

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COLUMBIA, SOUTH CAROLINA

PROCEEDING #16-11535

JUNE 8, 2016

2:42 P.M.

ALLOWABLE EX PARTE BRIEFING - ND-2016-23-C

SOUTH CAROLINA OFFICE OF REGULATORY STAFF - Request for Allowable Ex Parte Briefing Regarding the State Telecom Equity in Funding Act

TRANSCRIPT OF  
PROCEEDINGS

ALLOWABLE  
EX PARTE BRIEFING

COMMISSION MEMBERS PRESENT: Nikiya M. 'Nikki' HALL, *Chairman*; Swain E. WHITFIELD, *Vice Chairman*; and COMMISSIONERS John E. 'Butch' HOWARD, Elliott F. ELAM, JR., Comer H. 'Randy' RANDALL, and Elizabeth B. 'Lib' FLEMING, and G. O'Neal HAMILTON

ADVISOR TO COMMISSION: Joseph Melchers, Esq.  
General Counsel

STAFF: F. David Butler, Senior Counsel; Randall Dong, Esq., Josh Minges, Esq., and David W. Stark, III, Esq., Legal Staff; Douglas Pratt and Tom Ellison, Advisory Staff; Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and Allison Minges and Calvin Woods, Hearing Room Assistants

APPEARANCES:

**ANDREW M. BATEMAN, ESQUIRE**, together with **NANETTE S. EDWARDS** [Deputy Executive Director / ORS] and **CHRISTOPHER ROZYCKI** [Director, Telecommunications Department / ORS], representing and presenting for the OFFICE OF REGULATORY STAFF

**JOHN REAGLE, ESQUIRE**, NEUTRAL DESIGNEE

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Please note the following inclusions/attachments to the record:

- Presentation Slides (PDF)

Please also note: For identification of additional referenced materials and/or links for same, if any, please see Certification correspondence filed by the Neutral Designee.

**P R O C E E D I N G S**

1  
2           **CHAIRMAN HALL:** Good afternoon, everyone.  
3 We'll call this hearing to order and ask Mr.  
4 Melchers to read the docket, please.

5           **MR. MELCHERS:** Thank you. Madam Chairman and  
6 Commissioners, we are here pursuant to a Notice of  
7 Request for an Allowable Ex Parte Briefing. The  
8 subject matter to be discussed at the briefing is  
9 the State Telecom Equity in Funding Act, and ORS is  
10 the party that has requested the briefing,  
11 scheduled for today here in the Commission's  
12 hearing room, June 8th.

13           Thank you, Madam Chair.

14           **CHAIRMAN HALL:** All right. And Mr. Reagle is  
15 here serving as our neutral party. Thank you, Mr.  
16 Reagle.

17           And, Mr. Bateman, if you want to give your  
18 introduction, please.

19           **MR. BATEMAN:** Good afternoon, Madam Chairman,  
20 members of the Commission. Thank you, very much.

21           For those of you who don't know, my name is  
22 Andrew Bateman. I'm a staff attorney for the  
23 Office of Regulatory Staff, which is the party  
24 presenting this allowable ex parte briefing.

25           The Office of Regulatory Staff requested and

1 is conducting this allowable ex parte communication  
2 pursuant to South Carolina Code Section 58-3-  
3 260(C). The requirements of that statute are, in  
4 part, that the allowable ex parte be confined to  
5 the subject matter which has been noticed. In this  
6 case, the issue noticed was the State Telecom  
7 Equity in Funding Act. I, therefore, ask that  
8 everyone here please refrain from discussing any  
9 matters not related to that Act.

10 Secondly, the statute prohibits any  
11 participants, Commissioners, or Commission staff  
12 from requesting or giving any commitment,  
13 predetermination, or prediction regarding any  
14 action by any Commissioner as to any ultimate or  
15 penultimate issue which either is or is likely to  
16 come before the Commission.

17 Third, I would ask that the participants, the  
18 Commissioners, and staff refrain from referencing  
19 any reports, articles, statutes, or documents of  
20 any kind that are not included in today's  
21 presentation, to prevent the need for myself or Mr.  
22 Reagle from having to track down copies or links to  
23 these documents to include in the record.

24 As a final note, please make sure to read,  
25 sign, and return the form that you were given at

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1 the door when you came in today. This form needs  
2 to be signed by each attendee to certify that the  
3 requirements contained in South Carolina Code  
4 Section 58-3-260(C) have been complied with at the  
5 presentation today.

