

BEFORE THE STATE OF SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF ALLIANCE)	
COMMUNICATIONS COOPERATIVE, INC., BERESFORD)	Docket Nos.
MUNICIPAL TELEPHONE COMPANY, KENNEBEC TELEPHONE)	TC 07-111
COMPANY, MCCOOK COOPERATIVE TELEPHONE COMPANY,)	TC 07-112
SANTEL COMMUNICATIONS COOPERATIVE, INC., AND WEST)	TC 07-113
RIVER COOPERATIVE TELEPHONE COMPANY FOR)	TC 07-114
ARBITRATION PURSUANT TO THE TELECOMMUNICATIONS)	TC 07-115
ACT OF 1996 TO RESOLVE ISSUES RELATING TO AN)	TC 07-116
INTERCONNECTION AGREEMENT WITH ALLTEL)	
COMMUNICATIONS, LLC.)	

TESTIMONY OF RON WILLIAMS

(Testimony identical in all proceedings with exception of Exhibits.)

1 **Q: PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

2 A. My name is Ron Williams. I am the Vice President – Interconnection and Compliance
3 for Alltel Communications, LLC. My business address is 3650 131st Avenue S.E., Suite
4 600, Bellevue, Washington 98006.

5 **Q: ON WHOSE BEHALF ARE YOU TESTIFYING?**

6 A. I am testifying on behalf of Alltel Communications, LLC (“Alltel”).

7 **Q: PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND.**

8 A: I have a BA in Accounting and a BA in Economics from the University of Washington. I
9 also have a MBA from Seattle University.

10 **Q: WHAT IS YOUR PROFESSIONAL EXPERIENCE IN THE FIELD OF TELECOMMUNICATIONS?**

11 A: I have eighteen years of experience in various aspects of the telecommunications
12 industry. My telecom background includes ten years experience working for GTE,
13 including six years in their LEC operations and business development, and four years in
14 wireless operations. I also have four years experience in start-up CLEC operations with
15 FairPoint Communications and with Western Wireless. Beginning in 1999, I worked for

1 Western Wireless, first as the Director of CLEC operations and, since 2002, as a Director
2 in Carrier Relations. Western Wireless was acquired by Alltel Communications in
3 August 2005 and since that time I have worked in my present capacity dealing with
4 interconnection, carrier relations, and E911 matters.

5 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE SOUTH DAKOTA COMMISSION OR**
6 **OTHER STATE REGULATORY COMMISSIONS?**

7
8 A: Yes, I have testified before the South Dakota Public Utilities Commission in an
9 interconnection complaint case and in a case involving rural LEC requests to suspend
10 local number portability implementation obligations. In addition, I have testified before
11 other state commissions on interconnection matters and on the implementation of
12 intermodal local number portability: Before the Michigan Public Service Commission,
13 the Nebraska Public Service Commission, and the Oklahoma Corporate Commission in
14 separate interconnection arbitrations. And, I have testified in Missouri, Nebraska, and
15 New Mexico on number portability issues.

16 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

17 A: The purpose of my testimony is to present Alltel's position on all but one of the
18 unresolved interconnection and compensation issues raised in the Petition for Arbitration
19 and additional issues raised in Alltel's response to the Petition¹:

20 **Issue 1: Is the reciprocal compensation rate for IntraMTA Traffic proposed by**
21 **Petitioner appropriate pursuant to § 252(d)(2)?**

22
23 **Issue 2: What is the appropriate Percent of InterMTA Use Factor to be applied to**
24 **IntraMTA traffic exchanged between the parties?**

25
26 **Issue 3: What is the appropriate manner by which the minutes of use of**
27 **IntraMTA Traffic terminated by the Parties, one to the other, should be**
28 **calculated and billed?**

¹ See Exhibit RW1 for a more detailed issue reference to terms in the interconnection agreement.

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

Issue 5: What is the appropriate effective date and term of the Agreement?

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

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

Issue 7B: How should technically feasible Points of Interconnection be specified?

My testimony addresses Issues 2 through 7. Alltel witness Conwell will address Issue 1 concerning reciprocal compensation rate. For each of the unresolved issues, I will identify applicable legal standards, any facts relevant to the issue, and recommend to the South Dakota Utilities Commission (“Commission”) the appropriate resolution for each dispute.

Issue 2: What is the appropriate Percent of InterMTA Use Factor to be applied to IntraMTA traffic exchanged between the parties?

Q: WHAT IS THE GIST OF THIS ISSUE?

