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April 6, 2009

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Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: TRA Docket No. 08-00219
*Joint Application of Embarq Corporation and Century Tel, Inc. Regarding Transfers of
Control of United Telephone Southeast LLC d/b/a Embarq, Embarq Communications,
Inc. and Embarq Payphone Services, Inc.*

Dear Chairman Roberson:

Enclosed is the rebuttal testimony of DeltaCom, Inc. in the above-captioned proceeding.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By: 
Henry Walker

HW/cas

Enc.

cc: Edward Phillips (w/enc. via e-mail)
R. Dale Grimes (w/enc. via e-mail)
H. LaDon Baltimore (w/enc. via e-mail)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Re : Joint Application of Embarq Corporation)
and Century Tel, Inc. Regarding Transfers of) Docket No. 08-00219
Control of United Telephone Southeast LLC)
d/b/a Embarq, Embarq Communications, Inc.)
and Embarq Payphone Services, Inc.)

REBUTTAL TESTIMONY OF KIM SHARP ON BEHALF OF DELTACOM, INC.

**REBUTTAL TESTIMONY OF
KIM SHARP ON BEHALF OF DELTACOM, INC.
DBA DELTACOM BUSINESS SOLUTIONS**

Q. For the record, please state your name, job title and business address.

A. My name is Kim Sharp, and I am the Manager for Local Exchange Carrier Ordering for DeltaCom, Inc. My business address is 8830 US Hwy 231, Arab, Alabama, 35016.

Q. Please provide a brief description of your job responsibilities and your telecommunications-related experience.

A. My primary job responsibility is to manage the group responsible for ordering various facilities and services from incumbent local exchange carriers, including CenturyTel, Embarq, BellSouth (AT&T) and Verizon, in order to provision service to Deltacom end-user customers. The focus of my group is ordering DS0, DS1 and DS3, UNE loop, Port, E-911, CNAM listings and Directory Listings. I have over 17 years experience with Deltacom in various aspects of the company.

Q. What is the purpose of your testimony?

A. In their direct testimony, Applicants indicate that the merger will enable the combined CenturyTel/Embarq entity to pool their resources and, among other things, more effectively develop and deploy their networks and systems in today's increasingly competitive landscape (Bailey Direct Testimony at 4; Gast Direct at 2; Schollman Direct Testimony at 9 -10) and provide service in "an efficient manner" to the benefit of the consuming public (Schollman Direct Testimony at 3). Deltacom is concerned that, to the extent the merger is granted, the combined entity should retain the "best" of the individual Applicants' practices, at a minimum – not merely the "most efficient" ones. Moreover, Applicants indicate that the adoption of best practices is critical to the combined company's success in the marketplace and that, in their belief, no regulatory enforcement mechanism is necessary or required to ensure the combined entity will pursue its "rational integration." (Response of Applicants to Deltacom and BTES's Discovery Request No. 2.)

1 This testimony is intended to assist the Authority to evaluate the Applicants' claims of
2 the benefits of the proposed merger by providing some examples of the often contrasting
3 business practices and capabilities of CenturyTel and Embarq. It is critical that the Authority
4 appreciate the different ILEC business practices to identify those negative practices that are
5 particularly outside the norm or the beneficial practices that should be the standard for
6 incumbent carriers in the market. It is also critical that carriers and the Authority be able to
7 review and compare the ILEC systems to ensure existing capabilities are not eliminated or do
8 not deteriorate as companies are combined, and potential competitors are removed from the
9 market.

10
11 **Q. What information are you relying upon as the basis of your testimony?**

12 A. My testimony is based on my personal knowledge, information, belief and experience
13 with the operations and systems of incumbent local exchange carriers, including the Applicants,
14 as well as the information I have gathered working with other Deltacom employees who also are
15 involved with the Applicants' operations and systems.

16
17 **Q. Please describe Deltacom's operations.**

18 A. Deltacom is headquartered in Huntsville, Alabama, and is one of the certificated operating
19 companies that has ITC^DeltCom, Inc. as its ultimate parent. The ITC^Deltacom
20 operating companies serve over 400,000 voice-grade equivalent lines. Deltacom is duly
21 certificated competitive local exchange and interexchange carrier in the states of Alabama,
22 Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.
23 Deltacom competes with CenturyTel in the state of Alabama and competes with Embarq
24 in the states of Florida and North Carolina.

25
26 **Q. Please describe the types of services Deltacom offers.**

27 A. DeltaCom is a leading provider of integrated telecommunications and technology services
28 to small- and medium-sized businesses in the southeastern states. The company offers a
29 variety of services - both voice and data - including local, long distance, Internet
30 connectivity and broadband data communications. DeltaCom is one of the largest
31 competitive telecommunications service providers within its primary eight-state region.

