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April 12, 2007

Honorable Sara Kyle, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: In the Matter of: Tennessee Rural Independent Coalition Petition for
Suspension and Modification Pursuant to 47 U.S.C. Section 251(f)(2)
TRA Docket No. 06-00228**

Dear Chairman Kyle:

Pursuant to the Procedural Schedule in the above-captioned matter, enclosed please find the following:

1. An original and thirteen (13) copies of the *Response of Verizon Wireless With Respect To The Interim Rate Established By The Presiding Panel In TRA Consolidated Docket No. 03-00585* and the *Interim Rate Accounting For Sprint PCS*; and
2. Fourteen (14) copies of the *Interim Rate Accounting For T-Mobile USA, Inc.* and the *Interim Rate Accounting for Cingular Wireless*. An original of each of these two (2) documents will be filed at a later time.

An additional copy of each filing is enclosed to be "File Stamped" for our records.

If you have any questions or require additional information, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Melvin J. Malone', with a long, sweeping flourish extending to the right.

Melvin J. Malone

cc: Parties of Record

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In the Matter of:

**Tennessee Rural Independent
Coalition Petition for Suspension
and Modification Pursuant to 47
U.S.C. Section 251(f)(2)**

Docket No. 06-00228

**RESPONSE OF VERIZON WIRELESS WITH RESPECT TO
THE INTERIM RATE ESTABLISHED BY THE PRESIDING PANEL
IN TRA CONSOLIDATED DOCKET NO. 03-00585**

Pursuant to the *Order Establishing Procedural Schedule and Other Preliminary Matters*¹ in this matter, Verizon Wireless respectfully submits this response. This response is submitted for the purpose of the Tennessee Regulatory Authority's ("Authority" or "TRA") inquiry into the parties' practices with respect to the interim rate established by the presiding panel in TRA Consolidated Docket No. 03-00585.²

I.

INTRODUCTION AND BACKGROUND

Subsequent to the hearing on the merits in the related arbitration, TRA Consolidated Docket No. 03-00585, the presiding panel established an interim reciprocal compensation rate,

¹ *In Re: Petition of the Tennessee Rural Independent Coalition for Suspension and Modification Pursuant to 47 U.S.C. § 251(f)(2)*, TRA Docket No. 06-00228 (March 19, 2007).

² See Order of Arbitration Award, *In Re: Celco Partnership d/b/a/ Verizon Wireless for Arbitration Under the Telecommunications Act of 1996*, TRA Consolidated Docket No. 03-00585, pp. 40-41 (Jan. 12, 2006).

subject to true-up, to be employed by the parties until such time as a permanent cost-based rate is established.³ Since the presiding panel's pronouncement of an interim rate in TRA Consolidated Docket No. 03-00585 during deliberations on January 12, 2005, there have been several discourses on the record before either the arbitration panel or the Hearing Officer on whether the parties have implemented the interim rate.⁴ "To confirm the parties' interim practices[.]" the Hearing Officer has posed the following questions to the parties in TRA Docket No. 06-00228:

1. Are the members of the Rural Coalition recording revenue paid or due from the CMRS Providers? If so, at what rate and the annual amount recorded.
2. Are the members of the Rural Coalition paying or accruing a liability for what is owed to the CMRS Providers, and, if so, at what rate?
1. Are the CMRS Providers recording revenue paid or due from the members of the Rural Coalition, and, if so, at what rate?
2. Are the CMRS Providers paying or accruing a liability for what is owed to the members of the Rural Coalition, and, if so, at what rate?⁵

This response is submitted for the purpose requested - to inform the Hearing Officer with respect to the parties' interim practices as related to the interim rate established in the *Order of Arbitration Award*.

³ *Id.* See also *Order Establishing Procedural Schedule and Other Preliminary Matters*, p. 7 ("That interim rate and all decisions of the Arbitrators set forth in the Arbitration Order remain in full force and effect[.]").

⁴ See, e.g., Transcript of Proceedings, Status Conference, *In Re: Petition of the Tennessee Rural Independent Coalition for Suspension and Modification Pursuant to 47 U.S.C. § 251(f)(2)*, TRA Docket No. 06-00228 (Feb. 26, 2007).

⁵ *Order Establishing Procedural Schedule and Other Preliminary Matters*, p. 7. See also Transcript of Proceedings, Status Conference, *In Re: Petition of the Tennessee Rural Independent Coalition for Suspension and Modification Pursuant to 47 U.S.C. § 251(f)(2)*, TRA Docket No. 06-00228, pp. 33-34.

