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March 2, 2001

FILED³

MAR 02 2001

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/ Chief Regulatory Law Judge
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

RE: In the Matter of Proposed New Rules on Prepaid Calling Cards
Case No. TX-2001-73

Dear Judge Roberts:

Thank you for the opportunity to comment on the proposed rule regarding prepaid interexchange calling services as published in the February 1, 2001 edition of the Missouri Register (4 CSR 240-32.130 et al). Sprint has thoroughly reviewed and considered possible impacts of the proposed rule and submits an original and eight (8) copies of its Comments for filing with the Commission.

If you have any questions or comments, please feel free to call me at (913) 624-6425.

Very truly yours,

Stephen D. Minnis

Stephen D. Minnis

by Denis Bergmeyer

SDM:mkj

cc: Dan Joyse, Office of the General Counsel
Martha Hogerty, Office of the Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

In The Matter of Proposed New Rules)
On Prepaid Calling Cards)

Case No. TX-2001-73

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Service Commission

COMMENTS OF SPRINT

Comes now Sprint Missouri, Inc., d/b/a/ Sprint and Sprint Communications Company, L.P. (collectively, "Sprint") and hereby files its comments on the proposed rule regarding prepaid interexchange calling services as published in the February 1, 2001 edition of the Missouri Register (4 CSR 240-32.130 et al). Sprint expresses the following concerns regarding the specific language in the proposed rules:

CSR 240-32.140 Definitions

(6) Prepaid calling card (Card) – Any object containing and access number and authorization code that enables an end user to use PPCS. This includes, but not limited to, retail, utility, promotion and collectible calling cards.

Prepaid calling cards are often used as promotional items to promote a company, increase a company's goodwill, or to benefit a community project or organization. A telecommunications company often provides the prepaid calling cards free of charge, or sells them in bulk to a business or organization. Generally, the cards are given, free of charge, to the consumer of the service.

Section 32.160 requires specific customer disclosures before and after purchase. The consumer of the service has paid nothing for the card therefore disclosing rate information is not pertinent. The value of calling time is stated on the card, and as the consumer uses the card, he is notified of the available time remaining.

Sprint advocates the exclusion of promotional prepaid calling cards from the proposed rules.

CSR 240-32.150 Qualifications and Responsibilities

(2) Company shall disclose the following information to the customer, either on the prepaid calling card or through an insert, after purchase.

(A) The certificated name of the company providing PPCS as provided for by 4 CSR 240-32.150.

Sprint's prepaid phone cards display the Sprint logo and the statement "Network services provided by Sprint." "Sprint Communications Company LP", the corporate name under which our long distance company is certificated, is displayed on all prepaid phone card packaging. Sprint's long distance company is commonly known as "Sprint." "Sprint" is used in communications with consumers, and consumers recognize our long distance company and services as "Sprint."

Sprint advocates that the company name be identified on prepaid calling cards, but that name not be required to be identical to the name on the certificate and tariff.

CSR 240-32.160 Customer Disclosure

(2) Company shall disclose the following information to the customer, either on the prepaid calling card or through an insert, after purchase

(F) A statement that the charges outlined in subsection (1) (B) above have the effect of reducing the value of the prepaid calling card by increasing the effective per minute rate of the call.

Sprint discloses all surcharges and connection fees on the prepaid calling card and all packaging. Sprint also clearly states that the card will be reduced by a specific amount for these fees. The per minute rate remains the same regardless. The payphone surcharges and connection fees do not effect the per minute rate. This statement would

be misleading for the consumer when all surcharges and fees are already clearly disclosed.

Sprint advocates excluding this statement.

In addition, Sprint expresses the following general concerns regarding the over-all impact of the proposed rule.

Reduced Long Distance Service Choices

Sprint recognizes that the retail sales of prepaid cards to customers represent a very small portion of business for many carriers, particularly smaller carriers. Many smaller companies sell or distribute the cards more as a convenience to customers rather than as an ongoing line of business. It would be reasonable for these smaller companies to conclude that the additional cost of ensuring compliance with the proposed rule would simply prohibit them from marketing or distributing the cards. This would reduce customer choice for both long distance service and method of long distance access.

Sprint is concerned that the level of regulation contemplated in this proposal may outweigh any difficulties experienced by consumers of prepaid calling cards. If the additional cost to providers to comply with the rule has the effect of reducing consumer choice, the net benefit of this regulatory effort could be marginal.

Sprint urges the Commission to reconsider this rule in light of the potential for reduced consumer choice.

Retailer Activity Will Hinder Compliance

Carriers often sell prepaid calling cards at wholesale prices to retailers. Retailers, in turn, sell the prepaid cards to the end user at a price established by the retailer. This

make it difficult for a provider of prepaid calling services to fully disclose all prices and conditions to the customer as required in the proposed rule.

Sprint urges the Commission to reconsider this rule in light of this constraint.

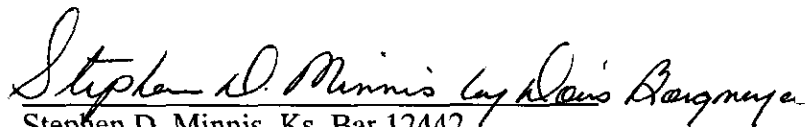
Grandfather Existing Stock of Cards

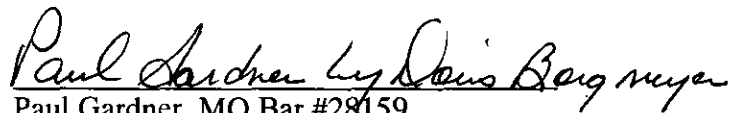
Carriers have no control over the stock of prepaid cards already sold to, and held by, various retailers. Carriers can not compel the retailers to sell the cards by a certain date, nor can they compel customers to use the service on or before a certain date.

Sprint urges the Commission to allow the sale and use of cards already manufactured at the time of the rule's effective date until the expiration date of such cards is reached.

Respectfully submitted,

SPRINT MISSOURI, INC.
SPRINT COMMUNICATIONS COMPANY, L.P.


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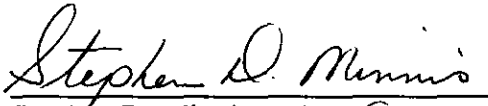

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing was mailed, U.S. Mail, postage prepaid on this 2nd day of March, 2001, to the following:

Mr. Dan Joyce
General Counsel
Missouri Public Service Commission
Governor Office Building
200 Madison Street, Suite 650
Jefferson City, Missouri 65102

Ms. Martha Hogerty
Office of the Public Counsel
P. O. Box 360
Jefferson City, Missouri 65102



Stephen D. Minnis 