report and Order*, p. 14 ("The Commission finds that requiring the PTCs to provide industry standard 11-01 records is in the public interest, and will order these records to be provided by April 1, 2000.")

arrangements, which allow CLECs and other carriers to “transit” traffic and have it delivered to the small companies without paying for termination. The Record Exchange Test (Ex. 40) and subsequent studies show that the small companies are not being compensated for all of the compensable traffic being delivered by the former PTCs. Adopting the small companies’ proposal will solve this problem and assure that the small companies receive compensation for *all* of the compensable traffic they terminate.

12. The STCG’s and MITG’s proposed business relationship is consistent with the following:

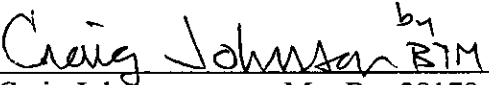
- a. the Commission’s desire that the business relationship provide no advantage or disadvantage to former PTCs in relation to other IXC;
- b. small company access tariffs, which constitute the exclusive source of the relationship between small companies and former PTCs and define it as an IXC relationship;
- c. small company access tariffs which, in constituting the exclusive source of signaling protocols, records, record exchange, and business relationships, require the elimination of FGC upon provision of intraLATA equal access;
- d. the Commission’s prior determination that former PTCs are IXCs that must comply with small company access tariffs after termination of the PTC Plan;
- e. industry standard call detail records envisioned by OBF Issue 2056 and MECABS; and
- f. the long standing industry relationships in existence which recognize the terminating access tandem as the appropriate point in the network for determining billing records and compensation responsibilities.

## Request for Relief

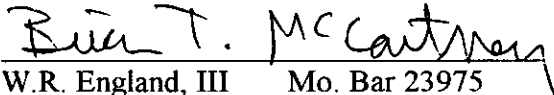
WHEREFORE, on the basis of the foregoing, the MITG and the STCG respectfully request that the Commission:

1. Issue notice to any carriers that the Commission believes may be necessary parties to the examination of the small companies' revised business relationship proposal, Attachment A hereto;
2. Convene a prehearing conference for the purpose of establishing a procedural schedule to address the problem of unidentified traffic and examine the small companies' revised business relationship proposal address in this case; and
3. Grant such other relief as the Commission deems necessary in this case.

Respectfully submitted,

  
Craig Johnson Mo. Bar 28179  
Lisa Cole Chase Mo. Bar 51502  
ANDERECK, EVANS, MILNE, PEACE,  
& JOHNSON, L.L.C.  
700 E. Capitol Avenue  
Jefferson City, MO 65102

Attorneys for the MITG

  
W.R. England, III Mo. Bar 23975  
Brian T. McCartney Mo. Bar 47788  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 E. Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102-0456

Attorneys for the STCG

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was mailed or hand-delivered, this 21st day of November, 2002, to:

Mike Dandino  
Office of Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Keith Krueger  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

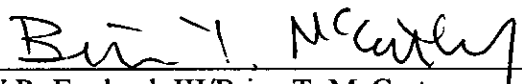
Jim Fischer  
Fischer and Dority, P.C.  
101 Madison, Suite 400  
Jefferson City, MO 65101

Leo Bub  
Southwestern Bell Telephone Company  
One Bell Center, Room 3518  
St. Louis, MO 63101

Lisa Creighton Hendricks  
Sprint Missouri, Inc.  
6450 Sprint Parkway, Bldg 14  
Mailstop: KSOPHN0212-2A253  
Overland Park, KS 66251

Carl Lumley  
Curtis, Oetting, Heinz, Garrett & Soule P.C.  
130 S. Bemiston, Suite 200  
Clayton, MO 63105

Steve Weber/Becky DeCook  
AT&T Southwest, Inc.  
101 W. McCarty Street  
Jefferson City, MO 65101

  
\_\_\_\_\_  
W.R. England, III/Brian T. McCartney

## **ATTACHMENT A**

### **MITG and STCG Terminating Traffic Business Relationships to Replace Relationships Utilized Pursuant to PTC Plan**

The MITG and STCG propose the following position regarding terminating traffic business relationships to replace those relationships in use between large LECs, the former Primary Toll Carriers (PTCs), and small LECs, the former Secondary Carriers (SCs), pursuant to the Primary Toll Carrier (PTC) Plan, which has been terminated. It is the intent of this proposal to define terminating traffic relationships, both for access and local compensation traffic, that are consistent with Feature Group "D" (FGD) access tariffs, with implementation of OBF 2056, and with the relationships in use during the PTC Plan. As terminating compensation relationships are based upon the structure of relationships between interexchange carriers and LECs at the terminating access tandem, the terminating tandem is the focal point of record creation, industry standard terminating compensation records, and terminating compensation payment responsibilities.