1
2 **Q. How does Deltacom typically utilize its network to provide service to its end-user**
3 **customers.**

4 A. Deltacom's network utilizes loop and transport from collocations and switch sites, and in
5 order to reach most of its customers, Deltacom combines its own facilities with those
6 leased from incumbent local exchange carriers ("ILECs") or, where commercially
7 available, other competitive access providers. In order to serve business customers,
8 Deltacom relies on unbundled network element ("UNE") loops such as DS1, DS3, and
9 xDSL-capable loops, Special Access Services, and Extended Enhanced Loops ("EELs").
10 In limited circumstances, Deltacom also serves business customers through resale
11 arrangements.

12
13 **Q. Please list the states in which the Deltacom companies have interconnection**
14 **agreements with either of the Applicants.**

15 A. Deltacom currently has one interconnection agreement with CenturyTel in the State of
16 Alabama, and two interconnection agreements with Embarq, one in the State of Florida
17 and the other in the State of North Carolina. One of Deltacom's affiliates, Business
18 Telecom, Inc., has interconnection agreements with Embarq covering the States of
19 Tennessee, Florida, North Carolina, South Carolina and Virginia.

20
21 **Q. How would you characterize the current business practices of the Applicants?**

22 A. In my experience, the CenturyTel and Embarq business practices are a mix of favorable
23 and anticompetitive practices. Deltacom is concerned that a combined
24 CenturyTel/Embarq entity will adopt the more anticompetitive practices of each company
25 as its new standard operating practices throughout the combined CenturyTel/Embarq
26 operating region. Specifically, I am concerned that the existing ordering and provisioning
27 systems that allow for automation will deteriorate or be replaced entirely by systems that
28 are less efficient or rely on more manual processes as the two entities combine and
29 consolidate operations. CenturyTel generally has the most anticompetitive practices and
30 least automated OSS. Given that they are the acquiring entity, Deltacom is especially
31 concerned.

1
2 **Q. How would you characterize the support systems of the Applicants generally?**

3 A. Within the territories in which Deltacom operates, the CenturyTel support systems and
4 procedures are not as well developed as those of Embarq. The ordering, provisioning and
5 operating procedures used by CenturyTel to support wholesale services provided to competitive
6 local exchange carriers like Deltacom require much more “effort” to perform necessary tasks
7 than do the Embarq systems and procedures.

8
9 **Q. What concerns are there about the merged entity’s treatment of CLECs like**
10 **Deltacom?**

11 A. Given the possibility of the consolidation of ILECs with multiple operating companies,
12 Deltacom is concerned about the treatment of affiliates under a combined entity and the
13 likelihood, that like other CenturyTel ILECs, the Embarq companies will be treated as separate
14 legal entities; denying Deltacom any benefit of the efficiencies gained by the merged entities.
15 Deltacom is concerned that the overall mindset with respect to wholesale obligations will change
16 for the worse when the two entities are placed under common management.

17
18 **Q. Please characterize the Applicant’s ordering and provisioning systems, providing**
19 **any examples you believe illustrative.**

20 A. By comparison, Embarq’s ordering systems are much more robust and automated than
21 CenturyTel’s, which are largely manual with little if any automated or interactive capabilities.
22 For example, Embarq’s ordering systems readily provide customer address information for
23 conversion orders and for orders for new customer locations. Embarq’s systems also indicate
24 whether a specific customer location can be served out of a particular office during the ordering
25 process. In contrast, CenturyTel’s systems do not provide addressing information, much less
26 whether a specific customer location can even be served out of a particular end-office on a real-
27 time or near real-time basis. Instead, a carrier can enter the customer address and submit the
28 order. Between the time the order is submitted and when the order is due several days later, the

1 order will be rejected if the customer address is incorrect or the customer location cannot be
2 served out of a particular end-office. This creates delays and causes Deltacom to have to contact
3 the customer to try another address.

4 The two companies differ markedly on the amount of information they provide about the
5 ordering process. Embarq provides various handbooks and job aids for their ASR and LSR
6 systems that make it easier to determine the specific ordering requirements for different types of
7 orders. CenturyTel does not have this information. When submitting a new order type,
8 Deltacom's technicians often use job aids provided by other incumbent local exchange carriers
9 as the starting point for placing orders with CenturyTel. This best-guess form of ordering is
10 inefficient and unnecessarily increases Deltacom's costs as orders must be submitted multiple
11 times. Deltacom is concerned that the combined entity will be less willing or less able to provide
12 supporting documentation and other materials.

