

EXHIBIT \_\_\_\_\_  
TT-2002-129 et al.  
Direct Testimony of James A. Appleby  
Sprint Communications Company L.P.

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**In the Matter of AT&T Communications ) Case No. TT-2002-129, et. al.  
of the Southwest Inc.'s Proposed Tariff )  
to Establish a Monthly Instate )  
Connection Fee and Surcharge )**

**TESTIMONY OF JAMES A. APPLEBY  
ON BEHALF OF  
SPRINT COMMUNICATIONS COMPANY L.P.**

**PUBLIC VERSION**

**June 1, 2005**

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

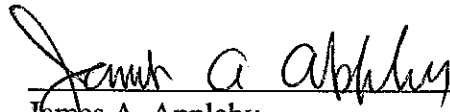
In the Matter of AT&T Communications ) Case No. TT-2002-129, et. al.  
of the Southwest Inc.'s Proposed Tariff )  
to Establish a Monthly Instate )  
Connection Fee and Surcharge )

**AFFIDAVIT OF JAMES A. APPLEBY**


STATE OF KANSAS )  
 ) ss:  
COUNTY OF JOHNSON )

I, James A. Appleby, being of lawful age and duly sworn, state the following:

1. I am currently Regulatory Affairs Manager for Sprint/United Management Company representing the interests of Sprint Communications Company L.P.
2. I have participated in the preparation of the attached Testimony in question and answer form to be presented in the above entitled consolidated cases;
3. The answers in the attached Testimony were given by me; and,
4. I have knowledge of the matters set forth in such answers and that such matters are true and correct to the best of my knowledge and belief.

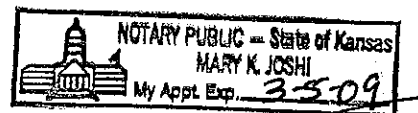
  
\_\_\_\_\_  
James A. Appleby

Subscribed and sworn to before me on this 1st day of June, 2005.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires:

March 5, 2009



1 **I. INTRODUCTION**

2  
3 **Q. Please state your name, occupation and business address.**

4 **A.** My name is James A. Appleby. I am employed as a Regulatory Affairs Manager  
5 for Sprint/United Management Company representing the interests of Sprint  
6 Communications Company L.P. My business address is 6450 Sprint Parkway  
7 Overland Park, Kansas 66251.

8  
9 **Q. Please summarize your educational background, and business experience.**

10 **A.** I hold a Bachelor of Science degree in accounting from Shippensburg University  
11 in the state of Pennsylvania. I became a Certified Public Accountant in  
12 Pennsylvania in 1989. I have been employed by Sprint since 1989.

13  
14 I began working with Sprint's Regulatory Policy Group in 1996. In my current  
15 position, I am responsible for the development of state and federal regulatory and  
16 legislative policy for all divisions of Sprint Corporation. I am also responsible for  
17 the coordination of policy across business units. The specific policy issues that I  
18 address include, among other things, universal service, pricing, costing, access  
19 reform, reciprocal compensation and interconnection and local competition.

20  
21 In my position I have testified before the Public Service Commission of South  
22 Carolina, the Missouri Public Service Commission, the Indiana Utility Regulatory  
23 Commission and the Nebraska Public Service Commission. I have also worked  
24 extensively with the various state Commissions' staff and the Federal  
25 Communication Commission's staff.

1    **Q.    Please provide an overview of your direct testimony.**

2    **A.** The intrastate long distance market in Missouri is a highly competitive market.  
3           Establishment of Sprint's In-state Access Recovery (ISAR) charge was deemed  
4           reasonable and non-discriminatory by this Commission when it was first  
5           requested by Sprint, and subsequently approved by the Commission in 2002.  
6           Further, the ISAR remains a reasonable and non-discriminatory part of the rate  
7           structure of Sprint's intrastate toll service, not only in Missouri but in several  
8           other states today. For the reasons and justifications discussed also below, the  
9           Commission's earlier decision regarding implementation of the ISAR should  
10          stand.

11

12    **II.    THE HIGHLY COMPETITIVE INSTATE COMMUNICATIONS**  
13    **MARKET**

14  
15    **Q.    Is the intrastate toll market competitive today?**

16    **A.** Yes. Today the people of Missouri have more choices for their in-state  
17          communication needs than at any time in history. A multitude of long distance  
18          service providers offer services in the state. All-distance wireless service is  
19          available in most parts of the state, and an internet connection provides yet more  
20          service choices to people wishing to communicate throughout the state.

