

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION  
OF MCCOOK COOPERATIVE  
TELEPHONE COMPANY, FOR  
ARBITRATION PURSUANT TO THE  
TELECOMMUNICATIONS ACT OF  
1996 TO RESOLVE ISSUES RELATING  
TO AN INTERCONNECTION  
AGREEMENT WITH ALLTEL  
COMMUNICATIONS, INC.

Docket No.

TC07-112

1  
2 **REBUTTAL TESTIMONY OF DAN DAVIS**  
3 **ON BEHALF OF MCCOOK COOPERATIVE TELEPHONE COMPANY**  
4

5 **Introduction**  
6  
7

8 **Q. Please state your name, employer and business address.**  
9

10 A. My name is Dan Davis. I am employed with Consortia Consulting ("Consortia"),  
11 formerly known as TELEC Consulting Resources Inc. My business address is 233 South  
12 13<sup>th</sup> Street, Suite 1225, Lincoln, Nebraska, 68508.

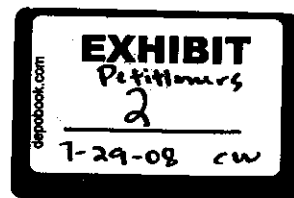
13 **Q. Did you file direct testimony on behalf of McCook Cooperative Telephone Company**  
14 **in this proceeding?**  
15

16 A. Yes. I filed direct testimony on behalf of McCook Cooperative Telephone Company  
17 ("McCook") on March 24, 2008.

18 **Q. Have you read the direct testimony of Mr. Williams filed on behalf of Alltel?**  
19

20 A. Yes, I have.  
21

22 **Q. What is the purpose of your rebuttal testimony?**  
23



1 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Mr.  
2 Williams in regard to issues 2 through 7 that he discussed in his direct testimony.

3 **Rebuttal Testimony-Issue 2 – Issue 7**

4 **Issue 2: What is the appropriate InterMTA use factor to be applied to interMTA traffic**  
5 **exchanged between the parties?**

6  
7 **Q. Mr. Williams states that the FCC Rules make no clear statement when, or if, a**  
8 **CMRS provider and a LEC should be responsible to each other for compensation**  
9 **for interMTA traffic or how such compensation should be calculated.<sup>1</sup> Where in the**  
10 **FCC's First Report and Order does the FCC clearly articulate the financial**  
11 **obligations between a CMRS provider and a LEC?**

12  
13 A. The FCC clearly states the financial obligations between a CMRS provider and a LEC in  
14 paragraph 1044 its First Report and Order. Paragraph 1044 of the First Report and Order  
15 states the following:

16 CMRS customers may travel from location to location during the course of a  
17 single call, which could make it difficult to determine the applicable transport and  
18 termination rate or access charge. We recognize that, using current technology, it  
19 may be difficult for CMRS providers to determine, in real time, which cell site a  
20 mobile customer is connected to, let alone the customer's specific geographic  
21 location. This could complicate the computation of traffic flows and the  
22 applicability of transport and termination rates, given that in certain cases, the  
23 geographic locations of the calling party and the called party determine whether a  
24 particular call should be compensated under transport and termination rates  
25 established by one state or another, or under interstate or intrastate access charges.  
26 We conclude, however, that it is not necessary for incumbent LECs and CMRS  
27 providers to be able to ascertain geographic locations when determining the rating  
28 for any particular call at the moment the call is connected. We conclude that  
29 parties may calculate overall compensation amounts by extrapolating from traffic  
30 studies and samples. For administrative convenience, the location of the initial  
31 cell site when a call begins shall be used as the determinant of the geographic  
32 location of the mobile customer. As an alternative, LECs and CMRS providers  
33 can use the point of interconnection between the two carriers at the beginning of  
34 the call to determine the location of the mobile caller or called party.

35  
36 **Q. Mr. Williams states that typically the rates applicable to interMTA traffic are**  
37 **negotiated.<sup>2</sup> In the contract that Alltel has or had with 29 South Dakota Rural**

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<sup>1</sup> See Mr. Williams Direct Testimony, Page 4, Lines 12-14.

<sup>2</sup> See Mr. Williams Direct Testimony, Page 5, Line 5.

1 **ILECs, including McCook, what rate was negotiated to be applied to interMTA**  
2 **traffic?**  
3

4 A. According to Section 5.1.1 of the aforementioned agreement, the Telephone Company's  
5 access charges applied to the termination of InterMTA traffic. And according to Section  
6 2.1 of that agreement, InterMTA Traffic was subject to McCook's Interstate or Intrastate  
7 access charges.

8 **Q. Mr. Williams lists his third reason why "negotiated estimates" are used for the**  
9 **exchanged traffic that is compensable as interMTA traffic "as a particular matter,**  
10 **there is no difference in what a terminating carrier needs to do to complete a call**  
11 **whether it is interMTA or intraMTA."<sup>3</sup> Do you agree with his third reason?**  
12

13 A. No, I do not. The FCC has determined that there are different standards for rate  
14 development for terminating interMTA calls versus terminating intraMTA calls and that  
15 is what is being followed by McCook.

