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APR 22 PM 4:31

COMMISSION  
CLERK

April 22, 2005

Ms. Blanca Bayo'  
Director  
Division of Administrative Services and Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Docket No. 041144-TP

Dear Ms. Bayo':

Enclosed for filing are revised redacted and unredacted versions of confidential Exhibit WLW-2. This exhibit was previously filed with the Commission Clerk on April 14, 2005 pursuant to a Request for Confidential Classification. Sprint has determined that not all of the information previously redacted and highlighted as confidential requires confidentiality. In addition to the revised redacted and unredacted versions, Sprint is filing a Revised Attachment A to the Request for Confidential Classification.

Please acknowledge receipt of this filing by stamping and initialing a copy of this letter and returning the same to the courier. If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

CMP     
COM    *Susan S. Masterton*  
CTR    Susan S. Masterton

ECR     
GCL    Attachments

OPC    Cc: Beth Keating, Esq.  
MMS    Parties of Record

RCA   

SCR   

SEC   

OTH    *leave records*

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FPSC-BUREAU OF RECORDS

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FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE  
DOCKET NO. 041144-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic and U.S. mail this 22<sup>nd</sup> day of April, 2005 to the following:

Division of Legal Services  
Lee Fordham/ Mary Keating  
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\_\_\_\_\_  
Susan S. Masterton

**ATTACHMENT A**  
**(Revised 4/22/05)**

Document and page and line numbers	Justification for Confidential Treatment
Exhibit WLW-2, page 4, lines 4-9 and Table 1, lines 3-8, columns A-I , and line 9, columns B-I	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, Page 5, highlighted information on lines 3 & 4 and highlighted portion of Chart 1.	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S
Exhibit WLW-2, page 6, highlighted information on lines 6 & 7	This information is Agilent proprietary trade secret information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.
Exhibit WLW-2, page 6, Table 2, lines 1-8, columns A-D	This information is Agilent proprietary trade secret information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.), and KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S
Exhibit WLW-2, page 6, Table 3, lines 3 & 4, column B, and highlighted information in columns D and F	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S
Exhibit WLW-2, page 7,	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S

Table 4, lines 2-7, columns A, C and D	
Exhibit WLW-2, page 8, highlighted information on lines 8-11 and in footnote 1	This information is IXC customer account information that Sprint is required by law to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 9, Table 6, line 1, columns B-E, lines 3-8, column A	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 10, highlighted information on lines 2 and 10, and in Figure 2, highlighted information on lines 2 and 4, line 6, 7, 9, 10 and 12	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 11, highlighted information on line 1 and in Figure 3, highlighted information on lines 2, 3, 4, 6, 7, 9, 10 and 12	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 12, highlighted information on lines 4 and 5 and in Table 7, highlighted information on lines 3-5, columns A, B,	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.

C, D, E, F, G,	
Exhibit WLW-2, page 13, highlighted information on lines 8, 9, and 11, Table 8, lines 2-7, columns A-C, and Table 9, lines 3-8, columns A-F and line 9, columns B-F	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 14, lines 2-25	This information is Agilent proprietary trade secret information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.



Agilent Technologies

Docket No. 041144-TP  
Exhibit No. \_\_\_\_\_ (WLW-2)  
Access Bypass study results (Page 1  
of 14)

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# Study Results

for:

## *KMC Access Bypass Study*

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Revision: 46

Date: 2/28/2005 10:42 AM

Status: Final

Engagement ID: CMSCD56466

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Sprint Local Telecommunications Division (Sprint LTD) requested Agilent Technologies, Inc. (Agilent) perform a single Access Bypass study using the Agilent acceSS7 Business Intelligence system (BI). Access Bypass can be defined as the manipulation of standard call routing or call information to take advantage of tariff based rate differences. Sprint LTD requested Agilent look specifically at traffic terminating in Florida from KMC Telecom, Inc. (ACNA: KMM) across reciprocal compensation trunk groups. Based on Sprint LTD's analysis of these study results, Sprint LTD will evaluate entering into a subsequent revenue sharing agreement with Agilent.