#### **Tandem Companies**

1. Access tandem companies provide connectivity between that access tandem company's end office served by the tandem and IXC's (including former PTCs), and can provide connectivity for CMRS carriers and CLECs. The access tandem company is responsible for recording, billing, and collecting for such traffic delivered to its end offices served by the tandem.
2. Access tandem companies also provide connectivity between end offices of other LECs subtending that tandem and IXC's (including former PTCs), and likewise can provide connectivity for CMRS carriers and CLECs terminating traffic to the end offices of other LECs. Access tandem companies bear certain responsibilities for traffic terminating to the end offices of other LECs served by the tandem.
3. The tandem company has an obligation to treat all IXC's delivering traffic destined for the other small LEC end offices equally, including itself. With respect to interexchange traffic a former PTC delivers through its tandem destined for the end office company, the former PTC has an equal obligation to report this traffic to the end office company served by the tandem on the same basis as traffic of other IXC's is reported.

4. The business relationship between a LEC owning an access tandem and former PTCs connecting to deliver traffic to that tandem is that of an access tandem to an IXC. (See small ILEC access tandem diagram attached.) The connecting IXC is subject to the responsibility to pay the LEC for all traffic delivered to its tandem, as measured, recorded, and billed by the LEC. Any failure to record, measure, or bill traffic delivered to the tandem is the responsibility of the LEC owning the tandem.

#### **End Office Companies**

5. For small LEC end office companies, IXCs wishing to terminate traffic to them must either order trunks and connect with the tandem serving the small LEC end offices pursuant to the access tariff of the small LEC, or contract to use the services of another IXC that does. (See small ILEC end office diagram attached.) Any carrier (IXC 1) that accepts any traffic from any other carrier (IXC 2) and delivers it to the terminating access tandem is financially responsible for all traffic (IXC 1 and IXC 2 traffic) terminating to the tandem.

6. The business relationship between the end office company and each IXC is that the end office company receives industry standard Category 1101 billing records from the access tandem provider based on the records/information from the tandem provider, and bills each responsible IXC for reported traffic volumes on its trunks to the tandem, regardless of the identity of the originating carrier.

7. If the end office company measures a difference in the total amount of traffic terminating from the tandem and the records provided by the tandem company suitable for billing to the appropriate carrier, an amount of "unidentified residual" traffic is determined. As this is a result of the tandem company's failure to identify and report all traffic terminating to the end office company, the tandem company will be responsible for the "unidentified residual" traffic amounts.

#### **Reciprocal Compensation Traffic**

8. With respect to local reciprocal compensation traffic, the wireless carrier or CLEC is entitled to connect at any technically feasible point within the terminating ILEC's network. Typically the wireless carrier or CLEC connects at the LEC's access tandem if it wishes to exchange local traffic with that LEC. While an end office LEC may prefer direct connections at its end office, small end office LECs will accept local reciprocal compensation connections at the meet point between the end office and the access tandem. Therefore, all terminating compensation responsibilities, both for access and local reciprocal compensation traffic, will be based upon the terminating access tandem connection with the carriers that bring access or local traffic to the tandem, unless otherwise set forth in an approved agreement. This arrangement will continue to support the basic network architecture focus on tandem connections as the place where terminating compensation structures are determined.

9. The business relationship structure utilized for local reciprocal compensation traffic will be that contained in the approved agreement. The Commission can direct such agreements to follow the structure outlined above. No reciprocal compensation agreement that addresses traffic to a LEC not a party to that agreement is binding upon the non-party LEC.

10. Any LEC may voluntarily agree, via tariff or agreement, to a different business relationship structure than set forth above. All carriers involved with carrying the traffic must be party to the development and approval of any such agreement. Presumably, in such an arrangement, provisions will be made for recording, reporting, billing records, compensation responsibility, as well as responsibility for unidentified traffic resulting from deviating from the structure set forth above.

11. For example, a small LEC tandem company may, by tariff or agreement, consent to an "indirect interconnection" and bill an originating carrier for traffic carried to the tandem by another carrier. As a second example, an end office LEC may, by tariff or agreement, consent to an "indirect interconnection" and bill an originating carrier for traffic delivered to the tandem of a former PTC.