16 **Q. Mr. Williams states that a factor to delineate what percentage of Traffic is**  
17 **InterMTA is required because no practical methodology has been developed that**  
18 **can accurately measure whether a call is an intraMTA call or an interMTA call.<sup>4</sup>**  
19 **What methods are available to develop a factor to delineate what percentage of the**  
20 **Traffic is InterMTA?**  
21

22 A. Mr. Thompson addresses the "SS7" method and the "CDR" method in his testimony.<sup>5</sup>  
23

24 **Q. Mr. Williams states that "the Petitioner has not attempted to study or account for**  
25 **the level of interMTA traffic that is sent from their network to the Alltel network."<sup>6</sup>**  
26 **Did you identify the deficiencies of Alltel's claim that the InterMTA factor should**  
27 **reflect the net amount of InterMTA traffic exchanged between the parties in your**  
28 **direct testimony?**  
29

30 A. Yes I did. I addressed the deficiencies of Alltel's claim on pages 7-9 of my Direct  
31 Testimony.

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<sup>3</sup> See Mr. Williams Direct Testimony, Page 5, Lines 16-17.

<sup>4</sup> See Mr. Williams Direct Testimony, Page 7, Lines 3-10.

<sup>5</sup> See Mr. Thompson Direct Testimony, Pages 8-12.

<sup>6</sup> See Mr. Williams Direct Testimony, Page 7, Line 23-24.

1 **Q. Mr. Williams asserts that McCook's proposed interconnection agreement does not**  
2 **provide that Alltel be paid compensation for the termination of interMTA Traffic**  
3 **originated by McCook that terminates on and uses Alltel's network.<sup>7</sup> Do you agree**  
4 **with Mr. Williams?**

5  
6 **A.** No, I do not. As I described on pages 7-8 in my Direct Testimony, McCook's  
7 termination of InterMTA Traffic to Alltel is limited to some of the Traffic that is routed  
8 over a direct connection from McCook to Alltel. In that limited situation, Section 2.1 of  
9 McCook's proposed interconnection agreement clearly provides that InterMTA Traffic is  
10 that which is "originated by the End User of one Party and terminated to the End User of  
11 the other Party." What McCook's Agreement does not set forth are the applicable rates  
12 that Alltel would charge for terminating InterMTA Traffic. Since Alltel does not have an  
13 access tariff, McCook could not propose using an Alltel access rate. Section 7.2.4 of  
14 McCook's proposed Interconnection Agreement sets forth the access rates that McCook  
15 would charge Alltel for terminating InterMTA Traffic, as those rates established in  
16 McCook's Interstate and Intrastate access tariffs. Alltel, in its proposed Interconnection  
17 Agreement, did not propose any language for InterMTA Traffic in the other direction  
18 (terminating to Alltel). In fact, the only change in this section proposed by Alltel are the  
19 rates that McCook proposes to charge Alltel for terminating InterMTA Traffic. Alltel  
20 had ample opportunity to propose language for the rates it would charge McCook but did  
21 not.

22 **Q. Do you believe the POI method as advocated by Alltel<sup>8</sup> provides a reasonable**  
23 **approximation of the location of the CMRS subscriber when a CMRS-wireline call**  
24 **is originated?**  
25

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<sup>7</sup> See Mr. Williams Direct Testimony, Page 8, Lines 16-19.

<sup>8</sup> See Mr. Williams Direct Testimony, Page 10, Lines 13-19.

1 A. No I do not. As I described on pages 12-13 of my Direct Testimony, the POI method  
2 suffers from a major deficiency in that it assumes that the only place that a wireless  
3 subscriber can make or receive calls is at the point of interconnection and disregards the  
4 more likely scenario, that such calls were not placed or received at the point of  
5 interconnection.

6 **Q. The FCC, in its First Report and Order, stated that the determination of whether a**  
7 **call is an interMTA call or an intraMTA call is based upon the parties' locations at**  
8 **the beginning of the call.<sup>9</sup> Does Mr. Williams provide any explanation as to how the**  
9 **POI method provides an estimation of the parties' locations at the beginning of a**  
10 **call?**

11  
12 A. No he does not.

13 **Q. In your opinion, why would a CMRS carrier advocate the use of the POI method**  
14 **when it does not provide a reasonable estimation of the parties' locations at the**  
15 **beginning of a call?**

16  
17 A. Because it will more than likely result in an InterMTA factor of zero.

18  
19 **Q. In the study developed by Alltel that used the POI method, what is the resulting**  
20 **InterMTA factor?**

21  
22 A. Zero.

23  
24 **Q. Mr. Williams states that McCook's intrastate access rates and terms are not**  
25 **appropriate for this application.<sup>10</sup> He also states that it is undisputed that the FCC**  
26 **has asserted authority over all traffic to and from a CMRS carrier.<sup>11</sup> Do you agree**  
27 **with Mr. Williams' assertion?**

28  
29 A. No I do not. It appears that Mr. Williams is asserting that this Commission has no  
30 jurisdiction over intrastate intercarrier compensation rates for state traffic originating and  
31 terminating between McCook and Alltel. If such an assertion were true, we would not be

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<sup>9</sup> See the First Report and Order, at para 1043.