6 And I'll turn it over to Chris Rozycki and  
7 Nanette Edwards. Thank you, very much.

8 **MR. CHRISTOPHER ROZYCKI [ORS]:** Good  
9 afternoon, Madam Chair, Commissioners.

10 [Reference: Presentation Slide 1]

11 Act 181 essentially contains three fundamental  
12 changes affecting the telecom industry, telecom  
13 customers, and service providers. First, Act 181  
14 modifies the current South Carolina Universal  
15 Service Fund. Second, the Act modifies the Dual  
16 Party Relay Fund – we often call it the  
17 telecommunication relay fund, but the Dual Party  
18 Relay Fund. And, third, it revises provisions  
19 related to stand-alone basic residential telephone  
20 lines.

21 [Reference: Presentation Slide 2]

22 I'll start with the Universal Service Fund.  
23 And by the way, if you have any questions as we're  
24 going through this, feel free to ask while we're  
25 speaking, and we can address those while the slides

1 are up and the topic is current.

2 There are several changes which have been –  
3 with the Universal Service Fund that we'll talk  
4 about here. First off, the Interim LEC Fund is  
5 being rolled into the Universal Service Fund, or  
6 consolidated into the Fund. When this is  
7 completed, we will have one Universal Service Fund  
8 in South Carolina. The Interim LEC Fund will  
9 terminate and cease to exist. The new Universal  
10 Service Fund will be the sum of the Interim LEC  
11 Fund in 2015; it will also include the Universal  
12 Service Fund and payments to companies for South  
13 Carolina Lifeline service. The total of those  
14 three elements today comes to approximately \$41.6  
15 million.

16 The Interim LEC Fund that will be rolled into  
17 the new USF fund is approximately \$13.2 million,  
18 and that's based on 2015 disbursements. The USF  
19 portion of the Fund, or the universal service  
20 portion of this, is \$27.4 million, for a total of  
21 \$40.7 million. That \$40.7 million will be a single  
22 fund and it will be capped, going forward.

23 **COMMISSIONER ELAM:** [Indicating.]

24 **MR. CHRISTOPHER ROZYCKI [ORS]:** Yes.

25 **COMMISSIONER ELAM:** So that means that the

1 Lifeline portion, the low-income portion, that's  
2 not capped?

3 **MR. CHRISTOPHER ROZYCKI [ORS]:** That's  
4 correct.

5 **COMMISSIONER ELAM:** And how will that work,  
6 going forward, the changes to that?

7 **MR. CHRISTOPHER ROZYCKI [ORS]:** As it works  
8 today – and our Lifeline portion applies to the  
9 Carriers of Last Resort, or the ILECs, in South  
10 Carolina; it's the \$3.50. So it's, specifically,  
11 wireline carriers today.

12 **COMMISSIONER ELAM:** Okay. Thank you.

13 **MR. CHRISTOPHER ROZYCKI [ORS]:** Yes.

14 [Reference: Presentation Slide 3]

15 Act 181 provides for the orderly  
16 administration of Commission Order No. 2016-22 by  
17 providing DOR, the Department of Revenue, to  
18 collect from wireless service providers and prepaid  
19 wireless sellers at point-of-sale. So, that is,  
20 collect the Universal Service Fund fees.

21 Prepaid wireless sellers will collect the fee  
22 much like today's 911 fees are collected, and they  
23 will remit those fees to the South Carolina  
24 Department of Revenue, and then DOR will, in turn,  
25 turn those fees or pass those fees along to ORS for

1           disbursement.

2                           [Reference: Presentation Slide 4]

3           The second principal area of change involves  
4           the Dual Party Relay Fund. The new law expands the  
5           base of contributors to the Dual Party Relay Fund.  
6           It now includes, or – it now includes wireless  
7           service providers, prepaid wireless sellers, and  
8           VoIP or Voice-over-Internet-Protocol providers.  
9           All three of these groups are now required to  
10          contribute to the Fund. Fees from each group will  
11          be collected by the Department of Revenue and  
12          remitted to ORS.

