BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

In Re:	Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Farmers Telephone Cooperative, Inc. and for Alternative Regulation	)	(Docket No. 2008-325-C)
In Re:	Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Fort Mill Telephone Company, d/b/a Comporium Communications, and for Alternative Regulation	)	(Docket No. 2008-326-C)
In Re:	Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)	(Docket No. 2008-327-C)
In Re:	Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of PBT Telecom, Inc. and for Alternative Regulation	)	(Docket No. 2008-328-C)
In Re:	Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Rock Hill Telephone Company, d/b/a Comporium Communications, and for Alternative Regulation	)	(Docket No. 2008-329-C)

REBUTTAL TESTIMONY OF
JULIE P. LAINE
ON BEHALF OF
TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA), LLC

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

2 A. My name is Julie P. Laine and I am Group Vice President, Regulatory. My business address
3 is 290 Harbor Drive, Stamford, Connecticut 06902. My telephone number is (203) 328-4840
4 and my email address is Julie.Laine@twCable.com .

5 Q. HAVE YOU PREVIOUSLY FILED DIRECT TESTIMONY IN SUPPORT OF TWCIS'
6 APPLICATION IN THIS DOCKET?

7 A. Yes, I have.

8 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

9 A. I will respond to some of the testimony offered by witnesses Douglas Meredith and Keith
10 Oliver.

11 Q. WHAT IS YOUR REACTION TO THE STATEMENTS BY MEREDITH AND OLIVER
12 THAT TWCIS MAY OFFER ITS DIGITAL PHONE SERVICE WITHOUT THE
13 EXPANSION OF ITS CERTIFICATION REQUESTED IN ITS APPLICATION?

14 A. I am puzzled by those statements. When, in 2004, TWCIS initially sought to expand its
15 certification and then requested authority to provide only non-voice telecommunications
16 services, the RLECs argued vehemently that Time Warner Cable should be required to offer
17 its retail Digital Phone service on a certificated, regulated basis. Now that TWCIS has
18 applied for expanded authority in direct response to these prior events, the RLECs appear to
19 claim that such certification is unnecessary. Despite this reversal, TWCIS is persuaded that
20 providing Digital Phone service pursuant to an expanded certificate will serve the public
21 interest by facilitating increased competition, and accordingly requests expeditious approval
22 of its application.

1 Q. WHAT IS YOUR REACTION TO THE ADDITIONAL STATEMENTS BY MEREDITH
2 AND OLIVER THAT THIS COMMISSION SHOULD APPROVE THE EXPANSION OF
3 THE TWCIS CERTIFICATES AS REQUESTED IN ITS APPLICATION?
4 A. We are pleased that they ultimately agree that TWCIS should be allowed to expand its
5 operations in South Carolina.
6 Q. WHAT IS YOU GENERAL REACTION TO THE STATEMENTS BY MEREDITH AND
7 OLIVER THAT THE COMMISSION SHOULD IMPOSE CONDITIONS ON THE
8 EXPANSION OF THE TWCIS CERTIFICATE?
9 A. I will address their proposals more specifically in this testimony, but as a general proposition
10 I do not agree that TWCIS should be subject to any of the conditions suggested by Mssrs.
11 Meredith and Oliver. TWCIS is currently operating in South Carolina as a CLEC in areas
12 served by a number of other Incumbent Local Exchange Carriers, including three rural LECs.
13 The intent of this application is to expand the geographical reach of TWCIS' operations to
14 offer service to additional areas of this state in exactly the way that TWCIS is presently
15 offering service in those areas. We are gratified that the Office of Regulatory Staff has
16 determined that it would be in the public interest for our certificate to be expanded and note
17 that ORS is not advocating any special type of regulation be imposed on TWCIS.
18 In addition, the request by Meredith and Oliver for the imposition of conditions on
19 TWCIS would require this Commission to address issues that are not remotely raised or
20 implicated by the pending applications and that are better addressed, if at all, in other
21 proceedings. It is much more appropriate for the Commission to rule only on the issues
22 presented by our applications.