#### **Other Local Traffic**

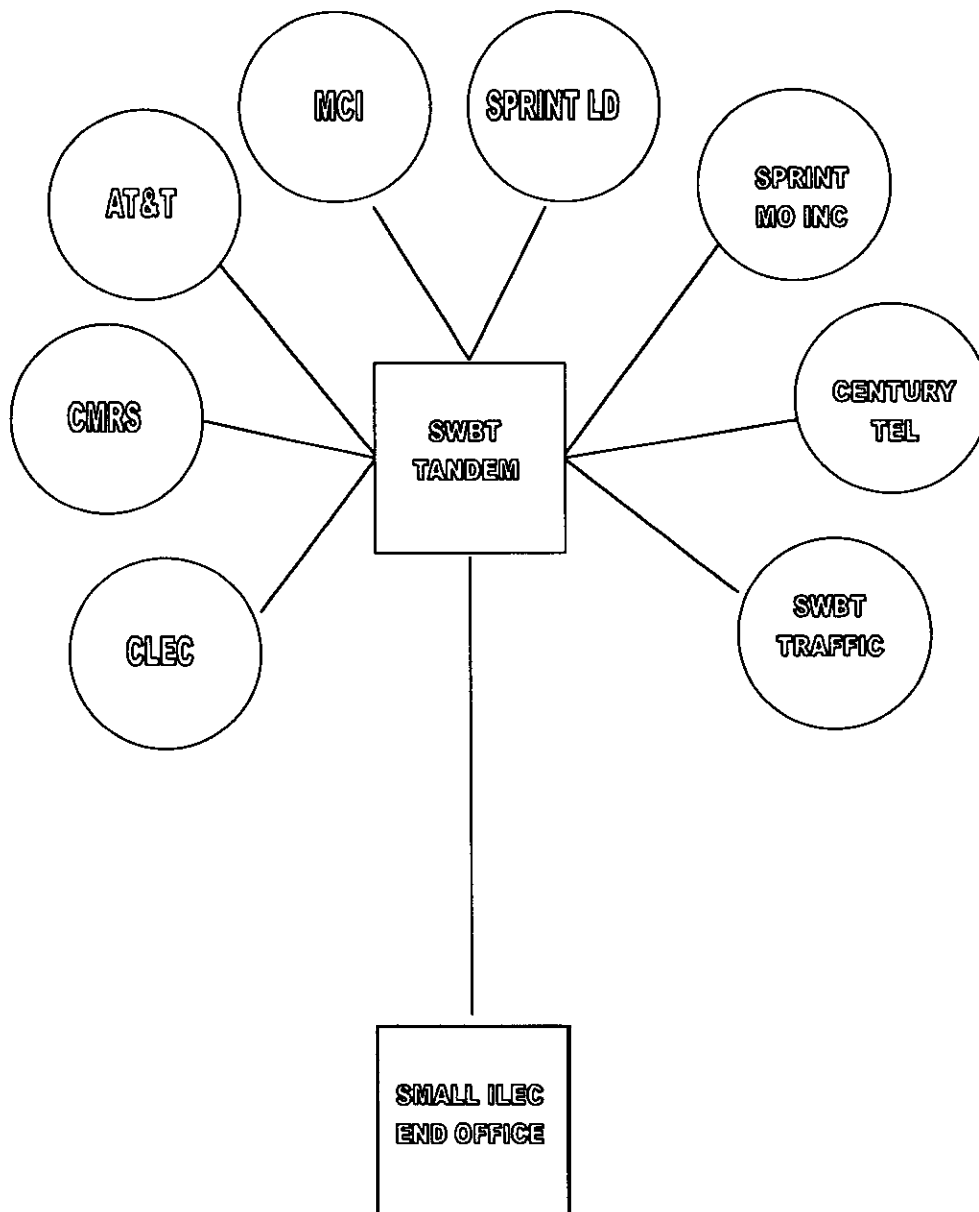
12. With respect to local traffic between ILECs placed on the tandem network, such as MCA traffic, arrangements for special reporting of traffic volumes, or separate trunking, will need to be established to implement this structure.

#### **Records**

13. Industry standard billing record generation processes exist for all traffic types. These standards govern record generation and record passing. Tandem companies that accept other, non-standard records from other carriers are nevertheless responsible to generate industry standard billable records to subtending end office companies.

14. An end office company that accepts an industry standard record from another carrier must accept the same type of record from any carrier. An end office company that accepts industry standard records cannot be required to accept a non-standard record from any carrier unless by agreement.

## SMALL ILEC END OFFICE DIAGRAM



## Small ILEC Access Tandem Diagram