II.

RESPONSE TO THE QUESTIONS POSED BY THE HEARING OFFICER

1. Are the CMRS Providers recording revenue paid or due from the members of the Rural Coalition that has not been paid, and, if so, at what rate?

Verizon Wireless records revenue from those members of the Rural Coalition with whom it has interconnection agreements or interim agreements at the negotiated rates in such agreements.⁶ All of Verizon Wireless' interim agreements contain rates above the interim rate established in TRA Consolidated Docket No. 03-00585. Generally, Verizon Wireless has not been successful in attempts to implement the interim rate established in TRA Consolidated Docket No. 03-00585. In fact, some of the Rural Coalition members have argued that the applicable interim rate is the \$0.015 rate that was paid by BellSouth Telecommunications, Inc. on transited CMRS traffic through September 30, 2004, rather than the interim reciprocal compensation rate established by the presiding panel in the *Order of Arbitration Award*.

Verizon Wireless has interconnection agreements, alluded to above, with the following members of the Rural Coalition: Concord Telephone Exchange, Humphreys County Telephone Company, Tellico Telephone Company, and Tennessee Telephone Company. Verizon Wireless has interim agreements, alluded to above, with the following members of the Rural Coalition:

⁶ At present, Verizon Wireless is persuaded that it may be prejudicial to disclose such negotiated rates, absent a detailed explanation accompanying the same (i.e. the various factors, including timing and business concerns, underlying and related to the negotiated rates). Further, the disclosure of the negotiated rates would appear to go beyond what is necessary for the Authority to evaluate the parties' practices with respect to the established interim rate. Notwithstanding the foregoing, the responses of the Rural Coalition members contain said negotiated rates. See *Notice of Filing*, TRA Docket No. 06-00228 (Mar. 28, 2007) (Response of Coalition Members to TRA's Request for Reciprocal Compensation Billing and Financial Recording of Associated Revenue and Expense).

Highland Telephone Cooperative, Inc., North Central Telephone Cooperative, Inc., Twin Lakes Telephone Cooperative Corporations and United Telephone Company.⁷

Verizon Wireless does not have interconnection agreements or interim agreements with the following members of the Rural Coalition: Ardmore Telephone Company, Inc., Ben Lomand Rural Telephone Cooperative, Inc., Bledsoe Telephone Cooperative, Century Telephone of Adamsville, Inc., Century Telephone of Claiborne, Inc., Century Telephone of Ooltewah, Inc., DTC Communications (DeKalb Telephone Cooperative, Inc.), Loretto Telephone Company, Inc., Millington Telephone Company, Crockett Telephone Company, Inc., Peoples Telephone Company, Inc., West Tennessee Telephone Company, Inc., and Yorkville Telephone Cooperative, Inc. (now West Kentucky Rural Telephone Cooperative Corporation, Inc.). Consistent with conservative accounting principles, Verizon Wireless does not accrue revenue that is **due** from those members of the Rural Coalition with whom it does not have interconnection agreements or interim agreements. Still, future payment is expected.

2. Are the CMRS Providers paying or accruing a liability for what is owed to the members of the Rural Coalition, and, if so, at what rate?

Verizon Wireless is paying those members of the Rural Coalition with whom it has interconnection agreements or interim agreements (see response to no. 1 above) at the negotiated rates contained in those agreements. All of Verizon Wireless' interim agreements contain rates above the interim rate established in TRA Consolidated Docket No. 03-00585. Generally,

⁷ In entering into such interim agreements, Verizon Wireless did not, directly or indirectly, deviate from its position that a permanent reciprocal compensation rate in Tennessee must be a cost-based, TELRIC compliant rate. Verizon Wireless entered into such agreements as a temporary, interim business decision. The negotiated rates do not, and were not intended to, represent Verizon Wireless' view of what a cost-based, TELRIC compliant rate in Tennessee should be.

Verizon Wireless has not been successful in attempts to implement the interim rate established in TRA Consolidated Docket No. 03-00585.

Verizon Wireless **is accruing** a liability for its traffic that terminates (i.e., mobile to land) to those members of the Rural Coalition with whom it does **not** have interconnection agreements or interim agreements at a rate consistent with conservative accounting principles.⁸ Verizon Wireless identifies the monthly minutes of use to such Rural Coalition members from detail provided by BellSouth Telecommunications, Inc. as part of its billings of transit charges by terminating Rural Coalition member end office.⁹

III.

