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

A. INTRODUCTION

John Staurulakis, Inc. (JSI) proposes to modify JSI Tariff FCC No. 1 to introduce Video Wholesale DSL Service, as an optional function within the existing Wholesale Digital Subscriber Line (WDSL) Transport Service. Carriers offering Video Wholesale DSL Service will be indicated at Section 16.8.1, Wholesale Digital Subscriber Line Transport Service.

Also in this filing, JSI proposes, on behalf of Horry Telephone Cooperative, Inc., (HTC) an issuing carrier for JSI Tariff FCC No. 1, introduction of Video Wholesale DSL rates for HTC.

B. BACKGROUND

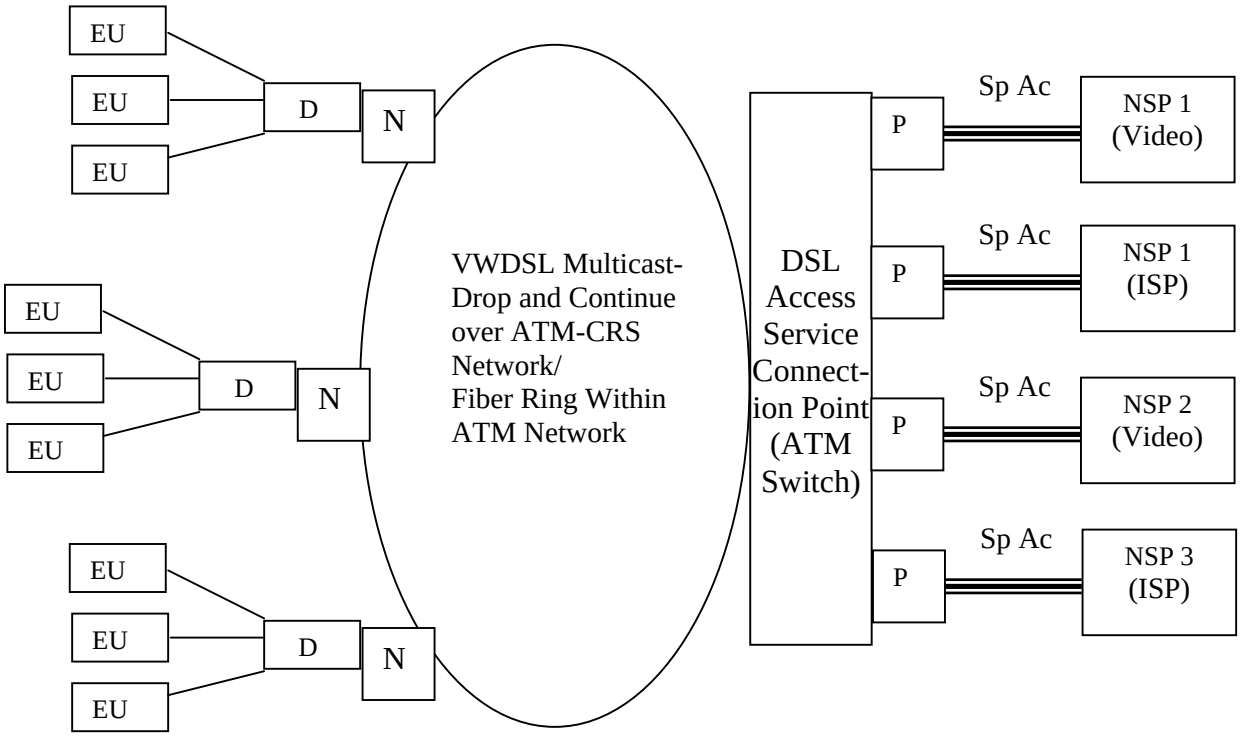
The existing Wholesale DSL Transport Service regulations in JSI Tariff FCC No. 1 accommodate the various robust high-speed Internet Protocol platforms utilized by wireline incumbent local exchange carriers (ILECs) such as HTC to provide transport of data between retail broadband service providers and their end user customers. The ILEC service in this regard is a wholesale offering that becomes a component in the retail offering.