<sup>10</sup> See Mr. Williams Direct Testimony, Page 10, Lines 1-2.

<sup>11</sup> See Mr. Williams Direct Testimony, Page 10, Lines 3-4.

1 in front of this Commission in this proceeding reviewing the rates McCook proposes for  
2 transport and termination. Clearly the Act, pursuant to 47 U.S.C. § 252(c) and 47 U.S.C.  
3 § 252(d) gives this Commission the authority over such rates. As it relates to state access  
4 rates, Mr. Williams' claim that the FCC has asserted authority over all traffic to and from  
5 a CMRS carrier is incorrect and misplaced. Although Mr. Williams does not provide a  
6 citation to back-up his claim, I believe the authority that Mr. Williams is referring to is in  
7 regard to the rates a CMRS carrier charges its end users,<sup>12</sup> not over state intercarrier  
8 compensation rates, including transport and termination and state access rates developed  
9 by McCook.

10 **Q. Did the previous agreement between McCook and Alltel allow for InterMTA Traffic**  
11 **to be billed at McCook's Intrastate access rate?**

12  
13 A. Yes, it did. According to Section 2.1 of that agreement, InterMTA Traffic was billed at  
14 McCook's interstate and intrastate access charges.

15 **Q. Does Mr. Williams support his claim that access charges that are applied to**  
16 **interMTA traffic need to have been developed utilizing the methodologies provided**  
17 **by FCC rules?**<sup>13</sup>

18  
19 A. No, he does not. Mr. Williams does not cite any FCC rule to support his claim that  
20 intrastate access rates should be developed in accordance with FCC rules and not state  
21 access rate development rules.

22 **Q. Do you agree with Mr. Williams that the FCC failed to specify how compensation**  
23 **should be paid for interMTA traffic and therefore Alltel should be allowed to**  
24 **specify that McCook's interstate access tariffs be applied to all interMTA traffic?**<sup>14</sup>  
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<sup>12</sup> See 47 U.S.C. 332(C)(3)(A).

<sup>13</sup> See Mr. Williams Direct Testimony, Page 10, Lines 7-9.

<sup>14</sup> See Mr. Williams Direct Testimony, Page 10, Lines 6-7 and Lines 9-11.

1 A. No, I do not. The FCC, in its First Report and Order, stated that “the geographical  
2 locations of the calling and the called party determine whether a particular call should be  
3 compensated under the transport and termination rates established by one state or  
4 another, or under interstate or intrastate access charges.”<sup>15</sup> Thus, it is clear that the  
5 jurisdiction of the call determines the appropriate tariff under which to bill the carrier  
6 terminating traffic onto McCook’s network. Therefore, contrary to Alltel’s assertion,  
7 intrastate access charges are properly applied to intrastate interMTA traffic terminated by  
8 Alltel to McCook’s network and interstate access charges are properly applied to  
9 interstate interMTA traffic terminated by Alltel to McCook’s network.

10 **Q. Mr. Williams claims that there are limitations with respect to the applicability of**  
11 **McCook’s Intrastate Access Tariff.<sup>16</sup> Mr. Williams states that McCook’s rate**  
12 **presumes the delivery of traffic will occur at the SDN tandem and Alltel does not**  
13 **route its traffic via SDN.<sup>17</sup> Mr. Williams also states that McCook’s tariff includes a**  
14 **rate element for carrier common line.<sup>18</sup> Are these statements relevant in terms of**  
15 **how McCook should develop its state access rates?**  
16

17 A. No, they are not. McCook has developed its access rates in accordance with the  
18 Commission’s rules on access rate development. The transport rate element is developed  
19 according to ARSD 20:10:29:16. The transport rate element is calculated by dividing the  
20 transport revenue requirement by the annual transport minutes of use. The transmission  
21 facilities from the Qwest route and the SDN route are included in the revenue  
22 requirement and the minutes on both routes are included in the annual transport minutes

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<sup>15</sup> See the First Report and Order, at para. 1044. The FCC recognized that it may be difficult to determine in real time a customer’s specific location and concluded that parties may calculate overall compensation amounts by extrapolating from traffic studies and samples.

<sup>16</sup> See Mr. Williams Direct Testimony, Page 10, Lines 12-13.

<sup>17</sup> See Mr. Williams Direct Testimony, Page 10, Lines 17-20.

<sup>18</sup> See Mr. Williams Direct Testimony, Page 11, Line 1.

1 of use. It appears that Alltel's statement regarding the route that it terminates its traffic to  
2 McCook would indicate that it advocates the use of a route specific rate. Since ARSD  
3 20:10:29:16 does not address route specific rates or allow for distant sensitive charges, I  
4 don't believe Mr. Williams' observation regarding the use of the Qwest route for Alltel  
5 terminating traffic is relevant in the determination of McCook's transport access rate.  
6 With regard to Mr. Williams' complaint that McCook's state access rate includes a rate  
7 element for carrier common line, the inclusion of such a rate is consistent with ARSD  
8 20:10:29:03.

9 **Q. Has the Commission approved a switched access rate for McCook?**

10  
11 A. Yes, the switched access rate was approved in docket TC06-079.<sup>19</sup> I believe that this is  
12 the appropriate rate to charge Alltel for its terminating intrastate interMTA traffic.

