Exhibit No.:	
Issue:	Records Test
Witness:	W. Robert Cowdrey
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Sprint
Case No.:	TO-99-593

SPRINT
CASE NO. TO-99-593

REBUTTAL TESTIMONY

OF

W. ROBERT COWDREY

November 30, 2000

Q. WILL YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is W. Robert (Bob) Cowdrey. My business address is 5454 West 110th Street, Overland Park, Kansas 66211.

Q. ARE YOU THE SAME W. ROBERT COWDREY WHO FILED DIRECT TESTIMONY IN THIS CASE?

Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony will respond to the direct testimony of David Jones of MITG and Robert C. Schoonmaker of STCG. Sprint believes that the record test has not been completed at this time and that the results provided by the small company representatives understate the count of records actually received by the small companies. Further, Sprint objects to the small company business relationship proposal.

I. MITG AND STCG BUSINESS RELATIONSHIP PROPOSAL

Q. PLEASE STATE YOUR UNDERSTANDING OF THE MITG AND STCG TERMINATING COMPENSATION PROPOSAL.

A. The terminating LEC, under their proposal, has the right to bill terminating compensation based on the terminating LEC's measurement of total terminating usage. Under the proposal, LECs who choose this option will measure total terminating minutes and then subtract minutes of use from recordings provided by other companies. The subtracted amounts will include traffic defined as:

a) interstate FGA on IBIS statement

b) interstate intraLATA

c) IXC traffic, including FGB

d) MCA traffic

e) intraMTA wireless or other traffic where a billing record exchange process has been approved or ordered

Former PTCs (Southwestern Bell, Verizon and Sprint) will be responsible for all of the residual traffic volumes remaining after subtraction of items a-e, payable at intrastate terminating access rates.

Q. ARE THERE ADDITIONAL PROVISIONS FOR WIRELESS TRAFFIC IN THE SMALL COMPANY PROPOSAL?

A. Yes, Mr. Jones direct testimony on page 4 states, "In the event the LEC is not paid for terminating wireless traffic, upon request from the terminating LEC, the former PTC will be required to either:

1) implement network translations to block nonpaying wireless carrier traffic, at no cost to the terminating LEC, or

2) be secondarily liable for payment of terminating compensation to the terminating LEC, upon nonpayment by the wireless carrier."

Q. IN YOUR REVIEW OF THE PROPOSAL, DID YOU LOCATE ANY TYPE OF TRAFFIC THAT IS NOT SUBTRACTED, BUT FOR WHICH RECORDS ARE AVAILABLE?

A. Yes. I specifically note that the Commission's Report and Order in Case No. TO-99-254, et al. required Sprint, Southwestern Bell and Verizon to create Category

11 records on behalf of any requesting small companies effective April 1, 2000. Although, the former PTCs (Sprint, Southwestern Bell, Verizon) had argued for continuation of the current PTC record type (92-99), they all nonetheless made significant systems modifications to accommodate the Commission's order and the small companies' request. Now, under the current proposal, it appears that the small companies are attempting to abandon the use of Category 11 records for the former PTC traffic originating from Sprint, Southwestern Bell and Verizon. Instead, the small companies desire to bill their tandem owner and have the tandem owner bill the other former PTCs on their behalf. Should the Commission adopt the small company proposal, all monies already spent modifying the former PTCs systems would be wasted since the former PTCs don't use the Category 11 records for inter-company compensation between themselves. Sprint is currently locating the costs associated with that creation of the Category 11 records. It would be appropriate for the small companies to pay for these wasted costs if their proposal is adopted.

Q. ACCORDING TO THE PROPOSAL, CAN SOUTHWESTERN BELL, SPRINT AND VERIZON AVOID THIS BUSINESS RELATIONSHIP?

A. Yes. According to Mr. Jones (Jones Direct, p.5), a former PTC may avoid this business relationship by either:

1) terminating its existing access connection with other ILECs, or

2) convert its existing access connection with other ILECs to a FGD access connection, or

3) cease transiting traffic as described in (e) above via the existing access connection with other ILECs?

Q. IN YOUR OPINION, WHAT WOULD BE THE RESULT IF THE FORMER PTCs ATTEMPTED TO AVOID THE BUSINESS RELATIONSHIP THAT THE SMALL COMPANIES PROPOSE?