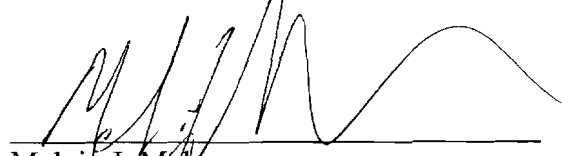
CONCLUSION

For the record, this response is submitted for the purpose of the Tennessee Regulatory Authority's ("Authority" or "TRA") inquiry into the parties' practices with respect to the interim rate established by the presiding panel in TRA Consolidated Docket No. 03-00585.

⁸ At present, Verizon Wireless is persuaded that it may be prejudicial to disclose such rate. Further, such disclosure would appear to go beyond what is necessary for the Authority to evaluate the parties' practices with respect to the established interim rate.

⁹ In its March 28, 2007, filing, DTC reports that it is billing Verizon Wireless at the rate set forth therein. While DTC could be accurate, at present we are unable to confirm that Verizon Wireless is receiving the same.

Respectfully submitted this 12th day of April, 2007.

A handwritten signature in black ink, appearing to read 'Melvin J. Malone', is written over a horizontal line.

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**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In the Matter of:

**Tennessee Rural Independent
Coalition Petition for Suspension
and Modification Pursuant to 47
U.S.C. Section 251(f)(2)**

Docket No. 06-00228

INTERIM RATE ACCOUNTING FOR SPRINT PCS

Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint PCS") respectfully responds to the Authority's request for an interim rate accounting per the procedural schedule adopted in this proceeding dated February 26, 2007 as follows:

1. Sprint PCS has an interconnection agreement with the CenturyTel RLECS (which include CenturyTel of Claiborne, Inc., CenturyTel of Adamsville, Inc., CenturyTel of Ooltewah-Collegedale, Inc.) that has expired but remains in effect month to month until the present arbitration is complete. Sprint PCS has an interconnection agreement with Twin Lakes Telephone Cooperative Corporation. Each party is billing and paying according to the rates and terms of these agreements.

2. Sprint PCS has received no billing from Ardmore Telephone Company, Inc., Bledsoe Telephone Cooperative, Highland Telephone Cooperative, Inc., Loretto Telephone Company, Inc., Millington Telephone Company, United Telephone Company, or West Kentucky Telephone. Sprint PCS does not have any type of interconnection agreement with any of these companies, has not attempted to invoice these companies, and reserves its rights with respect to


any compensation owed by these companies to Sprint PCS based upon an application of the parties' negotiated traffic factor at the time of any true-up if these companies subsequently attempt to bill Sprint PCS.

3. The TDS RLECs (which include Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tellico Telephone Company, and Tennessee Telephone Company) are billing Sprint PCS monthly at the interim rate (\$.00080410) plus additional charges for mileage-sensitive transport (\$.0000064) and "transport termination" (\$.0003871). Sprint PCS is paying bills received from the TDS RLECs, including amounts above the interim rate. Despite Sprint PCS's request to utilize net billing (i.e., TDS reduce its bill to Sprint PCS by application of the parties' negotiated 70/30 traffic factor), the TDS companies have refused to render a "net bill". Sprint PCS has reserved its rights with respect to compensation owed by the TDS RLECs to Sprint PCS based upon an application of the parties' negotiated traffic factor at the time of any true-up.


4. Several RLECs are billing Sprint PCS on a monthly basis far above the interim rate approved by the Authority. Crockett Telephone Company, Inc., DeKalb Telephone Cooperative, Inc., North Central Telephone Cooperative, Inc., Peoples Telephone Company, and West Tennessee Telephone Company, Inc. are all billing Sprint PCS monthly at the rate of \$.015. These rates are not based on the interim rates approved by the Authority and, therefore, Sprint PCS has not paid any such invoices. Sprint PCS does not have any type of interconnection agreement with any of these companies, has not attempted to invoice these companies based on their improper rates (or any other rate), and reserves its rights with respect to any compensation owed by these companies to Sprint PCS based upon an application of the parties' negotiated traffic factor at the time of any true-up.

5. Sprint PCS received one bill from Ben Lomand Rural Telephone Cooperative, Inc. in December, 2006 at the rate of \$.02, which Ben Lomand reports as paid. Sprint PCS does not have any type of interconnection agreement with Ben Lomand, has not attempted to invoice Ben Lomand, and reserves its rights with respect to any compensation owed by Ben Lomand to Sprint PCS based upon an application of the parties' negotiated traffic factor at the time of any true-up.

Respectfully submitted this 12th day of April, 2007.



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