13 The two companies also differ on the accuracy of the information contained in Customer
14 Service Records ("CSRs"). CenturyTel's information is often missing, inaccurate, or contradicts
15 information contained in CenturyTel's other databases. This is especially true with respect to
16 customers with multiple locations. Since Deltacom often relies on this information when
17 ordering, any missing, inaccurate, and/or contradictory information ultimately delays facility
18 provisioning and causes orders to be rejected. Because of Embarq's more automated ordering
19 processes, Deltacom rarely has to rely upon CSRs. When relied upon, the information has
20 generally been accurate. As in other areas, Deltacom is concerned the functionality of wholesale
21 OSS systems of the combined entity will deteriorate as the companies combine operations.

22
23
24 **Q. Please characterize the Applicant's provisioning intervals.**

25 A. Embarq's business practices relating to provisioning intervals tend to be more favorable
26 than those of CenturyTel. For example, Embarq has a (5) five-business day interval for DS1
27 loop and EEL orders. In contrast, CenturyTel has a (15) fifteen-business day interval for DS1
28 loop and EEL orders.

29 **Q. Please compare the Applicants' Directory Listings practices.**

1 A. The two companies also have different capabilities when it comes to directory listings.
2 CenturyTel's system is more manual and error prone. For example, the two companies handle
3 Directory Assistance (1411) information for Deltacom facility based lines differently. Embarq
4 sends our Directory Assistance (1411) information to the directory listings publisher, whereas
5 Century Tel does not. As a consequence, Deltacom's business customers in the CenturyTel
6 territory can be excluded from the listings when end-users place calls to directory assistance.
7 This is a competitive disadvantage that Deltacom faces in the CenturyTel territory, and a matter
8 of CenturyTel's failure to treat competitors with parity.

9 In addition, CenturyTel's directory listing interface only displays a straight-line view of the
10 listing and will not show any features. For example with a complex business listing with
11 multiple lines or multiple locations, CenturyTel's interface will only show the caption header and
12 not a complete set of listings. In addition, the listing requests submitted through its interface are
13 subjected to layers of interpretation. As a result, what appears in CenturyTel's interface or even
14 the galleys is not necessarily what appears in the actual directory.

15 CenturyTel's listings can be seen in galley "proofs" in the form of spreadsheets but accuracy
16 is still questionable. Because of the error-prone nature of CenturyTel's directory listing system,
17 Deltacom finds them to be unacceptably resource-intensive. Embarq, on the other hand, has a
18 much better and more accurate system for submitting and reviewing directory listings. For
19 example, Embarq's listings appear exactly as they appear in the directory and any changes to
20 listings are shown on a real-time basis. Deltacom understands that Embarq is scheduled to
21 change the interface in the near future and is unsure what capabilities will be available in the
22 future. Deltacom is concerned the listing process and the accuracy of the combined entity will
23 suffer as a result of this acquisition.

24
25
26 **Q. Please describe any inefficiencies in the processes whereby loops to a**
27 **customer premise are cut-over or converted to a UNE ordered by Deltacom.**

28
29 A. While Embarq's processes are marginally better, in those instances when Deltacom wants
30 to convert a special access circuit to a UNE loop, or when Deltacom wins a customer from
31 the incumbent carrier and wants to cut-over the loop to Deltacom's collocation in the ILEC's

1 end office (collectively, “migration”), neither Applicant should require the availability of or
2 construction of a second loop before services are migrated. Rather the Applicants should
3 allow Deltacom to “re-use” the existing loop. This would be more efficient for the customer,
4 the competitive local exchange carrier and the incumbent local exchange carrier.
5 Furthermore, the ability to migrate a customer with minimal disruption to its business is
6 critical to establishing the credibility of competitive carriers like Deltacom to provide
7 seamless service in competition with the incumbent.
8

9 **Q. Considering the foregoing, what are you asking the Authority to do?**

10 A. To the extent the Authority intends to grant the Applicants’ request, it should only do so
11 conditioned on the commitment of the Applicant’s to move to best practices in each of the areas
12 outlined in the foregoing testimony. Further, the Authority should also establish fixed deadlines
13 for the merged entity to implement best practices, should require the merged entity to report
14 progress against those deadlines, and should monitor the merged entity’s compliance.

15 **Q. Does that conclude your rebuttal testimony?**

16 A. Yes, it does.

State of Alabama

County of Madison

Before me, the undersigned notary, duly commissioned and qualified in the aforesaid County and State, personally came and appeared. Kim Sharp, being by me first duly sworn deposed and said that:

She is appearing as a witness on behalf of DeltaCom, Inc. before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, would give her testimony as set forth the appended transcript.

Kim Sharp

Kim Sharp

Dated: April 6, 2009

Sworn and subscribed to me this 6th day of April, 2009.

My Commission expires: 12-2-09

Nickie Shaw

Notary Public

Nickie Shaw
Notary Public
State of Alabama
My Commission Expires December 2, 2009

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded

via e-mail to:

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on this the 6th day of April, 2009.


Henry M. Walker