A: Issue 2 involves the establishment of a proxy factor to be applied to traffic exchanged between the Parties as a basis for estimating interMTA traffic volume. This is necessary because measurement and, therefore, billing of interMTA traffic based on actual records is not available for all traffic. The issue also includes a determination of the rate to be assessed on interMTA traffic.

Q: WHAT IS AN MTA AND WHY IS IT IMPORTANT TO THIS ISSUE?

A: MTA refers to a Major Trading Area - a geographic area based on the Rand McNally 1992 Commercial Atlas & Marketing Guide. The FCC established this geographic area – the MTA – as the area within which reciprocal compensation is due when traffic is exchanged between wireless and wireline carriers. All traffic between wireless and wireline carriers that originates and terminates within this geographic area, including traffic exchanged via indirect interconnection, is subject to reciprocal compensation. For

1 traffic that is not intraMTA, the FCC has not made specific rules. I have included
2 Exhibit RW2 which shows the Petitioner service area superimposed on the South Dakota
3 state boundaries and relevant MTA boundaries.

4 **Q: WHAT TRAFFIC IS ASSOCIATED WITH THIS ISSUE?**

5 A: Issue 2 involves traffic exchanged between Petitioner and Alltel that does not originate
6 and terminate within the same MTA. Such traffic is often referred to as “interMTA”
7 traffic. As discussed below with respect to Issue 6, under FCC Rules, all traffic
8 exchanged between a LEC and a CMRS provider that originates and terminates within
9 the same MTA at the beginning of the call is subject to reciprocal compensation under
10 section 251(b)(5) of the Act. 47 C.F.R. § 51.701(b)(2).

11 **Q: WHAT FCC RULES APPLY TO INTERMTA TRAFFIC?**

12 A: The FCC’s Rules make no clear statement when, or even if, a CMRS provider and a LEC
13 should be responsible to each other for compensation for interMTA traffic. Nor do the
14 rules make clear how such compensation should be calculated. The Telecommunications
15 Act is also silent on these points.

16 **Q: IN THE ABSENCE OF RULES OR OTHER GUIDELINES, HOW DOES THE INDUSTRY USUALLY**
17 **HANDLE THIS ISSUE?**

18 A: Generally, LEC/CMRS interconnection agreement terms for interMTA traffic have been
19 negotiated and include a percentage (i.e., a factor) that is applied to the total mobile-
20 originated traffic and the result is designated as net compensable interMTA traffic. The
21 interMTA factor is a negotiated as a result of each of the negotiating parties taking into
22 account the geography, customer base, network topology, costs, rights and
23 responsibilities with respect to interMTA traffic they originate and terminate. The factor
24 is the net result of all these considerations and negotiations.

1 **Q: TYPICALLY, WHAT RATE APPLIES TO INTERMTA TRAFFIC?**

2 A: Again, neither FCC Rules nor the Act specify what compensation rate should apply to
3 interMTA traffic. The FCC rules also do not specify that a rate different than a reciprocal
4 compensation rate should apply or need apply to interMTA traffic. Therefore, typically,
5 as a business accommodation, rates applicable to interMTA traffic are negotiated.
6 Sometimes the negotiations have resulted in the rates being the same as reciprocal
7 compensation rates for intraMTA traffic, sometimes interMTA rates reflect a specified
8 nominal rate that is identified in an agreement, and sometimes the interMTA rate is
9 established as a reference to other existing rates, for example, interstate access rate
10 elements.

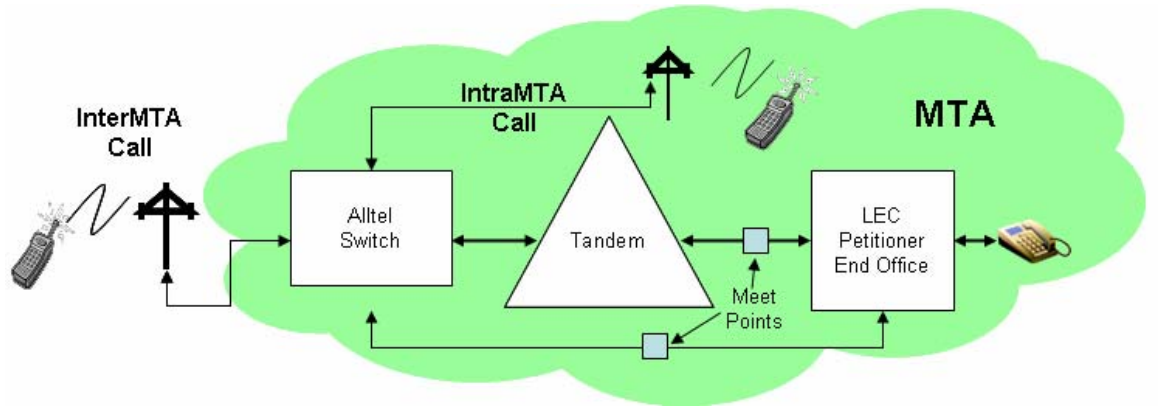
11 **Q: WHY DO PARTIES GENERALLY NEGOTIATE AN ESTIMATE OF EXCHANGED TRAFFIC THAT**
12 **IS COMPENSABLE AS INTERMTA TRAFFIC?**