For many ILECs, their DSL or DSL-like technology supports both conventional high-speed data transmission for Internet access and high-speed, multi-media access including video programming. Such is the case for HTC. HTC's proposed Video Wholesale DSL offering will utilize the same technology as that for its conventional wholesale DSL transport offering, with one important distinction. The multi-cast capabilities of the proposed transport of video by HTC under the Video Wholesale DSL regulations proposed in this transmittal is based on efficient use of the ATM-CRS/DSL network by multi-casting of video programming signals from the video providers connection at the ATM-CRS port to the DSLAM serving the end user customer.

C. **TECHNICAL REVIEW**

Horry Telephone Cooperative's (HTC's) proposed Wholesale DSL Transport Service (Wholesale DSL), including Video Wholesale DSL (VWDSL) Service is based on deployment of the Motorola Next Level Communications (MNLC) Multi Service Access Platform (MSAP) in conjunction with HTC's Asynchronous Transfer Mode-Cell Relay Service (ATM-CRS).

Sample Flow of Data, including Video, Over HTC Wholesale DSL Network



NSP	Network Service Provider	N	Optical Node
Sp Ac	Special Access	D	DSLAM /Multicast Aggregation Point
P	ATM-CRS NNI Port	EU	End User Customer

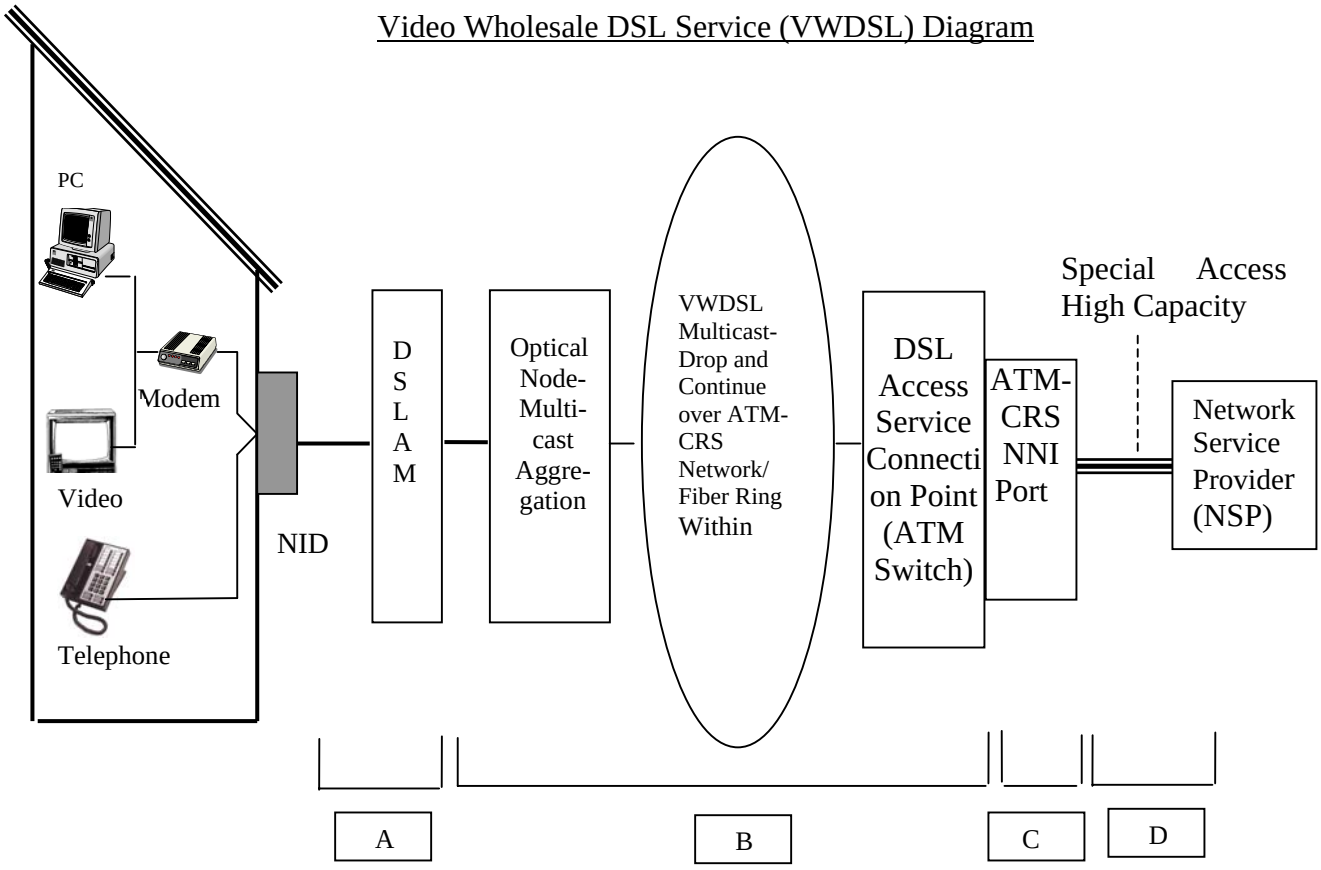
DSLAM - For the Digital Subscriber Line Access Multiplexer, HTC will utilize the MNLC remote terminal technology on a fiber to the neighborhood basis (FTTN) basis- although the "neighborhood" encompasses an expansive distance as accommodated by allowable lengths from the DSLAM to the customer premises.