13                           [Reference: Presentation Slide 5]

14          By broadening the base of contributors to the  
15          Fund, the rate per contributor will go down.

16          Currently, the Dual Party Relay – currently,  
17          the Dual Party Relay cap is at 25 cents per line.  
18          The new cap will be set at, or is set at by the  
19          Legislation at 10 cents. Going forward, the  
20          current rate is now set at 25 cents, or the – it's  
21          at the cap. And that's per line, per month. We  
22          estimate and what ORS believes is that we will  
23          propose to the Commission that the new rate be as  
24          low as 6 cents per line or per transaction, per  
25          month. So, with equitable funding, we're spreading

1 the base and reducing the rate by, hopefully, as  
2 much as 75 percent less than today's 25 cent rate.

3 And with that, I will turn over the clicker to  
4 Nanette, and she will take it from here  
5 [indicating].

6 **MS. NANETTE EDWARDS [ORS]:** [Indicating.]

7 Good afternoon.

8 [Reference: Presentation Slide 6]

9 My section is "Deregulation of Stand-Alone  
10 Residential Lines." This portion, if you remember  
11 – and I am referring to Act 7, so we'll have to  
12 provide it. But AT&T – there has been a  
13 deregulation of stand-alone residential lines, and  
14 for purposes of my discussion here, the local  
15 exchange carrier that made the election prior to  
16 January 1, 2016, is AT&T. What this provision does  
17 in this Act is it allows the remaining stand-alone  
18 residential lines to – and as of the last data that  
19 I have, it's about 6500. So that number has gone  
20 down considerably, over time. But those remaining  
21 6500 lines, approximately, they would not be price-  
22 regulated. There is a provision so that there will  
23 be a point in time in the future – it's four years  
24 after the effective date of this Act, May 25, 2020  
25 – where the obligations around those remaining

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1 stand-alone residential lines ends. So, there is,  
2 if you will, a sunset or an end date for this  
3 remaining portion of lines.

4 There is a provision in there for during that  
5 four-year period, if a consumer were to file with  
6 the Commission that there was no alternative voice  
7 provider by any available technology, then, within  
8 a 90-day period of that filing, there would be a  
9 review and, if the Commission were to determine  
10 that there was no other available voice provider,  
11 then either one or two options are set forth in Act  
12 181. One option would be that that local exchange  
13 carrier – in this case, AT&T – would continue to  
14 provide service, but either through themselves or  
15 an affiliate, and would, through any available  
16 technology, or there could be an opportunity and  
17 the Commission could set forth a competitive  
18 procurement to see if there would be another  
19 provider that would come in and serve.

20 Again – so that's basically a process that's  
21 in there. If the Commission were to order – issue  
22 an order – that order would eventually timeout, as  
23 well, and it would be four years from the effective  
24 date of the order.

25 So that's the provisions on deregulation of

1 stand-alone lines.

2 [Reference: Presentation Slide 7]

3 The next steps – and I wanted to kind of round  
4 out the provisions or changes that we're seeing  
5 from Act 181. We do – as ORS, we're the  
6 administrator of the State Universal Service Fund,  
7 so we will be filing in the near future, basically  
8 seeking Commission approval for those changes to do  
9 – to take those next steps. The full  
10 implementation date, the earliest that it can be  
11 fully implemented, is January 1, 2017, but our  
12 intention – our present intention – is to put forth  
13 those steps that we need to take and get Commission  
14 approval for, so that we can be ready for full  
15 implementation 1/1/2017.

16 So there's going to be two petitions, one on  
17 USF and one on the Dual Party Relay Fund. The Dual  
18 Party Relay, that's very straightforward. We would  
19 come to this Commission, as referenced by Chris.  
20 The Commission sets the rate for the Dual Party  
21 Relay charge, so we would be coming to you with a  
22 recommendation and support.

23 **COMMISSIONER ELAM:** Does the 6 cent figure  
24 cover adequately the equipment expense for the DPR?

25 **MS. NANETTE EDWARDS [ORS]:** Our estimate is,

1           yes. Now, what I would say to you is, it would  
2           more than adequately cover the equipment expenses  
3           that we see today. Going forward, as we perhaps  
4           incorporate the ability to – for example, if we  
5           have VoIP customers who are paying in, obviously  
6           we're going to start carrying equipment at that  
7           point in time, where somebody could use that  
8           equipment on a VoIP line.

9           **COMMISSIONER ELAM:** I see. So –

10          **MS. NANETTE EDWARDS [ORS]:** So there could be  
11          some more demand, if you will –

12          **COMMISSIONER ELAM:** Yeah.

13          **MS. NANETTE EDWARDS [ORS]:** – at that point in  
14          the future.