13 A: Negotiated estimates are used because (a) no standard methods, labeling, or systems exist
14 in the industry for classification or identification of interMTA traffic, (b) it is generally
15 difficult to accurately measure interMTA traffic since locations of wireless users are
16 dynamic; and (c) as a practical matter, there is no difference in what a terminating carrier
17 needs to do to complete a call whether it is interMTA or intraMTA.

18 **Q: CAN YOU PROVIDE AN EXAMPLE OF HOW AN INTERMTA CALL MAY BE DELIVERED?**

19 A: Yes. An interMTA call, that may be subject to this agreement, would be similar to this
20 example: Assume that Alltel's customer at the post office in Mitchell makes a call to her
21 home landline phone in Parkston (a Santel service area). This would be an intraMTA
22 call. Alltel may terminate that call to Parkston by hiring Qwest to deliver that call to
23 Qwest's meet point with the Parkston end office. If that same Alltel customer is visiting
24 friends in Yankton and calls home to their landline phone in Parkston, this would be an

1 interMTA call. Alltel may, again, terminate that call to Parkston by delivering that call to
2 Qwest and Qwest then delivering the call to Qwest's meet point with the Parkston end
3 office. Santel will terminate that interMTA call in the exact same manner using the exact
4 same equipment over the exact same route as the intraMTA call originated by the Alltel
5 customer. The diagram below illustrates this point.



12 There are many other scenarios that add significant complexity to interMTA call
13 treatment depending on where a call is initiated or terminated, through which
14 intermediary carrier a call may be routed, and even whether a call ends up in a voice
15 mailbox. The bottom line: Costs of terminating these calls don't change, identifying
16 whether it is interMTA is complex, and parties have generally found it more productive
17 to find a mutually acceptable business solution.

18 **Q: WOULD TRAFFIC FROM OTHER PARTS OF THE COUNTRY BE DELIVERED UNDER THE**
19 **INTERCONNECTION AGREEMENTS BETWEEN THE PETITIONER AND ALLTEL?**

20 **A:** Not generally. For example, if an Alltel customer in Ohio made a call to a Petitioner
21 customer (i.e., an interMTA call), Alltel hands that call to an interexchange carrier,
22 which would deliver the call to the Petitioner in accordance with the Petitioner's
23 interstate access tariffs. The Petitioner would be compensated by the IXC at the

1 Petitioner’s interstate access rate. Such a call would not be delivered or compensated
2 under the parties’ Interconnection Agreement.

3 **Q: SHOULD THE PARTIES ESTABLISH A FACTOR TO DELINEATE WHAT PERCENTAGE OF**
4 **TRAFFIC IS INTERMTA?**

5 A: Yes, but only if interMTA traffic is going to be compensated differently than intraMTA.
6 Since the Parties have been unable to agree on a factor, a factor should be established to
7 determine how much interMTA traffic is exchanged each month for the purpose of
8 billing. A factor is required because no practical methodology has been developed that
9 can accurately measure, for the purpose of routing or billing, whether a call is an
10 intraMTA call or an interMTA call.

11 **Q: HAS THE PETITIONER PROPOSED A FACTOR TO DETERMINE THE VOLUME OF**
12 **INTERMTA TRAFFIC?**

13 A: Yes. Petitioner proposed an interMTA factor in documentation associated with their
14 Arbitration Petition and subsequently provided additional information in support of their
15 proposed factors in response to discovery. Petitioner based this figure on very limited
16 October 2005 traffic data, using a method that was acknowledged to be flawed and
17 purported to examine only interMTA traffic sent from Alltel’s network to the Petitioner
18 network but ignored all traffic from the Petitioner network to Alltel customers. The
19 utilization of a factor developed in this manner would be inappropriate as it is both
20 misrepresentative and asymmetric.