21

22    **Q.    Has the Commission agreed that the intrastate toll market in Missouri is**  
23    **competitive?**

24    **A.** Yes. Intrastate long distance service has been a competitive service in Missouri

1       since 1989.<sup>1</sup> Further, the Commission agreed that Sprint Communications  
2       Company, L.P. was a competitive interexchange carrier in Case No. TO-88-142.  
3       Section 392.185(b) RSMo provides that an overarching principle of the State  
4       Telecommunications Act is to allow full and fair competition to function as a  
5       substitute for regulation. The Commission has aptly applied this principle in its  
6       earlier determinations that allowed the ISAR charge tariff for Sprint to go into  
7       effect in 2002. Also at that time, the Commission determined that Sprint's ISAR  
8       was similar to charges approved for other IXC's in Missouri, and that Sprint had  
9       met all the requirements of 392.500(2) in implementing the charge.

10  
11   **III. SPRINT COMPLIED WITH ALL REGULATIONS BOTH STATE AND**  
12   **FEDERAL WHEN IMPLEMENTING THE ISAR**  
13

14   **Q.   Do the Missouri statutes reduce the amount of regulatory oversight when**  
15   **services provided are deemed competitive?**

16   **A.**   Yes. Carriers that provide competitive services must simply file a tariff  
17       explaining the service fully and provide customer notification in advance to any  
18       customers that will see a rate change as a result of the tariff change. This  
19       customer notice must be shared with the Commission.

20  
21   **Q.   Did Sprint comply with all of these requirements when it requested to**  
22   **implement the ISAR in July of 2002?**

23   **A.**   Yes. Sprint originally filed a tariff on May 31, 2002 including support that fully

---

<sup>1</sup> See, *In the Matter of the Investigation for the Purpose of Determining the Classification of the Services provided by Interexchange Telecommunications Companies within the State of Missouri*, 30 P.S.C. (N.S.) 16 (Sept. 15, 1989).

1 explained the tariff changes and requesting an effective date on July 1, 2002.  
2 Sprint also filed the customer notice information with the Commission. All  
3 customers received this notice before the new charge was implemented. This  
4 allowed customers that did not choose to pay the rate for the ISAR to choose  
5 another provider for their communications needs if they so desired.  
6

7 **Q. Are interexchange carriers required to market their services in a clear and**  
8 **truthful manner?**

9 **A.** Yes. Interexchange carriers must disclose and clearly explain the terms and  
10 condition and charges associated with service when a customer chooses service or  
11 those terms and conditions change.  
12

13 **Q. Does Sprint disclose to customers that they will be responsible for paying the**  
14 **ISAR charge in Missouri?**

15 **A.** Exhibit JAA#1 shows the revised terms and conditions information Sprint  
16 distributed to customers before the ISAR was placed on any customer bills. Also,  
17 Exhibit JAA#2 shows an excerpt from the website communication explaining the  
18 customer's obligation regarding the ISAR. In the fees and surcharges matrix  
19 Sprint clearly describes the ISAR as a fee based on access costs Sprint must pay  
20 to your local carrier to utilize local phone lines.  
21

22 **Q. What rules govern the interexchange carrier's presentation of charges on the**  
23 **customer's bill?**

1    **A.**     Federal regulations as codified in 64.2400 as Truth in Billing rules set standards  
2           for bills for telecommunications service. These rules are also intended to aid  
3           customer's understanding of the bill and to aid informed customer choices.  
4           Additionally, Missouri is also in the process of establishing additional  
5           requirements for bill disclosure. As stated in comments filed April 14<sup>th</sup> *In the*  
6           *Matter of the New Proposed Rule 4 CSR 240-33.045* Case No TX-2005-0258,  
7           Sprint is supportive of the Commission's overall efforts in this regard and Sprint  
8           Communications Company L.P. clearly labels its charges on customers' bills.

9

10   **Q.**     **Does Sprint fully comply with Federal Truth in Billing rules?**

11   **A.**     Yes. All charges rendered to our customers, including the ISAR, comply with the  
12           Federal Truth in Billing standards.

13

14   **Q.**     **Where is the ISAR charge shown on the customer's bill?**

15   **A.**     The ISAR is shown in the Sprint Charges section of the bill reflecting the fact that  
16           it is a part of toll charges provided by Sprint, as an IXC, to the customer.