13 **Issue 3: What is the appropriate manner by which the minutes of use of IntraMTA Traffic**  
14 **terminated by the parties, one to the other, should be calculated and billed?**

15  
16 **Q. Mr. Williams states that Alltel lacks a system that can adequately capture traffic**  
17 **records.<sup>20</sup> Does McCook have a system that captures traffic records?**

18  
19 A. McCook does not capture terminating wireless minutes at its switch locations for traffic  
20 that is indirectly routed. It can measure terminating traffic at its switch locations for  
21 traffic on direct connections. On indirect connections, McCook purchases records from  
22 the transiting provider, in this case Qwest, which captures the minutes terminating to  
23 McCook from each of the wireless carriers. McCook uses the records it has purchased  
24 from Qwest to bill the wireless carriers.

25 **Q. Could Alltel purchase terminating records from the transiting provider?**

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<sup>19</sup> See In the Matter of the Establishment of Switched Access Rates for the Local Exchange Carriers Association, Order Approving Settlement Stipulation and Order Approving Tariff Revisions, TC06-079, December 28, 2006.

<sup>20</sup> See Mr. Williams Direct Testimony, Page 11, Lines 21-22.



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A. Yes, it could. Purchasing records from the transiting provider should alleviate any concern that Alltel may have regarding its internal systems.

**Q. Do you agree with Mr. Williams' assertion that McCook's proposed billing method would cause Alltel to forfeit reciprocal compensation?<sup>21</sup>**

A. No, I do not. McCook's proposal would simply require Alltel to be responsible for its own billing instead of relying on McCook.

**Q. According to Mr. Williams, wireless carriers do not have monthly detailed records that allow them to determine how much compensable intraMTA traffic they receive from ILECs.<sup>22</sup> Could wireless carriers purchase records from the transit providers that would allow them to determine how much intraMTA traffic they receive from ILECs?**

A. Yes, they could.

**Q. Mr. Williams states that Alltel conducted studies on March 21, 2008 for traffic exchanged between the parties in January 2008.<sup>23</sup> According to Mr. Williams, this study was conducted to determine IntraMTA traffic ratios. Do you have any observations regarding Alltel's analysis?**

A. Yes, I do. The studies were conducted on the day prior to the filing of direct testimony. Given the short time frame in which the study was conducted and the results compiled, I believe the results could be prone to errors. Additionally, given that Alltel did not conduct the study until after the second round of discovery, McCook was not afforded the opportunity to conduct an analysis of Alltel's study.

**Q. Mr. Williams states that McCook has not produced any study to indicate that Alltel's study is not representative of the traffic exchanged between the parties.<sup>24</sup> Given that it is McCook's position that the parties not bill based upon a fixed traffic ratio, was there any reason for McCook to present an analysis advocating the use of a fixed traffic ratio?**

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<sup>21</sup> See Mr. Williams Direct Testimony, Page 12, Line 1.

<sup>22</sup> See Mr. Williams Direct Testimony, Page 13, Lines 23-25.

<sup>23</sup> See Mr. Williams Direct Testimony, Page 14, Lines 9-10.

<sup>24</sup> See Mr. Williams Direct Testimony, Page 14, Line 24.

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A. No, there was not.

**Q. Did McCook review the results submitted by Alltel to determine the accuracy of such analysis?**

A. Yes, it did. McCook reviewed the records that it received from Qwest for Alltel's terminating traffic as well as the Traffic exchanged over the direct connection. McCook's analysis indicated near the opposite Traffic ratio over the direct connection than what Alltel's study indicated. Given such a large discrepancy, McCook can not agree to Alltel's recommended traffic ratio.

**Q. What is McCook's suggested resolution to this issue?**

A. Since there is no language in the Act or FCC rules that obligates McCook to perform billing on behalf of its competitors, McCook recommends that each party be responsible for its own billing and collection functions. Each party should bill the other party to the agreement based upon billing records it has obtained from a third party transit provider and minutes each has recorded as terminating from the other on direct connections. Alltel is capable of obtaining billing records from the third party transit provider in order to bill McCook. McCook therefore recommends that the Commission reject the language for Section 7.2.3 as proposed by Alltel and instead insert language into Section 7.2.2 of the agreement which would direct Alltel to obtain terminating records generated by a Third Party Provider and record terminating minutes on direct connections as the basis for billing McCook.

**Issue 4: What is the obligation of the parties with respect to dialing parity?**

**Q. Mr. Williams claims that the language used in the draft agreement attached as McCook's Exhibit A is inconsistent with Alltel's proposed language.<sup>25</sup> Isn't the**

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<sup>25</sup> See Mr. Williams Direct Testimony, Page 15, Lines 21-23.

