RICHARDSON PLOWDEN
RICHARDSON PLOWDEN ROBINSON, P.A.
ATTORNEYS AT LAW

COLUMBIA P.O. Drawer 7788 • Columbia, SC 29202
1900 Barnwell St., Columbia, SC 29201 P 803.771.4400 F 803.779.0016

MYRTLE BEACH P.O. Box 3646 • Myrtle Beach, SC 29578
2103 Farlow St., Suite B, Myrtle Beach, SC 29577 P 843.448.1008 F 843.448.1533

www.RichardsonPlowden.com

REPLY TO: Columbia
E-mail address for Steven W. Hamm
shamm@RichardsonPlowden.com
Direct Dial: (803) 576-3713

E-mail address for C. Jo Anne Wessinger Hill
jwessingerhill@RichardsonPlowden.com
Direct Dial: (803) 576-3714

February 10, 2011

FILED ELECTRONICALLY
The Honorable Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive (29210)
P.O. Drawer 11649
Columbia, SC 29210

Re: **Docket No. 2010-399-C** – Application of Frontier Communications of America, Incorporated for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services Including Basic Local Exchange Service

Dear Madame Clerk:

Enclosed please find the Amended Application of Frontier Communication of America, Inc. (FCA) to make typographically corrections in the Application as well as to provide for waiver of certain requirements as provided by Commission Rule 103-601(3) and to provide for flexible rating or rate regulation as provided in Orders No. 1998-165, No. 95-1734, No. 96-55, and as modified by Order No. 2001-997.

In addition the attached Amended document incorporating these changes in its entirety in the application, the specific changes are outlined as follows:

(1) Modifies and amends paragraph 11 regarding rates or tariffs and adds new paragraph 12 and renumbers the remaining paragraphs, to incorporate the provisions of PSC Orders Nos. 98-165, 95-1734, 96-55 and 2001-997 regarding flexible rating and/or rate regulation for its services so that these paragraphs shall read as follows to show the changes:

11. "Rate Regulation. FCA requests flexible regulation for its telecommunications services as the Commission granted in Order No. 98-165 in Docket No. 97-467-C. In the Order, the Commission determined that local tariff filings would be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, and that any tariff filings would be subject to the same monitoring process as other similar local exchange carriers. FCA submits that as a competitive provider of local exchange services, it should be subject to regulatory constraints no more stringent than those

imposed in Docket No. 97-467-C. FCA respectfully requests that its local exchange service tariff filings be regulated pursuant to this form of flexible regulation.

12. FCA requests that all of its business service offerings be regulated pursuant to the procedures described and set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. In these Orders, the Commission determined that there was justification in a competitive marketplace to relax the manner in which AT&T was regulated. The Commission determined that AT&T was not required to file maximum rates for long distance business service offerings and that its tariff filings would be presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing. It is FCA's intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States, Inc. ("AT&T"). FCA submits that as a competitive provider of long distance business service offerings, it should be subject to regulatory constraints no more stringent than those imposed in Dockets No. 95-661-C and No. 2000-407-C and/or on AT&T. FCA respectfully requests that its interexchange business service tariff filings be regulated pursuant to this form of flexible regulation. Specifically, FCA requests that the Commission:
    a. remove the maximum rate tariff requirements for its business services offerings;
    b. presume that the tariff filings for these uncapped services be valid upon filing. However, if the Commission institutes an investigation of a particular filing within seven (7) days, the tariff filing would be suspended until further order of the Commission; and
    c. grant FCA the same treatment as AT&T in connection with any future relaxation of the Commission's reporting requirements."

(2) Adds new paragraphs numbered or renumbered as paragraph 13 requesting waiver of certain requirements (use of GAAP, location of records, directories and area maps) as provided by Commission Rule 103-601(3) so that this paragraph and subparagraphs shall read as follows:

"Commission Rule 103-601(3) provides that "in any case where compliance with any of these rules and regulations introduces unusual difficulty or where circumstances indicate that a waiver of one or more rules or regulations is otherwise appropriate, such rule or regulation may be waived by the commission upon a finding by the commission that such a waiver is not contrary to the public interest." FCA requests that the Commission grant it a waiver of those regulatory requirements which: (1) are inapplicable to competitive local exchange providers; (2) are not appropriate or applicable for competitive providers such as FCA; and (3) constitute an economic barrier to entry into the markets for its offerings. This waiver is requested because such requirements are not consistent with the demands of the competitive market and/or they constitute an undue burden on the competitive provider; thus, resulting in an ineffective use or allocation of resources. As described below, compliance with these specific Commission Rules will "introduce unusual difficulty" for the FCA. Additionally, FCA asserts that granting the waiver requested herein, including all subparts, is "not contrary to the public interest.

a) Retention of Records (R. 103-611). Except to the extent that the Rules of the Federal Communications Commission require FCA to keep certain of its books and records in accordance with the Uniform System of Accounts ("USOA"), FCA requests that the Commission allow it to keep all other books and records in conformance with Generally Accepted Accounting Principles ("GAAP"). GAAP is currently used by FCA, as well as other interexchange carriers. The Commission will have a reliable method to use in evaluating FCA. It would be burdensome to require FCA to comply with this Rule. FCA respectfully requests to be exempt from any and all USOA requirements of the Commission.

