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August 3, 2006

FILED ELECTRONICALLY AND VIA FIRST-CLASS MAIL SERVICE
The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

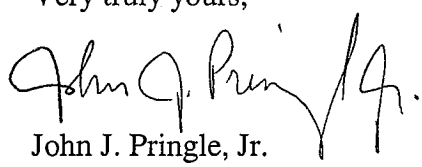
RE: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration with Chesnee Telephone Company, Inc., **Docket No. 2006-137-C**
Petition of Charter Fiberlink SC – CCO, LLC for Arbitration with West Carolina Rural Telephone Cooperative, **Docket No. 2006-138-C**
Petition of Charter Fiberlink SC – CCO, LLC for Arbitration with Lockhart Telephone Company, **Docket No. 2006-139-C**
Petition of Charter Fiberlink SC – CCO, LLC for Arbitration with Piedmont Rural Telephone Cooperative, Inc., **Docket No. 2006-142-C**
ELS File No. 797-11361

Dear Mr. Terreni:

Enclosed is the **Rebuttal Testimony of Michael P. Cornelius** filed on behalf of Charter Fiberlink SC – CCO, LLC in the above-referenced dockets.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope. If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

cc: C. Lessie Hammonds, Esquire, Shannon Bowyer Hudson, Esquire
John Bowen, Esquire, Margaret Fox, Esquire
Charles A. Hudak, Esquire
Enclosures

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Chesnee Telephone Company, Inc. Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-137-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with West Carolina Rural Telephone Cooperative Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-138-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Lockhart Telephone Company Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-139-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Piedmont Rural Telephone Cooperative, Inc. Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-142-C

REBUTTAL TESTIMONY OF MICHAEL P. CORNELIUS
ON BEHALF OF CHARTER FIBERLINK SC – CCO, LLC

August 3, 2006

1 WITNESS INTRODUCTION

2 **Q. Please state your name and business address.**

3 A. My name is Michael P. Cornelius. My business address is 8413 Excelsior Drive, Suite 120,

4 Madison, Wisconsin 53717.

5 **Q. Are you the same Michael P. Cornelius whose prefiled Direct Testimony was filed by**

6 **Charter in these consolidated dockets on July 6, 2006?**

7 A. Yes, I am.

8 **Q. What is the purpose of your Rebuttal Testimony?**

9 A. The purpose of my Rebuttal Testimony is to respond to the prefiled Direct Testimony of

10 Douglas Duncan Meredith submitted by the Respondents on July 20, 2006.

11 **Q. Charter has filed a Motion *in Limine* to Exclude Identified Portions of the Direct**

12 **Testimony of Douglas Duncan Meredith. Does your testimony respond to the portions**

13 **of Mr. Meredith's testimony that Charter seeks to exclude?**

14 A. No. Charter seeks to exclude those portions of Mr. Meredith's Direct Testimony because

15 they consist of legal argument and legal conclusions. As I stated in my Direct Testimony, I

16 am not an attorney, and I am not attempting to testify concerning the law or to state legal

17 opinions or conclusions.

18 CONSOLIDATED COMMON ISSUES

Issue 1 in Dockets 2006-137-C, 2006-138-C and 2006-139-C

19

Issue 6 in Docket 2006-142-C

20

Under what circumstances should indirect interconnection and direct interconnection, respectively, be required pursuant to the Agreement?

