

JOHN STAURULAKIS, INC.
REVISIONS TO TARIFF FCC NO. 1
DESCRIPTION AND JUSTIFICATION

HORRY TELEPHONE COOPERATIVE, INC. BILLING NAME and ADDRESS (BNA)
CONCORD TELEPHONE COMPANY WHOLESALE DSL TRANSPORT SERVICE
SMART CITY TELECOMMUNICATIONS EDITS

A: INTRODUCTION

John Staurulakis, Inc. (JSI) proposes to modify JSI Tariff FCC No. 1 for the following:

	Proposed Modification	Pages Modified or Introduced
1.	<u>BNA Regulations</u> Modification of Billing Name and Address Regulations to expand delivery options to include Compact Discs (CDs), together with addition of BNA-related definitions.	Pages 13.21 through 13.22 (BNA regulations). Pages 2-60.1, 2-72 and 2-78 (Definitions)
2.	<u>Addition of Ethernet Definition.</u> Addition to Definitions Section to add definition of “Ethernet” as used in existing Asynchronous Transfer Mode-Cell Relay Service (ATM-CRS)	Page 2-67
3.	<u>Wholesale DSL Transport Service Regulations</u> modifications to accommodate more than one issuing carrier.	Pages 16-79 through 16-87
4.	<u>Horry Telephone Cooperative, Inc. (SC) BNA</u> Introduction of Optional CD or 3.5” Floppy Disk format and elimination of Magnetic Tape option.	Page 17-248
5.	<u>Smart City Telecommunications (FL) – Synchronous Optical Channel Service Modifications</u> to correct text to reflect fixed term discount periods consistent with regulations.	Pages 17-691 through 17-692.2
6.	<u>Smart City Telecommunications (FL) Wholesale DSL</u> Revision of Wholesale DSL Transport rate page class headings to reflect revisions in Wholesale DSL Regulations (No rate changes).	Pages 17-705 through 17-707.
7	<u>Concord Telephone Company (NC) Introduction of Wholesale DSL Service and Rates</u>	Pages 17-62.1, and 17-76.1 through 17.76.2.

This filing is being made at the request of and on behalf of the issuing carriers for JSI Tariff FCC No. 1 in order to meet the needs of the respective issuing carriers.

B. BACKGROUND

1. BNA Regulations Changes

Existing Billing Name and Address (BNA) regulations do not provide for a set option for delivery of BNA to access customers by use of Compact Discs (CDs) or 3.5" floppy disks, as is now common industry practice. The set option and corresponding set price eliminates the need for reliance on higher optional format costs.

2. Addition of Ethernet Definition

Although the existing regulations for Asynchronous Transfer Mode-Cell Relay Service (ATM-CRS) have an Ethernet Port option, Ethernet is not currently defined in the tariff.

3. Revision of Wholesale DSL Transport Service Regulations

The existing JSI Tariff FCC No. 1 Wholesale DSL Transport Service regulations at Section 16.8 were added to the tariff in Transmittal No. 89 effective December 16, 2003. JSI filed Transmittal 89 to add Smart City Telecommunications (SCT) as an issuing carrier for JSI Tariff FCC No. 1 concurrent with cancellation by Smart City Telecommunications of Smart City Telecommunications, LLC d/b/a Smart City Telecom Tariff F.C.C. No. 1. Certain regulations in SCT Tariff FCC No. 1 were unique to SCT, including SCT's regulations for Wholesale DSL Transport Service. Thus, in Transmittal No. 89 JSI added Section 16.8, Wholesale DSL Transport Service, based on the Wholesale DSL Transport Service regulations in canceled SCT Tariff FCC No. 1. This filing makes minor modifications to Section 16.8 to make it available for multiple issuing carriers, including the addition in this filing of Concord Telephone Company. These modifications include, *inter alia*, tables indicating which issuing carriers offer Wholesale DSL Transport Service, the types of DSL Access Service Connection for Internet Service Providers offered by each carrier and clarification of classes of service.

4. Horry Telephone Cooperative Billing Name and Address (BNA)

Horry Telephone Cooperative, Inc. (Horry) is among those carriers indicating the need discussed in B.1 above. Additionally, Horry no longer has any demand for magnetic tape delivery of BNA and thus is removing that as an optional BNA service.

5. Smart City Telecom Synchronous Optical Channel Service Rate Page Edits

The regulations for Synchronous Optical Channel Service (SOCS) applicable to SCT provide for Term Discount Plans (TDPs) at fixed terms of twelve (12), thirty-six (36) and sixty (60) months. In Transmittal 89, the original transmittal for addition of SCT as an issuing carrier, and also in Transmittal 92, in which SCT added Optical Channel 12 service, JSI inadvertently indicated for some SOCS services variable terms of 12-36, 37-60 and 61-96 months.

6. Smart City Telecom Wholesale DSL Transport Service Rate Page Edits

The existing SCT Wholesale DSL Transport Service rate pages indicate two classes of services affected by the regulation change discussed in B.3.