The goal of the analysis was to identify specific patterns that demonstrate the characteristics of access bypass. The following patterns were identified:

- 1) Inserted or altered Charge Party Number information that changes call jurisdiction
- 2) Access Calls terminating via the reciprocal compensation trunk group

In scenario 1, the same three charge party numbers were used to override an inter/intra state jurisdiction with a local jurisdiction. In many cases these calls were not stripped of the original Calling Party Number (CPN). This is likely due to the tariff Sprint LTD implemented which charges the highest rate for carriers delivering no CPN traffic above an average of their peers. Using correlated calls to gain better insight, it was determined that the charge party number was being altered or inserted.

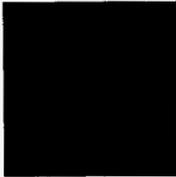
Call correlation was also used to detect scenario 2. Calls were handed from Sprint LTD to an Interexchange Carrier (IXC) and then returned to the Sprint LTD network via the reciprocal compensation trunk groups.

There is strong evidence that calls are being purposefully manipulated to appear as valid reciprocal compensation traffic. This is a very basic, but effective way to change the jurisdiction of calls.

Agilent consultants looked for other types of arbitrage, however, the only substantial arbitrage are the two scenarios described above. This document details the data collected, the extent of the arbitrage, and assesses the impact based on blended access rates provided by Sprint LTD.

**STUDY OVERVIEW**

Agilent Technologies, Inc. (Agilent) analyzed the traffic terminating to Sprint LTD from KMC Telecom (KMC) during a one-week study period across the following local trunk groups in Florida:



The study period began September 15, 2003 at 12:05 AM and ended September 21, 2003 at 12:04.99 AM. Call detail records were collected from Sprint LTD's Business Intelligence (BI) system and then analyzed by Agilent consultants. The total non-transit terminating minutes of use (MOU) included in the study are displayed in the table below for each day of the study period.

	A	B	C	D	E	F	G	H	I
Sum of MOU	Date								
TGSN	09/15/03	09/16/03	09/17/03	09/18/03	09/19/03	09/20/03	09/21/03	Grand Total	
Grand Total									

Table 1. MOU per Study Day for the Trunk Groups Under Test



# Agilent Technologies

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The graph below shows that although the trunk groups had varying amounts of MOU, each had similar characteristics:

- **Busy day of the week for traffic volume was** [REDACTED]
- **Lowest day of the week was** [REDACTED]



Chart 1. Graph of MOU per Study Day for the Trunk Groups Under Test

**TRAFFIC OVERVIEW**

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The goal of the study is to determine if the traffic crossing these trunk groups is valid local traffic. In order to validate the traffic, we studied the characteristics of the originating calling party information for each trunk group under test.

For local trunk groups, we expect the traffic to originate from a single state, however, two or three states could occur.

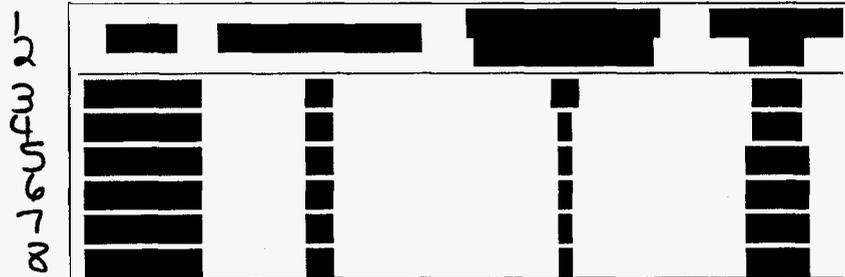


Table 2. Graph of MOU per Study Day for the Trunk Groups Under Test

Two sample calls from states outside of Florida are shown in the table below.