A. Under Mr. Jones' options 1 and 3 for Sprint, it appears that Sprint could terminate its tandem / end office relationship with the companies that subtend it. I'm not sure that Sprint can legally do this without the consent of the small company subtending its tandem. If this tandem / end office relationship were to terminate, the small companies that subtend Sprint could either create their own tandem or build / lease facilities to one of the other small companies' tandems. I would think that this would be costly to the small companies as many of them do not have transport facilities required to send their originating and terminating traffic to another small company tandem nor the tandem switches required to implement such an option.

Mr. Jones' Option 3 is a troubling one and should be of great concern to the Commission if it desires competition to increase in the rural areas. Essentially Mr. Jones' Option 3 would require every CLEC, Wireless Carrier and former PTC to interconnect directly with each small company throughout the state to terminate their traffic. For example, a CLEC just entering business in Kansas City would be required to not only connect with Southwestern Bell in Kansas City, but also to install facilities and connect directly with every other company in the LATA, if it desired to carry its own traffic. At a bare minimum, the CLEC would be required to directly interconnect with each and every ILEC and CLEC in the mandatory MCA calling area for local calling. I believe that this would place a high barrier to competitive entry, would keep many CLECs and Wireless companies from entering the telecommunications business in Missouri and would exhaust many ILEC switches prematurely, thus resulting in rate cases and price cap exogenous cost recovery requests for remedies.

Based on Sprint's research, Mr. Jones' Option 2) is also extremely costly and would require the tandem owners to upgrade and or replace significant switches and modify all of their inter-company trunk translations to migrate to FGD.

Q. UNDER THE SMALL COMPANIES' PROPOSAL, WHAT TYPES OF RECORDS ARE SUBTRACTED FROM THE TOTAL TERMINATING MEASUREMENT?

A. It is interesting to note that both originating and terminating records are subtracted from the total measured by the small companies. Under their proposal, I believe that the interstate FGA traffic, interstate intraLATA traffic, MCA traffic and intraMTA wireless traffic would be recorded at the originating end office or tandem. The IXC traffic would be recorded at the terminating tandem based on the current industry standard. Therefore, regardless of whether the business relationship is accepted by the Commission, the small companies will continue to receive records from the former PTCs for at least some of their inter-company billing needs.

Q. ON PAGE 18 OF HIS DIRECT TESTIMONY, MR. SCHOONMAKER DISCUSSES HOW THE PROPOSED BUSINESS MODEL IS THE SAME AS THAT USED FOR INTEREXCHANGE CARRIERS. DO YOU AGREE WITH HIS ASSESSMENT?

A. No. Mr. Schoonmaker attempts to compare the tandem owner / end office owner relationship with the agreements of some IXCS. The IXC relationship is different. First, it is truly voluntary, not mandatory as the small companies have proposed for the tandem owner / end office owner business relationship. Second, an IXC can refuse to offer its end-to-end service to certain other companies. LECs can not refuse to terminate traffic for other carriers except for network security purposes or bad debt reasons. And third, the IXCs offer an end-to-end service to their IXC customers. LEC access tariffs clearly state that they are only charging for and obligated to transport the terminating call to the meet point. Both the former PTC and small company tariffs clearly require separate arrangements for meet point billing of the IXC.

The proposed arrangement puts Sprint in the untenable role of a "collection agent" on behalf of the small companies for each carrier that terminates traffic to it, even if the traffic routes through another former PTC's network. Sprint can not correctly identify the originating carrier responsible for payment of terminating access charges on calls sent to Sprint from another PTC. Sprint would be taking a financial risk on behalf of the small companies without any due compensation, a risk it does not desire to undertake. The tandem owner PTCs will be in no better position, in many instances, to identify the correct carrier to bill than the small company and thus will be required to "eat" any difference the small company can't either identify or simply chooses not to bill.

Q. UNDER THE SMALL COMPANY PROPOSAL, IF A DISCREPANCY EXISTS BETWEEN THE SMALL COMPANY TERMINATING MEASUREMENTS AND THE RECORDS SENT TO THE SMALL COMPANY BY OTHER PROVIDERS, DO THE SMALL COMPANIES HAVE ANY INCENTIVE TO ATTEMPT TO OBTAIN BILLING RECORDS FOR THE DISCREPANCY?

