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January 23, 1998

VIA HAND DELIVERY

Honorable Blanca S. Bayo
Director - Records and Reporting
Florida Public Service Commission
Room 110
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket Number [REDACTED] FI

Dear Ms. Bayo:

Enclosed are the original and 15 copies of the following:

- 1. Spring Communications Company Limited Partnership's Notice of Support for Lower Cost Regulatory Alternative and Submission of Lower Cost regulatory Alternative; 01303-98
- 2. Sprint Communication Company Limited Partnership's Notice of Intent to Request Specified Confidential Classification for Responses to Second Data Request; and 01304-98
- 3. Redacted Responses to Staff's Second Data Request. ~~01305-98~~ 01305-98

ACK Also, Sprint is filing confidential responses to Staff's
AEA Second Data Request to be filed with the Clerk. 01306

APP Edwell I have enclosed a copy of this letter to be file-stamped and
CAF returned to me.

CMU 2
CTR _____
EAG _____
LEG 5
LIN _____
OPC CEBJr/lb
RCH Enclosures
SEC 1
WAS _____
OTH _____

Sincerely,


C. Everett Boyd Jr.

cc: Monica M. Barone
Parties of Record
RECEIVED
FPSC-BUREAU OF RECORDS

**SECOND DATA REQUEST ON
PROPOSED AMENDMENTS TO
RULE 25-4003, F.A.C. DEFINITIONS;
RULE 25-4110, F.A.A. CUSTOMER BILLING;
RULE 25-4110, F.A.C. INTEREXCHANGE CARRIER SELECTION;
RULE 25-3490, F.A.C. CUSTOMER RELATIONS; RULES INCORPORATED;
AND PROPOSED RULE 25-3494, F.A.C. CUSTOMER RELATIONS;
RULES INCORPORATED.**

PROPRIETARY INFORMATION CONTAINED HEREIN

Company Name: Sprint Communications Company Limited Partnership

**Name, title and telephone number
of official responding to request:**

**Tony H. Key
Director, State Regulatory
404 649-5144**

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1. For each modification to the proposed rule and rule amendments described below, please identify and estimate additional costs to comply, including all potential transactional costs. For purposes of this question, "transactional costs" should include direct costs that are readily ascertainable based upon standard business practices. These costs may include filing fees, costs of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, and the costs of monitoring and reporting.

Responses:

1.a. Rule 25-4003(41), F.A.C.; Sprint LP cannot estimate the cost of implementing this rule since it applies to ILECs.

Sprint LP believes that allowing ILECs to administer the PIC Freeze process will create significant costs for long distance providers as well as consumers. ILECs have used the PIC Freeze to block competition. In this regard, the market has not benefited and consumers will pay higher costs for long distance service.

1.b. Rule 25-4003(42), F.A.C.; in those cases in which Sprint LP directly bills its customers for toll service, the Sprint LP name and logo are conspicuously displayed. The cost of implementing this rule has already been incurred by Sprint LP for directly billed customers. In those cases in which the ILEC bills on Sprint's behalf, Sprint cannot estimate the cost of implementing this rule.

1.c. Rule 25-4110(11)(a) F.A.C.; Sprint cannot estimate the cost of implementation since this rule applies to ILECs.

Although Sprint LP is not a provider of 900 or 976 services, Sprint LP believes that notifying the consumer that acquisition of Pay Per Call services will not result in discontinuation of local service will increase consumer demand. Consumers that directly dial Pay Per Call numbers from their residences or place of business are legally responsible to pay for those services.

14. Rule 25-4.110(11)(b), F.A.C.; Sprint LP cannot estimate the cost of implementation since this rule applies to ILBO. However, implementation of this rule will create significant lost revenue for long distance providers. Although the ILEC will block future billing from the alleged shamming long distance company, the consumer will maintain the ability to use the long distance network. Once consumers realize that they can use toll service and never receive a bill, fraud will escalate. Although Sprint LP considers the average revenue billed per month as proprietary information, it is logical to assume that if every consumer that dials they were switched without proper authorization, it could potentially cost approximately (\$XXX) if all charges for the first 90 days are refundable to the consumer. It will not take long for consumers to figure out that dialing they were shammed will result in free telephone service for 90 days.

If this rule is imposed, long distance providers will have no other option but to raise the cost of its services, and pass that rate increase to consumers. Unfortunately, those consumers that pay for the service they receive will inadvertently bear the cost for those that use this rule to avoid payment.