	A	B	C	D	E	F	G	H	I
	Time of Call	TGSN	Calling State	Calling Party Number	Charge Party Number	Called Party Number	Ported? LNP?		Duration (MOU)
	9/16/03 2:31 AM		VA	276-952-	239-689-2995	239-481-	N	N	67.93
	9/15/03 11:09 PM		SC	803-625-	239-689-2995	239-267-	N	N	13.73

Table 3. Call Detail for Traffic Originating Outside of Florida



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In addition to general characteristics, we studied the calling and charge party numbers associated with the calls.

Below is a table showing the MOU and the percentage of the total MOU associated with the top charge party number for each trunk group.

	A	B	C	D
1	TGSN	Charge Party #	MOU	% of Total MOU
805432	[REDACTED]	850-201-0579	[REDACTED]	[REDACTED]
	[REDACTED]	850-201-0579	[REDACTED]	[REDACTED]
	[REDACTED]	239-689-2995	[REDACTED]	[REDACTED]
	[REDACTED]	239-689-2995	[REDACTED]	[REDACTED]
	[REDACTED]	850-201-0579	[REDACTED]	[REDACTED]
	[REDACTED]	239-689-2995	[REDACTED]	[REDACTED]

Table 4. MOU Associated with Repeating Charge Party Numbers

With respect to the calling party information, there is no glaring repetition and CPN is being delivered around 90% of the time. The oddity is that on the calls associated with the charge party numbers above, the calling party number is most often a different NPA-NXX. A few examples are shown in the table below.

ChPN NPANXX	CgPN NPANXX	# Calls in One Day
239-689	561-515	144
239-689	813-891	142
239-689	830-608	824
239-689	941-684	167
239-689	954-623	447
850-201	727-217	104
850-201	813-273	219
850-201	850-584	245
850-201	904-355	106
850-201	954-623	218

Table 5. Example of Different NPANXXs for Chage and Calling Party Numbers

**CORRELATED CALL OVERVIEW**

rmt

In order to better understand the discrepancy between calling and charge numbers terminating across the KMC local trunk groups, we used the call correlation feature (see Appendix A for description of feature) to examine calls that originated from and terminated to Sprint LTD customers.

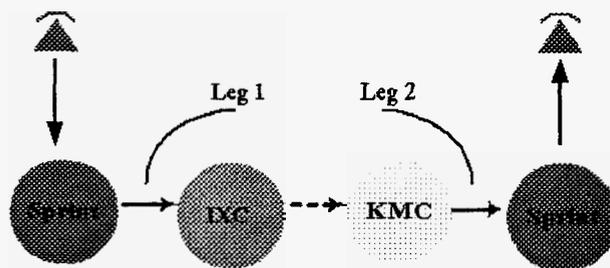


Figure 1. Correlation Diagram

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Of the non-transit terminating traffic, only about 2.5% was correlated. However, those correlated calls do provide insight. Of that traffic, four Inter-exchange Carriers (IXCs) accounted for most of the MOU associated with calls handed off from Sprint LTD that returned to Sprint LTD via KMC Telecom. Those companies are:

[REDACTED]

[REDACTED]



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The table below shows the correlated MOU associated with each carrier by trunk group.

92765FWU-

	A	B	C	D	E	F
						All Other Carriers
		1,295.64	2,304.74	1,928.58	941.01	2,040.71
		192.32	1,614.42	562.27	413.34	322.79
		4,364.46	69.08	7,279.45	5,204.14	3,152.41
		670.27	1.4	653.38	745.33	266.65
		90.68	108.51	56.66	107.04	194.14
		223.12	4.41	348.68	365.76	409.57
Total		6,836.49	4,102.56	10,829.02	7,776.62	6,386.27

Table 6. MOU for Correlated Calls

This correlated traffic is access traffic and should not be terminated via a local reciprocal compensation trunk group.

