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July 18, 2008

Chairman Tre Hargett
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 07/18/08

Re: United Telephone-Southeast, Inc. d/b/a Embarq Tariff Filing to Increase Rates in
Conjunction With the Approved 2007 Annual Price Cap Filing


Docket No. 07-00269

Dear Chairman Hargett:

Enclosed are an original and four (4) copies of United Telephone Southeast LLC's ("Embarq") Responses to the Consumer Advocate's Second Set of Discovery in the above-referenced Docket. Embarq has already filed this petition electronically and this letter is the required follow-up to that filing.

Please do not hesitate to contact me with any questions concerning this matter.

Sincerely yours,



Edward Phillips

HEP:sm

Enclosure

cc: Office of the Tennessee Attorney General

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BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re:)	
)	
United Telephone-Southeast, Inc. d/b/a Embarq)	Docket No. 07-00269
Tariff Filing to Increase Rates in Conjunction With)	
the Approved 2007 Annual Price Cap Filing)	
)	

UNITED TELEPHONE SOUTHEAST LLC'S ("EMBARQ")
RESPONSES TO THE CONSUMER ADVOCATE AND
PROTECTION DIVISION'S SECOND SET OF DISCOVERY

Pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11 and the Hearing Officer's *Order Setting Procedural Schedule* entered on March 26, 2008, and the amendments to the procedural schedule agreed to by the parties on June 24, 2008, United Telephone Southeast LLC d/b/a Embarq ("Embarq") responds to the second set of discovery served on Embarq by the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division ("Consumer Advocate") on July 8, 2008.

GENERAL LIMITATIONS AND OBJECTIONS

Each and every response that will be filed on July 18, 2008 is subject to the General Limitations and Objections set forth herein.

1. Embarq objects to each request to the extent that it requests documents or information protected from disclosure by the attorney-client privilege and/or the attorney work product doctrine, and/or were prepared in anticipation of litigation or are otherwise privileged or protected from disclosure.

2. Embarq objects to each request to the extent that it calls for documents or material containing proprietary and/or confidential business information, trade secrets or commercially-sensitive information.
3. Embarq objects to each request for production to the extent that it requests documents not in Embarq's possession, custody or control.
4. Embarq objects to each request for production to the extent that production of such documents would violate constitutional, statutory or common law privacy interests of Embarq or of any other person or entity.
5. Embarq objects to each request to the extent that it seeks the production of information and/or documents that are not readily available to Embarq.
6. Embarq objects to each request for production to the extent that it is overly broad and unduly burdensome to comply with.
7. Embarq objects to each request to the extent it seeks the production of information and/or documents that are not relevant to the matters at issue in this proceeding.
8. Embarq objects to each request to the extent the request calls for the production of information and/or documents that are not relevant. As used herein, the objection "irrelevant" or "not relevant" shall mean that the documents or information requested are irrelevant to the subject matter involved in the pending action and that the request is not reasonably calculated to lead to the discovery of admissible evidence.
9. Nothing herein shall be construed as an admission respecting the admissibility or relevance of any document material or of the truth or accuracy of the

characterization of any document or matter contained in the requests to produce documents.

10. Embarq objects to each of the Additional Instructions as the same are burdensome, create undue expense, seek non-relevant or inadmissible information, and impose obligations beyond the Authority's Rules and Regulations.
11. Embarq objects to each of the Definitions as the same are burdensome, create undue expense, seek non-relevant or inadmissible information, and impose obligations beyond the Authority's Rules and Regulations.

**SPECIFIC OBJECTIONS AND RESPONSES TO THE
CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY**

1. On July 1, 2008, Mr. Mark C. Hunter filed direct testimony on behalf of Embarq in this proceeding. On page 9 of Mr. Hunter's testimony, he expresses that the "current situation", in which Embarq is required to provide a call allowance while CLECs are not, is anti-competitive. Is it the company's position that a D.A. call allowance hinders it from competing against CLECs? If so, please explain how.

RESPONSE: Yes. The majority of the local directory assistance inquiries Embarq provides to its customers are made without compensation while Embarq's competitors are free to offer the service at market rates. Moreover, Embarq does not believe the number of allowances it currently provides distinguishes it in the marketplace for local telecommunications services.

Response Prepared By:

Mark C. Hunter

State Regulatory Affairs Manager

July 17, 2008

2. In Docket 05-00251, Bristol Tennessee Essential Services (“BTES”) sought a certificate of convenience and necessity to provide telecommunication services in Tennessee as a CLEC. Embarq was a party to that docket. Did Embarq raise the issue of call allowances being “anti-competitive” if CLECs, such as BTES, were not required to provide call allowances? If the issue was not raised, please explain why it was not raised.

OBJECTION: Embarq objects to this question as it seeks information that is protected by the attorney-client and work product privileges as it relates to the decision making and tactical strategy involved in determining how to pursue litigation before the Tennessee Regulatory Authority. Embarq also objects as to the relevance of this question and whether it will lead to the discovery of admissible and relevant evidence at the hearing of this matter. The issues pursued in Docket No. 05-00251 have no connection or relation to the instant matter concerning directory assistance.