21 **Q: CAN YOU EXPLAIN HOW A STUDY THAT EXAMINED ONLY MOBILE TO LAND TRAFFIC**
22 **WOULD BE INAPPROPRIATE?**

23 A: To my knowledge the Petitioner has not attempted to study or account for the level of
24 interMTA traffic that is sent from their network to the Alltel network. If such a study
25 were properly conducted and, for example, showed that an equivalent amount of

1 interMTA traffic is sent from Petitioner to Alltel, the appropriate net interMTA factor
2 should be zero. In fact, in a 2003 arbitration case the South Dakota RLEC witness, Larry
3 Thompson, submitted surrebutal testimony reflecting his opinion that RLEC originated
4 interMTA traffic was between 10 and 58% of traffic sent to Alltel phone numbers.
5 Obviously, if the volume of land to mobile traffic exceeded mobile to land traffic then
6 Alltel would be owed net compensation. The Petitioner proposed factor does not
7 recognize any land to mobile traffic even though simple logic indicates that it exists.
8 Clearly such logic and study is fatally flawed.

9 **Q: ARE THERE DIFFERENT METHODS THAT CAN BE USED TO ESTIMATE INTERMTA**
10 **TRAFFIC?**

11 A: Yes. Carriers have attempted to estimate interMTA traffic using different study methods
12 and then extrapolating those study methods to fit a specific situation. The study methods
13 vary in accuracy and in the expense required to perform the study. In my experience
14 interMTA factors are usually negotiated between parties without the use of a formal
15 study.

16 **Q: DOES THE PETITIONER PROPOSED INTERCONNECTION AGREEMENT PROVIDE THAT**
17 **ALLTEL BE PAID COMPENSATION FOR THE TERMINATION OF INTERMTA TRAFFIC**
18 **ORIGINATED BY PETITIONER THAT TERMINATES ON AND USES ALLTEL'S NETWORK?**

19 A: No, the Petitioner does not propose compensating Alltel for interMTA traffic Petitioner
20 sends to Alltel in the same manner or at the same rate. Petitioner is seeking unique
21 treatment for interMTA traffic Petitioner terminates but is unwilling to provide similar
22 treatment and compensation to Alltel. The Petitioner is utilizing Alltel's network in the
23 same manner that Alltel uses the Petitioner network to terminate traffic when customers
24 originate traffic to the other carrier's customers. Alltel is entitled to compensation for

1 services rendered on the same basis as Petitioner is entitled to compensation for services
2 rendered.

3 **Q: HAS ALLTEL PERFORMED A STUDY OF INTERMTA TRAFFIC EXCHANGED WITH**
4 **PETITIONER?**

5 A: Yes. Alltel developed a study of interMTA traffic exchange utilizing a methodology
6 based on the point of interconnection used for the exchange of traffic between the Parties.
7 This method is acknowledged by the FCC as a useful proxy.² The study is attached as
8 Exhibit RW3.

9 **Q: WHAT INTERMTA FACTOR SHOULD THE COMMISSION ADOPT FOR THE**
10 **INTERCONNECTION AGREEMENT BETWEEN PETITIONER AND ALLTEL?**

11 A: The Commission should adopt an interMTA factor that reflects the net amount of
12 interMTA traffic exchanged between the Parties. While negotiated interMTA terms and
13 factors are the best method for resolving interMTA compensation, in most cases, the POI
14 method best reflects costs imposed on the terminating carrier since it takes into account
15 the distances involved in transporting terminating traffic. Furthermore, the POI method
16 is most easily understood and applied to the specific conditions under which two parties
17 exchange traffic. As such, the Commission should utilize the POI results provided
18 herewith for Alltel originated traffic and net those results with similarly developed results
19 for Petitioner originated traffic terminating to Alltel.

20 **Q: DOES ALLTEL OBJECT TO THE COMMISSION ORDERING INTERMTA TRAFFIC TO BE**
21 **BILLED AT INTRASTATE ACCESS RATES?**

² The FCC proposed an alternative default method for interMTA call determination in the *First Report and Order*, ¶ 1044:

“... We conclude that parties may calculate overall compensation amounts by extrapolating from traffic studies and samples. For administrative convenience, the location of the initial cell site when a call begins shall be used as the determinant of the geographic location of the mobile customer. As an alternative, LECs and CMRS providers can use the point of interconnection between the two carriers at the beginning of the call to determine the location of the mobile caller or called party.”

