STATE OF SOUTH CAROLINA)
)

(Caption of Case)

Application of Frontier Communications of America, Inc. for a Certificate of Public Convenience and Necessity to Provide Telecommunications Service Including Basic Local Exchange Service)

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

COVER SHEET

DOCKET NUMBER: 2010 - 399 - C

(Please type or print)

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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	

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BEFORE THE

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 2010-399-C

DIRECT TESTIMONY OF BRENT D. GROOME

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

2 A. My name is Brent Groome. My business address is P. O. Box 1820, Conway, S.C. 29528.

3

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

5 A. I am employed by Horry Telephone Cooperative, Inc., as its Chief Executive, Customer

6 Operations.

7

8 **Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATION, TRAINING, AND**

9 **EXPERIENCE IN THE TELEPHONE INDUSTRY.**

10 A. I received a Bachelor of Arts degree in Journalism with an emphasis in advertising/public

11 relations from the University of North Carolina at Chapel Hill. I have been employed at

12 Horry Telephone Cooperative for over 20 years in various positions including marketing

13 and development, government relations, and customer service. I have been in my current

14 position as Chief Executive, Customer Operations for 15 years. Before joining Horry

15 Telephone Cooperative, I was employed by GTE.

16

1 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

2 A. I am testifying on behalf of the South Carolina Telephone Coalition ("SCTC"), a coalition
3 of independent local exchange telephone companies ("LECs") organized and doing business
4 under the laws of the State of South Carolina. Horry Telephone Cooperative is a member of
5 the SCTC.

6

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

8 A. The purpose of my testimony is to present the SCTC's concerns regarding the Amended
9 Application of Frontier Communications of America, Inc. ("Frontier") for authority to
10 provide local exchange telecommunications service throughout the State of South
11 Carolina. The SCTC opposes Frontier's application as written. The SCTC believes that
12 Frontier should be subject to the same terms and conditions that have been placed by the
13 Commission on other competitive local exchange carriers ("CLECs") operating in the
14 State of South Carolina, as evidenced by the Commission's approval of numerous
15 standard Stipulations entered into between the SCTC and CLECs. *See, e.g.*, Order
16 Granting Application of Capital Communications Consultants, Inc., Order No. 2011-94 in
17 Docket No. 2010-349-C, dated January 26, 2011 (approving SCTC Stipulation as part of
18 Order granting CLEC certificate); *see also* Order Approving Application of AT&T
19 Communications of the Southern States, Inc., Order No. 96-494 in Docket No. 96-073-C,
20 at pp. 7-8 (Commission imposed similar conditions in the absence of a Stipulation
21 between the parties). Generally, the SCTC is concerned that the provisions, policies, and
22 consumer protections embodied in state law and in the Federal Telecommunications Act

of 1996 will be obscured, and perhaps circumvented, if new entrants are granted statewide certificates to provide local service without a case-by-case determination for each rural study area as to whether certification is in the public interest. The SCTC's standard Stipulation recognizes this, and it allows the certificate to be granted as requested, while putting off the important public interest determination regarding each individual rural study area until such time as the CLEC gives notice that it intends to serve that specific study area.

Q. FRONTIER'S AMENDED APPLICATION STATES THAT FRONTIER WILL GIVE 30 DAYS' ADVANCE NOTICE PRIOR TO ENTERING CERTAIN RURAL TELEPHONE CARRIER MARKETS. IS THAT SUFFICIENT?

A. No, it is not. Frontier's Application states that it will give rural telephone companies 30 days' advance notice of Frontier's entry into their markets "except where any such carrier has its own competitive local exchange carrier operation (either through itself or an affiliate)." *See* Amended Application at paragraph 9. This position ignores the fact that Frontier serves much more populated areas than the rural telephone companies do, and that entry into the rural telephone company markets has significantly more potential to harm customers and, therefore, the public interest. This is why the Federal Telecommunications Act of 1996 included provisions specific to rural telephone companies and the areas and people they serve.

