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June 29, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Suite 530
Jefferson City, MO 65101

Re: In the Matter of an Investigation for the Purpose of Clarifying and Determining Certain Aspects Surrounding the Provisioning of Metropolitan Calling Area Service After the Passage and Implementation of the Telecommunications Act of 1996

Case No. TO-99-483

Dear Mr. Roberts:

Enclosed for filing are an original and eight (8) copies of the Initial Brief of Sprint Communications Company L.P., Sprint Missouri, Inc. and Sprint Spectrum L.P. d/b/a Sprint PCS.

If you have any questions, please do not hesitate to contact me at (913) 345-7915.

Sincerely.

Linda K. Gardner

LKG:ket Enclosures

cc: All Parties

## BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

| In the Matter of an Investigation for the    | )                    |
|--|----------------------|
| Purpose of Clarifying and Determining        | ,<br>)               |
| Certain Aspects Surrounding the              | )                    |
| Provisioning of Metropolitan Calling Area    | ) Case No. TO-99-483 |
| Service after the passage and Implementation | )                    |
| of the Telecommunications Act of 1996.       | )                    |

## INITIAL BRIEF OF SPRINT COMMUNICATIONS COMPANY L.P., SPRINT MISSOURI, INC., AND SPRINT SPECTRUM L.P. d/b/a SPRINT PCS

As many of the parties testified, this docket was opened to address issues pertaining to local competition within the Metropolitan Calling Area (MCA) plan. The MCA plan was established by the Commission in 1992 to address expanded growth and local calling desires in the areas surrounding the metropolitan communities of St. Louis, Kansas City, and Springfield, Missouri. All incumbent local exchange carriers (ILECs) serving exchanges within the MCA must participate in the plan under the same rates, terms and conditions, including the classification of this traffic as local and the adoption of bill-and-keep inter-company compensation.<sup>1</sup>

Customers must subscribe to MCA service as part of their basic local service in the mandatory areas. In Kansas City and St. Louis the mandatory area is MCA-Central and MCA-1 and MCA-2. In Springfield the mandatory area is MCA-Central and MCA-1. In addition to the mandatory zones, there are optional MCA tiers where the customer may choose to subscribe to the service, or not. In the optional MCA tiers,

<sup>&</sup>lt;sup>1</sup> While not advocating major changes to the current MCA plan in the short term, Sprint believes that Commission-mandated plans must be eliminated in the long term, particularly when it is not part of

MCA customers are distinguished from non-MCA customers through the assignment of distinct MCA NXXs and non-MCA NXXs. Optional MCA service is not basic local exchange service as that service is defined in Section 386.020(4) RSMo. Sprint Missouri, Inc. offers optional MCA service to its customers in optional tiers 3, 4 and 5 of the Kansas City MCA area.

At its inception in 1992, competitive local exchange carriers (CLECs) were not permitted to operate in Missouri. That has since changed. CLECs have entered Missouri markets, including the areas served via the MCA plan. The crux of this case centers on CLEC and wireless carrier participation in the MCA plan.

Sprint believes CLECs currently participate in the plan and should be allowed, but not required, to continue to do so. CLECs should be allowed to define their own geographic calling scope, including a larger out-bound local calling area than the MCA. However, other LECs should not be required to treat their outbound calls as local calls for any area larger than the Commission defined MCA area.<sup>2</sup>

Bill-and-keep inter-company compensation should be the default compensation. By continuing the current bill-and-keep arrangement, MCA customer rates are kept at relatively low levels. Each move toward reciprocal compensation increases the pressure on the rate because the cost of provisioning the service increases. Nevertheless, carriers should have the option of entering a reciprocal

basic service. Requiring some companies to offer a service while its competitor does not, is not competitively neutral. However, the solution is not to mandate a specific plan for all providers.

<sup>&</sup>lt;sup>2</sup> Gabriel concurs: "Gabriel is not suggesting that SWBT or other ILECs must expand their calling scopes beyond the requirements of the MCA plan. Nor is Gabriel suggesting that CLEC customers located outside the current boundaries of the MCA area are entitled to receive incoming calls originating from ILEC customers within the MCA are as local calls. Gabriel's proposals in this case

compensation agreement for the exchange of MCA traffic that calls for a compensation arrangement other than bill-and-keep should they so choose.

All carriers should continue the use of segregated NXXs for MCA service since that is a fundamental feature of how MCA is provisioned today. If the Commission wishes to explore other methods of provisioning MCA service to break the NXX linkage or wishes to explore modifications to the MCA service that cause separate NXX codes to be unnecessary, Sprint will certainly participate in that investigation. However, as it stands today, MCA service is NXX-based in the optional tiers and should remain so for both ILECs and CLECs.

Because MCA service is NXX-based, it is crucial that notification of NXX codes to all carriers involved be done on a timely and accurate basis. Accurate programming of carrier switches and bill tables reduces customer confusion and complaints. Sprint supports the continued use of the Local Exchange Routing Guide (LERG) as the warehouse to keep all NXX codes. The LERG is the sole database relied upon by all telecommunications carriers throughout the United States to ensure accurate NXX notification. The LERG should continue to be the single source for Missouri telecommunications carriers. While the LERG should continue to be the source of the information, Sprint would support Commission efforts to establish procedures to ensure accurate and timely updates of the LERG within Missouri for MCA calling. Sprint encourages the Commission to take advantage of

only affect traffic of ILEC customers which originates and terminates within existing MCA boundaries." (Ex. 25, p. 8)

the industry's expertise in this regard and would encourage any procedures to be developed through industry participation.

Lastly, the competitive marketplace should determine the appropriate rates for MCA service, whether offered by an ILEC or a CLEC. The Commission should not mandate a particular MCA price for either the CLEC or ILEC. For the ILEC, price cap companies face certain restrictions on upward pricing flexibility. For the smaller ILECs, single-issue ratemaking concerns will deter their upward pricing capabilities. CLEC pricing will be constrained by competitive pressure and the realization that the customer may choose another CLEC or the ILEC if the price is too high.

Respectfully Submitted,

SPRINT COMMUNICATIONS COMPANY L.P., SPRINT MISSOURI, INC., and SPRINT SPECTRUM L.P. D/B/A SPRINT PCS

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Initial Brief of Sprint Communications Company L.P., Sprint Missouri, Inc., and Sprint Spectrum L.P. d/b/a Sprint PCS was mailed or hand-delivered this 29<sup>th</sup> day of June 2000 to the following counsel of record in Case No. TO-99-483:

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