1 A: Yes. The Petitioner intrastate access tariff rates and terms are not appropriate for this
2 application. Such rates were not developed for the manner in which Alltel traffic is
3 delivered to Petitioner. It is undisputed that the FCC has asserted authority over all
4 traffic to and from a CMRS carrier. Even though the FCC has inferred that interMTA
5 traffic could be subject to access charges the FCC does not require it. Further, the FCC
6 never defines CMRS interMTA traffic as ‘access’; the FCC only allows that it could be
7 ‘subject to access charges’. To the extent that access charges are applied to interMTA
8 traffic those access charges need to have been developed utilizing the methodologies
9 provided by FCC rules since that is the appropriate authority for CMRS traffic.
10 Therefore, to the extent access charges can be mandated for interMTA traffic to or from a
11 CMRS carrier, only interstate access charges can apply.

12 **Q: ARE THERE SPECIFIC LIMITATIONS WITH RESPECT TO THE APPLICABILITY OF**
13 **PETITIONER INTRASTATE ACCESS TARIFFS?**

14 A: Yes. The Petitioner intrastate access rate is a bundled rate developed for a different
15 traffic routing application and not adjustable for the transport and termination conditions
16 associated with any interMTA traffic that Alltel would be terminating to Petitioner. For
17 example, Petitioner intrastate access tariff and rate presume the delivery of traffic will
18 occur at the SDN tandem in Sioux Falls and be transported to Petitioner via SDN. This is
19 not the route that will be used for interMTA traffic exchanged between Alltel and the
20 Petitioner. Any interMTA traffic delivered by Alltel that will be subject to this
21 agreement will follow a much shorter route and will not involve SDN tandem switching.
22 Further, the Petitioner’s intrastate access tariff includes a rate element for ‘carrier

1 common line' ('CCL'). This element is a direct subsidy for LEC loop costs and such a
2 subsidy was ordered to be removed from traffic subject to federal jurisdiction in 2002.³

3 **Q: ARE YOU AWARE OF LEC-CMRS INTERCONNECTION AGREEMENTS THAT SET**
4 **COMPENSATION FOR INTERMTA TRAFFIC BASED ON LEC ACCESS CHARGES?**

5 A: Yes, but such agreements are based on business negotiations and compromises rather
6 than a requirement or on FCC regulations or the Telecommunications Act. The FCC has
7 failed to specify how compensation should be paid for interMTA traffic.

8 **Q: WHAT DOES ALLTEL PROPOSE FOR AN INTERMTA COMPENSATION RATE?**

9 A: Rather than battle over the development of new and different rates, Alltel would accept
10 that the applicable rate elements of the Petitioner's interstate access tariffs be applied to
11 all interMTA traffic (Alltel to Petitioner and Petitioner to Alltel). In addition, since
12 mobile-to-land traffic generally exceeds land-to-mobile traffic, Alltel is willing to agree
13 to a 'net' interMTA factor for this agreement, to be paid only by Alltel to Petitioner.

14
15 **Issue 3: What is the appropriate manner by which the minutes of use of**
16 **IntraMTA Traffic terminated by the Parties, one to the other, should be**
17 **calculated and billed?**
18

19 **Q: PLEASE, DESCRIBE THIS ISSUE.**

20 A: This issue addresses a method by Alltel can receive reciprocal compensation for
21 intraMTA traffic sent from Petitioner to Alltel. Alltel lacks a system that can adequately
22 capture traffic records and produce accurate intercarrier bills for reciprocal compensation.
23 In the majority of interconnection agreements that Alltel has entered into, Alltel bases its
24 bills to local exchange carriers on the local exchange carriers' bills to Alltel. This
25 includes more than 500 interconnection agreements nationwide. Petitioner proposed

³ FCC, Second Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 00-256, Fifteenth

1 billing method would cause Alltel to forfeit reciprocal compensation due Alltel by
2 limiting Alltel's ability to bill for significant portions of intraMTA traffic Petitioner
3 terminates to Alltel.

4 **Q: WHAT WORKABLE BILLING METHOD IS ALLTEL PROPOSING?**

5 A: The interconnection agreement would contain intraMTA (reciprocal compensation)
6 traffic ratios that stipulate what portion of total exchanged intraMTA traffic is Petitioner-
7 originated, and what portion is Alltel-originated. For example, an agreement could
8 contain provisions stipulating that 65 percent of total intraMTA traffic exchanged is
9 Alltel-originated, and 35 percent is Petitioner-originated.