14. Rule 25-4.110(12), F.A.C.; Sprint LP cannot estimate the cost of implementation since this rule applies to ILBO.

As stated in response to question 14, Sprint believes that authorizing ILBOs to administer the PFC Freeze process will harm competition. Sprint has recommended to this Commission as well as to the FCC that the PFC Freeze process be given to a third party administrator to ensure that all providers are treated with the same set of operating practices.

14. Rule 25-4.110(13), F.A.C.; Sprint LP cannot estimate the cost of implementation since this rule applies to ILBO.

14. Rule 25-4.110(8), F.A.C.; Sprint LP believes that implementation of this rule will create significant lost revenue for all long distance providers. Sprint opposes any rule that relieves consumers of their legal obligation to pay for services they have received. This rule will cause fraud to escalate. Once consumers learn that dialing to have been shammed will relieve them of all responsibility to pay for toll charges, shamming delays will increase not decrease. Long distance providers will increase their rates as a result.

14. Rule 25-4.110(11), F.A.C.; The additional costs of complying with this rule would depend upon how long it would take to explain to the consumer what a PFC freeze is, that it is available, and how to obtain one. As talk time increases both during telemarketing and the verification process, cost per transaction increases. Sprint estimates that it might take 2 minutes to explain to the customer how to obtain a PFC freeze. It costs (\$K,XX per minute for talk time) and would add (\$XXX) to the cost per sale. Sprint estimates that it installs (XXX) new Florida customers each year. This increased talk time would create an additional incremental cost of (\$XXXXXX).

The customer service representatives would also need additional training on how to discuss a PFC freeze. If the Commission mandates offering the PFC freeze, it would be Sprint's suggestion that either the telemarketing contact or the verification contact be required to offer the PFC freeze, not both.

Sprint supports the customer's ability to obtain a FPC freeze, but thinks it is just as critical that the customer can unfreeze the account. Difficulty in unfreezing the FPC can impact competition especially when one carrier has the bulk of the business. Mandating that customers be informed during unenrolling and verification that a FPC freeze is available, forces the DCC to ask the customer to call the LBC to implement the freeze. There may be motivations for the LBC to discourage the DCC sub. For this plan to work to the benefit of both the customer and the industry, Sprint believes that the process should be assigned to a neutral third party and that it should be just as easy for a customer to freeze or unfreeze their account.

1j. Rule 25-4118(12), F.A.C.: Sprint already sends each new customer a letter notifying them that their service has been activated. It is called a Welcome Package and it contains information about the new Sprint service. Sprint believes that this is a benefit to the consumer and that it provides needed follow up information on the services ordered.

1j. Rule 25-4118(13), F.A.C.: The additional cost of copying with this rule change would be setting up a letter process. Postage currently costs \$32 per letter. Sprint estimates that it would cost (\$XXX) per month in administrative expenses and (\$XXX) per letter. There would also be programming costs to extract the verification data. A formal request which Sprint would need to be made to determine the programming cost. Sprint understands how a hard copy of the LQA or a screen print of the information captured during third party verification could be provided to the customer. However, it is less evident how a copy of the voice recording could be provided to each customer on request. This cost has previously been applied to the Commission. Sprint would propose that instead of a hard copy, a toll free number be utilized for the customer to call and listen to the recording. It would cost Sprint (\$XXX) to handle the initial call in Customer Service. The customer would then need to call the toll free number to listen to the recording.

This proposed rule would benefit the DCC only if it was successful in retaining the customer. If a customer feels they have been deceived, and even if the DCC can provide proof that it did not initiate the plan, the customer may still have negative feelings toward the DCC. More than likely, the customer will not remain with the DCC. The benefits to the consumer is more obvious in that they would be provided proof that the sale was authorized.

1. k. Rule 25-4.118 (16), F.A.C.: Sprint LP provides customers with scores to our customer service facilities on a 7 day a week, 24 hours per day basis. Sprint believes that the consumer should be allowed to mandate service levels. If a consumer is not satisfied with a service provider's customer service availability, the consumer should take his/her business to another provider. In this situation, the consumer and the competitive market will drive service level standards.

11. Rule 25-24.845, F.A.C.: Sprint is continuing to evaluate the effect of adding the certificate number on customer bills. At this time we do not have a cost to do that.

2a. Sprint LP does not believe that implementation of Rule 25-4.003(41), F.A.C. will benefit the consumer. This rule continues to allow the ILBCs to administer the FPC Freeze process. ILBCs have abused this authority and have used the FPC Freeze to their advantage by setting up arbitrary blocks to competition. If the consumer is to benefit, competition must be free to grow.

2b. The consumer will benefit from notification of higher service provider.