So far we've shown two scenarios that are impacting billing on the trunk groups under test: 1) charge party number scenario and 2) correlated access scenario.

In the next section , we will examine call detail records that demonstrate both scenarios to gain insight into where the call parameters might have been changed.

**CORRELATED CALL DETAILS**

200503

In the diagram below, Sprint LTD hands [redacted] a call that has a calling party number and no charge party number. In SS7 signaling, if a calling party number is present but no charge party number, this indicates that both are the same. The call returns to Sprint LTD via KMC Telecom with a charge party number inserted but not equal to the calling party number. The inserted number has an NPA/NXX that is local to the terminating end of the call.

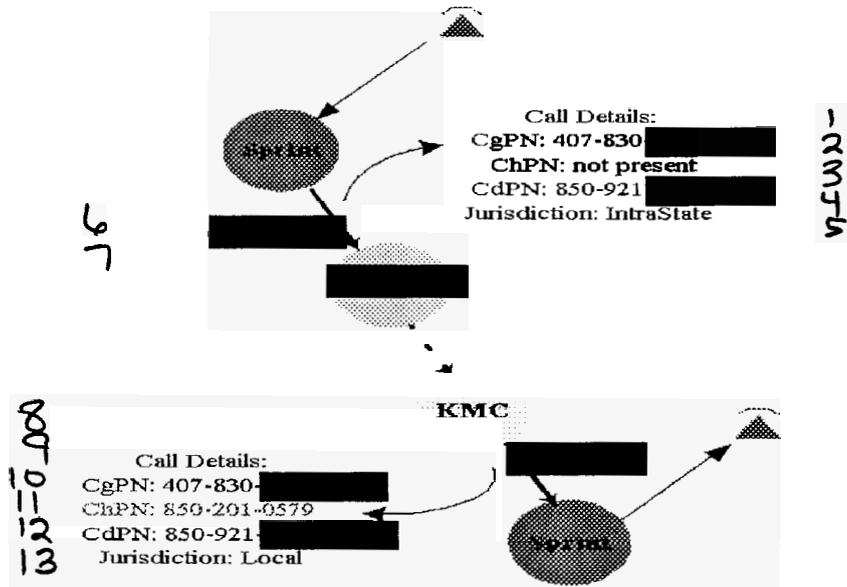


Figure 2. Correlation Diagram Depicting Inserted Charge Party Number

7 200503 10

Clearly this traffic is access traffic. In addition, the jurisdiction is altered from intrastate to local due to the insertion of the charge party information. What we don't know is whether the call information was altered prior to arriving at KMC Telecom. It cannot be determined with certainty whether the call information was altered by KMC, by [redacted], or even by another intermediate carrier."



# Agilent Technologies

622-

In a second call shown in the diagram below, Sprint LTD hands ██████████ a call that includes a calling party and a charge party number. The call returns to Sprint LTD via KMC Telecom with an altered charge party number.