15          **COMMISSIONER ELAM:** So you would – if you  
16          thought you needed more than 6 cents to cover that,  
17          you would come back to the Commission?

18          **MS. NANETTE EDWARDS [ORS]:** Absolutely. The  
19          Commission sets the rate; that's your jurisdiction.  
20          We would come in and we would provide you with the  
21          evidence, the support, as to, "Hey, there's an  
22          uptick in demand for certain pieces of equipment."

23                 As an initial matter, we do believe that the 6  
24          cents is going to adequately cover us. For  
25          example, to add those new pieces of equipment,

1 Commissioner Elam, we're going to have to go  
2 through the procurement process to add those new  
3 pieces of equipment, so –

4 **COMMISSIONER ELAM:** Yeah.

5 **MS. NANETTE EDWARDS [ORS]:** – that'll take a  
6 little bit of time.

7 **COMMISSIONER ELAM:** I just recall that y'all  
8 have been over here talking that you were having a  
9 little bit of difficulty with the costs for the  
10 equipment program, and I was –

11 **MS. NANETTE EDWARDS [ORS]:** At that time,  
12 absolutely, and it was a very good question to ask.  
13 We are doing very well, now, but we do want to be  
14 mindful that we set the rate appropriately. The  
15 other thing we don't want to do is to constantly  
16 have to come in to you, the Commission. And as you  
17 can imagine, now that we're dealing with all the  
18 wireless providers and the VoIP providers, if that  
19 rate changes, for example, annually, that's not our  
20 desire. We want to set a rate and we would like  
21 that rate to be steady.

22 **COMMISSIONER ELAM:** Speaking of the prepaid  
23 wireless and the VoIP providers, do you have a way  
24 to get a really good list of who's who?

25 **MS. NANETTE EDWARDS [ORS]:** It's funny you

1 raise that, Commissioner Elam. As a matter of  
2 fact, about a year ago, I contacted the FCC and  
3 spoke to the lady who receives those local  
4 competition reports that are published on the FCC  
5 website. And these are the entities that report  
6 where they're operating and how many lines or, in  
7 the case of CMRS, you know, how many active mobile  
8 connections there are.

9 We have signed a document with the FCC to get  
10 access to the – what you can see publicly is the  
11 aggregate data. What we've done is we've looked to  
12 get the individual names. But even then, publicly,  
13 you can, and Chris Rozycki and Jim McDaniel have  
14 pulled down all the wireless providers that are  
15 reporting to the FCC today. And that's public  
16 information. But we will have, in the future – we  
17 do have access to look at who's filing reports with  
18 the FCC, as kind of a check-and-balance.

19 **COMMISSIONER ELAM:** That just seems like it  
20 might be kind of an interesting collection effort.

21 **MS. NANETTE EDWARDS [ORS]:** It is.

22 **COMMISSIONER ELAM:** Is there any penalty if  
23 one of those providers just refuses –

24 **MS. NANETTE EDWARDS [ORS]:** To pay?

25 **COMMISSIONER ELAM:** – to pay?

1                   **MS. NANETTE EDWARDS [ORS]:** Well, that's why  
2                   the Department of Revenue is involved. We've been  
3                   working with them, and they've been great to work  
4                   with. There are provisions within Act 181 which  
5                   enable them to use all the tools in their toolbox,  
6                   if you will, under Title 12, to pursue collection  
7                   efforts. So that is not something that we, as ORS,  
8                   could do or would want to put the Commission in  
9                   place. So that was – if I may say so, Mr. Dukes  
10                  Scott, our Executive Director, was very wise to  
11                  assist us on that area.

12                  **COMMISSIONER ELAM:** Good answer.

13                                 [Laughter]

14                  One last question on the sunseting of the  
15                  single lines, and I understand it's just AT&T,  
16                  initially, or maybe they're the only one who got  
17                  that. Will some sort of information be provided to  
18                  a customer of those lines, that they have the  
19                  option of contacting the Commission, whenever AT&T  
20                  designates one of those lines?

21                  **MS. NANETTE EDWARDS [ORS]:** Well, the way Act  
22                  181 is worded now – and I'm just giving you the  
23                  factual answer – is, they have to give notice 90  
24                  days before they would terminate. And once the  
25                  consumer has that notice, in that notice it has to

1 have information about their rights to file with  
2 the Commission and the Commission's – I believe it  
3 even has in there the Commission's contact  
4 information.

