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July 16, 2009

VIA ELECTRONIC FILING

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

Re: iBasis Retail, Inc.
Docket No. 2009-201-C

Dear Mr. Terreni:

Enclosed for filing please find the Testimony of Tony Bloom on behalf of iBasis Retail, Inc. d/b/a iBasis. The company does not intend to use telemarketing in South Carolina; therefore, no sample scripts are included. Please date-stamp the extra copies of the testimony as proof of filing and return them with our courier. By copy of this letter we are serving the same on the Office of Regulatory Staff

If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy

Bonnie D. Shealy

BDS/tch
Enclosures

cc w/enc: F. David Butler, Esquire (via email & U.S. Mail)
Lessie C. Hammonds, Esquire, Office of Regulatory Staff (via email & U.S. Mail)
Jennifer A. Cukier, Esquire (via email)
Ms. Ellen Schmidt, Senior Counsel (via email)
Mr. Tony Bloom (via email)

MERITAS® LAW FIRMS WORLDWIDE

BEFORE THE

PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

APPLICATION OF IBASIS, RETAIL INC., D/B/A IBASIS, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LONG DISTANCE TELECOMMUNICATIONS SERVICES AND FOR ALTERNATIVE REGULATION	)	DOCKET NO. 2009-201-C

TESTIMONY OF TONY BLOOM
ON BEHALF OF
IBASIS RETAIL, INC., D/B/A IBASIS

iBasis Retail, Inc.
20 Second Avenue
Burlington, MA 01803

Telephone: 781.505-7500
Facsimile: 781.505-7300

1 Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Tony Bloom, and my business address is 20 Second Avenue, Burlington,
3 Massachusetts 01803.

4 Q. **BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am the Vice President, Retail Prepaid Services, iBasis, Inc. ("iBasis"), the parent
6 company of iBasis Retail, Inc. ("iBasis Retail").

7 Q. **PLEASE GIVE A BRIEF DESCRIPTION OF YOUR CURRENT POSITION AND**
8 **BACKGROUND IN TELECOMMUNICATIONS.**

9 A. In my current position I oversee the iBasis Retail prepaid products organization where I
10 direct the sales, marketing and production business units. Prior to this position I was the
11 executive director for Verizon's Business Solution Group channel program where I was
12 responsible for the MCI channel partner sales for the United States. I have also held the
13 position of director in various key senior-level enterprise management roles in both
14 MCI's Commercial Accounts and MCI-Worldcom's Major Accounts divisions.

15 Q. **ARE YOU FAMILIAR WITH THE APPLICATION YOUR COMPANY**
16 **SUBMITTED TO THIS COMMISSION?**

17 A. Yes, I am.

18 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. My testimony addresses iBasis Retail's practices and proposed services, and
20 demonstrates that iBasis Retail possesses the financial, technical, managerial, and
21 operational capabilities to operate as a provider of prepaid calling card services in South
22 Carolina, as well as iBasis Retail's intent to comply with all applicable Commission
23 regulations.

1 Q. **HAS IBASIS RETAIL REGISTERED TO DO BUSINESS IN THE STATE OF**
2 **SOUTH CAROLINA?**
3 A. Yes. iBasis Retail was issued a Certificate of Authority to transact business in the State
4 of South Carolina on December 3, 2008. A copy of iBasis Retail's Certificate of
5 Authorization to transact business in the State of South Carolina has been included in
6 iBasis's Application for a Certificate of Public Convenience and Necessity under Exhibit
7 A, which is incorporated by reference.
8 Q. **PLEASE EXPLAIN THE COMPANY'S CORPORATE STRUCTURE?**
9 A. Applicant is a private corporation incorporated in the State of Delaware on June 29, 2007.
10 It is a wholly-owned subsidiary of iBasis, Inc., a publicly traded Delaware corporation
11 with headquarters at 20 Second Avenue, Burlington, Massachusetts 01803. A copy of
12 iBasis Retail's Certificate of Incorporation is attached to the Application as Exhibit A and
13 incorporated by reference.
14 Q. **PLEASE DESCRIBE THE SERVICES THE COMPANY PROPOSES TO OFFER**
15 **IN SOUTH CAROLINA?**
16 A. Applicant proposes to offer interexchange telecommunications services to customers
17 from all points within the State of South Carolina. Specifically, Applicant intends to
18 offer prepaid calling card services throughout South Carolina.
19 Q. **HOW WILL IBASIS RETAIL PERFORM BILLING AND CUSTOMER**
20 **SERVICE FUNCTIONS FOR THE SERVICES OFFERED?**
21 A. Customers with service, billing, and repair inquiries and complaints may reach iBasis
22 Retail using its toll free customer service number which is printed on each calling card.

