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April 9, 2010

The Honorable Jocelyn Boyd
Interim Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC
Docket No. 2010-16-C

Dear Ms. Boyd:

AT&T South Carolina respectfully submits the following documents for filing in the above-referenced Docket:

1. AT&T South Carolina's Response to Motions to Dismiss and/or Stay and Reply to Responses to Motion to Consolidate.[1]

2. AT&T South Carolina's Motion to Dismiss or Sever Certain Counterclaims.

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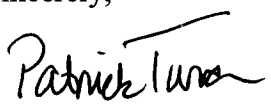
[1] This Response addresses both dPi's "Motion to Dismiss and/or Stay and Response to Motion for Consolidation" and NewPhones' "Motion to Dismiss and/or Stay and Response to Motion for Consolidation," in which Tennessee has joined. *See* Responses of Affordable Phone Services, Inc., d/b/a High Tech Communications, Dialtone and More, Inc., Tennessee Telephone Service, LLC d/b/a Freedom Communications, USA, LLC, and Onetone Telecom Inc. to AT&T's Motion for Consolidation, filed in Docket Nos. 2010-14-C, 2010-15-C, 2010-16-C, and 2010-17-C on or about February 25, 2010.

3. AT&T South Carolina's Response to Tennessee's Answer/Counterclaims.

By copy of this letter, I am serving all parties of record with a copy of these pleadings as indicated on the attached Certificate of Service.

Sincerely,



Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
799713

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC	)))))	Docket No. 2010-16-C

AT&T SOUTH CAROLINA'S RESPONSE TO FREEDOM'S ANSWER/COUNTERCLAIMS

BellSouth Telecommunications, Inc. d/b/a d/b/a AT&T Southeast d/b/a AT&T South Carolina ("AT&T South Carolina") respectfully submits this Response to the Answer and Counter-Claims ("Answer/Counterclaims") filed by Tennessee Telephone Service, Inc. d/b/a Freedom Communications, USA, LLC ("Freedom") on or about February 25, 2010.

1. Any allegation in the Answer/Counterclaims to which a response is required of AT&T South Carolina is denied unless expressly and explicitly admitted herein.

2. The "Narrative Summary" at pages 1-6 of the Answer/Counterclaims is Freedom's version of the situation, and it requires no response from AT&T South Carolina.

3. The "Specific Responses to AT&T's Complaint" at pages 6-9 of the Answer/Counterclaims requires no response from AT&T South Carolina.

4. For the reasons set forth in AT&T South Carolina's Response to Motions to Dismiss and/or Stay, AT&T South Carolina objects to Freedom's requests, in Paragraphs 20-21 of its Answer/Counterclaims, that the Commission dismiss AT&T

South Carolina's Complaint or delay these proceedings, and AT&T South Carolina denies that Freedom is entitled to anything it requests in those paragraphs.

ANSWER TO "LINE CONNECTION CHARGE WAIVER" COUNTERCLAIM

5. For the reasons set forth in AT&T South Carolina's Motion to Dismiss or Sever Certain Counterclaims, AT&T South Carolina respectfully requests that the Commission dismiss the Counterclaim in Paragraph 22 of the Answer/Counterclaims or, in the alternative, address it separate and apart from the claims presented in AT&T South Carolina's Complaint.

6. In the alternative, in response to the allegations of Paragraph 22 of the Answer/Counterclaims, AT&T South Carolina asserts that some of its retail promotional offerings waive the line connection charge for qualifying end users. When a reseller like Freedom buys the telecommunications services associated with those offerings for resale, AT&T South Carolina initially bills the reseller the retail charge for the line connection less the applicable wholesale discount. Assuming a retail line connection charge of $40 and a wholesale discount of 20%, for example, AT&T South Carolina initially bills the reseller $32. If the reseller timely submits a request for a promotional credit and otherwise satisfies the qualifications of a specific retail promotional offering, AT&T South Carolina then credits the reseller's bill in the same amount it initially billed the reseller for the line connection charge. In the example above, for instance, AT&T South Carolina would credit a qualifying reseller's bill in the amount of $32. As a result, a qualifying reseller pays $0 for the line connection, just as a qualifying retail customer pays $0 for the line connection. AT&T South Carolina denies the remaining allegations of Paragraph 22 of the Answer/Counterclaims to the extent they are inconsistent with the

assertions herein. Specifically, AT&T South Carolina denies that in this example, it is "required to give the reseller the full, $40 value of the waiver," that the process described above (which has been in place for years) is a condition or restriction on resale, and that AT&T South Carolina was required to make any showing to the Commission prior to implementing the process described above. AT&T South Carolina further denies that Freedom has disputed any of the outstanding balance described in AT&T South Carolina's Complaint on the grounds alleged in Paragraph 22 of the Answer/Counterclaims.