Aggregation and Multicasting – From the Optical Node on the ATM Network fiber ring.

For video programming, each program will be multicast from the ATM Switch. A single Virtual Channel is required for each program channel.

Video-on-demand requires a discrete Virtual Channel for each subscriber during the individual program. The VWDSL customer will need to order sufficient VWDSL Multicast Virtual Circuits to accommodate both the multicast programming and video-on-demand programming. Each VWDSL Multicast VCs dedicated to video-on-demand can be used for multiple subscribers, but only one subscriber during any single time-period.

Video Wholesale DSL Service (VWDSL) Diagram



A VWDSL Access Line Charge (per subscriber)

B VWDSL Multicast Virtual Path (per programming channel)

C ATM-CRS Network to Network Interface (NNI) Charge

D Special Access High Capacity Channel Termination Charge for NSPs located within Telephone Company exchange associated with wire center for DSL Access Service Connection Point or Channel Mileage (Termination and Facility) Charges for NSPs located outside exchange associated with wire center for DSL Access Service Connection Point.

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Definitions:

multicast	A signal transmitted to only a subset of potential destinations (as opposed to a broadcast), typically over an Internet Protocol (IP) network. See IP multicast.
IP multicast	The transmission of Internet Protocol (IP) packets to a group of receivers identified by a single IP destination address. Membership in this group is dynamic; interested hosts may join or leave at any time. This structure allows a server to transmit a single set of data, and the underlying network takes care of replicating it to all interested receivers that have joined that group, thereby enhancing bandwidth and server efficiency.

D. PROPOSED RATES

Proposed rates and the revenue impact for HTC's inauguration of Video Wholesale DSL Service are presented at Exhibit 1, with supporting cost information presented at Exhibits 2 and 3.

E. COST AND DEMAND DEVELOPMENT

This section describes the methodology used in determining interstate costs for the proposed HTC Video Wholesale DSL Service.

JSI has developed these costs based on data received from HTC together with data maintained by JSI on behalf of HTC respecting annual interstate cost studies.

JSI is providing, on behalf of HTC, the following Exhibits respecting cost as cost support for this filing:

Exhibit 1–Video Wholesale DSL Proposed Rates, Demand and Revenue Impact
Exhibit 2-Video Wholesale DSL Cost
Exhibit 3 –Development of Direct Cost Factor

The cost exhibits show calculation of annual costs. HTC's overall network costs are based on projected investment in the respective technology supporting the service. Broadband transmission 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 and return is made based on the "Direct Cost Factor." The Direct Cost Factor is based on the 2002 Interstate Cost Study – as depicted at Exhibit 3.