5 **COMMISSIONER ELAM:** I thought I had read that,  
6 and I was just making sure I understood what I read  
7 – which is not always true on statutes. Thank you.

8 **MS. NANETTE EDWARDS [ORS]:** [Nodding head.]

9 **COMMISSIONER HAMILTON:** I have one question.  
10 Wonder if you could tell me about the status of the  
11 availability of Dual Party Relay as we move into  
12 the new Act.

13 **MS. NANETTE EDWARDS [ORS]:** In terms of the  
14 status of availability? Well, today – do you mean  
15 in terms of the equipment?

16 **COMMISSIONER HAMILTON:** No, the amount that  
17 the consumers are – could anybody in the State, at  
18 the present time, have Dual Party Relay available?

19 **MS. NANETTE EDWARDS [ORS]:** Well, yes, sir.  
20 In terms of the relay service, it's ubiquitous.  
21 And in terms of today, in terms of equipment,  
22 anybody who medically qualifies, we're not holding  
23 or we don't – we are filling those applications  
24 today, that qualify, and turning them around. So  
25 we're not – there's no, if you will, there's no

1 qualified, approved applications that are being  
2 held up or in any way that we don't have the  
3 equipment to be able to meet their needs.

4 **COMMISSIONER HAMILTON:** Is this regardless of  
5 the carrier that they have?

6 **MS. NANETTE EDWARDS [ORS]:** Okay, now, if what  
7 you're saying – okay, I think I misunderstood your  
8 question, Commissioner. The truth is, to answer  
9 your question directly, if you are a VoIP customer  
10 today and your provider, telecommunications  
11 provider, does not contribute to the Dual Party  
12 Relay Fund, we have not been filling those requests  
13 for equipment, because those – and I don't mean to  
14 pick on anybody, but to put it in terms of like,  
15 for example, if I'm with U-verse or if I'm on  
16 Vonage – that's another – if I'm with Vonage –  
17 they're not present, so I'm going to pick on  
18 Vonage. Vonage, if I were a customer of Vonage –  
19 and we have had this – there's, I'd say, less than  
20 100 of applications that they would like to  
21 participate and they would qualify, but we have  
22 said, due to the fact that you are with a provider  
23 that does not contribute, we've not fulfilled their  
24 application.

25 **COMMISSIONER HAMILTON:** Okay. Does this Act

1 change that, or is something else going to have to  
2 be done?

3 **MS. NANETTE EDWARDS [ORS]:** Commissioner  
4 Hamilton, in our – we believe it changes that.  
5 Certainly, the providers with those contributions,  
6 there would be no reason not to fill those  
7 applications for service.

8 I would also hasten to add that, with wireless  
9 – not that it would be a wireless phone, but if I  
10 was, for example, hard of hearing, and I had a  
11 wireless phone, and now that wireless is  
12 contributing starting January 1, 2017,  
13 hypothetically, there is equipment to enable  
14 somebody who is hard of hearing, when they're using  
15 their wireless voice-telecommunication service, and  
16 it would be our intent to meet those needs for  
17 those who medically qualify.

18 **COMMISSIONER HAMILTON:** Is there any list or  
19 anything of people who have been disqualified  
20 because their carrier was not contributing –

21 **MS. NANETTE EDWARDS [ORS]:** We've –

22 **MR. CHRISTOPHER ROZYCKI [ORS]:** Yes.

23 **COMMISSIONER HAMILTON:** – that these people  
24 could be notified that possibly they could get it  
25 now?

1                   **MS. NANETTE EDWARDS [ORS]:** Yes.

2                   **MR. CHRISTOPHER ROZYCKI [ORS]:** We – yes,  
3 we've been retaining all of those applications by  
4 people who were denied. And 1/1/2017, we may pick  
5 up the phone and call those people back and say,  
6 "Oh, by the way, you may want to reapply."

7                   **COMMISSIONER HAMILTON:** It might be a better  
8 day in South Carolina, huh?

9                   **MR. CHRISTOPHER ROZYCKI [ORS]:** Right.

10                  **COMMISSIONER HAMILTON:** Thank you. Thank you,  
11 very much.

12                  **MS. NANETTE EDWARDS [ORS]:** I just had one  
13 item.