21

1 **Q. Mr. Meredith testifies that an industry standard requires carriers to "make**
2 **arrangements for interconnection with all carriers affected by the code opening prior to**
3 **the code effective date." Does this reflect Charter's experience?**
4 A. No. As I stated in my direct testimony, the loading of NXX codes is a non-issue for most
5 carriers. Mr. Meredith is correct that a document published by an industry standards body
6 indicates that interconnection arrangements must be in place before activating an NXX code
7 in order for calls to numbers in that NXX to complete, but the requirement to negotiate
8 interconnection agreements as stated in that document is not as broad as Mr. Meredith
9 implies, and Charter's conduct has not been inconsistent with the industry standard.
10 The relevant portion of ATIS-0300037, *Intercompany Responsibilities Within the*
11 *Telecommunications Industry, Issue 3*, is attached to my prefiled Rebuttal Testimony as
12 Exhibit MPC_1. It is readily apparent that this industry standard does not require a LEC to
13 negotiate an interconnection agreement with every other carrier with which the LEC expects
14 to exchange traffic directly or indirectly before activating an NXX code. As the ATIS
15 document states, "[f]or calls to originate and terminate ... numerous companies must
16 interface and must physically 'interconnect' with each other. ... Agreements must be
17 established between ALL ***physically interconnecting*** companies."[1]
18 The reference to "physically interconnecting" refers to the establishment of direct
19 interconnections, not the exchange of traffic through indirect interconnections. As stated in
20 the standard, it is necessary to negotiate an agreement before establishing a ***direct*** connection
21 between two local networks. Agreements are necessary, at a minimum, in order to specify
22 the location and technical parameters of the interconnection. Such negotiations and

[1] ATIS-0300037, *Intercompany Responsibilities Within the Telecommunications Industry, Issue 3*, at 6 (capitalization in original; emphasis added).

1 agreements are not necessary in order to exchange traffic over ***indirect*** interconnections that
2 are already in place, however. The very next paragraph of the ATIS document states that
3 "agreements are ***often*** needed with ALL other local exchange carriers,"[2] which clearly
4 implies that agreements are not required in all cases before activating an NXX code, as
5 where LECs are already indirectly interconnected. The fact that the standard is concerned
6 with establishing new interconnection arrangements where they are needed, and not with the
7 indirect exchange of traffic over existing trunk groups, is further supported by the references
8 at the top of page 8 to "the time needed for the completion of the actual provisioning of the
9 specific network facilities involved to permit interconnection"[3] and "the time needed for the
10 actual completion of trunk group turn-up."[4] These activities are not necessary where LECs
11 will be exchanging traffic indirectly over trunk groups that are already in place connecting
12 each LEC to a transit provider. As I discuss below, Charter is currently exchanging traffic
13 indirectly with all of the Respondents.

14 **Q. Has it been your experience that most LECs negotiate interconnection agreements with**
15 **all of the LECs with whom they will exchange traffic before activating an NXX code?**

16 A. Absolutely not. Interconnection agreements are needed in order to establish direct
17 interconnections and may be necessary if the LECs are not mutually interconnected to a
18 carrier that can provide a transit service, but when indirect interconnections are already in
19 place to handle the exchange of small volumes of traffic, most LECs simply enter the
20 appropriate routing data into the Business Integrated Routing and Rating Database System
21 ("BIRRDS") database and commence exchanging traffic. In Charter's experience, only a

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2 *Id.* (capitalization in original; emphasis added).

3 *Id.* at 8.

4 *Id.*

minority of LECs object to exchanging traffic indirectly without a formal interconnection agreement.

Q. At page 6 of his Direct Testimony concerning the consolidated common issues, Mr. Meredith states that "the physical location of the called party is very important in determining the jurisdiction of [a] call" and that "[i]f an RLEC opens a code as local to end users and finds that the code actually terminates to customers outside the local calling area (VNXX calls)," the RLEC can bill the terminating carrier for access charges. Do you disagree?

A. No, I don't. Charter agrees with the Respondents that the physical locations of the calling and called parties, and not a simple comparison of the NXXs, should be the basis for determining whether a call is treated as a local or EAS call for which reciprocal compensation is due (unless the LECs have agreed to bill and keep for local traffic, as Charter and the Respondents have) or as a toll call to which intercarrier access charges apply. Charter does not currently provide what is generally referred to as Virtual NXX ("VNXX") service, whereby an end user located outside a local calling area is assigned a number rated in that calling area, and Charter agrees with Respondents that any call to or from such a customer should be subject to access charges. The same is true of traditional ILEC Foreign Exchange ("FX") service, which is provisioned differently but similarly results in assigning a local number to a distant end user. In either case, however, when a caller physically located in the local calling area places a call to a customer served by a VNXX or FX service, the call is dialed as a local call, and the calling party is not charged for a toll call. The fact a call to a locally-rated NXX may actually terminate in a distant rate center does not change the fact that (1) the originating LEC must program its switch to treat the NXX as local and (2) the

1 call is dialed as a local call, is charged to the calling party (if at all) as a local call and
2 otherwise appears to be local in all respects to the calling party.