7. Concord Telephone Company Wholesale DSL Transport

Concord Telephone Company (CTC) currently provides DSL services under Section 16.2-Asymmetrical DSL (ADSL) Service and Section 16.3-Symmetrical DSL (SDSL) Service. Under Sections 16.2 and 16.3, DSL transport services are provided on either a retail or wholesale basis. Additionally, they are provided under narrower definitions of technology. CTC does not currently have, nor has it ever had, any retail customers for either ADSL or SDSL. In order for a customer to order retail service, an Internet Service Provider (ISP) would have to have a DSL Access Connection and allow subscribers to order their service on a bifurcated basis – paying separate charges to the ISP and the local exchange carrier (LEC) provider of the DSL Transport service. Based on JSI's extensive experience with LEC DSL transport services, both respecting issuing carriers for JSI Tariff FCC No. 1 and issuing carriers for other tariffs, small independent LECs apparently universally do not have true-retail customers for DSL transport. Thus, the Wholesale DSL Transport Service regulations are more appropriate for CTC both respecting the lack of retail customers and the more flexible regulations respecting technology.

In addition to the background respecting regulations and technology applicable to CTC, CTC's DSL transport service demand has increased tremendously from the volumes under 1,000 projected in the introduction by CTC of SDSL in 1999 and ADSL in 2002. The projected demand for this filing, 12,000 DSL lines, requires recasting rates to reflect the significant reduction in average costs on the one hand and recognize the positive impact on demand and average costs of customers committing to extended terms and large volumes.

C. PROPOSED TARIFF REVISIONS

1. BNA Regulations Changes

The proposed revisions to Billing Name and Address (BNA) regulations provide for a set option for delivery of BNA to access customers by use of Compact Discs (CDs) or 3.5" floppy disks. Additionally, the proposed revisions clarify restrictions on provision of BNA parallel to those in NECA Tariff FCC No. 5 reflective of the Commission's BNA rules. Corresponding to this clarification, this filing adds definitions of "nonpublished number" and "unlisted number."

2. Addition of Ethernet Definition

The proposed Ethernet definition is based on reference to industry standards and serves to provide the tariff user who is not an engineer with a reference point for what the network customer would have in order to benefit from the ATM-CRS Ethernet Port service.

3. Revision of Wholesale DSL Transport Service Regulations

Proposed revisions to the Wholesale DSL Transport Service regulations include the following:

- a. Modification of regulations to allow for DSL Access Connections based on Special Access High Capacity in addition to the existing DSL Access Connections based on ATM-CRS ports.
- b. Addition of tables to indicate multiple carriers providing Wholesale DSL Transport Service, including which types of DSL Access Connections and classes of service are offered.
- c. Addition of a separate diagram to depict DSL Access Connection based on Special Access High Capacity together with more detailed explanation of applicable monthly recurring charges.
- d. Revision of text to provide clarification of classes of service.
- e. Other minor text edits.

4. Horry Telephone Cooperative Billing Name and Address (BNA)

This filing proposes introduction of a new rate for Horry for Billing Name and Address Service-Optional CD or 3.5" Floppy Disk and elimination of the Billing Name and Address Service-Optional Magnetic Tape option and rate.

5. Smart City Telecom Synchronous Optical Channel Service Rate Page Edits

This filing replaces in the affected SCT rate pages, where necessary, incorrect Term Discount Plan (TDP) descriptions of fixed terms (12-36, 37-60 and 61-96 months) with the correct descriptions corresponding with the regulations (12 Months, 36 Months, 60 Months).

6. Smart City Telecom Wholesale DSL Transport Service Rate Page Edits

Changes the descriptions of classes to correspond to revised regulations, "Class I" and "Class II." The change has no effect on rates or service offerings.

7. Concord Telephone Company Wholesale DSL Transport

- a. Introduces Concord Telephone Company (CTC) Wholesale DSL Transport service and rates.
- b. Removes existing rates for CTC ADSL and SDSL offering. All current ADSL and SDSL customers will be seamlessly migrated to Wholesale DSL at lower rates for the corresponding downstream/upstream speed combinations.

Removal of CTC ADSL and SDSL rates merely reflects a realignment of those services with Wholesale DSL Transport Services. There is no customer impact. The same services are available on a wholesale basis under Wholesale DSL Transport Service for the same downstream/upstream speed combinations at LOWER rates. JSI is not aware of any "retail" customers for ADSL or SDSL services from an independent ILEC as DSL is typically provided as a bundled service by an ISP who purchases the DSL Transport Service at wholesale from the respective ILEC tariff.

D. PROPOSED RATES AND CHARGES

1. BNA Regulations Changes

N/A – Regulation change only.

2. Addition of Ethernet Definition.

N/A – Regulation change only.

3. Revision of Wholesale DSL Transport Service Regulations

N/A – Regulation change only.

4. Horry Telephone Cooperative Billing Name and Address (BNA)

The proposed rate for Horry Billing Name and Address Service-Optional CD or 3.5” Floppy Disk is \$15.00. This rate and service effectively replaces the obsolete Optional Magnetic Tape offering currently priced at \$91.44.