14                                   [Reference: Presentation Slide 7]

15                  The USF ORS reporting requirements, there is a  
16 report that ORS will turn in to the Public  
17 Utilities Review Committee two years after the  
18 effective date of this Act, and it will go to the  
19 need for support, as well as to the appropriate  
20 level of support. And then there's a report every  
21 four years thereafter, to the PURC.

22                  And that concludes our presentation. We're  
23 happy to answer any other questions.

24                  **CHAIRMAN HALL:** Commissioners, any other  
25 questions? Commissioner Whitfield.

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**VICE CHAIRMAN WHITFIELD:** Thank you, Madam  
Chairman.

I have one, Ms. Edwards. What Commissioner Elam was asking you about for the folks that are – of course, we're talking about AT&T that's opted to end on -576(C). If those that still have stand-alone lines and over the next four years, you're coming to a – you're down to 6000 or 6500, whatever you said. If you get down and there's not a comparable any type of voice alternative there, and you said there was a provision for the Commission to assign a provider, and then you went a step further and I think even said a competitive procurement offering, I guess, to make sure that, since it's not price-regulated, that they're still being treated fairly according to price. But how big of a deal would that be for someone who finds himself in an area that, you know, they might – of course, we're talking about in their footprint, at this time, but that might not be able to get comparable voice service? What would the process be for that subscriber?

**MS. NANETTE EDWARDS [ORS]:** The process is – and I may have misled. If the consumer were to file with the Commission saying, "I don't have

1 another voice alternative through any other  
2 technology," the Commission would review that  
3 request and, first off, it has to be a reasonable  
4 request for service – that's the first thing – but,  
5 secondly, there would have to be a finding that  
6 there is, in fact, no other voice provider through  
7 any other technology. That would have to be a  
8 finding. If that finding were made, then there's  
9 two options available. One would be – and it's not  
10 just any other provider; it would actually be, I  
11 said, the local exchange carrier. Because this  
12 applies to AT&T, if there were such a finding, then  
13 the Commission could either (a) find that AT&T  
14 and/or AT&T could meet the requirement through an  
15 affiliate to provide service to that customer, that  
16 stand-alone residential customer. But they can  
17 meet that need through any available technology, or  
18 the Commission could conduct a competitive  
19 procurement, meaning seeing if there's anybody else  
20 out there who would be willing to come forward and  
21 serve. But there would have to be a finding first  
22 that there is, in fact, no other voice-provider  
23 alternative. And when you start thinking of  
24 through any other available technology, I think it  
25 gets very difficult, because you have wireless, you

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1 know, you have pretty – I think it's going to be  
2 the unique circumstance – now this is Nanette  
3 Edwards' opinion, but I think it's going to be the  
4 unique circumstance that would come to you to say  
5 that there is no other available technology to meet  
6 the voice needs of that consumer.

7 **VICE CHAIRMAN WHITFIELD:** And, lastly, I know  
8 we got a little ahead of you, and you had to kind  
9 of rush through that last one. But that last  
10 bullet point, I know you mentioned reporting to the  
11 PURC committee in two years, but how about that  
12 bullet point you have, "Needs of Carriers of Last  
13 Resort"? Could you touch on that a minute?

14 **MS. NANETTE EDWARDS [ORS]:** Sure, absolutely.  
15 The report in – this was very much a key point in  
16 this Legislation is that there be a report that  
17 focuses to make sure that there is financial  
18 investment, and the need for support for the  
19 Carriers of Last Resort is discussed in the report,  
20 as well as the appropriate level of funding that  
21 should continue to be distributed. And then that  
22 next four years thereafter – I know it's not on the  
23 slide, but in the next report, it goes on to say in  
24 Act 181 that we would talk about the status of the  
25 USF at that point, as well as any recommendations

1 that should be made to the PURC at that point, and  
2 any other information that the PURC deems  
3 appropriate. Those are literally the words off the  
4 page of the Act. But that kind of – the idea was  
5 to make sure that there's sufficient financial  
6 support, but also that there's an appropriate level  
7 of funding, so both sides of the coin would  
8 balance.

9 **VICE CHAIRMAN WHITFIELD:** Thank you. That's  
10 all I have, Madam Chairman.

11 **COMMISSIONER HAMILTON:** Just one short one,  
12 Madam Chair.