10 **Q: SO, HOW WOULD THE BILLING WORK?**

11 A: There are really two common options on use of factors for billing. One option would be
12 'net billing' requiring only one bill to be generated and one payment made to the party
13 that terminates the most traffic in any billing period. The other option would require each
14 party to issue a bill to the other and each party to make payment to the other. Alltel has
15 proposed language in 7.2.3 that details the 'net billing' method. The alternative factor
16 billing method would mean that Alltel would use the stipulated traffic factor to calculate
17 its bill to the Petitioner based on the volume of traffic Petitioner has billed to Alltel. For
18 example, assume that the Petitioner bills Alltel for 65 minutes of use originated on
19 Alltel's network and terminated to Petitioner's customers. Assume that the agreed traffic
20 ratio is 65 percent Alltel-originated and 35 percent Petitioner-originated. Alltel will
21 apply the appropriate formula to the 65 minutes of use billed by the Petitioner and then

Report and Order in CC Docket No. 96-45, and Report and Order in CC Docket Nos. 98-77 and 98-166, FCC 01-304 (adopted October 11, 2001), 'MAG Order', para. 62-65.

1 bill the Petitioner for 35 minutes of use. This allows Alltel to bill the Petitioner, even
2 though Alltel cannot measure all of the Petitioner's traffic.

3 **Q: IS THE PETITIONER FAMILIAR WITH EITHER OF THESE FACTOR-BASED METHODS OF**
4 **BILLING?**

5 A: Yes they are. The net billing method has been used in prior agreements between Alltel
6 and the Petitioner. The Petitioner also has at least one existing agreement with another
7 carrier that utilizes a factor billing method.

8 **Q: WHAT IS THE PETITIONER'S POSITION ON THIS ISSUE?**

9 A: Petitioner states: "Telco proposes that each party measures the IntraMTA minutes of use
10 terminated by the other party to its network and that the party on whose network the
11 IntraMTA Traffic is terminated bill the other party based upon the rate established in
12 Section 5.1.2 and Appendix A."

13 **Q: DO YOU AGREE WITH PETITIONER THAT MEASUREMENT OF ACTUAL MINUTES OF USE**
14 **ON THE TERMINATING NETWORK IS THE APPROPRIATE METHOD FOR ALLTEL'S BILLING**
15 **TO PETITIONER?**

16 A: No, such measurement is not feasible. Most wireless carriers do not have systems that
17 bill for or identify all calls that terminate on their wireless networks. For this reason, it is
18 a common practice in the industry to utilize net billing scenarios. The interconnection
19 agreement should follow industry standard and allow for a "net billing" based on use of
20 factors. In Section 7.2.3 of its proposed interconnection agreement Alltel has proposed
21 language supporting the utilization of alternate billing approaches. These alternate
22 methods are necessary to support reciprocal compensation billing by Alltel should
23 reciprocal compensation rates rather than bill and keep be appropriate. Again, wireless
24 carriers do not have monthly detailed records that allow them to determine how much
25 compensable intraMTA traffic they receive from ILECs. Therefore, it is necessary to

1 develop or negotiate factors between the parties which are applied to the volume of total
2 mobile to land traffic to approximate the volume of land to mobile traffic.

3 **Q: HOW ARE THE TRAFFIC RATIOS DETERMINED?**

4 A: Although Alltel lacks the capability to measure indirectly routed traffic for intercarrier
5 billing purposes, Alltel does have the ability to conduct studies to determine traffic ratios.

6 **Q: HAS ALLTEL CONDUCTED A STUDY TO DEMONSTRATE WHAT FACTORS WOULD BE
7 APPROPRIATE TO BILLING INTRAMTA TRAFFIC, AND IF SO, WHAT WAS THE RESULT OF
8 THAT STUDY?**

9 A: Yes, a study was recently completed for traffic exchanged with each Petitioner. The
10 studies were conducted March 21, 2008 for traffic exchanged In January 2008. The
11 traffic results are identified in Exhibit RW4.

12 **Q: DESCRIBE HOW THE STUDY WAS CONDUCTED.**

13 A: For traffic exchanged during the study period, Alltel utilized test reports to combine
14 traffic from four of its switches to determine the total amount of traffic exchanged with
15 each Petitioner – both wireless-originated and landline-originated. The study was based
16 upon Petitioner's OCN (Operating Company Number) and Alltel's switches in Rapid
17 City, Sioux Falls, Fargo, and Owatonna, Minnesota. The study identified Alltel's switch
18 and the Petitioner wire center involved in each call. Originating and terminating traffic
19 volumes were compared to produce the traffic exchange factors.