1           **language in McCook's draft agreement in Sections 4.3 and 4.4 exactly the same as**  
2           **the language in the agreement submitted by Alltel in Sections 4.3 and 4.4?**  
3

4    A.    Yes, it is. This fact is supported by Alltel's Response to the Petition for Arbitration  
5           whereby Alltel states that it accepts McCook's proposed language in Section 4.3 of  
6           Exhibit A to the Petition.<sup>26</sup>

7    **Q.    Mr. Williams states that Alltel has proposed Appendix B to specify dialing parity**  
8           **obligations.<sup>27</sup> Have you reviewed Appendix B as submitted by Alltel and does it**  
9           **specify dialing parity obligations?**  
10

11   A.    I have reviewed Appendix B as submitted by Alltel. The subject of Appendix B is  
12           "Direct Interconnection POI Locations and Telephone Company Local Calling Area."  
13           There is no information contained in Appendix B as submitted by Alltel so I am uncertain  
14           how it specifies dialing parity obligations as claimed by Mr. Williams.

15   **Q.    Mr. Williams, by way of a question, states that McCook must provide dialing parity**  
16           **and charge its end users the same rates for calls to an Alltel NPA/NXX as calls to a**  
17           **landline NPA/NXX in the same rate center.<sup>28</sup> Does the dialing parity rule establish**  
18           **end-user billing requirements?**  
19

20   A.    No, it does not. I agree with Mr. Williams that "this code section on its face precludes  
21           dialing distinctions based upon the identity of the telecommunications service  
22           provider."<sup>29</sup> However, this code section does not address end-user billing.

23   **Q.    Does this arbitration proceeding involve end-user billing issues?**  
24

25   A.    No, it does not.  
26

27   **Q.    Do the contracts as submitted by Alltel and McCook both contain language**  
28           **recognizing that such agreements do not affect rate levels or rate structures that**  
29           **either party charges it end-users?**

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<sup>26</sup> See Alltel's Response, at para. 19.

<sup>27</sup> See Mr. Williams Direct Testimony, Page 16, Line 14.

<sup>28</sup> See Mr. Williams Direct Testimony, Page 16, Lines 15-17.

<sup>29</sup> See Mr. Williams Direct Testimony, Page 17 Line 1-2.

1  
2 A. Yes they do. The agreement as submitted by McCook and the agreement as submitted by  
3 Alltel states the following:

4 Except as otherwise expressly provided for herein, this Agreement has no effect  
5 on the definition of End User services that either Party offers to its End User  
6 customers, the services either Party chooses to offer to its respective End User  
7 customers, the rate levels or rate structures that either Party charges its End Users  
8 for services, or the manner in which either Party provisions or routes the services  
9 either Party provides to its respective End User customer.

10  
11 Q. Mr. Williams cites 47 C.F.R. § 51.207 and states that it is apparent that under  
12 existing law, the Petitioner is clearly required to provide dialing parity to Alltel.<sup>30</sup>  
13 What does McCook's Petition state with respect to this rule?  
14

15 A. McCook's Petition states that "Telco proposes to fulfill its responsibilities in  
16 conformance with 47 U.S.C. § 51.207."<sup>31</sup> Reference to U.S.C. was in error and was  
17 meant to state "McCook's Petition states that "Telco proposes to fulfill its responsibilities  
18 in conformance with 47 C.F.R. § 51.207."

19 Q. How do you recommend the Commission act on this issue?  
20

21 A. Mr. Williams states that it is essential that the agreement reflect the legal obligations of  
22 the parties and Alltel has proposed language in Sections 4.3 and 4.4 requiring McCook to  
23 provide Alltel local dialing parity.<sup>32</sup> Since the language in Sections 4.3 and 4.4 of the  
24 Agreements submitted by Alltel and McCook are exactly the same, I recommend the  
25 Commission adopt such language for Sections 4.3 and 4.4.

26 **Issue 5: What is the appropriate effective date and term of the agreement?**  
27

28 Q. Is it your understanding that this issue has been resolved?  
29

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<sup>30</sup> See Mr. Williams Direct Testimony, Page 16 Line 21-22.

<sup>31</sup> See McCook's Petition for Arbitration, at para. 16.

<sup>32</sup> See Mr. Williams Direct Testimony, Page 16 Lines 11-13.

1 A. Yes, it is. McCook proposed that the Agreement be deemed effective as of January 1,  
2 2007, and remain in full force and effect for a period of three years after January 1, 2007.  
3 Alltel, in its Response to the Petition, states that it accepts the effective date and term of  
4 the Agreement as proposed by the Petitioner.<sup>33</sup> Mr. Williams, in his testimony confirms  
5 the January 1, 2007 effective date and the three year term and states that “when a final  
6 conformed agreement is approved by the Commission, the Parties will be obligated to  
7 reconcile and true-up compensation due based upon the final agreement terms as  
8 compared to any billing and payment transaction associated with services provided since  
9 January 1, 2007.”<sup>34</sup> Therefore, I understand that this issue has been resolved.

10 **ADDITIONAL ISSUES RAISED BY ALLTEL IN THE RESPONSE**

11 **Issue 6: What is the appropriate definition of IntraMTA and InterMTA Traffic?**

12  
13 **Q. Do you agree with Mr. Williams claim that it is McCook’s desire to incorporate**  
14 **language into the interconnection agreement that defines traffic in a manner**  
15 **inconsistent with the Parties ability to measure traffic?**<sup>35</sup>  
16

17 A. No, I do not. It is not McCook’s desire or intent to incorporate language into the  
18 agreement in a manner that is inconsistent with the Parties ability to measure traffic. It is  
19 McCook’s intention to incorporate language into the agreement that is consistent with the  
20 FCC’s First Report and Order as a way to determine what proportion of Traffic is  
21 IntraMTA and what proportion of Traffic is InterMTA. The FCC recognized that since  
22 CMRS customers may travel from location to location during the course of a single call,  
23 it would be difficult to determine the applicable transport and termination rate or access

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<sup>33</sup> See Alltel’s Response, at para. 20.

