174060

NEXSEN | PRUET

Robert D. Coble
Member

May 19, 2005

Ms. Daphne Duke
The Public Service Commission
P.O. Drawer 11659
Columbia, SC 29210

Re: BellSouth Telecommunications, Inc.

Dear Duke:

Enclosed please find the original and 25 copies of the Direct Testimony of Jayne Eve.

Please let me know if you need anything else.

Very truly yours,

Robert D. Coble

RDC/cb

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BEFORE THE

PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

BellSouth Telecommunications, Inc.	)	
Transit Traffic Service Tariff	)	**Docket No. 2005-63-C**
No. 2005-50	)	

DIRECT TESTIMONY

OF

JAYNE EVE

On Behalf Of

ALLTEL SOUTH CAROLINA, INC.

Filed May 2, 2005

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

2 A. My name is Jayne Eve and my business address is PO Box 689, 236 West Center
3 Avenue, Mooresville, NC 28115.

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

5 A. I am employed by ALLTEL Communications as Director – State Government
6 Affairs. My responsibilities include management of regulatory and legislative
7 issues for ALLTEL's subsidiaries in various states including South Carolina.

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

9 A. The purpose of my testimony is to address the Proposed Transit Traffic Service
10 Tariff No. 2005-50 ("Proposed Tariff") submitted by BellSouth, which has a
11 requested effective date of February 16, 2005 and to request that this Commission
12 address (1) the appropriateness of the proposed rate contained in this tariff and (2)
13 the traffic to which the BellSouth's tariff should apply. I will identify a number
14 of significant issues that the Commission should consider before approving the
15 proposed tariff and I will demonstrate that BellSouth has historically provided this
16 service without charge to the independent companies, has an existing tariff that
17 provides the same service at a lower rate and that its Proposed Tariff rate would
18 unreasonably discriminate among similarly situated customers. I will establish
19 that if a rate is needed then the appropriate rate, for this transit service, should
20 mirror the Intrastate Access Services Tariff for Access Tandem Switching.

21 **Q. CAN YOU BRIEFLY DESCRIBE WHAT SERVICE IS THE SUBJECT OF**
22 **THE PROPOSED TARIFF?**

1 A. Yes. The Proposed Tariff addresses the provision of Transit Traffic Service. The
2 Proposed Tariff would define Transit Traffic as "Local Traffic originating on one
3 Telecommunications Service Provider's network that is delivered by BellSouth to
4 a different Telecommunications Service Provider's network for termination."

5 **Q. DOES ALLTEL OBJECT TO BELLSOUTH PROPOSING A TARIFF AND**
6 **ASSOCIATED RATE FOR TRANSIT TRAFFIC SERVICE?**

7 A. ALLTEL does not object to BellSouth proposing, to the extent necessary, a tariff
8 as the means to address the provision of transit traffic service and does not object
9 to BellSouth being compensated for service that it provides. However, before
10 approving this tariff, BellSouth must demonstrate, and the Commission must be
11 convinced, among other matters, that (i) this service is not already tariffed by
12 BellSouth and (ii) if it is appropriate or necessary for a new tariff to be
13 established, that the proposed terms and conditions are reasonable and do not
14 discriminate among similarly situated carriers.

15 **Q. HOW IS LOCAL TRAFFIC DEFINED FOR PURPOSES OF THIS**
16 **PROPOSED TARIFF?**

17 A. For the purposes of my testimony, I will focus on wireline-to-wireline traffic that
18 is originated by the Independent Telephone Company ("ICO") or a Competitive
19 Local Exchange Carrier ("CLEC"). BellSouth proposes to define Local Traffic as
20 any intraLATA call transiting BellSouth's network that originates from and
21 terminates to carriers other than BellSouth, and for which BellSouth does not
22 collect toll charges or access charges, either directly or indirectly, as the

intraLATA toll provider for the end user. This traffic would include ICO-to-ICO, CLEC-to-ICO, ICO-to-CLEC, and CLEC-to-CLEC traffic.