3 **Q. Mr. Meredith also makes the point on page 6 that "[i]n all RLEC/RBOC EAS routes,**
4 **there are <u>direct interconnection</u> arrangements between the RLECs and BellSouth or**
5 **Verizon."[5] Why does Charter believe that similar direct interconnections are not**
6 **appropriate for the exchange of EAS traffic between Charter and the Respondents?**

7 A. As discussed in my Direct Testimony, EAS routes typically have been established between
8 local exchanges because of a high community of interest and high calling volume between
9 those exchanges. High call volumes between BellSouth or Verizon and the Respondents led
10 to the establishment of EAS routes, and those same high call volumes made it more efficient
11 to establish direct interconnections to carry the calls, rather than exchanging them over
12 tandem-switched routes that may already have existed. By contrast, despite the volume of
13 complaints that Charter has received because the Respondents' customers could not place
14 local calls to some of Charter's customers, the actual call volumes between Charter and the
15 Respondents are likely to be quite low for some time. In simplest terms, justifying the cost of
16 direct interconnection requires a high calling volume that simply does not exist currently
17 between Charter and the Respondents. Thus, for the time being, indirect interconnection is
18 efficient, reasonable and necessary.

19 Based upon the NECA Tariff 5, which is the Respondents' interstate access tariff, a DS1
20 connecting Charter directly to one of the Respondents would cost about $500 per month. If
21 Charter and the ILEC shared that cost equally, Charter's cost for a direct interconnection
22 would be about $250 per month. At a transit rate of approximately $0.003713 per minute of

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[5] Underlining in original.

use, for $250 BellSouth will deliver over 67,000 minutes of traffic indirectly to the Respondents for Charter.[6] Based upon the population density of the areas in question, it will likely be many months, and possibly years, before Charter originates that much traffic on a monthly basis to any one of the Respondents. Charter recently examined the traffic volumes it exchanges with six rate centers in New England that are considerably more densely populated than those involved in this arbitration. For those New England call routes, Charter currently is transiting traffic through a toll carrier because of technical impediments to local transiting and was considering establishing direct connections to the terminating exchanges. Charter determined, however, that it is originating considerably less than 67,000 minutes per month to all six rate centers combined, making direct interconnection to each of them economically infeasible. By comparison, the volume of traffic over these South Carolina call routes is unlikely to be significantly greater than what Charter is experiencing in more densely populated rate centers in New England.

Charter is directly interconnected to BellSouth's Greenville tandem. Based upon the Respondents' answers to Charter's Interrogatories, the Chesnee, Lockhart and West Carolina end offices with which Charter seeks to exchange traffic and the Piedmont tandem are also directly interconnected to BellSouth's Greenville tandem. In all cases, Respondents currently originate some locally-dialed calls over their direct interconnections to the Greenville tandem. There is no technical reason that Charter and the Respondents cannot exchange traffic over their mutual direct interconnections to the Greenville tandem until the call volumes warrant the cost of establishing direct connections.

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[6] Based upon their arguments concerning the location of the Point of Interconnection in a direct interconnection scenario, it is clear that the Respondents are unwilling to share equally the cost of direct interconnection trunks. If Charter were to bear more than half of the cost of a direct interconnection trunk, it could transit even more traffic through BellSouth before the cost of that trunk would make sense.