17

18   **IV.    THE ISAR WAS IMPLEMENTED TO HELP IN RECOVERY OF THE**  
19           **HIGH COST OF INTRASTATE ACCESS RATES**

20

21   **Q.**     **When Sprint introduced the ISAR in 2002, was the reason for implementing**  
22           **the new charge indicated at that time?**

23   **A.**     Yes. Even though there is no requirement to disclose our reasons, Sprint  
24           explained that the ISAR charge was being implemented to help recover the access  
25           costs that Sprint pays to the local phone company to utilize the local phone lines.

1   **Q.    Do you have any financial data that could explain Sprint's need to charge an**  
2       **additional charge to recover intrastate access cost in Missouri?**

3   **A.**   Exhibit JAA#3 shows the average charge per minute for intrastate access service  
4       Sprint was paying in July 2002, the month the charge was originally intended to  
5       be implemented in Missouri. Additionally, recent comparative information from  
6       December of 2004 is also shown. The exhibit shows the national average  
7       intrastate per minute charges Sprint incurred during those two months. As can be  
8       seen from the data on the exhibit, the average cost of intrastate access in Missouri  
9       is 247% and 243% of the national average in July 2002 and December 2004,  
10      respectively. Clearly the access input costs are much higher in Missouri than the  
11      national average and that relationship has not significantly changed since Sprint  
12      implemented the ISAR.

13

14   **Q.    How much more intrastate access cost per customer does Sprint pay in**  
15       **Missouri vs. the national average assuming the national average residential**  
16       **usage characteristics?**

17   **A.**   Exhibit JAA#4 shows the national average residential intrastate access minutes of  
18       use on which Sprint must pay. Based on this usage and the Missouri specific and  
19       national average access rate information, Sprint pays on average \*\*\* BEGIN  
20       **HIGHLY CONFIDENTIAL** [REDACTED] **END HIGHLY CONFIDENTIAL**\*\*\*per  
21       customer per month more in Missouri than the national average.



1   **Q.    How does that cost differential compare to the ISAR charge level Sprint**  
2       **implemented and maintains today?**

3   **A.    Sprint originally requested and received approval to implement a monthly ISAR**  
4       **charge of \$1.99. The charge remains unchanged today. This average charge**  
5       **recovers only \*\*\* BEGIN HIGHLY CONFIDENTIAL [REDACTED] END HIGHLY**  
6       **CONFIDENTIAL\*\*\* of the per customer average cost differential between**  
7       **Missouri intrastate access charges and national average access charges.**

8  
9   **Q.    Is Missouri the only state with high intrastate access charges?**

10   **A.    No. Unfortunately several other states still have intrastate access rates far in**  
11       **excess of national average rates.**

12  
13   **Q.    Has Sprint implemented the ISAR in other states?**

14   **A.    Yes. Sprint has implemented an ISAR in 17 other states. Just like in Missouri, the**  
15       **ISAR was implemented in those states to offset a portion of the high intrastate**  
16       **access costs Sprint incurs when providing toll services.**

17  
18   **V.    THERE ARE NO RULES THAT REGULATE THE RATE STRUCTURE**  
19       **OF INTRASTATE TOLL OFFERS. FLAT RATE COST RECOVERY FOR**  
20       **MINUTE OF USE COSTS HAS BECOME INDUSTRY STANDARD**  
21       **PRACTICE AND IS NOT DISCRIMINATORY**

22  
23   **Q.    Since the intrastate toll market is deemed competitive, does a carrier need to**  
24       **disclose the reasons that it changed the rate structure or rate level of a**  
25       **service offering?**

26   **A.    No. In a highly competitive market such as toll, providers must be free to change**

1 service offers for any business reason they choose. The carriers decrease prices to  
2 attempt to acquire more market share. They can increase prices in an effort to  
3 improve profitability. Carriers can restructure services to create packages that  
4 have more flat-rate recovery and less usage-based charges or any other service  
5 offer change. The only statutory mandate is to inform existing customers of rate  
6 increases in advance of implementing the changes to give the customer the choice  
7 to switch carriers, and Sprint has complied with this requirement.

8

9 **Q. Are there rules that mandate a specific rate structure for toll services in**  
10 **Missouri?**

11 **A.** No. As a competitive service, the provider is permitted to structure their service  
12 offers in any manner that they choose as long as the service is deemed reasonable  
13 and non-discriminatory in accordance with 392.200.