Q. IN WHAT CIRCUMSTANCES WILL THE PROPOSED TARIFF APPLY?

A. The Proposed Tariff would apply whenever the ICO or CLEC do not have a separate agreement addressing transit traffic with BellSouth.

Q. IS TRANSIT TRAFFIC SERVICE A NEW SERVICE NOT PREVIOUSLY PROVIDED BY BELLSOUTH?

A. No. BellSouth has been providing this service to ICOs and other carriers for many years on a bill and keep basis.

Q. IF BELLSOUTH IS AUTHORIZED TO CHARGE FOR TRANSIT TRAFFIC, WHAT IS THE APPROPRIATE RATE?

A. BellSouth already has a similar tariffed service known as Access Tandem Switching described in the BellSouth Intrastate Access Tariff and whose rate is one-fourth the level of the transit rate being proposed.

Q. WOULD APPLICATION OF THE PROPOSED TARIFF BE DISCRIMINATORY TO THE ICOs?

A. Yes. The ICOs find themselves similarly situated to interexchange carriers transiting the BellSouth tandem for termination on a third party. Therefore, this Proposed Tariff would violate SC Code Section 58-9-576(B)(5), which provides as follows:

> "The LEC's shall set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers; provided, however, that all such rates are subject to a complaint process for abuse of

market position in accordance with guidelines to be adopted by the commission."

BellSouth has proposed rates that will discriminate between similarly situated customers. Therefore, if it is necessary to now charge ICOs for this service which BellSouth has provided on a bill and keep basis for many years, this Commission should direct that the Transit Traffic rate and tariff be the same tandem switching rate already in place for the interexchange carriers of $.00074 per minute of use found in BellSouth's South Carolina Intrastate Access Tariff Section E6.8.1.D.1(a).

Q. SHOULD THE COMMISSION REJECT BELLSOUTH'S PROPOSED TRANSIT RATE?

A. Yes, as discussed above, the alternative regulation statute requires that prices not discriminate among carriers. Therefore this Commission should reject the Proposed Tariff because its terms are clearly discriminatory, or in the alternative, require the Proposed Tariff be modified to reflect the Intrastate Access Tandem Switching rate of $.00074 per minute of use.

Q. SHOULD THIS TARIFF BE APPLICABLE TO ISP TRAFFIC?

A. No. ICOs originate traffic that transits BellSouth's access tandem and is terminated to an Internet Service Provider ("ISP traffic"). In the Proposed Tariff, BellSouth is expecting the ICO or CLEC to pay BellSouth the Transit Traffic Service rate of $.003 per minute-of-use on this ISP traffic and thus designating it as Local Traffic for purposes of this tariff when this traffic has been deemed to be interstate in nature by the FCC. Therefore, at a minimum, the Proposed Tariff for local Transit Traffic Service should be modified to remove ISP Traffic until

such time as the FCC rules otherwise. The Proposed Tariff should not apply to interstate traffic, this traffic should be addressed in the appropriate BellSouth tariff.

Q. HOW SHOULD THIS COMMISSION PROCEED WITH THIS BELLSOUTH PROPOSED TARIFF?

A. First, if the Commission should determine that a rate is appropriate, then it should require that the Transit Traffic Service rate be $.00074 per minute-of-use and require BellSouth to modify the Proposed Tariff so it excludes all ISP traffic from application of the Transit Traffic Service rate. Only after making these modifications should the Commission consider approving the modified Transit Traffic Service Tariff No. 2005-50.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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STATE OF NORTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF WAKE)

This is to certify that I, Sue Boyle, an employee of ALLTEL Communications, Inc., have this date served one (1) copy of the **TESTIMONY OF JAYNE EVE** in the BellSouth Telecommunications, Inc. Transit Traffic Service Tariff No. 2005-50 to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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Sue Boyle

May 2, 2005
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