1 In point of fact, ***Charter and the Respondents are already exchanging traffic indirectly in***
2 ***this manner***. Charter sends all of its customers' local/EAS calls to Chesnee, Lockhart
3 Piedmont and West Carolina customers to the Greenville tandem. Now that they have loaded
4 Charter's NXX codes, Lockhart, Piedmont and West Carolina send all of their customers'
5 local/EAS calls to Charter customers to the Greenville tandem, while Chesnee also sends
6 local/EAS calls to the Greenville tandem for Charter customers with telephone numbers in
7 the 864-461 NXX or telephone numbers that have been ported from BellSouth to Charter.
8 All of these calls complete properly. If Chesnee loaded Charter's 864-285 NXX, Chesnee
9 could similarly send its customers' remaining local/EAS calls to Charter customers to the
10 Greenville tandem, and those calls would complete as well. Since Charter's customers in the
11 Respondents' EAS areas were BellSouth and Verizon customers before they switched their
12 service to Charter, so that the same calls are going to the same customers as before Charter
13 arrived on the scene, it is likely that the existing trunk groups will be sufficient to handle the
14 traffic volumes between Charter and the Respondents until there is enough traffic to justify
15 direct connections.

16 **Q. At pages 6 and 7 of his Direct Testimony, Mr. Meredith states that an RLEC cannot**
17 **"properly account for the traffic it receives" if "a CLEC fails to populate the necessary**
18 **information or a transit carrier fails to pass this necessary information" and that some**
19 **"carriers deliberately misidentify and or manipulate this information so as to avoid**
20 **proper payment for traffic." How do you respond?**

21 A. I believe that Mr. Meredith is referring to signaling information that identifies the calling
22 party and originating carrier. This information is used to determine whether, for
23 interconnection and intercarrier billing purposes, calls are local calls or are subject to access

1 charges and to identify the carrier who should be billed for applicable charges. This issue is
2 addressed in several places in the agreed-upon language in the interconnection agreement at
3 issue. Section 9.7 of the General Terms and Conditions[7] requires each party to record and
4 provide to the other "the information to properly assess the jurisdiction of the call including
5 ANI or service provider information necessary to identify the originating company, and
6 originating signaling information." Section 9.6 gives the Respondents (and Charter) the right
7 to audit this information. In Section 5.1 of the Interconnection Attachment, Charter and the
8 Respondents have agreed in some detail that the Calling Party Number must correctly
9 identify the physical location of the caller.[8] Section 5.2[9] provides that if either party fails to

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[7] Section 9.7 provides:

> The Parties shall each perform traffic recording and identification functions necessary to provide the services contemplated hereunder. Each Party shall calculate terminating duration of minutes used based on standard Automatic Message Accounting ("AMA") records made within each Party's network. The records shall contain the information to properly assess the jurisdiction of the call including ANI or service provider information necessary to identify the originating company, and originating signaling information. The Parties shall each use commercially reasonable efforts, to provide these records monthly, but in no event later than thirty (30) days after generation of the usage data.

[8] Section 5.1 provides:

5.1 Accurate Calling Party Number ("CPN") associated with the End User Customer originating the call must be provided. Accurate CPN is:

- 5.1.1 CPN that is a dialable working telephone number, that when dialed, will reach the End User Customer to whom it is assigned, at that End User Customer's Location.
- 5.1.2 CPN that has not been altered.
- 5.1.3 CPN that is not a charged party number.
- 5.1.4 CPN that follows the North American Numbering Plan Standards and can be identified in numbering databases and the LERG as an active number.
- 5.1.5 CPN that is assigned to an active End User Customer.
- 5.1.6 CPN that is associated with the Rate Center of the specific End User Customer Location.

[9] Section 5.2 provides:

> The originating Party will provide to the other Party, upon request, information to demonstrate that the originating Party's portion of traffic without CPN or Jurisdictional Indicator Parameter ("JIP") does not exceed five percent (5%) of the total traffic delivered to the other Party. The Parties will coordinate and exchange data as necessary to determine the cause of the CPN or JIP failure and to assist in its correction. If either Party fails to provide accurate CPN and JIP (*i.e.* valid originating information) on at least ninety-five percent (95%) of its total originating Local/EAS Traffic and ISP Bound Traffic, then traffic sent to