Customers may also contact iBasis Retail in writing at the headquarters address and via e-mail at info@ibasis dot net. All services are available twenty-four (24) hours per day, seven (7) days per week.

Q. **IS IBASIS RETAIL AWARE OF THE COMMISSION'S BOND REQUIREMENT?**

A. Yes. A copy of the Company's Indemnity Bond is attached to the Application as Exhibit F.

Q. **DOES IBASIS RETAIL OWN ANY NETWORK SWITCHES OR TRANSMISSION FACILITES IN SOUTH CAROLINA?**

A. No.

Q. **WHERE IS IBASIS RETAIL CURRENTLY CERTIFICATED?**

A. iBasis Retail is authorized to provide its prepaid calling card services in California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, New York, North Carolina, Oregon, Pennsylvania, Texas, Utah, Washington, West Virginia, and Wisconsin. Applicant has not been denied a request in any state.

Q. **PLEASE DESCRIBE IBASIS RETAIL'S FINANCIAL ABILITY TO OPERATE AS A TELECOMMUNICATIONS RESELLER.**

A. Applicant has sufficient financial resources to operate in South Carolina. Applicant is a wholly-owned subsidiary of iBasis, Inc., a publicly traded company. iBasis, Inc. will financially support the operations of its subsidiary, iBasis Retail. Copies of iBasis Retail's parent company's financial statements as filed with the Securities and Exchange Commission are attached to its Application as Exhibit C and incorporated by reference.

1 Q. **WHERE IN SOUTH CAROLINA DOES IBASIS RETAIL INTEND TO OFFER**
2 **ITS SERVICES?**
3 A. Applicant proposes to offer long distance prepaid calling card service throughout the
4 State of South Carolina.
5 Q. **HOW WILL APPLICANT MARKET ITS SERVICES?**
6 A. iBasis Retail plans to market its prepaid calling card services to customers through retail
7 point-of-sale displays and posters and occasional TV and radio advertisements.
8 Q. **DOES THE COMPANY INTEND TO USE TELEMARKETING AS A METHOD**
9 **OF MARKETING ITS SERVICES IN SOUTH CAROLINA?**
10 A. No, Applicant does not intend to use telemarketing as a method of marketing its services
11 in South Carolina.
12 Q. **HAS IBASIS RETAIL REQUESTED ALTERNATIVE REGULATION OF ITS**
13 **INTEREXCHANGE SERVICES?**
14 A. iBasis Retail requests that all of its long distance prepaid calling card service offerings
15 and any future business services, consumer card and operator services offerings be
16 regulated pursuant to the procedures described and set out in Docket No. 95-661-C and as
17 modified by Order No. 2001-997-C in docket No. 2000-407-C. It is Applicant's intent by
18 this request to have these services regulated in the same manner as this Commission has
19 permitted for AT&T Communications of the Southern States.
20 Q. **WHY IS THE COMPANY SEEKING EXEMPTIONS FROM ANY RULES**
21 **REQUIRING THAT ITS BOOKS BE KEPT IN CONFORMANCE WITH THE**
22 **UNIFORM SYSTEM OF ACCOUNTS?**

1 A. Applicant currently maintains its books and records in accordance with Generally
2 Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange
3 carriers. Because Applicant utilizes GAAP, the Commission will have a reliable method
4 by which to evaluate Applicant's operations.

5 Q. **WHY ARE YOU SEEKING A WAIVER OF THE REQUIREMENT THAT YOUR**
6 **BOOKS AND RECORDS BE KEPT IN SOUTH CAROLINA PURSUANT TO 26**
7 **SC REGS. 103-610?**

8 A. iBasis Retail's principal office is located in Massachusetts, and in the absence of such a
9 waiver, iBasis Retail would have to assume additional expenses to maintain records and
10 reports in an office in South Carolina. iBasis Retail will maintain the required records at
11 its headquarters and will make them available to the Commission and ORS upon request.

12 **Q. HOW WILL SOUTH CAROLINA CONSUMERS BENFIT FROM IBASIS**
13 **RETAIL'S SERVICES?**

14 A. Certification of iBasis Retail will serve the public interest by offering to consumers in
15 South Carolina the ability to have quality prepaid calling card services at competitive
16 rates.

17 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes, it does.

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2009-201-C

APPLICATION OF IBASIS, RETAIL INC., D/B/A IBASIS, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LONG DISTANCE TELECOMMUNICATIONS SERVICES AND FOR ALTERNATIVE REGULATION	)	**CERTIFICATE OF SERVICE**

This is to certify that I, Leslie L. Allen, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **Testimony of Tony Bloom** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Lessie C. Hammonds, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Dated at Columbia, South Carolina this 16th day of July, 2009.

Leslie Allen

Leslie L. Allen