ANSWER TO "BUNDLED OFFERING" COUNTERCLAIM

7. For the reasons set forth in AT&T South Carolina's Motion to Dismiss or Sever Certain Counterclaims, AT&T South Carolina respectfully requests that the Commission dismiss the Counter-Claim in Paragraph 23 of the Answer/Counterclaims or, in the alternative, address it separate and apart from the claims presented in AT&T South Carolina's Complaint.

8. In the alternative, in response to the allegations of Paragraph 23 of the Answer/Counterclaims, AT&T South Carolina asserts that some retail offerings bundle telecommunications services offered by AT&T South Carolina with non-telecommunications services offered by AT&T South Carolina, its affiliates, and/or other entities, often at a single price. AT&T South Carolina denies the remaining allegations of Paragraph 23 of the Answer/Counterclaims to the extent they are inconsistent with the assertions herein. Specifically, AT&T South Carolina denies that it has improperly refused to offer telecommunications services included in such bundled offerings for resale, that it has billed Freedom an inappropriate amount for any telecommunications

services Freedom has purchased for resale; that it has not complied with 47 C.F.R. §51.613(b), and that it was required to make any showing pursuant to 47 C.F.R. §51.613(b) with regard to the offerings described in Paragraph 23 of the Answer/Counterclaims. AT&T South Carolina further denies that Freedom has disputed any of the outstanding balance described in AT&T South Carolina's Complaint on the grounds alleged in Paragraph 23 of the Answer/Counterclaims.

ANSWER TO "NEW METHODOLOGY" COUNTERCLAIM

9. For the reasons set forth in AT&T South Carolina's Motion to Dismiss or Sever Certain Counterclaims, AT&T South Carolina respectfully requests that the Commission dismiss the Counter-Claim in Paragraph 24 of the Answer/Counterclaims or, in the alternative, address it separate and apart from the claims presented in AT&T South Carolina's Complaint.

10. In the alternative, in response to the allegations of Paragraph 24 of the Answer/Counterclaims, AT&T South Carolina admits that on July 1, 2009 it issued Accessible Letter No. CLECSE09-100 (a copy of which is attached to this Response as Exhibit A) informing competitive local exchange carriers ("CLECs") of its intent to change the manner in which it calculates the credits available to CLECs that purchase certain retail cash-back promotional offers that are available for resale. AT&T South Carolina admits that on July 1, 2009, it also issued Accessible Letter No. CLECSE09-111 (a copy of which is attached to this Response as Exhibit B) informing CLECs that effective September 1, 2009, Competitive Acquisition Customers who purchase Complete Choice® Basic or Enhanced will receive a one-time cashback amount of $4.66 using the methodology announced in Accessible Letter No. CLECSE09-100. AT&T

South Carolina denies the remaining allegations of Paragraph 24 of the Answer/Counterclaims to the extent they are inconsistent with the assertions herein. Specifically, AT&T South Carolina denies that it has imposed any condition or restriction on the resale of telecommunications services associated with retail cashback offerings, that it was required to make any showing to the Commission regarding the new methodology, that it is seeking any amounts billed under the new methodology in this Docket, and that it currently is billing Freedom for any amounts calculated under this new methodology. AT&T South Carolina further denies that Freedom has disputed any of the outstanding balance described in AT&T South Carolina's Complaint on the grounds alleged in Paragraph 24 of the Answer/Counterclaims.

ANSWER TO "RELIEF SOUGHT"

11. AT&T South Carolina denies that Freedom is entitled to any of the relief it seeks in its Answer/Counterclaims, including without limitation the relief sought in the "wherefore" clause at page 12.

AFFIRMATIVE DEFENSES

12. Each Counterclaim fails to state a cause of action upon which relief can be granted.

13. To the extent it is not dismissed, each Counterclaim should be addressed separate and apart from the claims presented in AT&T South Carolina's Complaint.

14. Each Counterclaim is barred, in whole or in part, by the doctrines of unclean hands, laches, forbearance, waiver, and/or estoppel.

15. Each Counterclaim is barred, in whole or in part, by the applicable statute of limitations and/or the applicable "dispute" provisions of the parties interconnection

agreement(s), including without limitation provisions addressing the presentment, pursuit, escalation, and preservation of billing disputes.

