STATE OF SOUTH CAROLINA

(Caption of Case)
Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2008 - 49 - C

(Please type or print)

Submitted by: Sue-Ann G. Shannon
Address: McNair Law Firm, P. A.
P. O. Box 11390
Columbia, SC 29211

SC Bar Number: 71181
Telephone: 803-799-9800
Fax: 803-753-3219
Other:
Email: pfox@mcnair.net

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
☐ Electric	☐ Affidavit	☐ Letter	☐ Request
☐ Electric/Gas	☐ Agreement	☐ Memorandum	☐ Request for Certification
☐ Electric/Telecommunications	☐ Answer	☐ Motion	☐ Request for Investigation
☐ Electric/Water	☐ Appellate Review	☐ Objection	☐ Resale Agreement
☐ Electric/Water/Telecom.	☐ Application	☐ Petition	☐ Resale Amendment
☐ Electric/Water/Sewer	☐ Brief	☐ Petition for Reconsideration	☐ Reservation Letter
☐ Gas	☐ Certificate	☐ Petition for Rulemaking	☐ Response
☐ Railroad	☐ Comments	☐ Petition for Rule to Show Cause	☐ Response to Discovery
☐ Sewer	☐ Complaint	☐ Petition to Intervene	☐ Return to Petition
☒ Telecommunications	☐ Consent Order	☐ Petition to Intervene Out of Time	☐ Stipulation
☐ Transportation	☐ Discovery	☒ Prefiled Testimony	☐ Subpoena
☐ Water	☐ Exhibit	☐ Promotion	☐ Tariff
☐ Water/Sewer	☐ Expedited Consideration	☐ Proposed Order	☐ Other:
☐ Administrative Matter	☐ Interconnection Agreement	☐ Protest	
☐ Other:	☐ Interconnection Amendment	☐ Publisher's Affidavit	
	☐ Late-Filed Exhibit	☐ Report	

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

SUE-ANN GERALD SHANNON
sshannon@mcnair.net

THE TOWER AT 1301 GERVAIS
1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803) 753-3219

March 24, 2008

***via* Electronic Filing**

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation
Docket No. 2008-49-C

Dear Mr. Terreni:

Please find enclosed for filing Verified Direct Testimony of W. Grey Humphrey, Jr., in the above-referenced matter. By copy of this letter and Certificate of Service, all parties of record are being served by U.S. Mail with a copy of Mr. Humphrey's testimony.

If you have any questions or need further information, please do not hesitate to contact me.

Sincerely yours,

Sue-Ann Gerald Shannon

Enclosures

cc: Shannon Bowyer Hudson, Esq., Office of Regulatory Staff

BEFORE THE

PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

Docket No. 2008-49-C

Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation	)

VERIFIED DIRECT TESTIMONY OF

W. GREY HUMPHREY, JR.

ON BEHALF OF FRC, LLC

March 24, 2008

1 **Q: Please state your name and business address.**

2 A: My name is W. Grey Humphrey, Jr., and my business address is 1500 Hampton Street,
3 Suite 103, South Carolina 29201.

4

5 **Q: By whom are you employed and what is your position?**

6 A: I am President of PalmettoNet, Inc., which is the General Manager of FRC, LLC.

7

8 **Q: Please briefly state your education, training, and experience in the**
9 **telecommunications industry.**

10 A: I hold a Bachelor's degree in Administrative Management from Clemson University and
11 a Master's in Business Administration from the University of South Carolina. I have
12 more than 23 years of experience in the telecommunications industry. My
13 responsibilities have included sales, marketing, network operations maintenance, network
14 operations center, provisioning, installations, engineering, business development, mergers
15 and acquisitions, project management, and facilities. I previously served as the Chief
16 Operating Officer for Spirit Telecom, which is headquartered in Columbia, South
17 Carolina. I joined Spirit in 1998 as its General Manager and then took on the role of
18 Executive Vice President of Sales and Marketing. Prior to joining Spirit, I worked for
19 TSI, SouthernNet, Telecom USA, and MCI. During my tenure at MCI, I was responsible
20 for revenues of more than $25 million annually, and was named Senior National
21 Accounts Manager.

22

23

1 **Q: Have you ever testified before this Commission in other proceedings?**

2 A: No.

3

4 **Q: On whose behalf are you testifying in this proceeding?**

5 A: I am testifying on behalf of FRC, LLC.

6

7 **Q: What is the purpose of your testimony in this proceeding?**

8 A: The purpose of my testimony is to describe the filing made by FRC in its application for
9 a Certificate of Public Convenience and Necessity to provide local exchange and
10 exchange access services throughout the State of South Carolina and request for flexible
11 regulation, and to demonstrate that FRC possesses sufficient technical, financial, and
12 managerial resources to provide local exchange telecommunications services within the
13 State of South Carolina.

