

Exhibit No.:
Issues: Blocking of Traffic
Witness: Dee M. McCormack
Type of Exhibit: Direct
Sponsoring Party: Ellington Telephone Company
Case No.: TC-2012-0331

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Case No. TC-2012-0331

**Direct Testimony of Dee M. McCormack
On Behalf of Ellington Telephone Company**

June 4, 2012

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

HALO WIRELESS, INC.,)
)
Complainant,)
)
v.) Case No. TC-2012-0331
)
CRAW-KAN TELEPHONE)
COOPERATIVE, INC., et al.,)
)
Respondents.)

STATE OF MISSOURI)
) ss
COUNTY OF REYNOLDS)

AFFIDAVIT OF DEE M. MCCORMACK

Dee M. McCormack, of lawful age, being duly sworn, deposes and states as follows:

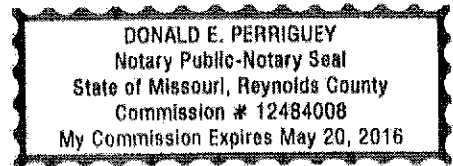
1. My name is Dee M. McCormack. I am employed as President with Ellington Telephone Company, and am authorized to testify on behalf of Ellington Telephone Company in this proceeding.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.


Dee M. McCormack

Subscribed and sworn to before me this 31 day of MAY, 2012.

 Notary Public

My Commission expires: MAY 20, 2016



**DIRECT TESTIMONY
OF
DEE M. MCCORMACK**

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Q. State your name and business address.

A. Dee M. McCormack, 200 College Avenue, Ellington, Missouri.

Q. By whom are you employed and in what capacity?

A. I am employed by Ellington Telephone Company as President and General Manager.

Q. Please describe the nature of your duties and responsibilities as President/General Manager of Ellington Telephone Company (Company).

A. I have overall responsibility for the Company's activities including network engineering, network installation, network administration, network maintenance, accounting, customer service, local exchange service billing, carrier access service billing, human relations, public and industry relations, governmental affairs, and regulatory affairs.

Q. Would you please briefly describe your education and work experience?

A. I received a Bachelor of Science Degree in Electrical Engineering from the University of Missouri at Columbia, Missouri in 1969. I represent the third generation of family management/ownership of Ellington Telephone Company and began working part-time at the Company in 1962. My full-time employment with the Company has been continuous since 1968 and I have extensive experience in every aspect of the Company's operations.

Q. Are you authorized to testify on behalf of the Company in this matter?

A. Yes.

Q. Please describe your Company and the nature of its business.

1 A. The Company is a Missouri corporation, with its office and principal place of business
2 located in Ellington, Missouri. The Company is an incumbent local exchange carrier
3 providing local exchange and exchange access services to approximately 1900 access
4 lines in and around the communities of Clearwater Lake, Ellington, Garwood, Redford
5 and Sweetwater, Missouri. The Company employs approximately 20 people.

6 Q. **What is the purpose of your testimony?**

7 A. The purpose of my testimony is to explain and support the Company's request to AT&T
8 Missouri (AT&T) to block the traffic terminating from Halo Wireless Inc. (Halo) in
9 accordance with the Missouri Public Service Commission's (Commission) Enhanced
10 Record Exchange (ERE) Rules.

11 Q. **Is Halo delivering traffic to your Company for termination to your customers?**

12 A. Yes.

13 Q. **How do you know Halo is delivering traffic to your Company?**

14 A. Each month we receive records from AT&T Missouri that identify the amount of traffic
15 (i.e., Minutes of Use or MOU) that transits the AT&T tandem switch and is delivered to
16 our Company for termination to our customers.

17 Q. **How is Halo's traffic delivered to your Company?**

18 A. It is my understanding that Halo has a direct interconnection with AT&T at its tandem
19 switch in St. Louis, Missouri. AT&T then sends that traffic, along with other wireless,
20 CLEC and intraLATA toll traffic, over common trunk groups to our Company. This
21 jointly owned network of common trunks that exists between our Company and the
22 AT&T tandem is sometimes referred to as the "LEC-to-LEC Network" or the "Feature
23 Group C Network".

1 Q. **Did Halo or AT&T notify your Company, in advance, that Halo would be delivering**
2 **wireless traffic to it?**

3 A. No. The only way that we knew we were receiving Halo traffic was after-the-fact when
4 we began receiving records of that traffic from AT&T.

5 Q. **Has Halo ever requested permission or an agreement with your Company to**
6 **terminate its traffic on your local exchange network?**

7 A. No.

8 Q. **Once you became aware of the fact that Halo was terminating traffic to your**
9 **Company, did you request to begin negotiations with Halo to establish an agreement**
10 **for the termination of this traffic?**

11 A. Yes. Our attorneys sent correspondence to Halo requesting to begin negotiations toward
12 a traffic termination agreement. Copies of the request are attached to my testimony as
13 Exhibit 1.

14 Q. **Did Halo agree to negotiate a traffic termination agreement with your Company?**

15 A. No. It is my understanding that Halo refused to negotiate primarily because our
16 Company did not specifically "request interconnection" with Halo.