1 provide accurate Calling Party Number or the Jurisdictional Indicator Parameter on more
2 than five percent (5%) of its originated traffic, the other party may bill for unidentified traffic
3 at the ILEC's intrastate access rate, rather than the bill and keep compensation to which
4 Charter and the Respondents have otherwise agreed for local traffic. Section 5.4 also requires
5 both parties to provide "the proper signaling information ... to enable each Party to issue
6 bills in an accurate and timely fashion."[10] Finally, in Section 1.3 of the Interconnection
7 Attachment, Charter has agreed to a "Rate Arbitrage" provision that prohibits the use of the
8 parties' interconnection to bypass or avoid the payment of switched access charges.[11] It is

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the other Party without valid originating information will be handled in the following manner. If the unidentified traffic is less than 5%, the unidentified traffic will be treated as having the same jurisdictional ratio as the identified traffic. If the unidentified traffic exceeds five percent (5%) of the total traffic, all the unidentified traffic shall be billed at a rate equal to ILEC's applicable access charges.

10 Section 5.4 provides:

> ILEC and CLEC are required to provide each other with the proper signaling information (e.g. originating accurate CPN, JIP, and destination called party number, etc.) to enable each Party to issue bills in an accurate and timely fashion. All Common Channel Signaling (CCS) signaling parameters will be provided including CPN, JIP, Originating Line Information Parameter (OLIP) on calls to 8XX telephone numbers, Calling Party Category, Charge Number, etc. All privacy indicators will be honored. One JIP per switch per LATA per state will be provided. In addition, each Party agrees that it is responsible for ensuring that all CCS signaling parameters are accurate and it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN or JIP. CPN shall, at a minimum, include information that accurately reflects the physical location of the End User Customer that originated and/or dialed the call.

11 Section 1.3 provides:

1.3 Rate Arbitrage

1.3.1 Each Party agrees that it will not knowingly provision any of its services or the services of a third party in a manner that permits the circumvention of applicable switched access charges otherwise payable to the other Party or the utilization of the physical connecting arrangements described in this Agreement to permit the delivery to the other Party of traffic not covered under this Agreement through the POI on local interconnection trunks. For purposes of this Agreement, such provisioning is referred to as "Rate Arbitrage." The prohibition of Rate Arbitrage includes, but is not limited to, traffic originated or delivered by third-party carriers, traffic aggregators who pool traffic from several sources but do not have tandems in the LERG and resellers.

1.3.2 If any Rate Arbitrage is identified, the Party causing such Rate Arbitrage also agrees to take all reasonable steps to terminate and/or reroute any service that is permitting any carrier (including, without limitation, either Party) to conduct Rate Arbitrage. Notwithstanding the foregoing, if either Party is found to be in violation

1 difficult to imagine what more assurance the Respondents could want that Charter will
2 properly identify its originated traffic, or what additional assurance direct interconnection
3 would provide them.

4 **Q. What about Mr. Meredith's concern on page 7 of his Direct Testimony that indirect**
5 **interconnection gives rise to disputes concerning where the POI is located?**

6 A. Respondents want Charter to agree that the POI, or Point of Interconnection, is on their
7 networks whether the parties use direct or indirect interconnection because, they contend,
8 that would require Charter to pay any transit fees assessed by the transit provider for traffic
9 that the Respondents originate. As discussed in my Direct Testimony, Charter believes that
10 the originating carrier should be responsible for any transit fees because the originating
11 carrier decides how to route the traffic it originates. If Respondents do not want to pay transit
12 fees when they originate traffic indirectly, Charter has agreed that they can establish one-way
13 direct interconnection trunks, at their expense, to deliver traffic to Charter instead of
14 transiting it through BellSouth.

15 Charter believes that there is no Point of Interconnection when LECs exchange traffic
16 indirectly and that the Respondents' insistence upon identifying a POI for indirect
17 interconnection is a pretext to manufacture a dispute concerning who is responsible for

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of this Section, until such time as the Rate Arbitrage is ceased, that Party shall pay applicable access charges to the other Party.