A. No. I actually see a disincentive for the small companies to work to ensure the correct originating company is billed. Under their proposal, the small companies would get terminating intrastate switched access for all unaccounted-for minutes that they measure. It is interesting that intrastate access rates are used to bill all unidentified minutes as they are the highest rates available to the small companies. If, for example, the Commission were to decide that intra-MTA wireless traffic should be compensated at much lower rates than intrastate access, then the small companies would have the incentive to bill the tandem owner even if missing wireless records were located due to the increased revenue from charging higher rates.

Simply by ignoring the issue, the small companies would receive full intrastate access rates for all unidentified minutes. If the small companies were to work to identify the traffic, they would receive a lower rate. There is clearly a disincentive inherent in the small company proposal.

Q. DO YOU HAVE ANY SUGGESTIONS ON HOW TO REMOVE THE DISINCENTIVE?

A. Yes. Any proposal such as this one proposed by the small companies should include provisions to ensure that all companies, both the former PTCs and the small companies have equal incentives to obtain the records and bill the correct originating carrier for the correct minutes at the correct rate.

Q. HOW ARE IXCS BILLED UNDER TODAY's INDUSTRY STANDARD?

A. IXCs are billed on a meet point basis. The tandem company records a Category 11 record and sends it to the terminating end office. The terminating end office company bills its portion of the transport and end office facilities and then the tandem company bills its portion of the transport facilities. For example, a call from Kansas City to Rockport carried by Worldcom would be billed in the following manner. Sprint records the terminating FGD record at its tandem and forwards that record to Rockport. Rockport and Sprint would each individually bill Worldcom their respective ownership percentages of the route. However, under the small company proposal, a call from Kansas City to Rockport carried by Southwestern Bell would be billed differently. The originating record from Southwestern Bell would not be used at all. Rockport Telephone would subtract out the identified records listed above and bill Sprint the residual including the call carried by Southwestern Bell. Sprint would then bill Southwestern Bell the entire amount of terminating access including that portion owned by Sprint and that portion owned by Rockport. As evidenced by this example, the small company proposal does not treat the former PTCs like IXCs. The billing changes from the IXC industry standard of multiple bill, multiple tariff to single bill, multiple tariff.

Q. **MR. JONES STATES THAT "IT IS APPROPRIATE TO TREAT THE FORMER PTCs AS IXCS TO ENSURE FAIR COMPETITION BETWEEN THEM." ARE ANY IXCS IN THIS PROCEEDING INDICATING IN TESTIMONY THAT THE CURRENT BUSINESS RELATIONSHIP DISADVANTAGES THEM.**

A. No. Even, in the last case TO-99-254, there was no evidence provided by IXCs that would indicate discriminatory treatment between them and the former PTCs.

Q. **MR. SCHOONMAKER STATES THAT "THE TERMINATING (SMALL) COMPANIES HAVE DEMONSTRATED THAT THEY HAVE THE CAPABILITY TO RECORD TERMINATING RECORDS IN THE SAME DETAIL THAT CALLS ARE RECORDED AT THE ORIGINATING END, WITH THE ORIGINATING AND TERMINATING NUMBERS, CONNECT TIME, AND CONVERSATION TIME." HE USES THIS AS SUPPORT FOR THEIR PROPOSAL. IS THIS TRUE FOR ALL CALLS?**

A. No. As Mr. Schoonmaker is surely aware from the recent test data summarized by his company, a significant number of terminating recordings made by the small companies did not contain the originating number of the call and thus did not contain the same level of detail as the originating call records. During the reconciliation process, these records recorded by the small company terminating end office that did not include an originating number were especially difficult to utilize in identifying the correct originating party that should be billed.

II. RECORDS TEST

Q. MR. SCHOONMAKER CONTENDS THAT THERE CONTINUES TO BE A SIGNIFICANT AMOUNT OF TRAFFIC FOR WHICH THE TERMINATING COMPANIES ARE NOT RECEIVING COMPENSATION. (SCHOONMAKER DIRECT, P. 16) AND YET, HE STATES THAT THE TEST IS NOT COMPLETE. ARE THESE TWO STATEMENTS CONSISTENT?

A. No. Sprint has provided updated records to Mr. Schoonmaker since the original, initial test results were formulated. Also, it is my understanding that Southwestern Bell has settled its Local Plus issue with most, if not all, of the small companies. His statement that the test and reconciliation were not complete was true and I believe it is still premature, even at this point, to say with certainty that there is a significant amount of traffic for which the terminating companies are not receiving compensation.