17 Q. **What compensation does your Company receive when it terminates traffic from**
18 **other carriers?**

19 A. Our Company receives either access charges (intrastate or interstate) for terminating
20 interexchange traffic or reciprocal compensation rates for terminating local wireless
21 traffic.

22 Q. **How are your Company's access charges and reciprocal compensation rates set?**

1 A. Our access charges are contained in tariffs that are filed with and approved by the FCC
2 (for interstate traffic) and the Missouri Public Service Commission (for intrastate traffic).
3 Our reciprocal compensation rates are set forth in the traffic termination agreements we
4 have with wireless carriers and which are filed with and approved by the Missouri Public
5 Service Commission.

6 Q. **Have you invoiced Halo for the traffic it is terminating to you?**

7 A. Yes. While we do not agree that Halo's traffic is wireless, we have sent invoices to Halo
8 each month for the traffic it terminates to our Company based upon the FCC's interim
9 compensation rate for local wireless traffic of \$0.004 per MOU. Copies of those invoices
10 are attached as "PROPRIETARY" Exhibit 2.

11 Q. **How does this interim compensation rate of \$0.004 per MOU compare with your
12 Company's access and reciprocal compensation rates?**

13 A. It is significantly less.

14 Q. Has Halo paid any of your invoices?

15 A. No, Halo has not paid for any of the traffic it has delivered to our Company.

16 Q. **Are you receiving traffic from other wireless carriers via the LEC-to-LEC
17 Network?**

18 A. Yes, we receive wireless traffic from most, if not all, of the national wireless carriers such
19 as AT&T Mobility, Verizon Wireless, Sprint/Nextel, T-Mobile and US Cellular.

20 Q. **Do you have traffic termination agreements with those carriers for the termination
21 of their wireless traffic?**

22 A. Yes, we have traffic termination agreements with those carriers, and those agreements
23 have been filed with and approved by the Commission. A Summary of those agreements

1 and the case numbers in which they were approved by the Commission is set forth on
2 Exhibit 3 attached hereto.

3 **Q. Did any of the other wireless carriers who terminate traffic to your Company refuse**
4 **to negotiate a traffic termination agreement?**

5 A. No.

6 **Q. Did any of the other wireless carriers insist on your Company requesting**
7 **interconnection before beginning negotiations?**

8 A. No.

9 **Q. Do those agreements with the other wireless carriers provide for your Company to**
10 **be paid for the traffic that is terminated to your Company?**

11 A. Yes. The agreements generally provide that local or intraMTA wireless traffic will be
12 billed at reciprocal compensation rates and that any non-local or interMTA traffic will be
13 billed at our Company's access rates.

14 **Q. How were the reciprocal compensation rates established for your Company?**

15 A. For most of the wireless carriers, our reciprocal compensation rates were established in
16 the context of an arbitration case between our Company and Cingular Wireless and T-
17 Mobile (MoPSC Cases No. TO-2006-0147 and TO-2006-0151). In one instance, the
18 reciprocal compensation rate that was negotiated between our Company and the wireless
19 carrier is higher than the rate established by the Commission in this Arbitration case.

20 **Q. Have the other wireless carriers paid your invoices?**

21 A. Yes.

22 **Q. Did you offer to make these reciprocal compensation rates available to Halo for the**
23 **local or intraMTA wireless traffic it terminated to you?**

1 A. Yes. It is our understanding our attorneys forwarded copies of a traffic termination
2 agreement with Cingular and T-Mobile to Halo and offered to use the rates, terms and
3 conditions contained in those Agreements as a starting point for purposes of negotiations.
4 Please see Exhibit 4 attached to this testimony.

5 Q. **You mentioned earlier that you don't agree that the traffic Halo is terminating to**
6 **you is wireless traffic. On what do you base that position?**

7 A. The amount of traffic Halo is terminating to our Company is fairly substantial relative to
8 the amount of wireless traffic we receive from other, national wireless carriers. Given the
9 fact that we have never heard of Halo Wireless, nor have we seen any advertisements or
10 marketing material offering Halo's wireless services in our area, I was skeptical that Halo
11 would be terminating that much wireless traffic to our Company. In addition, we learned
12 from industry meetings and discussions that other local exchange carriers were
13 questioning the nature of Halo's traffic.

14 Q. **Are you able to tell whether Halo is providing your Company with originating**
15 **Caller Identification when it terminates traffic to your Company?**

16 A. No. Because Halo's traffic is comingled with other wireless traffic, CLEC traffic and
17 intraLATA toll traffic that comes to our Company over these common trunks, it is not
18 possible to identify a Halo call when it hits our local switch.

19 Q. **Do the AT&T records of Halo's terminating traffic provide originating Caller**
20 **Identification?**

21 A. No, the AT&T records simply provide a "billing number" which is assigned to Halo, but
22 it does not identify or reveal the telephone number of the party placing the call.

1 Q. **Given the fact that Halo has not been willing to pay for the traffic it terminates to**
2 **your Company, what did you do?**

3 A. We authorized our attorneys to pursue blocking of Halo's traffic coming over the LEC-
4 to-LEC network in accordance with the Commission's ERE Rules. Copies of the
5 correspondence that was sent to AT&T and Halo are attached as Exhibit 5.

6 Q. **Does this conclude your direct testimony?**

7 A. Yes.