1.3.3 If either Party suspects that the other Party is engaging in or permitting Rate Arbitrage, the Party suspecting Rate Arbitrage ("Initiating Party") shall have the right to audit the other Party's records as provided in Section 9.6 of this Agreement to ensure that no Rate Arbitrage is taking place. Both Parties shall cooperate in providing records required to conduct such audits. Upon request by the Initiating Party, the other Party shall be required to obtain any applicable records of any third party utilizing the interconnection arrangements established pursuant to this Agreement. Neither Party shall request an audit more frequently than once per calendar year. In the event that an audit determines that Rate Arbitrage is taking place, the Audited Party shall take appropriate action to cease such Rate Arbitrage, and notwithstanding the provisions of Section 9.6 and this Section that otherwise limit audits to once per calendar year, the Initiating Party may conduct a re-audit to confirm that such Rate Arbitrage has ceased.

1 transit costs. Charter also believes that it will be much less difficult to reach agreement upon
2 a POI for direct interconnection when direct interconnection becomes efficient and cost-
3 effective, and that there is no need to do so now, given that indirect interconnection may be
4 the most efficient way for the parties to exchange traffic for some time to come.

5 **Q. Does Charter contend that the Respondents have agreed to indirect interconnection by**
6 **entering into a transit agreement with BellSouth, as the question at the top of page 8 of**
7 **Mr. Meredith's Direct Testimony seems to assume?**

8 A. No. The significance of the Respondents' transit agreements with BellSouth is simply that
9 those agreements demonstrate that the Respondents have commercial arrangements, as well
10 as interconnection trunks, in place today that can be used for the indirect exchange of traffic
11 with Charter.

12 **Q. In footnotes 7 and 8 on page 10 of Mr. Meredith's Direct Testimony he quotes from**
13 **Charter's interconnection agreement with BellSouth. Are these provisions relevant to**
14 **this arbitration?**

15 A. No. What Charter has agreed to with one ILEC in a situation where the parties are competing
16 directly and anticipate exchanging substantial volumes of local traffic does not – or at least
17 should not – obligate Charter to agree to the same thing with another ILEC with which it is
18 not competing directly and does not expect to exchange significant traffic volumes.

19 **Q. At page 12 of his Direct Testimony, Mr. Meredith states that "[u]tilizing indirect trunks**
20 **via the BellSouth tandem is especially inappropriate for West Carolina, Piedmont and**
21 **Lockhart because their end office NPA-NXXs are not even homed on the BellSouth**
22 **tandem," and that "[f]or these RLECs, routing traffic via the BellSouth tandem is not**

recognized as a proper routing arrangement in the Local Exchange Routing Guide … ." What is your response?

A. As I discussed in my Direct Testimony, routing arrangements that are not identified in the LERG are by no means improper. A great deal of traffic, especially local traffic, is routed in ways that are not shown in the LERG.

Issue 2 in Dockets 2006-137-C, 2006-138-C and 2006-139-C

Issue 7 in Docket 2006-142-C

Which party should bear the costs of transiting traffic?

Q. On page 14 of his Direct Testimony, Mr. Meredith discusses an FCC regulation, Section 51.703(b), and contends that Respondents' proposal for Charter to pay transit fees in both directions in an indirect interconnection scenario would not violate this rule because it would be BellSouth, the transit provider, and not the originating carrier, that would be charging Charter for transit. Do you have any comment on this?

A. I will not comment on what Section 51.703(b) does or does not require because that is a legal issue. As for who would be charging Charter for transit under the Respondents' proposal, however, Mr. Meredith is simply wrong. Charter has an interconnection agreement with BellSouth that provides that BellSouth will transit Charter's originated traffic for a fee and will deliver transit traffic originated by other carriers to Charter without charge. The Respondents indicated in their interrogatory responses that they have executed transit agreements with BellSouth. Charter asked them to summarize the terms of those agreements, but the Respondents refused to do so. Presumably, like Charter's agreement with BellSouth, the Respondents' agreements provide that BellSouth will transit the Respondents' originated traffic, probably for a fee, and will deliver other carriers' transit traffic to Respondents,

probably without charge. Because Charter's agreement with BellSouth does not permit BellSouth to charge Charter for transit traffic that BellSouth delivers to Charter, if Charter paid the transit fees for the Respondents' originated traffic it would be reimbursing them for charges assessed upon them, not paying fees assessed upon Charter by BellSouth.