14

15 **Q: Please describe the authority that FRC seeks from the Commission and the types of**
16 **services that FRC will offer in South Carolina.**

17 A: FRC is requesting authority to provide competitive intrastate resold and facilities-based
18 local exchange and exchange access telecommunications services to residential and
19 business customers throughout the State of South Carolina. FRC will not offer switched
20 access services at this time but may introduce such services at a later date. The initial
21 services FRC proposes to offer under this authority include private line, DSL, and special
22 access services. Bandwidths for private line, DSL and special access will range from 4
23 Mbps to 10 Gbps, plus SONET-based bandwidths ranging from T1 to OC-192. FRC will

use its own facilities or a combination of its own facilities and those of other carriers to provide service. Service will be available on a contract basis only for specified time periods. FRC will offer its services 24 hours a day, 7 days a week.

Q: In what areas is FRC proposing to serve?

A: FRC proposes to offer services throughout the entire State and is, therefore, seeking statewide approval of its application. FRC is willing to abide by the conditions previously established by the Commission before a competitive local exchange carrier may provide such services within the service area of a rural incumbent local exchange carrier.

Q: Please explain why it is in the public interest to approve this application.

A: Approval of FRC's application is in the public interest because FRC will enhance competition in the State of South Carolina by offering additional service options and high-quality service to benefit South Carolina telecommunications users. FRC's entry into the South Carolina market will also provide an efficient use of existing telecommunications resources. FRC will meet all service standards that the South Carolina Public Service Commission may adopt, and provision of the service will not adversely impact the availability of affordable local exchange service in the State. FRC will participate in the support of universally available telephone service at affordable rates, to the extent it may be required to do so.

Q: Does FRC have the financial capabilities to operate as a competitive local exchange carrier?

A: Yes. FRC has attached to its application as Confidential Exhibit C detailed information regarding the financial position of the company.

Q: Does FRC possess sufficient managerial qualifications and resources to provide the service for which it requests authority?

A: Yes. As shown in FRC's Exhibit B to its application, FRC has a team of managers and personnel who possess a tremendous amount of experience within the telecommunications industry. FRC will conduct its operations through its manager, PalmettoNet, which is also one of its two members. PalmettoNet has been authorized to provide telecommunications services in South Carolina since 1985.

Q: Does FRC possess the technical expertise to operate as competitive local exchange carrier?

A: Yes. FRC is already authorized to provide telecommunications services in South Carolina, Georgia, and North Carolina. Its members are also certificated in other states: PalmettoNet is authorized to provide telecommunications services in South Carolina and Georgia, and SCI is authorized to provide telecommunications services in South Carolina, Georgia, and North Carolina.

Q: Will FRC comply with the rules and regulations of the South Carolina Public Service Commission?

A: Yes. FRC will comply with all applicable rules and regulations. In addition, FRC will provide service pursuant to the rules, regulations, rates, and other terms and conditions as set out in an approved tariff.

Q: Is FRC requesting any regulatory relief or waivers for the purpose of this application?

A: Yes. FRC requests that the Commission continue in effect all waivers previously granted in Order No. 2006-469 in Docket No. 2006-42-C. FRC also requests a waiver of any rule or requirement to publish and distribute local exchange directories and, further, that the Commission regulate any local exchange telecommunications services it may provide in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C.

Q: Does this conclude your testimony?

A: Yes.

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

Docket No. 2008-49-C

Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation	)	**VERIFICATION**

I, W. GREY HUMPHREY, JR., first being duly sworn, depose and say that I am President of PalmettoNet, Inc., which is the General Manager of FRC, LLC; that I have read the foregoing pre-filed testimony and know the contents thereof; and that said contents are true.

W. Grey Humphrey, Jr.

SWORN to before me this

24 day of March, 2008

Julie R Cathcart

Notary Public for South Carolina
My Commission Expires: My Commission Expires July 26, 2017

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

Docket No. 2008-49-C

Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation	)	**CERTIFICATE OF SERVICE**

I, Rebecca Martin, do hereby certify that I have this date served one (1) copy of the foregoing Verified Direct Testimony of W. Grey Humphrey, Jr. upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

Rebecca W. Martin

Rebecca Martin
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

March 24, 2008

Columbia, South Carolina