13 As we move forward with the ending of the land  
14 lines, so to speak, will the Carrier of Last Resort  
15 consider towers as part of the –

16 **MS. NANETTE EDWARDS [ORS]:** [Indicating.]  
17 Commissioner Hamilton, I did not mean to interrupt  
18 you, sir, but you are very wise. You've moved –  
19 there's provisions in here, when they talk about  
20 the Carrier of Last Resort, there's a definition in  
21 here. And it does discuss that they may meet their  
22 Carrier-of-Last-Resort obligations using other  
23 forms of technology.

24 So you moved right there. Now there is also a  
25 caveat that the service has to be of quality – of

1 such a quality of service as to meet the  
2 Commission's regulations with regard to the quality  
3 of service for telephone. So you can't – the idea  
4 was not to backslide in the quality of service  
5 provided to the consumers.

6 **COMMISSIONER HAMILTON:** Thank you, ma'am, very  
7 much. I appreciate that. Great program.

8 **CHAIRMAN HALL:** Commissioner Howard?

9 **COMMISSIONER HOWARD:** Ms. Edwards, do you have  
10 any figure on what percentage of geographical area  
11 is covered by some form of towers?

12 **MS. NANETTE EDWARDS [ORS]:** I do not.  
13 Chris, do you have anything like that?

14 **MR. CHRISTOPHER ROZYCKI [ORS]:** The –

15 **COMMISSIONER HOWARD:** No? How many areas that  
16 don't have any service?

17 **MR. CHRISTOPHER ROZYCKI [ORS]:** We don't have  
18 a percentage, but the carriers – particularly, AT&T  
19 and Verizon – pretty much cover 100 percent of the  
20 populated areas. That said – and their coverage  
21 maps tend to show that. That said, if you live  
22 down in a valley, you know, you may be out of reach  
23 of the cell tower. So it's not a perfect kind of  
24 map or measurement of where it's available.

25 **COMMISSIONER HOWARD:** Right.

1                   **MR. CHRISTOPHER ROZYCKI [ORS]:** But I think –  
2                   I would venture a guess that 95 percent, probably  
3                   99 percent, of all residents have access to  
4                   wireless service.

5                   **COMMISSIONER HAMILTON:** You might want to –

6                   **MR. CHRISTOPHER ROZYCKI [ORS]:** It may not be  
7                   five bars.

8                   **COMMISSIONER HAMILTON:** You might want to take  
9                   a day trip and travel through rural South Carolina.

10                  **MR. CHRISTOPHER ROZYCKI [ORS]:** Well, and –  
11                  yeah, I know. I've had that, and I've experimented  
12                  with different carriers in order to find one that  
13                  works, but –

14                  **COMMISSIONER HAMILTON:** Thank you.

15                  **CHAIRMAN HALL:** All right. Commissioner Elam.

16                  **COMMISSIONER ELAM:** Just one more. Something  
17                  you said – and I don't remember whether the statute  
18                  addresses this, or not, so I'm asking. If you get  
19                  to that point where you have a customer filing  
20                  something here at the Commission – and you said,  
21                  you know, if the Commission makes a finding that  
22                  there's no alternative – who is going to research  
23                  or put forward evidence whether there is or isn't  
24                  an alternative? Would the customer have to do  
25                  that?

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**MS. NANETTE EDWARDS [ORS]:** Well, I think there's going to be, in particular – and, Commissioner Elam, I know where you're going with this. I would suspect that AT&T, in that example, would be able to put forth evidence of, you know, there's other available providers. And, of course, unlike other areas, I do not believe that ORS is excluded – we're a party to all cases before the Commission, so...

**COMMISSIONER ELAM:** Okay, thank you.

**CHAIRMAN HALL:** All right. Any other questions?

[No response]

Okay. Thank you, so much, Ms. Edwards and Mr. Rozycki, for your update on this. We'll look forward to hearing again soon. Thank you. We are adjourned.

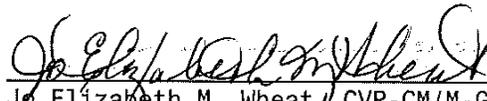
[WHEREUPON, at 3:13 p.m., the proceedings in the above-entitled matter were adjourned.]

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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had in an Allowable Ex Parte Proceeding held before THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA in Columbia, South Carolina, according to my verbatim record of same.

IN WITNESS WHEREOF, I have hereunto set my hand, on this the 9<sup>th</sup> day of June, 2016.

  
Jo Elizabeth M. Wheat, CVR-CM/M-GNSC  
Hearings Reporter, PSC/SC  
My Commission Expires: January 27, 2021.