Issue 3 in Dockets 2006-137-C, 2006-138-C and 2006-139-C

Issue 8 in Docket 2006-142-C

If the parties interconnect their networks directly, where should the POI be located?

Q. Is it necessary, as Mr. Meredith testifies, to resolve the issue of the location of the Point of Interconnection for a direct interconnection at this time?

A. No. As should be obvious from the pleadings and testimony, the location of the POI is an extremely contentious issue at this time. Charter does not believe that the traffic volumes it exchanges with any of the Respondents are likely to be sufficient to justify the cost of a direct interconnection for some time, perhaps not even within the initial term of the interconnection agreements being arbitrated. Charter believes, moreover, that it is likely to be less difficult for the parties to reach agreement on the location of a POI when the traffic volumes are sufficient to justify direct interconnection because they will have a better understanding of the specific costs and benefits of different locations for the POI based upon the traffic volumes that actually exist at that time and their mutual experience with indirect routing through a transit provider. If the parties are unable to reach agreement concerning the location of the POI at that time, they can ask the Commission to resolve the issue based upon a more fully developed factual record. If the Commission determines a POI location now, in the abstract, it will be making a decision that might ultimately be unnecessary, without the benefit of all the facts that are relevant to the determination.

If the Commission concludes, contrary to Charter's recommendation, that it must establish a POI location for direct interconnection at this time and that such POIs must be on the Respondents' networks, then Charter believes that the appropriate POI location on the Respondents' networks is at the exchange boundary nearest Charter's switch, as the Respondents have agreed to with other carriers, and not at their switches, as Mr. Meredith proposes.

Issue 4 in Dockets 2006-137-C, 2006-138-C and 2006-139-C

Issue 9 in Docket 2006-142-C

If either party is unable to arrange for or maintain transit service for the originated traffic, or if the parties are unable to agree upon the provisioning and quantity of two-way trunks, shall one-way trunks be used by a party to deliver its originated traffic to the other party?

Q. Is Charter seeking to force the Respondents to interconnect directly using inefficient one-way trunks in order to establish a POI at Charter's switch, as Mr. Meredith opines on page 17 of his Direct Testimony?

A. No. As I have said, Charter believes that indirect interconnection is generally the most efficient way to exchange relatively small volumes of traffic. When direct interconnection makes economic sense, two-way trunks are generally the most efficient form of trunking because they can carry both parties' originated traffic. If a DS1, for example, is capable of carrying a given volume of traffic, then the two-way traffic flow is likely to reach the level of a DS1, justifying the cost of direct interconnection, at about half of the total traffic volume that would be required to cost-justify two one-way DS1 trunk groups. Charter simply has offered that if the Respondents do not want to pay a transit provider such as BellSouth to transit their traffic to Charter, they can use one-way trunks at their expense to deliver traffic to Charter until direct interconnection using two-way trunks is cost-justified.

1 **Q. Why does Charter believe that Respondents should bear the cost of such one-way**
2 **trunks?**
3 A. As I said in my Direct Testimony, the originating carrier should bear the cost of delivering
4 its originated traffic to the terminating carrier because only the originating carrier has any
5 means of recovering the cost of doing so from the callers who generate the traffic.
6 **Q. Would the use of inefficient one-way direct trunks by Respondents impose any cost on**
7 **Charter?**
8 A. Yes, it would. Charter would incur administrative and engineering costs related to
9 establishing and monitoring the trunk group and would need to dedicate a DS1 trunk port on
10 its switch to the interconnection that might more profitably be used for a revenue-generating
11 purpose. Charter is willing to incur such costs, however, in order to accommodate the
12 Respondents' concerns with paying transit fees.
13 **Q. On page 18 of his Direct Testimony Mr. Meredith discusses the use of one-way trunks**
14 **under certain BellSouth and Verizon interconnection agreements. What is the**
15 **relevance of this discussion?**
16 A. I have no idea. I do not understand how the terms of BellSouth and Verizon interconnection
17 agreements with carriers other than Charter and the Respondents have anything to do with
18 the appropriate terms for interconnection agreements between Charter and the Respondents.