Q. DO YOU EXPECT THE DIFFERENCES BETWEEN THE SMALL COMPANY TERMINATING RECORDINGS AND THE RECORDS RECEIVED TO BE MUCH CLOSER AND THE DIFFERENCE CONSIDERABLY LESS?

A. Yes. As I stated, Sprint located additional records during its reconciliation for Rockport, an STCG company that subtends Sprint's Maryville tandem. Many of these records were IXC FGD terminating calls measured at the Maryville tandem that temporarily erred, but were corrected and sent to Rockport Telephone via the normal record exchange process. It took considerable time and resources to go back and locate them for the record test dates.

III. FGD VS. FGC

Q. MR. JONES STATES THAT "THE FGD SYSTEM IN USE SINCE DIVESTITURE MAKES IT THE RESPONSIBILITY OF THE TERMINATING END OFFICE TO MEASURE TRAFFIC ON THE TERMINATING END OF THE CALL." DO THE SMALL COMPANY END OFFICES THAT SUBTEND SPRINT MAKE THEIR OWN TERMINATING FGD RECORDINGS?

A. No. In the large majority of the instances, the FGD terminating recording is made at the tandem office and not at the end office as Mr. Jones purports. Since the former PTCs own most of the tandems in the state, the majority of the FGD recordings are made by the former PTCs and transmitted to the MITG and STCG companies. Only in the limited instances where the small companies own tandems or IXCs directly interconnect at the terminating end office, do the small company end offices record the terminating FGD calls at the terminating end office. Regardless of the business relationship proposal, Sprint and the other tandem owners will continue to record terminating FGD calls on behalf of the small companies and transmit those records to the small companies for billing IXCs.

Q. MR. JONES STATES THAT "THE SMALL COMPANY PROPOSAL ANTICIPATES CONTINUING TO ALLOW THE FORMER PTCS TO USE THE COMMON TRUNK WITH FGC SIGNALLING INSTEAD OF CONVERTING TO FGD. IS THIS ONE ISSUE THAT YOU AGREE WITH MR. JONES ON?

A. Yes, FGD still provides no additional information to the terminating end office over that provided by FGC. As the Commission noted in its Report and Order in Docket, TO-99-254, et al. issued June 10, 1999 and effective June 21, 1999, "the evidence clearly demonstrates that FGD as presently configured will not provide all the information the SCs (Secondary Carriers or Small Companies) want about calls terminated to them." The Commission continues with, "Requiring a conversion to FGD may be a wasted investment, since FGC may in the future be enhanced to allow the SCs to capture the information they want. Currently neither FGC or FGD provide all the information sought, and it seems more likely that eventually FGC will provide more of it than FGD." (Commission Order, page 7)

IV. BLOCKING OF CALLS

Q. MR. JONES INDICATES THAT THE TANDEM OWNER SHOULD "BLOCK NONPAYING WIRELESS TRAFFIC, UPON REQUEST FROM THE TERMINATING LEC" (JONES DIRECT, P. 4). IS THERE A COST BORNE BY SPRINT TO PERFORM THIS ACTION SOLELY ON BEHALF OF THE SMALL COMPANY REQUEST?

A. Yes. Such a request, if fulfilled by Sprint, would require network personnel involvement from Sprint's network design and translations groups. It is appropriate that the time spent on fulfilling this request be charged back to the cost causer, the requesting company.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Investigation	)	
Into Signaling Protocols, Call Records	)	Case No. TO-99-593
Trunking Arrangements and Traffic	)	
Management	)	

AFFIDAVIT OF W. ROBERT COWDREY

STATE OF KANSAS)
) ss
COUNTY OF JOHNSON)

W. Robert Cowdrey, of lawful age, on his oath states: That he has participated in the preparation of the attached Rebuttal Testimony in question and answer form, consisting of 14 pages plus schedules, to be presented in the above case; that the answers in the attached Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

W. Robert Cowdrey

W. Robert Cowdrey

Subscribed and sworn to before me this 20th, day of December, 2000.

JEANANN WEST NOTARY PUBLIC STATE OF KANSAS

Jean Ann West

Notary Public

My appointment Expires: 11/12/2003