14

15 **Q. Is it standard industry practice to structure service offers that recover**  
16 **minute of use costs in a flat rate charge?**

17 **A.** Yes. More and more, long distance service providers are structuring their  
18 offerings with fixed charges offset with smaller or no minute of use charges. In  
19 fact unlimited minute products are widely available today for a fixed per month  
20 charge.

21

22 **Q. When discussing the competitive nature of the in-state communications**  
23 **market earlier, you mentioned wireless and internet providers as competitors**

1        **to IXC's intrastate toll services. How do they structure their competing**  
2        **offerings?**

3        **A.**    Both wireless and VoIP providers generally offer services that have a fixed  
4        number of minutes for a fixed rate per month. For example, products that offer  
5        200 to 300 minutes a month for \$30 to \$40 are currently the low end products for  
6        the national wireless carriers. One VoIP national provider is currently offering  
7        500 minutes anywhere in the USA and Canada for \$14.99.

8

9        **Q.**    **Do these service providers have plans tailored to customers with lower usage**  
10       **needs?**

11       **A.**    No. Typically, the market does not provide products for such low-end usage  
12       needs.

13

14       **Q.**    **Are their cost structures completely fixed in nature or do they incur per**  
15       **minute of use costs in providing their services?**

16       **A.**    Like the IXCs, wireless and VoIP providers have fixed costs to recover but they  
17       also incur costs on a per minute basis to terminate their customer's  
18       communications.

19

20       **Q.**    **Does 392.200.2 and 392.200.3 apply to wireless and VoIP service providers?**

21       **A.**    No. But the IXCs are clearly competing against these providers and their service  
22       offerings must be considered by the IXCs when structuring competing service  
23       offerings.

1   **Q.    It has been alleged that flat rate recovery of costs that are incurred on a**  
2       **minute of use basis violates Sections 392.220.2 and 392.220.3. Does Sprint**  
3       **agree?**

4   **A.**   No. There are no rules that regulate the rate structure of a competitive toll  
5       provider's services. Their offering, in whatever structure, must simply be  
6       determined to be non-discriminatory. The structure in and of itself can not be  
7       deemed discriminatory. As discussed in detail below, Sprint does not feel ISAR  
8       is discriminatory to any customer group.

9  
10   **Q.    Are there any other service alternatives for customers that have very limited**  
11       **long distance communications needs?**

12   **A.**   Yes. Customers are not required to pre-subscribe their local lines. If the  
13       customer has very limited toll communications needs, other options such as dial  
14       around toll services or prepaid services may be more appropriate for their specific  
15       communication needs.

16  
17   **VI.   THE ISAR DOES NOT DISCRIMINATE AGAINST ANY GROUP OF**  
18       **CUSTOMERS**  
19

20   **Q.    Has Sprint chosen to charge the ISAR to all intrastate toll customers?**

21   **A.**   No. Sprint only charges the ISAR to residential customers that have not also  
22       purchased local service from a Sprint company.

23  
24   **Q.    Please explain why Sprint has exempted Sprint local customers from the**  
25       **ISAR.**

1    A.    When both local and long distance services are provided to a single customer, this  
2           is called a service bundle. In today's market, providers are all trying to get a  
3           customer to purchase more than one service. Vertically integrated LECs are  
4           offering local and long distance bundles. Some wireless carriers are offering  
5           wireless and long distance services. Cable companies are bundling cable services  
6           and telecommunications service. Thus, the long distance is bundled with a variety  
7           of other services in today's competitive market.

8

9    **Q.    Why is it valuable for carriers to offer bundles of services?**

10

11   A.   Bundles are important to carriers for two reasons. Certain business costs are fixed  
12          in nature. Businesses that provide multiple services are able to recover less fixed  
13          cost per product by spreading the costs to each of the products in a service  
14          package. Second, history has shown that the more services a customer purchases  
15          from a carrier, the less likely the customer will switch to a different provider.  
16          Marketing professionals often call this "offer stickiness". Since the up-front  
17          customer acquisition costs are often very high, carriers want to avoid losing  
18          customers.

19   **Q.    Has the Commission approved discounts based on packages or bundles of**  
20          **services?**

21   A.   Yes. Approval of promotional discounts for local and long distance service  
22          bundles is very common for the Commission. Today Sprint and other carriers  
23          request and receive approval on a routine basis. Not charging the ISAR on  
24          Sprint's long distance customers in LTD territory is equivalent to Sprint local

1        requesting to discount regulated services that are provided via a promotional  
2        bundle.

