MISSOURI SMALL TELEPHONE COMPANIES
TALKING POINTS WITH FCC

1. T-MOBILE'S PETITION FOR DECLARATORY RULING REGARDING LAWFULNESS OF INCUMBENT LECS' WIRELESS TERMINATION TARIFFS (CC DOCKET 01-92).

- Telecommunications Act of 1996 envisioned wireless carriers would initiate negotiations with ILECs to obtain local interconnection and/or reciprocal compensation arrangements.

- While wireless carriers pursued negotiations with RBOCs, they did not do so with small, rural ILECs who "subtend" RBOC tandems. Rather, they simply used their connection with RBOCs to send traffic to small ILECs. Thus, wireless carriers obtained "free" termination of their traffic to small/rural ILECs because of these indirect connections.

- MoPSC specifically directed wireless carriers not to send traffic to Missouri Small ILECs without first obtaining an agreement to do so.

- When wireless carriers failed to abide by MoPSC's directive, Missouri Small ILECS filed wireless termination tariffs, which MoPSC approved. These tariffs only apply where wireless carriers do not have Interconnection Agreements or reciprocal compensation arrangements with Missouri Small ILECs.

- Missouri Court of Appeals affirmed MoPSC's decision to approve wireless tariffs and rejected wireless carriers' claim that these tariffs are inconsistent with, or are preempted by, Telecommunications Act of 1996. Missouri Court of Appeals held:

  > **"The [wireless] tariffs reasonably fill a void in the law where the wireless companies routinely circumvent payment to the rural carriers by calculated inaction. The tariffs provide a reasonable and lawful means to secure compensation for the rural carriers in the absence of negotiated agreements."**

- All major wireless carriers (except T-Mobile) are paying Missouri Small ILECs for terminating wireless traffic in accordance with their Wireless Tariffs or approved Interconnection Agreements.

- Many RBOCs (e.g., SBC, Qwest) have had (and continue to have) wireless interconnection tariffs which prescribe rates, terms and conditions for terminating wireless traffic in the absence of interconnection/reciprocal compensation agreements.

- Wireless Tariffs have not prohibited wireless carriers from negotiating Interconnection Agreements or reciprocal compensation agreements with Missouri Small ILECs with lower than tariffed rates. MoPSC has approved Interconnection or Traffic Termination Agreements between Missouri Small ILECs and Verizon Wireless, Sprint PCS, ALLTEL Wireless, Dobson Cellular and Mid-Missouri Cellular Company.

  FCC should reaffirm the Mountain decisions that intraMTA landline to wireless traffic outside the ILEC local calling area is toll and subject to presubscription requirements. If such traffic is carried by an IXC, the call is subject to access charges not reciprocal compensation.

2. INTERMTA WIRELESS TRAFFIC

- No one disputes the wireless traffic that crosses an MTA boundary (i.e., interMTA traffic) is "long distance" and subject to access charges.

- InterMTA traffic that is also interLATA traffic is frequently, though not always, terminated through wireless carrier contracts with IXCs. InterMTA traffic that is also intraLATA traffic is frequently, though not always, terminated through wireless carrier connections with SBC tandem switches.

- Because of the way MTA boundaries cross-sect with LATA boundaries in Missouri, there would appear to be a substantial amount of interMTA traffic [see MTA map].

- The summary reports Missouri Small ILECs receive from SBC don't distinguish between inter- and intraMTA traffic, and wireless carriers say they can't (or won't) identify interMTA traffic.

- As a result, Missouri Small ILECs do not receive appropriate access compensation for interMTA traffic terminated through SBC, even though all parties agree they should.

3. SPRINT'S PETITION FOR DECLARATORY RULING REGARDING THE ROUTING AND RATING OF TRAFFIC BY ILECS (CC DOCKET 01-92)("VIRTUAL NXX").

- Wireless carriers seek to establish a local presence in a Missouri Small ILEC's exchange so landline customers can call wireless customers on a local (i.e., seven digit dialed) basis.

- Wireless carriers obtain an NPA NXX "rate centered" in the Missouri Small ILEC's exchange.

- Wireless carrier's facilities, however, are not located in Missouri Small ILEC's exchange (or serving area) but in RBOC's territory, which may be hundreds of miles away (see MTIA map and Diagram).

- Not simply a matter of "loading" local NXX codes into Missouri Small ILEC end offices – must still provide for transport of call from Missouri Small ILEC's end office to wireless carrier's POP, at the RBOC tandem.

- Missouri Small ILECs have neither facilities nor certificate/tariff authority to transport traffic beyond their local exchange boundaries – all such calls (i.e., interexchange traffic) are carried by IXCs (to whom the end-user is presubscribed).

4. WIRELINE-WIRELESS LOCAL NUMBER PORTABILITY IMPLEMENTATION, CC DOCKET 95-116

- Similar issue to Virtual NXX issue.

- Customer wants to port his/her wireline telephone number to wireless carrier.

- Wireline telephone number is rate-centered in Missouri Small ILEC's end office, but wireless carrier's facilities are located in RBOC's territory, which may be hundreds of miles away.

- Not simply a matter of "porting" number (i.e., changing software in switch) - must also provide for transport of associated call from Missouri Small ILEC's end-office to wireless carrier's POP (see MTIA map and diagram).

- Missouri Small ILECs have neither facilities nor the certificate/tariff authority to transport traffic beyond their local exchange boundaries.

- In reality, this is "location portability" as it requires the porting of numbers from one location to another (and from one rate center to another) which is <u>not</u> required by Telecommunications Act of 1996 or the FCC.

- In essence, FCC is preempting/interfering with states' authority to define local calling areas.

- Sprint says direct connection to small rural ILECs cannot be cost-justified, given small amount of traffic. Yet, Sprint expects small ILECs to bear those "unjustified" costs to port numbers and calls to Sprint's facilities hundreds of miles away.

- Porting intervals at small telcos will take longer. Small telcos don't have electronic interfaces; they will have to employ service bureaus to interface with LNP systems; they will not have daily familiarity with the process; and business hours are shorter in small communities.