1 Q. WITH RESPECT TO THE SPECIFIC "CONDITIONS" THAT MEREDITH AND OLIVER
2 ASK BE IMPOSED ON TWCIS, MR. MEREDITH ASKS THAT THE TWCIS DIGITAL
3 PHONE VOIP SERVICE BE REQUIRED TO "COMPLY WITH ALL APPLICABLE
4 STATE RULES AND REGULATIONS." (MEREDITH DIRECT P.16). WHAT IS YOUR
5 REACTION TO THAT REQUEST?
6 A. TWCIS is seeking certification to provide Digital Phone VoIP services, as well as our other
7 services, under the same set of regulations application to other CLECs in South Carolina.
8 TWCIS presently offers these services in South Carolina pursuant to a certificate issued by
9 this Commission and pursuant to tariffs on file with this Commission. TWCIS does comply
10 with all applicable rules and regulations and we intend to continue to comply with all rules
11 and regulations.
12 Q. MR. MEREDITH (P. 16) AND MR. OLIVER (P.25) ASK THAT TWCIS BE REQUIRED
13 TO CONTINUE TO USE SPRINT AS AN INTERMEDIARY CARRIER FOR DIGITAL
14 PHONE SERVICE. WHAT IS YOUR REACTION TO THAT REQUEST?
15 A. No such condition should be imposed on TWCIS. As I have stated, TWCIS has asked to be
16 treated like CLECs operating in South Carolina. No such conditions are imposed on other
17 CLECs, and there is no reason why such conditions should be imposed on TWCIS. Like
18 other providers of voice services, TWCIS requires the flexibility to react to changing
19 business conditions, and this must include the ability to choose its own vendors and
20 suppliers, based on a variety of factors (such as price, quality of service, etc), and the ability
21 to change those vendors and suppliers when it deems it necessary to do so. For example,
22 when TWCIS began providing service in South Carolina, it utilized wholesale

1 telecommunications and interconnection services provided by MCI Communications
2 Corporation ("MCI"). As a result of the acquisition of MCI by Verizon, one of TWC's
3 primary competitors, we began purchasing those services from Sprint. As is the case with
4 any service provider, TWCIS requires the flexibility to react to such changing circumstances
5 and to make similar changes in the future.

6 Additionally, this is not an issue that should be of any concern to the RLECs. TWCIS
7 will have to obtain interconnection services from a company that has the appropriate
8 interconnection agreements. Sprint currently has interconnection agreements with most of
9 the RLECs. If TWCIS decides to change its provider of interconnection services, it will have
10 to choose a company that either has or can obtain similar interconnection agreements. If and
11 when that were to occur, the RLECs will have the ability to negotiate appropriate
12 interconnection agreements with any such company and will have the ability to request
13 arbitration of any unresolved matters. Accordingly, the RLECs rights are fully protected.
14 This proceeding is not the appropriate forum to address hypothetical issues that may never
15 arise.

16 Q. MR. MEREDITH AND MR. OLIVER EXPRESS CONCERN ABOUT THE POSSIBILITY
17 THAT TWCIS COULD IN THE FUTURE OBTAIN WHOLESALE INTERCONNECTION
18 SERVICES FROM A COMPANY AFFILIATED WITH TWCIS. COULD YOU
19 RESPOND TO THIS ISSUE?

20 A. As stated in the applications and in response to discovery, it is TWCIS' present intention to
21 operate in South Carolina by purchasing wholesale telecommunications and interconnection
22 services from Sprint. TWCIS does not have any current plans to obtain those services from

1 an affiliated company. However, we certainly want and have the right to have the business
2 flexibility to obtain those services from other entities, including from an entity affiliated with
3 TWCIS. No such restriction is imposed on any other CLEC in South Carolina (or, for that
4 matter, as far as I am aware, elsewhere), and there is no reason why TWCIS should be
5 burdened with any such restriction.

6 Q. IS THERE ANY LEGAL RESTRICTION WHICH WOULD PREVENT TWCIS FROM
7 OBTAINING INTERCONNECTION SERVICES FROM AN AFFILIATED CARRIER?

8 A. No. To the contrary, the FCC has recently addressed this issue in a case involving retention
9 marketing.[1] In that decision, the FCC considered the complaints of three cable companies
10 (Time Warner Cable, Comcast, and BrightHouse Networks) that provide facilities-based
11 VoIP services like the services TWCIS provides in South Carolina. Like TWCIS, Comcast
12 and BrightHouse rely on the wholesale telecommunications and interconnection services of
13 entities separate from the entities that provide the VoIP services. However, unlike TWCIS,
14 both Comcast and BrightHouse use affiliated companies to provide these necessary
15 telecommunications and interconnection services. See *Retention Marketing Order* at ¶3. As
16 part of its determinations regarding Verizon's retention marketing practices, the FCC held
17 that the affiliated wholesale providers used by Comcast and BrightHouse are
18 telecommunications carriers under Section 222(b) of the Federal Telecommunications Act
19 ("FTA").[2] Thus those affiliated carriers are therefore able to obtain interconnection from
20 incumbent LECs under Section 251 of the FTA and Section 51.100 of the FCC Rules. While

[1] *Bright House Networks, LLC v. Verizon California, Inc.*, Memorandum Opinion and Order, FCC 08-159 (released June 23, 2008) ("*Retention Marketing Order*").
[2] *Retention Marketing Order* at ¶¶ 37-41.