3

4        **Q.     Why has Sprint chosen to charge residential customers the ISAR and not the**  
5        **business customers?**

6        **A.**    To understand the reasons Sprint has chosen not to charge the ISAR to business  
7        customers, I must share some background on the product development and  
8        product marketing as well as characteristics of the two markets. Generally, the  
9        mass market residential customers have similar usage characteristics and service  
10       needs. Due to the high volume of residential customers with more homogenous  
11       needs, a service provider will typically offer one or two standard products that  
12       they feel will meet the needs of the majority of the market. There is an  
13       administrative cost in developing, marketing and implementing each product so  
14       these scarce resources must be used judiciously.

15       The communication needs of the businesses customers by contrast are not  
16       homogenous. The communication needs deviate considerably between the small  
17       business and the large enterprise customers. This diversity requires a successful  
18       competitor to market services on a much more granular basis in this market than  
19       the mass market. Each business has its unique needs and the product offers must  
20       be tailored to match those needs.

21

22       **Q.     So the market characteristics and marketing techniques are the reasons**  
23       **Sprint has not chosen to apply the ISAR to business customers?**

24       **A.**    Yes. ISAR is a charge to help recover the higher cost of the average intrastate  
25       access costs incurred within that state. Applying the averaged cost recovery

1 mechanism to the mass market is consistent with a product offer that meets the  
2 needs of the average mass market customer. All aspects of the mass market offer  
3 are reflective of the average needs of the mass market. Applying the averaged  
4 recovery mechanism to granular and in some cases customer specific product  
5 offers that exist in the business market makes no sense. The more granular  
6 product offers already meet the needs of the customer and already allow Sprint to  
7 earn a reasonable margin on the services.

8 **Q. Do the statutes allow for different treatment of customer classes?**

9 **A.** Yes. RSMo. Section 392.220(3), does indeed acknowledge that it is acceptable to  
10 market services differently to residential and business customers.  
11

12 **Q. Are there other instances where this Commission has recognized the market**  
13 **differences between business and residential?**

14 **A.** Yes. One clear example is the differential in the prices of ILECs' local exchange  
15 service that most ILECs provide. Business services often pay significantly more  
16 for local service than residential customers.  
17

18 **Q. Does Sprint bill the ISAR to customers that have no usage charge in that**  
19 **specific month?**

20 **A.** No. Sprint does not bill the ISAR if the customer does not have any toll usage  
21 charges in the month.  
22

23 **Q. It has been suggested that Sprint discriminates against Lifeline customers**  
24 **and low income customers via application of the ISAR. Do you agree?**

1 A. No. First of all, Sprint has no knowledge which residential customers are low  
2 income or Lifeline customers. Second, Sprint does not know if a specific  
3 customer has qualified for the lifeline programs. This information is available  
4 only to the LEC and not IXCs. I suggest it would be hard for an IXC to set  
5 pricing practices to discriminate against a subset of its customers when it does not  
6 possess the information that qualifies a customer for that sub-group.  
7

8 **VII. ISAR DOES NOT VIOLATE 254(G) OF THE FEDERAL**  
9 **TELECOMMUNICATIONS ACT OF 1996**  
10

11 **Q. Does 254(g) require interexchange toll providers to provide intrastate**  
12 **services based on rate averaging and rate integration?**

13 A. No. 254(g) has been codified in the Federal regulations at 64.1801. In those rules  
14 interexchange carriers are required to provide interexchange services to rural and  
15 high-cost areas at rates no higher than rates for urban subscribers. The rules also  
16 require providers of interstate services in each state at rates no higher than any  
17 other state. FCC regulations do not require intrastate toll services to be averaged  
18 across states.  
19

20 **Q. Has the FCC discussed the states' role in enforcing 254(g)?**

21 A. Yes. The FCC explains the states' role in ensuring that rates of intrastate  
22 interexchange calls offered to rural and high-cost customers are no higher than  
23 those paid by urban customers. The FCC further explained that the intrastate rates



1 in two states may differ pursuant to individual state decisions.<sup>2</sup>

2 **Q. Is it common for toll providers to have different rates for intrastate toll**  
3 **service?**

4 **A.** Yes. Due to intrastate access rates that vary greatly by state, toll providers often  
5 set intrastate per minute toll rates that are higher than the interstate rate as well as  
6 higher than the neighboring states intrastate toll rate per minute. This is one way  
7 to attempt to recovery the higher intrastate access costs in a specific state. Another  
8 way, of course, to limit the higher intrastate toll price per minute is to implement  
9 a flat rate recovery charge, such as the ISAR.