16. Each Counterclaim is barred, in whole or in part, by Freedom's failure to mitigate any damages allegedly sustained.

17. To the extent the Commission awards Freedom any relief with regard to its Counterclaims (and it should not), such relief should be only prospective in nature.

WHEREFORE, AT&T South Carolina respectfully requests that the Commission enter an Order denying all relief sought by Freedom, dismissing all Counterclaims, and granting such further relief as the Commission deems appropriate.

Respectfully submitted on this 9th day of April, 2010.

BELLSOUTH TELECOMMUNICATIONS, INC.
d/b/a AT&T SOUTHEAST d/b/a AT&T SOUTH CAROLINA

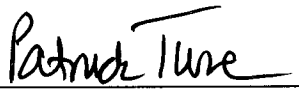


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EXHIBIT A

at&t

Accessible

Date: **July 1, 2009**

Number: **CLECSE09-100**

Effective Date: **September 1, 2009**

Category: **Resale**

Subject: **(ORDERING AND PROVISIONING) Resale of Cash-Back Promotions**

Related Letters: **NA**

Attachment: **NA**

States Impacted: **Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee**

Issuing AT&T ILECS: **AT&T Alabama, AT&T Florida, AT&T Georgia, AT&T Kentucky, AT&T Louisiana, AT&T Mississippi, AT&T North Carolina, AT&T South Carolina and AT&T Tennessee (collectively referred to, for purposes of this Accessible Letter, as "AT&T Southeast Region")**

Response Deadline: **NA**

Contact: **Account Manager**

Conference Call/Meeting: **NA**

AT&T Southeast Region is sending this letter to provide notice that it will change the manner in which it calculates the credits available to CLECs that purchase certain retail cash-back promotional offers (including but not limited to promotional offers involving checks, coupons, and other similar items) that are available for resale.

The change will be implemented initially for residential acquisition cash-back promotion offers requested on or after September 1, 2009, in all AT&T ILEC states, regardless of whether the underlying promotion is new or existing.

Details regarding the specific resale credits available for applicable promotions will be communicated via separate Accessible Letters. The formulae AT&T Southeast Region will use to calculate these credits is available in the Resale Product section of the CLEC Handbook on CLEC Online at:

https://clec.att.com/clec/hb/index.cfm

AT&T Southeast Region reserves the right to make any modifications to or to cancel the above information prior to the proposed effective dates. Should any modifications be made to the information, these modifications will be reflected in a subsequent letter. Should the information be canceled, AT&T Southeast Region will send additional notification at the time of cancellation. AT&T Southeast Region will incur no liability to the CLECs if the above mentioned information and/or approach is modified or discontinued for any reason.

EXHIBIT B

at&t

Accessible

Date: **July 1, 2009**

Number: **CLECSE09-111**

Effective Date: **September 1, 2009**

Category: **Resale**

Subject: **(ORDERING AND PROVISIONING) Revision to Win-back Cash Back Promotion - SC**

Related Letters: **CLECSE09-100**

Attachment: **NA**

States Impacted: **South Carolina**

Response Deadline: **NA**

Contact: **Account Manager**

Conference Call/Meeting: **NA**

Effective September 1, 2009, Competitive Acquisition Customers who purchase Complete Choice® Basic or Enhanced will receive a one-time cashback amount of $4.66 using the methodology announced in **CLECSE09-100**, dated July 1, 2009.

AT&T South Carolina reserves the right to modify or cancel the above information. Should any such action be taken, it will be reflected in a subsequent letter to CLECs. AT&T South Carolina will incur no liability for the foregoing.

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. d/b/a AT&T Southeast d/b/a AT&T South Carolina ("AT&T") and that she has caused AT&T South Carolina's Response to Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC's Answer/Counterclaims in Docket No. 2010-16-C to be served upon the following on April 9, 2010:

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(Tennessee Telephone Service, LLC)
(Electronic Mail)

Henry M. Walker, Esquire
Bradley Arant Boult Cummings, LLP
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Nashville, Tennessee 37203
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C. Lessie Hammonds, Esquire
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Jocelyn G. Boyd, Esquire
Deputy Clerk
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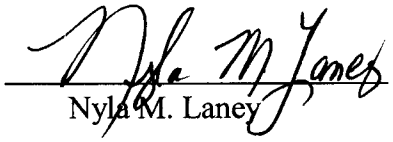
(Electronic Mail)



Nyla M. Laney

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