The \$15.00 rate is based on the following costs:

Materials -	\$ 0.90
Labor	\$10.00
Postage	\$ 2.27
Adm. Costs	<u>\$ 1.83</u>
Total	\$15.00

5. Smart City Telecom Synchronous Optical Channel Service Rate Page Edits

N/A – Text change only.

6. Smart City Telecom Wholesale DSL Transport Service Rate Page Edits

N/A – Text change only.

7. Concord Telephone Company Wholesale DSL Transport

This filing introduces the following Wholesale DSL Transport rates for Concord Telephone Company

Service Term	Downstream Speed	Upstream Speed	Proposed Rate - Per Sheet (C)
Month-to-Month	256 kbps	256 kbps	\$30.00
Month-to-Month	768 kbps	768 kbps	\$38.00
Month-to-Month	1.544 Mbps	512 kbps	\$38.00
Month-to-Month NRC	All Speeds		\$90.00
Volume 2500 to 4999	256 kbps	256 kbps	\$25.00
Volume 5000 to 8999	256 kbps	256 kbps	\$32.00
Volume 9000 +	256 kbps	256 kbps	\$32.00
Volume 2500 to 4999	768 kbps	768 kbps	\$22.00
Volume 5000 to 8999	768 kbps	768 kbps	\$26.00
Volume 9000 +	768 kbps	768 kbps	\$26.00
Volume 2500 to 4999	1.544 Mbps	512 kbps	\$18.00
Volume 5000 to 8999	1.544 Mbps	512 kbps	\$18.00
Volume 9000 +	1.544 Mbps	512 kbps	\$18.00
One-Year Term NRC	All Speeds		\$45.00
Three-Year Volume 2500 to 4999	256 kbps	256 kbps	\$23.00
Three-Year Volume 5000 to 8999	256 kbps	256 kbps	\$19.00
Three-Year Volume 9000 +	256 kbps	256 kbps	\$15.00
Three-Year Volume 2500 to 4999	768 kbps	768 kbps	\$25.00
Three-Year Volume 5000 to 8999	768 kbps	768 kbps	\$20.00
Three-Year Volume 9000 +	768 kbps	768 kbps	\$15.00
Three-Year Volume 2500 to 4999	1.544 Mbps	512 kbps	\$25.00
Three-Year Volume 5000 to 8999	1.544 Mbps	512 kbps	\$20.00
Three-Year Volume 9000 +	1.544 Mbps	512 kbps	\$15.00
Three-Year Term NRC	All Speeds		\$0.00
Reconfiguration Charge	All Speeds		\$27.00
DSL Access Service Connection	1.544 Mbps		\$150.00
DSL Access Service Connection	44.736 Mbps		\$750.00

The following table serves to compare the rates for the new Wholesale DSL Transport Service to the rates for ADSL and SDSL for the corresponding downstream/upstream speed combinations. As there were much fewer such combinations or individual rate elements for ADSL and SDSL, the comparison is limited.

Reduction in Month-to-Month Rates			Old Rate	New Rate	Reduction	
Month-to-Month	256 kbps	256 kbps	\$ 35.00	\$30.00	\$5.00	14%
Month-to-Month	768 kbps	768 kbps	\$ 45.00	\$38.00	\$7.00	16%
Month-to-Month	1.544 Mbps	512 kbps	\$ 45.00	\$38.00	\$7.00	16%

E. COST AND DEMAND DEVELOPMENT
– CONCORD TELEPHONE COMPANY WHOLESALE DSL
TRANSPORT SERVICE

This section describes the methodology used in determining interstate costs for determining Concord Telephone Company (CTC) Wholesale DSL Transport rates. JSI has developed these costs based on data received from CTC together with data maintained by JSI on behalf of CTC respecting annual interstate cost studies.

JSI is providing, on behalf of CTC, Exhibits 1, 2 and 3 as cost support for this filing.

Exhibit 1 shows calculation of annual and monthly DSL costs for CTC. CTC's overall network costs are based on projected investment in DSL related equipment (DSLAMs, cards, frames, etc.) and transport costs dedicated to DSL. The DSL equipment costs are based on the latest available Continuing Property Record (CPR) balances adjusted for additions to meet projected increases in demand. An additive for expenses, return and taxes is made based on the "Direct Cost Factor." The Direct Cost Factor is based on the 2002 Interstate Cost Study – as depicted on Exhibit 3.

Exhibit 2 displays the proposed rates for CTC's Wholesale DSL Access Service. Approximately 90% of CTC's projected demand for DSL is for a single rate (256 kbps downstream/256 kbps upstream, three-year volume/9000+ line commitment). Given that approximately 90% of the demand is for a single rate element, that rate element approaches being the overall average rate based on projected demand and cost. Rate gradations for volume commitments and term commitments are reflective of the economies of scale experienced by CTC as ADSL and SDSL demand expanded from under 1,000 lines in 2000 to close to 10,000 lines near the end of 2003.