1 **Q. DOES THE SCTC HAVE OTHER CONCERNS WITH FRONTIER'S**
2 **APPLICATION?**
3 A. Yes. Frontier is asking for statewide certification as a CLEC, including the authority to
4 operate as a CLEC within the incumbent LEC ("ILEC") area served by its affiliate,
5 Frontier Communications of the Carolinas, Inc. ("Frontier ILEC").
6 **Q. WHY IS THAT A CONCERN?**
7 A. Frontier is a large company, operating as a CLEC alone in 24 states. *See* Direct
8 Testimony of Stan Pace at p. 3. Frontier's parent company has over $2 Billion in
9 revenues. *Id.* at p. 4. Permitting Frontier to operate as a CLEC in its own ILEC territory
10 opens up the ability and the very real possibility for self-dealing in a competitive market.
11 Frontier ILEC would have the ability to act in a discriminatory manner, favoring its own
12 affiliated CLEC over other CLECs operating in Frontier ILEC's service area, thwarting
13 competition to the detriment of the consuming public. There also is a concern with the
14 potential for the company to blur the line between its regulated and non-regulated
15 operations.
16
17 **Q. DID FRONTIER'S PREDECESSOR IN THESE EXCHANGES, VERIZON**
18 **SOUTH, HOLD A CLEC CERTIFICATE?**
19 A. Yes, it did. Verizon South, Inc. was issued a certificate to operate as a CLEC in South
20 Carolina by Commission Order No. 2001-1045, dated November 9, 2001, in Docket No.
21 2001-379-C. Verizon South's authority was subject to the SCTC's standard stipulation as
22 to rural telephone company areas.

1 **Q. DID VERIZON SOUTH REQUEST CLEC AUTHORITY IN ITS OWN ILEC**
2 **SERVICE AREA?**
3 A. No. Verizon South requested and was granted authority to operate as a CLEC on a
4 statewide basis "except for the geographic territory in which it is certified to provide
5 service as an incumbent local exchange carrier."
6
7 **Q. DO ANY SCTC MEMBER COMPANIES OR THEIR AFFILIATES HAVE**
8 **AUTHORITY TO OPERATE AS CLECS IN THEIR OWN ILEC SERVICE**
9 **AREAS?**
10 A. A few may technically have the authority to do so, but to the best of my knowledge, no
11 SCTC member company obtained a certificate with the intent of providing CLEC
12 services in its own affiliated ILEC service area, and no SCTC member is providing such
13 services. For example, Horry Telephone Cooperative has authority to operate as a CLEC
14 in Horry County and a portion of Georgetown County. This would include the
15 company's ILEC area, which is wholly located within Horry County. However, we do
16 not provide CLEC services in our own ILEC area.
17
18 **Q. WHAT ARE YOU ASKING THE COMMISSION TO DO IN THIS**
19 **PROCEEDING?**
20 A. We ask the Commission to deny Frontier's Amended Application to the extent Frontier
21 seeks to provide services as a CLEC in its own affiliated ILEC's service area. To the
22 extent the Commission finds it is in the public interest to grant Frontier's Amended

1 Application as it relates to providing CLEC services outside Frontier's affiliated ILEC
2 area, we ask that the Commission exclude the rural telephone company service areas from
3 Frontier's certificated area or, alternatively, impose the same conditions on Frontier that
4 are imposed on other CLECs serving rural telephone company areas in South Carolina,
5 *i.e.*, the conditions that are contained in the SCTC's standard CLEC Stipulation. *See,*
6 *e.g.*, Attachment to Order No. 2011-94.
7
8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
9 A. Yes, it does.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2010-399-C

Re: Application of Frontier Communications of America, Inc. for a Certificate of Public Convenience and Necessity to Provide Telecommunications Service Including Basic Local Exchange Service	**CERTIFICATE OF SERVICE**

I, Rebecca W. Martin, do hereby certify that I have this date served one (1) copy of the attached Prefiled Direct Testimony of Brent D. Groome in the above-referenced matter upon the following parties causing said copy to be deposited with the United States Postal Service, first class postage prepaid and properly affixed thereto, and addressed as follows:

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March 8, 2011

Columbia, South Carolina