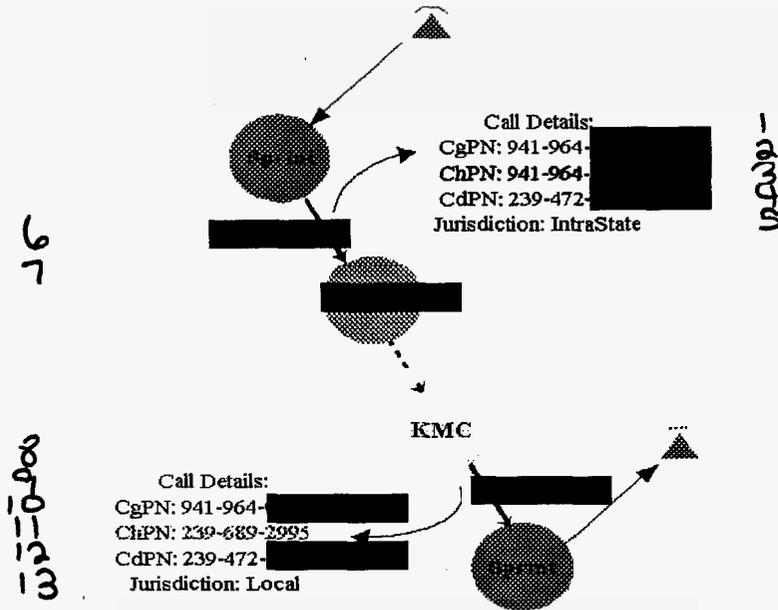


Figure 3. Correlation Diagram Depicting Altered Charge Party Number

622-

The traffic in call two is also access traffic. The jurisdiction is altered from intrastate to local due to the altered charge party information. Although we still don't know when the call information was altered, this is a different carrier from the first call.



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2 In the table below, we have call detail from multiple calls, leg one shows the call detail from Sprint LTD to an IXC and leg 2 shows the call detail for the same call returning from KMC to Sprint LTD.

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Leg 1 TGSN	Leg 1 Carrier	Leg 1 Calling Party Number	Leg 1 Charge Party Number	Leg 1 Called Party Number	Leg 2 TGSN	Leg 2 Calling Party Number	Leg 2 Charge Party Number	Leg 2 Called Party Number
[REDACTED]	[REDACTED]	252-728-[REDACTED]	252-728-[REDACTED]	850-488-[REDACTED]	[REDACTED]	252-728-[REDACTED]	850-201-0579	850-488-[REDACTED]
[REDACTED]	[REDACTED]	239-642-[REDACTED]	239-642-[REDACTED]	239-334-[REDACTED]	[REDACTED]	239-642-[REDACTED]	239-689-2995	239-334-[REDACTED]
[REDACTED]	[REDACTED]	407-469-[REDACTED]	407-469-[REDACTED]	850-421-[REDACTED]	[REDACTED]	407-469-[REDACTED]	850-201-0579	850-421-[REDACTED]

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5 The table shows that although multiple IXCs are involved, the charge party number is changed in each case. In addition, the same charge party number is found in the calls that involved both [REDACTED] and [REDACTED]

6  
7 Contracts often include language that allow a company to request additional compensation if they can show the intent to defraud.



**FINANCIAL IMPACT**

In order to assess the financial impact associated with the altered/inserted charge party numbers, the table below shows the jurisdiction of the traffic using calling party number.

Handwritten: 1, 2, 3, 1647200

	A	B	C	D	E
	TGSN	% InterState	% IntraState	% Unknown	% Local
	[REDACTED]	[REDACTED]	[REDACTED]	0.15	16.81
	[REDACTED]	[REDACTED]	[REDACTED]	0.15	16.92
	[REDACTED]	[REDACTED]	[REDACTED]	0.32	22.62
	[REDACTED]	[REDACTED]	[REDACTED]	0.12	29.13
	[REDACTED]	[REDACTED]	[REDACTED]	0.17	17.16
	[REDACTED]	[REDACTED]	[REDACTED]	0.24	26.73

Table 8. Jurisdiction of Suspect MOU

If we use the following blended rates provided by Sprint LTD:

- Interstate - .0054
- Intrastate - .0543
- RC - .0007

Handwritten: 1654, 1, 2, 3, 5, 6, 7, 8, 9

	A	B	C	D	E	F
	TGSN	Total Non-Tran Term MOU	Disputed MOU	Recip Comp \$	Adjusted \$	% Revenue Increase
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Grand Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 9. Impact of Adjusting Suspect Traffic

The total increase in revenue for Sprint LTD across all six trunkgroups is [REDACTED] for one week

Over the last 12 months, KMC has averaged [REDACTED] MOU per month. At the above factors for interstate and intrastate, and assuming the same percentage of disputed MOU, this would equate to an increase of [REDACTED] per month of additional revenue.



1 APPENDIX A

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[Redacted content]

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