RESPONSE: Notwithstanding the foregoing objections and without waiver, Embarq responds that the answer is no. However, BTES’ application for a certificate in Docket No.05-00251 did not include a proposed tariff. Moreover, the details of BTES’ local directory assistance allowances and exemptions only became known after its certificate was granted by the Authority (on March 21, 2006) and its initial tariff was issued (on August 25, 2006).

Response Prepared By:

Mark C. Hunter

State Regulatory Affairs Manager

July 17, 2008

3. In Docket 96-01423, when Embarq was first required to provide call allowances, did the company ever raise the issue that call allowances required of price cap regulated companies are “anti-competitive” or hinder the ability of Embarq to compete?

OBJECTION: Embarq objects to this question as it seeks information that is protected by the attorney-client and work product privileges as it relates to the decision making and tactical strategy involved in determining how to pursue litigation before the Tennessee Regulatory Authority. Embarq also objects as to the relevance of this question as it relates to market conditions that existed between 1996-1997 and whether such inquiry will lead to the discovery of admissible and relevant evidence at the hearing of this matter.

RESPONSE: Notwithstanding the foregoing objections and without waiver, Embarq responds that the answer is no. However, the marketplace for local telecommunications service has dramatically changed since the entry of the Tennessee Regulatory Authority’s Final Order on September 4, 1997 in Docket No. 96-01423.

Response Prepared By:

Mark C. Hunter
State Regulatory Affairs Manager
July 17, 2008

4. Is Embarras aware of any complaint having been filed before the TRA on the grounds that call allowances provided by AT&T and Embarras are "anti-competitive"? If so, identify and/or reference the company and/or entity that filed the complaint and the corresponding docket number if the information is available to the company.

RESPONSE: No.

Response Prepared By:

Mark C. Hunter

State Regulatory Affairs Manager

July 17, 2008

5. In responding to this discovery request, please reference page 9, lines 16-22 and page 10, lines 1-8 of Mr. Hunter's direct testimony. On page 10, Mr. Hunter states that price cap regulated companies "buy down local directory assistance call allowances in order to more closely match their services with those of competitors". Please explain the term "buy down" in the context in which Mr. Hunter applies the term in his testimony.

RESPONSE: Embarq will reflect the reduction of its local directory assistance calling allowances from three to one in its price regulation model, as filed with and approved by the Authority in Docket No. 07-00220. The result is that Embarq's nonbasic upward pricing flexibility ("headroom") will be reduced. If Embarq did not have headroom available, then it could not pursue its local directory assistance tariff filing.

Response Prepared By:

Mark C. Hunter

State Regulatory Affairs Manager

July 17, 2008

6. In responding to this discovery request, please reference page 9, lines 16-22 and page 10, lines 1-8 of Mr. Hunter's direct testimony. On page 10, Mr. Hunter states that price cap regulated companies "buy down local directory assistance call allowances in order to more closely match their services with those of competitors". Is it the company's position that the D.A. call allowance must be lowered, while the rate has been raised, in order to more closely match the services of Embarq's competitors? If not, please explain why?

RESPONSE: Yes. The local directory assistance price and allowances Embarq submitted in Tariff No. 2007-0456 compares favorably to Embarq's direct competitors for local telecommunications service.

Response Prepared By:

Mark C. Hunter
State Regulatory Affairs Manager
July 17, 2008

7. In responding to this discovery request, please reference page 9, lines 16-22 and page 10, lines 1-8 of Mr. Hunter's direct testimony. On page 10, Mr. Hunter states that price cap regulated companies "buy down local directory assistance call allowances in order to more closely match their services with those of competitors". Please explain how a reduction in the call allowance will make the telecommunications market in which Embarq is a member more competitive? If it will not make the telecommunications market more competitive, please explain the company's position as to why not?

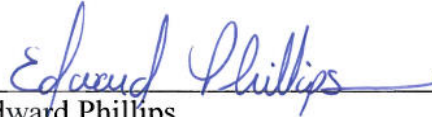
OBJECTION: Embarq objects to this question as it vague and ambiguous and contains undefined terms and references as such terms and references relate to "the telecommunications market in which Embarq is a member . . ." It is unclear as to which "telecommunications market" the question is referring. The "telecommunications market" could be understood to refer to the entire market or the more discreet competitive market for directory assistance services.

RESPONSE: Notwithstanding the foregoing objections and without waiver, Embarq assumes the "telecommunications market" referenced in the question is the local telecommunications market. As a result, Embarq directs the Consumer Advocate to Embarq's response to Interrogatory No. 1. Also, the market for local directory assistance is distorted by a requirement that Embarq provide the service for free.

Response Prepared By:

Mark C. Hunter
State Regulatory Affairs Manager
July 17, 2008

Respectfully submitted this 18th day of July, 2008.



Edward Phillips

Attorney

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Responses of United Telephone Southeast LLC d/b/a Embarq to the Consumer Advocate and Protection Division's Second Set of Interrogatories and Requests for Production of Documents by depositing a copy in the United States Mail, first-class postage prepaid.

This 18th day of July, 2008.

Ryan L. McGehee
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate and Protection Division
P. O. Box 20207
Nashville, TN 37202-0207



Edward Phillips
United Telephone Southeast LLC