<sup>34</sup> See Mr. Williams Direct Testimony, Page 17 Lines 18-23.

<sup>35</sup> See Mr. Williams Direct Testimony, Page 18 Lines 2-3.

1 charge.<sup>36</sup> In acknowledging the complexity of ascertaining the CMRS subscriber's  
2 location, the FCC concluded that parties could calculate the overall compensation  
3 amounts by extrapolating from traffic studies and samples by using the CMRS  
4 subscriber's originating cell site location to determine the proportion of traffic exchanged  
5 between CMRS providers and LECs that was subject to reciprocal compensation or  
6 access charges.<sup>37</sup> McCook's intention is to extrapolate from traffic studies and samples  
7 the proportion of the total traffic that is InterMTA traffic and the proportion of total  
8 traffic that is IntraMTA traffic. Mr. Thompson, in his direct testimony, discusses the  
9 methods that can be used to calculate InterMTA and IntraMTA factors that can be  
10 incorporated into the Parties' interconnection agreement.<sup>38</sup>

11 **Q. Do you agree with Mr. Williams that Alltel's proposed language on how to measure**  
12 **and distinguish IntraMTA traffic from InterMTA Traffic "may serve to avoid**  
13 **unnecessary disputes during the term of the agreement?"<sup>39</sup>**  
14

15 A. No, I do not. Alltel's definition is silent on how to determine the location of the cellular  
16 subscriber when the call is originated and therefore does not provide the parties a  
17 methodology to distinguish IntraMTA Traffic from InterMTA Traffic.

18 **Q. Do you believe Alltel's proposed language will create disputes over how to**  
19 **determine whether or not a call is an InterMTA call or an IntraMTA call?**  
20

21 A. Yes, I do. If the agreement does not specify how the parties are to determine the location  
22 of the cellular subscriber when a call is originated (i.e. the originating cell site location), I

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<sup>36</sup> See First Report and Order, at para. 1044.

<sup>37</sup> Ibid.

<sup>38</sup> See Mr. Thompson Direct Testimony, at pages 8-11.

<sup>39</sup> See Mr. Williams Direct Testimony, Page 18 Lines 6-7.

1 believe there will be disputes regarding the proportion of traffic that is InterMTA versus  
2 IntraMTA.

3 **Q. How does McCook propose to differentiate traffic that is subject to access charges**  
4 **(InterMTA) versus which traffic is subject to transport and termination charges**  
5 **(IntraMTA)?**  
6

7 A. McCook proposes to use traffic studies and samples as described by Mr. Thompson.

8 **Q. How should the Commission rule on this issue?**  
9

10 A. In order to avoid on-going conflicts and billing disputes between the Parties, the  
11 Commission should eliminate any ambiguity and confirm that the determination of  
12 whether the call is an IntraMTA call or an InterMTA call should be based upon the  
13 location of the initial cell site serving the wireless end user at the start of the call and the  
14 location of the end office serving the wireline end user. If the initial cell site information  
15 can not be used, study samples as described by Mr. Thompson should be used as an  
16 alternative in calculating the appropriate InterMTA and IntraMTA percentages.<sup>40</sup> In such  
17 a case, references to the phrase “the location of the connecting cell site” could be  
18 removed from the definitions of InterMTA and IntraMTA Traffic. In its place, such  
19 definitions could refer to the location of the rate center of the CMRS customer’s NPA-  
20 NXX to estimate the location of the CMRS customer. Such additions to the definition  
21 would help to remove any ambiguities as to how the parties calculate the appropriate  
22 proportion of traffic that is IntraMTA and the proportion of traffic that is InterMTA.

23

24 **Issue 7: Which Party can initiate a direct interconnection request?**

25 **Q. Do you understand the position that Alltel is trying to articulate regarding Issue 7?**

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<sup>40</sup> See Mr. Thompson Direct Testimony, description of SS7 Method, at page 9

1 A. No I do not. Alltel first raised this issue in its Response to the Petition for Arbitration. In  
2 its response, Alltel stated that the proposed language in Section 3.1.3 of the Agreement  
3 provides that either Party can request and thus require direct interconnection facilities.  
4 Alltel then states in its Response that as a CMRS provider, Alltel has the right to seek  
5 indirect interconnection pursuant to 47 U.S.C. § 251(a)(1).<sup>41</sup>

6 Mr. Williams, in his testimony, does not refer to either indirect interconnection or to  
7 section 251(a)(1) of the Act as does Alltel's response. Instead, Mr. Williams states that  
8 "an incumbent LEC has an affirmative obligation to provide a direct interconnection at  
9 the request of a competitive carrier,"<sup>42</sup> and by way of a footnote references 47 U.S.C. §  
10 251(c)(2). Mr. Williams' finishes his testimony on this issue by stating that "Alltel's  
11 proposed language merely reflects this situation."