20 **Q: DOES ALLTEL PROPOSE THAT THE ABOVE TRAFFIC RATIOS BE USED AS THE
21 RECIPROCAL COMPENSATION FACTORS IN THE INTERCONNECTION AGREEMENT WITH
22 PETITIONER?**

23 A: Yes. Alltel believes the studies to be representative of the traffic exchanged between the
24 parties. Petitioner has not produced any study of their own to indicate otherwise.

25 **Q: WILL ALLTEL'S PROPOSAL PREVENT PETITIONER FROM USING THEIR OWN OR TANDEM
26 PROVIDERS' RECORDS TO BILL ALLTEL FOR INTERCARRIER COMPENSATION?**

1 A: No. Petitioner may use their own or a tandem providers' records to bill Alltel. Alltel's
2 proposal would merely maintain a billing methodology that Petitioner has used in the past
3 and, based on my understanding, continues to use today. The factor based billing
4 proposed by Alltel would only apply to Alltel compensation for Petitioner traffic, and
5 would allow Alltel to base its bill to Petitioner upon the Petitioner's bill to the wireless
6 carrier – as described above.

7 **Q: CAN YOU SUMMARIZE ALLTEL'S POSITION ON THIS ISSUE?**

8 A: Yes. Without the ability to use a factor based billing method, Alltel will be effectively
9 barred from billing for intraMTA traffic it terminates and for which it is due reciprocal
10 compensation.

11 **Q: WHAT IS ALLTEL'S SUGGESTED RESOLUTION OF ISSUE 3?**

12 A: Alltel should be allowed to base its intraMTA reciprocal compensation bills to the
13 Petitioner using the traffic ratios described above. Including Alltel's proposed language
14 in Section 5.1, 7.2.1, 7.2.3, and Appendix A 3.0 will facilitate factor billing.

15
16 **Issue 4: What is the obligation of the Parties with respect to dialing parity?**
17

18 **Q: IS THERE REALLY A DIFFERENCE IN THE PARTY'S POSITION ON THIS ISSUE?**

19 A: Based on the Petition it is unclear to Alltel whether there is still a material difference
20 between the Parties on this matter. Petitioner seems to concur in its dialing parity
21 obligations based on the narrative in the Petition. However, the language used in the
22 draft agreement attached as Petitioner Exhibit A is inconsistent with Alltel's proposed
23 language. Hopefully, the Parties can resolve this issue with further discussion. But, I am
24 including the following testimony in the event the issue remains unresolved.

25 **Q: WHAT IS DIALING PARITY AND WHY IS IT IMPORTANT?**

1 A: Section 251(b)(3) of the Act and 47 C.F.R. § 51.207 of the FCC’s rules require local
2 exchange carriers to permit their local exchange customers to dial the same number of
3 digits to complete local telephone calls irrespective of the called party’s
4 telecommunications services provider. This requirement is commonly referred to as
5 dialing parity. Absent dialing parity, a LEC customer would be forced to dial additional
6 digits that would require payment of long distance charges in order to reach customers of
7 other telecommunications carriers for what otherwise would be a local call.

8 **Q: SHOULD THE INTERCONNECTION AGREEMENT WITH THE PETITIONER INCLUDE**
9 **LANGUAGE OUTLINING THE PARTIES DIALING PARITY OBLIGATIONS?**

10 A: Yes. It is my understanding that the parties may have disputes with respect to these
11 requirements and therefore it is essential that the agreement reflect the legal obligations
12 of the parties in order to resolve these disputes. Alltel has proposed language in Sections
13 4.3 and 4.4, requiring the Petitioner to provide Alltel local dialing parity. Further,
14 Alltel’s has proposed Appendix B to specify dialing parity obligations.

15 **Q: WHY MUST PETITIONER PROVIDE DIALING PARITY AND CHARGE ITS END USERS THE**
16 **SAME RATES FOR CALLS TO AN ALLTEL NPA/NXX AS CALLS TO A LANDLINE NPA/NXX IN**
17 **THE SAME RATE CENTER?**

18 A: The FCC rules expressly require dialing parity regardless of the called party’s provider
19 and other state commissions and basic principles of fairness and non-discrimination
20 requires the Petitioner to charge the same end user rates. It would be anti-competitive to
21 deny dialing parity. While I am not an attorney, it is apparent that under existing law the
22 Petitioner is clearly required to provide dialing parity to Alltel. 47 C.F.R. § 51.207
23 provides that a “LEC shall permit telephone exchange service customers within a local
24 calling area to dial the same number of digits to make a local telephone call
25 notwithstanding the identity of the customer’s or the called party’s telecommunications

1 service provider.” This code section on its face precludes dialing distinctions based on
2 the identity of the telecommunications service provider. Further, the FCC has
3 specifically rejected LEC claims that they do not have to provide dialing parity to CMRS
4 Providers.