1 TWCIS does not have the present intention of obtaining interconnection services from an
2 affiliated carrier, the *Retention Marketing Order* (in addition to the *Time Warner Cable*
3 *Declaratory Ruling* referred to in Mr. Meredith's testimony) makes it clear that TWCIS
4 could do that.

5 Q. MR. MEREDITH RECOMMENDS THAT TWCIS SHOULD BE REQUIRED TO
6 "ABIDE" BY THE *TIME WARNER DECLARATORY ORDER*. WHAT IS YOUR
7 REACTION TO THAT PART OF HIS TESTIMONY?

8 A. It is difficult to respond to that part of his testimony because it is unclear what he means by
9 "abiding" by the order. TWCIS currently operates in compliance with the applicable rules,
10 regulations and orders of various regulatory bodies, including the FCC. If that is what Mr.
11 Meredith is getting at, I have no disagreement with his request. However, I believe that he is
12 asking for something different. He seems to be requesting, again, that TWCIS should be
13 required to continue to operate in South Carolina under the exact arrangement that the FCC
14 reviewed in the *Time Warner Cable Declaratory Order*. As I have described above, TWCIS
15 has the right and requires the ability to have the flexibility to change our business plans and
16 vendors as business and market conditions change. Like other CLECs, TWCIS must have
17 the ability to adapt and restructure its business arrangements and vendor relationships based
18 upon its business needs, including the way it obtains interconnection services.

19 Q. MR. MEREDITH APPEARS TO BE ASKING THAT TWCIS NOT BE ALLOWED IN
20 THE FUTURE TO SUBMIT TARIFF FILINGS FOR ADDITIONAL SERVICES, IN
21 PARTICULAR, WHOLESALE SERVICES. WHAT IS YOUR REACTION TO THAT
22 REQUEST?

1 A. Once again, Mr. Meredith asks that TWCIS be subject to restrictions that do not apply to
2 CLECs. I reject his recommendation. TWCIS should be allowed to file amendments to its
3 tariff – including offerings of wholesale services - to offer additional services like any CLEC
4 operating in South Carolina. If, in the future, TWCIS makes such filings, Mr. Meredith's
5 clients will have the right to object to those filings. This proceeding is not the appropriate
6 forum to address issues that may never arise.
7 Q. WHAT IS YOUR REACTION TO MR. MEREDITH'S "BAIT AND SWITCH"
8 DISCUSSION?
9 A. Frankly, I found it offensive. The term "bait and switch" suggests misleading and dishonest
10 behavior. But Mr. Meredith uses it to describe statements that, in representing various
11 TWCIS' and Time Warner Cable affiliates, I have made in describing different ways that
12 these entities might potentially conduct business in the future. To make such disclosures in
13 advance hardly qualifies as "bait and switch" behavior. TWCIS has VoIP and
14 telecommunications affiliates that operate in 33 states, as Mr. Meredith is well aware. If he
15 had any evidence of any actual misleading or dishonest behavior by TWCIS or any Time
16 Warner Cable affiliate, I can be sure he would have described it in his testimony. TWCIS, as
17 well as its various VoIP and telecommunications carrier affiliates, have good track records
18 and continually work to ensure their compliance with all applicable rules and regulations.
19 Mr. Meredith should withdraw his misleading and unsubstantiated bait and switch
20 allegations.
21 Q. PLEASE RESPOND TO MR. MEREDITH'S SUGGESTION THAT TWCIS SHOULD
22 FILE THE SAME REPORTS AND COMPLY WITH THE SAME SERVICE QUALITY

1 STANDARDS AS ARE APPLICABLE TO THE RLECS?

2 A As I have stated, TWCIS has requested authority to operate as a CLEC in South Carolina. If
3 the applications are granted, TWCIS would be subject to the exactly the same reporting
4 requirements and service quality standards as any other CLEC, including, for example, the
5 CLEC affiliates of the RLECs. There is no basis in law or public policy to subject TWCIS to
6 rules applicable to *incumbent* LECs such as the RLECs.