12 **Q. Given the inconsistencies between Alltel's Response on Issue 7 and Mr. Williams**  
13 **testimony on Issue 7, do you know which of "Alltel's proposed language" Mr.**  
14 **Williams refers to in his testimony?**

15 A. No I do not. Given that Alltel's Response to Issue 7 refers to Section 3.1.3 of the  
16 Agreement, I can only speculate that Alltel's proposed language for which Mr. Williams  
17 is referring is found in that section. As I stated in my direct testimony, Alltel's proposed  
18 language for Section 3.1.3, that it can unilaterally dictate the use of a two-way direct  
19 interconnection facility, conflicts with the language found in Section 4.5 in both  
20 McCook's proposed interconnection agreement and the Agreement as submitted by Alltel  
21 in its Response. No changes to section 4.5 have been proposed in Mr. Williams'  
22 testimony. Section 4.5 of both Agreements states the following:

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<sup>41</sup> See Alltel's Response, at para. 22.

<sup>42</sup> See Mr. Williams Direct Testimony, at page 18, Lines 16-18.



1 As an alternative to routing traffic covered by this Agreement  
2 through a Point of Interconnection, either Party may choose to  
3 deliver Traffic from its network to the other Party's network via a  
4 Third Party Provider and thus be Indirectly Connected with the  
5 other Party for delivery of Traffic.  
6

7 Thus, Alltel's proposed language for Section 3.1.3 would be impracticable with its  
8 accepted language for Section 4.5.

9 **Q. If Alltel's proposed language for Section 3.1.3 is adopted, how could Alltel's**  
10 **proposed language require McCook to route its originating traffic?**

11 **A.** Alltel's language would require McCook, at Alltel's directive, to route its originating  
12 traffic over a direct connection and pay for the direct connection whether or not McCook  
13 wanted to use the direct connection for its originating traffic.

14 **Q. Does Alltel's proposed language for section 3.1.3, that it can unilaterally require**  
15 **McCook to use a 2-way direct connection, contradict its previous position in Docket**  
16 **TC06-159?**

17 **A.** Yes, it does. In that proceeding, Venture Communications Cooperative was the  
18 Incumbent LEC. With respect to Issue 8 in that proceeding, the subject of which was  
19 "Land-to-Mobile Traffic Direct Interconnection" Alltel stated that the "Utilization of a  
20 direct connection is an option available to Venture but is not mandated."<sup>43</sup>

21 **Q. Mr. Williams states that an incumbent LEC has an affirmative obligation to provide**  
22 **a direct interconnection at the request of a competitive carrier. Does Mr. Williams**  
23 **state that the incumbent LEC must provide for a 2-way direct interconnection**  
24 **facility at the request of a competitive carrier and thus require McCook to use a**  
25 **direct interconnection?**

26 **A.** No he does not. He states that McCook has to provide a direct connection (i.e. for Alltel  
27 to terminate its Traffic to McCook). His testimony does not back-up the language that  
28 Alltel has proposed in Section 3.1.3 of the Agreement, which states that McCook must  
29 use a 2-way direct connection at the request of Alltel.

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<sup>43</sup> See Response of Alltel Communications, Inc., to Petition for Arbitration of Venture Communications Cooperative, Docket No. TC06-159, filed October 10, 2006, at para. 24.

- 1 **Q. Does Mr. Williams provide any support for his assertion that Alltel can unilaterally**  
2 **require the use of a 2-way direct interconnection facility?**
- 3 A. No he does not. Mr. Williams simply refers to Section 251(c)(2) of the Act.
- 4 **Q. Does Section 251(c)(2) of the Act support Alltel's proposed contract language**  
5 **allowing it to unilaterally require the use of a 2-way direct interconnection facility?**
- 6 A. No it does not. Section 251(c)(2) of the Act imposes an obligation on the incumbent  
7 LEC to provide "for the facilities and equipment of any requesting telecommunications  
8 carrier, interconnection with the local exchange carrier's network at any technically  
9 feasible point within the carrier's network."
- 10 **Q. Does the FCC's attendant rule to Section 251(c)(2) of the Act support Alltel's**  
11 **proposed contract language allowing it to unilaterally require the use of a 2-way**  
12 **direct interconnection facility?**
- 13 A. No it does not. The attendant FCC rule to Section 251(c)(2) of the Act is 47 C.F.R. §  
14 51.305 (a)(2). This FCC rule imposes an obligation on the incumbent LEC to provide  
15 "for the facilities and equipment of any requesting telecommunications carrier,  
16 interconnection with the local exchange carrier's network at any technically feasible  
17 point within the incumbent LEC's network."
- 18 **Q. How do you recommend that the Commission act on this issue?**
- 19 A. Given that the Act and FCC rules do not give any party the right to dictate the use of 2-  
20 way direct interconnection facilities, the fact the Alltel's proposal contradicts its previous  
21 position in Docket TC06-159, the fact that Mr. Williams' testimony does not back-up or  
22 provide support for Alltel's proposed language, and the fact that such language conflicts  
23 with the agreed upon language in Section 4.5, I recommend that the Commission reject  
24 Alltel's proposed language and accept the language as proposed by McCook for Section  
25 3.1.3 of the interconnection agreement.
- 26 **Q. Under issue 7-"Which Party can initiate a direct interconnection request?" Mr.**  
27 **Williams submits a new topic of discussion which was not included in Alltel's**

1           **Response to the Petition for Arbitration. What is your understanding of the new**  
2           **issue raised by Mr. Williams?**

3       A.     Based upon Mr. Williams' testimony, I believe Alltel wants to recommend locations for  
4           the POI when the Parties are directly interconnected.