b) Location of Records (R. 103-610). FCA also requests a waiver of the Commission requirement that a utility keep and maintain its records in the State of South Carolina. FCA is headquartered in the State of Connecticut. As a result, it would be impractical for FCA to maintain separate records in South Carolina. If the Commission determines it is necessary to review FCA's books, FCA will provide this information to the Commission or the Office of Regulatory Staff upon request or will bear the cost of any out-of-state travel expenses incurred by Commission or ORS staff. FCA respectfully requests to be exempt from this requirement and be allowed to maintain its books and records at its headquarters located in Stamford, Connecticut.

c) Publication of Local Exchange Directories (R. 103-631). FCA also requests a waiver of the Commission requirement that it publish and distribute local exchange directories. FCA will make arrangements with the incumbent LECs so that the names of FCA's customers will be included in the directories published by the incumbent LECs. These directories will be distributed to FCA's customers. This approach is entirely reasonable and will have a direct benefit to the customers of both FCA and the incumbent LEC since they need only refer to one directory for a universal listing of customer information. It would be an unnecessary burden on FCA to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for FCA to simply include its limited customer list in the existing directories of the incumbent LECs. The LEC directories will include FCA's customer service number.

d) Filing of Operating Area Maps (R. 103-612.2.3). FCA also requests a waiver of the Commission requirement regarding an operating area map. FCA's local exchange calling areas will initially mirror the service areas of the incumbent local exchange carriers. It would be burdensome to require FCA to comply with this Rule; therefore, FCA hereby respectfully requests a waiver of the map-filing requirement pursuant to Reg. 103-612.2.3.

e) FCA further reserves the right to seek any regulatory waivers which may be required for FCA to compete effectively within South Carolina's marketplace related to its offerings."

(3) Adds the following sentence to the end of former paragraph 12, now renumbered as paragraph 14, "FCA's entry into the local market will not disadvantage any telephone service providers."

(4) Modifies the CONCLUSION in the application by adding an additional paragraph at the end which is consistent with the changes outlined herein and it is as follows:

> "WHEREFORE, FCA respectfully petitions this Commission for amended authority of its existing certificate as a reseller of long distance telecommunications services in the State of South Carolina, or for authority, to operate as a facilities-based provider and reseller of local exchange services in accordance with this Amended Application, for flexible regulatory treatment of its local exchange services, for alternative regulation of its existing long distance service offerings, and for such other relief as it deems necessary and appropriate."

(5) A typographical correction and addition of "data" is made to paragraph 9 in the first sentence so that "voice advanced" is changed to "advanced voice and data" so that the first sentence shall read as follows:

> "FCA seeks authority to provide all forms of local exchange telecommunications services, from basic business and residential service to advanced voice and data services."

(6) The first sentence of the first paragraph of the application adds "amend its existing certificate or" so that the first sentence shall read as follows for consistency with the above changes and reflecting its existing certificate:

> "Pursuant to §§ 58-9-280(B) and 58-9-10(6) of the Code of Laws of South Carolina, the Rules and Regulations of the Public Service Commission of South Carolina ("Commission") and the federal Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("1996 Act"), Frontier Communications of America, Inc. ("FCA" or "Applicant") respectfully requests that the Commission amend its existing certificate or grant it a certificate of public convenience and necessity to provide local telecommunications services as a new entrant local exchange carrier ("LEC"), including basic local exchange service."

(7) The first paragraph of the application, which provides a summary or overview of the application is amended to reflect the above changes and to reference by footnote that FCA has a certificate of public convenience and necessity to provide intrastate resold telecommunications services within the State of South Carolina in accordance with Order

No. 1996-611 in Docket No. 1996-094-C. The following language is added at the end of the paragraph:

> "FCA also requests flexible regulation for its local telecommunications services as the Commission first granted in Order No. 98-165 in Docket No. 97-467-C. FCA further requests regulation of its existing long distance offerings in South Carolina authorized by Order No. 1996-611 in Docket No. 1996-094-C so that Order No. 1996-611 shall be modified and the principles and procedures established for alternative regulation in Orders Nos. 1995-1734 and 1996-55 in Docket No. 1995-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C shall apply to FCA and its long distance offerings."

This matter has been discussed with the Mrs. Reibold of the Office of Regulatory Staff and it is our understanding that the ORS does not have any objection to these amendments. These amendments are consistent with or similar to that generally considered by the Commission in this type of proceeding.

If you have any questions, please do not hesitate to contact me.

With kind regards, I am

Sincerely,

Steven W. Hamm
C. Jo Anne Wessinger Hill

JWH/SWH/kjt

Enclosure

cc: Shealy Boland Reibold, Esq., Office of Regulatory Staff
C. Dukes Scott, Esq., Executive Director, Office of Regulatory Staff
Dan F. Arnett, Chief of Staff, Office of Regulatory Staff
Nanette S. Edwards, Esq., Chief Counsel, Office of Regulatory Staff
Margaret M. Fox, Esq.
M. John Bowen, Jr., Esq.
Stan Pace, Esq.
Joseph J. Starsick, Jr. Esq.
Afton Ellison