7 Q. MR. MEREDITH ASKS THIS COMMISSION TO REQUIRE TWCIS' UNAFFILIATED
8 WHOLSALE PROVIDER, SPRINT, TO ESTABLISH A POINT OF INTERCONNECTION
9 ("POI") WITHIN THE RLEC'S TERRITORY. WHAT IS YOUR REACTION TO THIS
10 REQUEST?

11 A. This is another example of overreaching by Mr. Meredith. In this proceeding the
12 Commission does not have jurisdiction over TWCIS' provider of interconnection services,
13 Sprint. How could the Commission issue an order imposing obligations on an entity that is
14 not a party to this proceeding? Moreover, the question of establishment of the appropriate
15 Point of Interconnection is an issue that arises during the negotiations over an
16 interconnection agreement. It is resolved either through negotiation or arbitration. It has no
17 place in this proceeding. I would also note that Sprint, the interconnection provider that Mr.
18 Meredith is talking about, has successfully negotiated interconnection agreements with
19 Farmers, Fort Mill, Home Telephone, and PBT, all of whom were represented by JSI, Mr.
20 Meredith's company, and each of those agreements contain negotiated and mutually agreed
21 to provisions relating to where the Point of Interconnection between the parties shall be
22 located. Nonetheless, Mr. Meredith also fails to mention that the issue of appropriate

1 interconnected points and associated intercarrier compensation obligations is pending before
2 the FCC. Any new obligations that Mr. Meredith or the RLECs wish to impose should be
3 addressed in that proceeding, not in response to a certification application that has nothing to
4 do with interconnection.

5 Q. PLEASE COMMENT ON MR. OLIVER'S REQUEST (P.27) THAT THE COMMISSION
6 ADDRESS THE ISSUE OF "PHANTOM TRAFFIC" IN THIS PROCEEDING?

7 A. Issues regarding the proper identification of traffic are addressed in interconnection
8 agreements. The interconnection agreements that Sprint has in place with the RLECs contain
9 provisions requiring Sprint to properly identify traffic. TWCIS agrees that traffic should be
10 properly identified so that calls can be correctly rated and the appropriate intercarrier
11 compensation can be paid. TWCIS does not assign foreign numbers to its customers; rather,
12 it will only assign a telephone number in the exchange or rate center in which the telephone
13 number is "native" or resides. As a result, TWCIS has never been the subject of any
14 allegation of having been involved with or passed "phantom traffic" in any jurisdiction,
15 including South Carolina.

16 Q. PLEASE COMMENT ON MR. OLIVERS' REQUEST THAT TWCIS BE REQUIRED TO
17 MAKE PAYMENTS TO THE SOUTH CAROLINA UNIVERSAL SERVICE FUND
18 BASED ON THE "FULL VOICE" PORTION OF ITS SERVICE OFFERINGS?

19 A. TWCIS currently pays into the South Carolina Universal Service Fund in accordance with
20 this Commission's rules and will continue to do so. As such, TWCIS pays into the South
21 Carolina Universal Service Fund based upon its interstate and intrastate revenues. Mr.
22 Oliver's statement that TWCIS should be required to pay with respect to bundled offerings

1 "in the same manner as rural LECs" is curious, as the rural LECs don't disclose how they
2 treat bundled offerings and have opposed requests by the South Carolina Cable Television
3 Association to have this Commission conduct a hearing to address USF issues relating to
4 bundled offerings.

5 Q. PLEASE COMMENT ON MR. OLIVER'S REQUEST THAT THIS COMMISSION
6 SHOULD REQUIRE TWCIS TO MAKE VIDEO PROGRAMMING AVAILABLE TO
7 THE RLECS ON A "MOST FAVORED NATION" BASIS?

8 A. With this request Mr. Oliver has outdone even Mr. Meredith in overreaching. This
9 Commission has no jurisdiction over cable television, and, in any case, video programming
10 issues are wholly irrelevant to the issues presented by TWCIS' application.

11 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

12 A. Yes.

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CERTIFICATE OF SERVICE

This is to certify that I, Leslie Allen, a Legal Assistant with the law firm of Robinson, McFadden & Moore, P.C., has caused **Rebuttal Testimony of Julie Laine on behalf of Time Warner Cable Information Services (South Carolina), LLC's** to be served via electronic mail and via U.S. Mail on December 15, 2008 upon the person(s) named below.

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Dated at Columbia, South Carolina this 15th day of December, 2008.

Leslie Allen

Leslie Allen