5 Application of the dialing parity rule in this case means that when Petitioner enables its
6 end-users to dial NPA-NXXs associated with their own or a distant LEC’s rate center on
7 a seven or ten digit basis, then the Petitioner must also program its switches to permit its
8 end-users to likewise dial the same number of digits to call an Alltel NPA-NXX
9 associated with the same rate center. For example, traffic exchanged on a Petitioner EAS
10 route between two wireline end users in two different rate centers should be dialed and
11 rated no differently if the end user in the terminating rate center has a wireline or wireless
12 telephone number. Section 4.3 and 4.4 of the Alltel proposed interconnection agreement
13 contains the language establishing the dialing parity requirements.

14

15 **Issue 5: What is the appropriate effective date and term of the Agreement?**

16

17 **Q: IS THIS STILL AN OPEN ISSUE?**

18 A: No, I don’t believe so. In Alltel’s response to the Petitioner, Alltel stated its agreement
19 with the Petitioner that the effective date the Agreement should be January 1, 2007 and
20 the initial term would be a period of three years. As such, when a final conformed
21 agreement is approved by the Commission, the Parties will be obligated to reconcile and
22 ‘true-up’ compensation due based on the final agreement terms as compared to any
23 billing and payment transactions associated with services provided since January 1, 2007.

24

25 **Issue 6: What is the appropriate definition of IntraMTA and InterMTA traffic?**

26

1 **Q: WHAT IS AT THE CORE OF ISSUE 6?**

2 A: The Petitioner's desire is to incorporate language in the interconnection agreement that
3 defines traffic in a manner inconsistent with the Parties' ability to measure traffic and
4 inconsistent with how traffic classification is applied in the interconnection agreement.
5 Alltel has proposed language that is consistent with FCC rules, that has addressed the
6 scope of IntraMTA reciprocal compensation traffic, and may serve to avoid unnecessary
7 disputes during the term of the agreement.

8 **Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

9 A. The Commission should utilize Alltel's language to insure the definitions used in the
10 agreement are consistent with the traffic classification methods applied in the agreement.

11

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

13

14 **Q: CAN YOU EXPLAIN THIS ISSUE?**

15 A: This issue has to do with different rights and obligations under the Act that are associated
16 with incumbent local exchange carriers and wireless carriers. An incumbent LEC has an
17 affirmative obligation to provide a direct interconnection at the request of a competitive
18 carrier⁴. This obligation is not symmetrical. Alltel's proposed language merely reflects
19 this situation and avoids potential downstream disputes if the Parties could not otherwise
20 agree on the implementation of direct interconnection.

21

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

23

24 **Q: CAN YOU EXPLAIN THIS ISSUE?**

25 A: Yes. In reviewing the Petition attachments and Alltel's position response it became clear
26 the Parties had not reached agreement on content of Appendix B of the interconnection

1 agreement. A portion of Appendix B is intended to specify where the Parties may
2 establish a direct interconnection POI.

3 **Q: WHY IS THIS IMPORTANT?**

4 A: The identification of points of interconnection (POIs) determine the division of
5 operational and financial responsibility between the Parties.

6 **Q: WHAT IS ALLTEL'S PROPOSAL FOR THE LANGUAGE IN APPENDIX B FOR DIRECT**
7 **INTERCONNECT POI LOCATIONS?**

8 A: Alltel proposes the following direct interconnection POI locations for Alltel originated
9 traffic:

- 10 • Any Petitioner meet point with SDN
- 11 • Any Petitioner meet point with Qwest tandem switch
- 12 • Any Petitioner End Office
- 13 • Any mutually agreed upon location

14
15 Alltel proposes the following direct interconnection POI locations for Petitioner
16 originated traffic:

- 17 • Alltel meet point with SDN tandem switch
- 18 • Alltel meet point with Qwest tandem switch
- 19 • Alltel MSC
- 20 • Any mutually agreed upon location.

21
22 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A: Yes, it does. Thank you.

⁴ See Telecommunications Act of 1996, Section 251(c)(2)