2c. The telecommunications industry as a whole will be harmed should any rule allow consumers

to use services without the legal obligation to pay. Although Sprint LP does not provide 900 or 976 services, Sprint believes that when a consumer direct dials a service of this type from either his/her residence or place of business, the consumer has received a benefit and should be responsible for those charges.

2d. A free billing block option will harm long distance providers in that it blocks billing out does not block the customer's ability to access the long distance network. When consumers realize that claiming to have been slammed will stop future billing for toll, fraud will escalate as well as create more slamming claims.

2e. Providing the consumer with a notice of PIC Freeze availability will serve to educate the consumer.

As Sprint has stated in its previous responses, the PIC Freeze process should be performed by a neutral third party. In the event that ILECs continue to administer this process, competition will certainly be harmed.

2f. Sprint has no response for this item.

2g. The implementation of Rule 25-4.118(8), F.A.C. will harm long distance providers as well as consumers. Any rule that relieves consumers of their financial obligation to pay for services they have received will cause fraud to escalate. Long distance providers must receive compensation for their services provided, otherwise toll rates will certainly increase.

2h. The industry as a whole will be harmed if the ILECs are allowed to continue to administer the PIC Freeze process. The consumer will be better served if administration of the PIC Freeze process is handed by a neutral third party. A third-party administrator will ensure that all providers are treated with the same operating practices ensuring that no one provider has an advantage.

2i. Sprint currently provides a letter notifying the consumer that service will be provided. This information is sent in our Welcome Package.

2j. Sprint has no response for this item.

2k. The implementation of Rule 25-4.118(14), F.A.C. Sprint does not believe the commission should mandate service levels. Sprint believes that competition will be served by allowing the consumer to mandate service levels. Should the commission choose to implement this rule, Sprint has proposed a lower cost alternative.

2l. At this time, Sprint is unable to determine what benefit Rule 25-24.845, F.A.C. would provide to consumers.

3.a. Sprint has indicated in its previous responses that it believes that competition and the consumer will be better served if the PIC Freeze process was administered by a neutral third party. Sprint can assume that the cost of a neutral third party administrator would be similar to the costs the industry has incurred to impose other types of providers such as the national 800 data base and the National Consumer Telecommunications Database. Although Sprint participates in both services, revealing the costs associated with each is considered to be proprietary information.

3.b. Sprint has no response for this item.

3c. Sprint believes that the consumer will benefit from Pay Per Call charges that are disclosed clearly and conspicuously. However, the industry as a whole will be harmed if nonpayment of Pay Per Call charges does not result in discontinuation of local service. Once consumers realize that they can receive these services without penalty for nonpayment, fraud will escalate.

Sprint recommends that the ILBCs offer consumers a free option to block 900/976 calls from originating from their residences or place of business.

3d. Sprint has no response for this item.

3a. Sprint has recommended to this Commission as well as to the FCC that a neutral third party should be charged to administer the PFC Freeze process.

3f. Sprint has no response for this item.

3g. Sprint believes that Rule 25-4118(f), F.A.C. should not be imposed. As Sprint has testified in this Docket in its Direct and Substantive Testimony, relieving the customer of financial obligations to pay for services will increase demanding complaints and cause fraud to escalate.

3h. Sprint believes that the PFC Freeze process should be administered by a neutral third party. The telecommunications industry is currently using a two third party administrators to manage the national 800 database and the National Consumer Telecommunications Database. Since the cost associated with using these administrators is considered proprietary, Sprint will not provide the information at this time, but will share with Staff on an as needed basis.

3i. The letter notifying customers that service will be provided should be handled in the same method that is used today. Imposing Rule 25-4118(12), F.A.C. will increase costs for long distance providers.

Should Sprint be required to abandon its use of its negative ballot when customers cannot be contacted for verbal verification, Sprint could potentially lose \$765,000 in annual revenues. This means that Sprint may need to increase the rates charged to customers.

3j. Sprint has no response for this item.

3k. Sprint does not offer an alternative method of accomplishing this requirement since Sprint already complies. Sprint provides customers with access to its customer service facilities on a 7 days a week, 24 hours per day basis.

3l. Sprint cannot offer an alternative method of accomplishing this requirement since Sprint is not in the process of evaluating the effect of adding the certificate number to customer bills.

1. Sprint is a national company doing business throughout the 50 states. Currently Sprint is in compliance with the FCC and FRAC rules concerning PFC charge verification. Sprint, as well as other long distance providers, would incur significant expense if mandated to comply with rules that differ based on jurisdiction. For this reason, Sprint requests the Commission to consider waiting to impose new rules until such time that the FCC completes its Rulemaking on roaming.