19 ISSUE SPECIFIC TO CHESNEE TELEPHONE COMPANY,
20 LOCKHART TELEPHONE COMPANY AND
21 WEST CAROLINA RURAL TELEPHONE COOPERATIVE, INC.

Issue 28 in Dockets 2006-137-C, 2006-138-C and 2006-139-C

22

Pursuant to 47 C.F.R § 51.715, must the ILEC immediately enter into an interim traffic exchange arrangement, as requested by Charter Fiberlink, and should the Commission direct the ILEC to immediately execute and implement Exhibit C?

23

1 **Q. At page 3 of his testimony concerning the single issue that is specific to Charter's**
2 **arbitrations with Chesnee, Lockhart and West Carolina, Mr. Meredith says that**
3 **"[c]alls originated by RLEC customers are being completed to Charter customers." Is**
4 **this correct?**
5 A. Mr. Meredith's statement is not entirely correct. After reviewing Mr. Meredith's prefiled
6 Direct Testimony, Charter undertook to verify whether Chesnee, Lockhart and West
7 Carolina are currently originating locally dialed calls to Charter subscribers who do not have
8 telephone numbers ported from BellSouth or Verizon but have been assigned telephone
9 numbers from Charter's NXX codes. To Charter's surprise, it appears that, with one
10 exception, the Respondents in fact have loaded Charter's NXX codes, and that they are
11 originating their customers' locally dialed calls to all Charter customers.
12 The one exception is that Chesnee still has not loaded Charter's 864-285 NXX, which is
13 assigned to the Spartanburg rate center, to which Chesnee otherwise provides EAS calling.
14 Charter attempted to place calls from a pay telephone served by Chesnee to three Charter
15 telephone numbers in the 864-285 NXX. Those calls did not complete, whether they were
16 dialed as local or toll.
17 Based upon this new information, it appears that Issue 28 may have been resolved except
18 with respect to Charter's 864-285 NXX, which Chesnee still needs to load into its switch.
19 **ISSUES SPECIFIC TO PIEDMONT RURAL TELEPHONE COOPERATIVE, INC.**

Issue 3 in Docket 2006-142-C

20

Is Charter Fiberlink required to reimburse Piedmont for transit charges paid by Piedmont for Piedmont-originated traffic delivered indirectly to Charter Fiberlink?

21
22 **Q. Is Charter seeking to "punish" Piedmont by seeking a true-up of any reimbursement**
23 **by Charter of transit charges for Piedmont-originated traffic?**

1 A. No. As I stated in my Direct Testimony, Charter's offer to reimburse Piedmont's transit fees
2 was part of an effort to get Piedmont promptly to load Charter's NXX codes and begin
3 originating traffic to Charter customers who do not have telephone numbers ported from
4 BellSouth or Verizon. It took the parties over six months to reach agreement on terms for
5 such an interim arrangement because of Piedmont's improper and overreaching demands.
6 Charter did not get what it was offering to pay for and should not be required to reimburse
7 Piedmont and thus reward it for its intransigence. I would also note that all of the other
8 Respondents currently are originating traffic indirectly to Charter without receiving
9 reimbursement of transit fees from Charter.

10 **Q. Does this conclude your Rebuttal Testimony?**

11 A. Yes, it does.

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Chesnee Telephone Company, Inc. Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-137-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with West Carolina Rural Telephone Cooperative Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-138-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Lockhart Telephone Company Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-139-C
In Re: Petition of Charter Fiberlink SC – CCO, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Piedmont Rural Telephone Cooperative, Inc. Concerning Interconnection under the Communications Act of 1934, as amended by the Telecommunications Act of 1996	)))))))))	Docket No. 2006-142-C

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, one (1) copy of the **Rebuttal Testimony of Michael P. Cornelius** via electronic mail service and by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

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August 3, 2006
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