5       **Q.     In its Response to the Petition for Arbitration, did Alltel object to the locations**  
6           **McCook listed as technically feasible points of interconnection attached as Exhibit A**  
7           **to McCooks's Petition?**

8       A.     No, it did not. McCook, in its proposed Agreement which was included in its Petition for  
9           Arbitration, identified technically feasible points of direct interconnection. These  
10          technically feasible points, identified in Appendix B of the proposed Agreement, are at  
11          each of McCook's stand alone or host end-office switch locations. As I stated in my  
12          direct testimony, Alltel may choose to use a direct connection, an indirect connection  
13          through the use of a transit provider such as Qwest or SDN, or a combination thereof to  
14          each of these specific locations for the purpose of terminating its traffic to subscribers  
15          served by each of the listed locations. Alltel, in its Response to McCook's Petition, did  
16          not object to McCook's proposed points of interconnection and did not offer any  
17          alternatives to McCook's proposed points of interconnection.

18       **Q.     If Alltel chooses to route its traffic over a direct connection to McCook's subscribers**  
19           **served by a rate center listed in Appendix B, where would the POI be located?**

20       A.     The POI would be located in the rate center listed in Appendix B where the end office is  
21          located that serves McCook's end user subscriber. Mr. Williams' use of the word "any"  
22          is his testimony is too broad in that it could be interpreted to mean that a POI could be  
23          established in one rate center for traffic terminated in another. As an example, it would  
24          make little sense to establish a POI in McCook's rate center of Alexandria for traffic that  
25          Alltel wants to terminate to McCook's subscribers located in Winfred.

1 **Q. Mr. Williams proposes additional POI locations for McCook originated traffic**  
2 **including Alltel's meet point with SDN, Alltel's meet point with Qwest, and Alltel's**  
3 **switch location. Do you object to Mr. Williams' proposal?**

4 A. Yes, I object to Mr. Williams' proposal. The FCC rule, 47 C.F.R. § 51.305 (a)(2),  
5 requires that interconnection must be at a point within the incumbent LEC's network.  
6 This only makes sense. The 1996 amendment to the Telecommunications Act opened  
7 ILECs' markets to competition. Given a competitor is going to compete with the ILEC  
8 for the ILEC's subscribers, it would make no sense to compete for the ILEC's subscribers  
9 in the ILEC's marketplace, but then interconnect at a location removed from the location  
10 in which you are competing. Yet this is precisely what Alltel is proposing. The locations  
11 proposed by Mr. Williams are more than likely located either in Sioux Falls, South  
12 Dakota or in Rapid City, South Dakota. McCook has no obligation to interconnect  
13 outside of the rate centers where Alltel has selected to compete with McCook. Mr.  
14 Williams' proposals would require McCook to incur the cost of facilities to locations in  
15 Sioux Falls or Rapid City even though McCook has no intent to compete with Alltel at  
16 those locations. In addition, interconnecting at these locations clearly contradicts the first  
17 part of Mr. Williams' testimony on issue 7 in which he references Section 251(c)(2) in  
18 footnote 4. Sioux Falls and Rapid City clearly do not meet the standard established in  
19 Section 251(c)(2), that is, interconnection within the ILEC's network.

20 Mr. Williams' proposal is even more problematic when combined with Alltel's proposed  
21 language as previously discussed in Section 3.1.3 as well as Mr. Williams' definition of  
22 dialing parity which he expands beyond the definition in FCC rules.

1           When Alltel's proposal on Issue 7(b) is viewed in conjunction with its proposal on Issue  
2           7(a) and with Mr. Williams' claims regarding the meaning of dialing parity in Issue 4,  
3           one is left with the following business paradigm:

- 4           • Alltel elects to compete with McCook in McCook rate centers.
- 5           • Alltel dictates that McCook must route its originating traffic to Alltel over a direct  
6           connection--Issue 7a.
- 7           • Alltel dictates a location for McCook to route its originating Traffic to--a location where  
8           McCook and Alltel do not compete with one another- -Issue 7b.
- 9           • McCook incurs the cost of facilities to this location.
- 10          • McCook, based on Mr. Williams' dialing parity claim, can not assess its end user a  
11          charge and therefore can not recover its increased cost associated with Alltel's proposal  
12          for routing as dictated by 7(a) and 7(b).

13   **Q.    How do you recommend the Commission act on Issues 7(a) and 7(b)?**

14   A.    The Commission should reject Alltel's proposed POI locations that are outside of  
15          McCook's serving area.

16   **Q.    Does this conclude your testimony?**

17   A.    Yes, it does.