10

11 **Q. Please summarize you testimony.**

12 **A.** Sprint Communications Company, L.P., operating in the highly competitive  
13 intrastate toll market, requested to change the structure of their residential toll  
14 products to recover a portion of the intrastate access costs incurred on a flat rate  
15 basis. Sprint complied with all regulations and this Commission agreed. Sprint  
16 accurately reflects the charge on the consumer's bill. The ISAR does not violate  
17 254(g) or discriminate against any customer group as has been alleged. For the  
18 reasons described in detail in this testimony, the Commission should dismiss once  
19 and for all the challenges to Sprint's ISAR charge.

20

21 **Q. Does that conclude your direct testimony?**

22 **A.** Yes.

---

<sup>2</sup> 11 FCC Rcd at 9585, ¶ 46

EXHIBIT \_\_\_\_\_  
TO-2002-129 et al.  
Direct Testimony of James A. Appleby  
Sprint Communications Company L.P.  
JAA#1

**Exhibit JAA#1**

**Excerpt from Written Terms and Conditions Information  
Sprint Provided to Customers Prior to Implementing the  
ISAR Change on Customer Bills in 2002**

## **ON THE BACK PAGE**

### **Included in all Booklets:**

#### **Changes to Rates, Terms and Conditions**

Current state-specific gross receipts tax rates and rates to fund their universal service programs have been removed from Section 4 and may now be found on Sprint's website or by calling customer service.

Effective July 8, 2002, the Carrier Universal Service Charge (CUSC) will increase from 9.9% to 11.3%.

Effective July 8, 2002, the surcharge for interstate directory assistance will now be \$2.49 per listing.

Effective July 8, 2002, international per minute rates for direct dial calls on Sprint's Basic Service plans or on domestic optional calling plans, including Sprint 500 and Sprint 1000 plans, Sprint Nickel and Sprint 7 Cent plans, Sprint Sense plans, Sprint Solutions plans, Sprint Select plans and Sprint Fundamentals plans will increase by ten percent.

Effective July 8, 2002, current surcharges applied to calls made from your home phone to foreign mobile phones have been revised. In addition, this surcharge has been added to additional countries. For specific country rate information, visit our website at [www.sprint.com/mobile](http://www.sprint.com/mobile) or contact Customer Service.

If you have questions about your current plan or wish to review your rates, please visit our website at [www.sprint.com/ratesandconditions](http://www.sprint.com/ratesandconditions). The new rates will be posted there by June 22. You may also call Customer Service for additional information.

#### **For Missouri non-LTD Only:**

For customers residing in the state of Missouri, your Sprint long distance invoice will increase by \$1.99, due to a new monthly charge called "In-State Access Recovery". This charge is based on the access costs that Sprint pays to the local phone company to utilize its local phone lines. This charge will be applied beginning on invoices dated July of 2002.

#### **For Minnesota non-LTD Only:**

For customers residing in the state of Minnesota, your Sprint long distance invoice will increase by \$1.99, due to a new monthly charge called "In-State Access Recovery". This charge is based on the access costs that Sprint pays to the local phone company to utilize its local phone lines. This charge will be applied beginning on invoices dated July of 2002.

## **ON THE FRONT PAGE FOR ALL BOOKLETS**

Change from:

SPRINT TERMS AND CONDITIONS OF SERVICE

To:

SPRINT TERMS AND CONDITIONS OF SERVICE AND RATES CHANGES

EXHIBIT \_\_\_\_\_  
TO-2002-129 et al.  
Direct Testimony of James A. Appleby  
Sprint Communications Company L.P.  
JAA#2

**Exhibit JAA#2**

**www.Sprint.com Website Discussion**  
**Related to ISAR Changes**



**SPRINT TERMS & CONDITIONS OF SERVICE**  
Effective April 1, 2005

**13. ADDITIONAL LOCAL INFORMATION**

**13.1. In-State Access Charge.** As noted in Section 4.1, you may be invoiced a monthly In-State Access Charge that based on access costs Sprint must pay to your Local Telephone Company to utilize local phone lines. State specific charges are as follows: AR - \$1.59; CO - \$1.29; FL, IA, MO, NC, NH, PA, SD, TX, VA - \$1.99; ID - \$1.05; KY - \$0.74; MI - \$0.23; MN - \$1.84; NJ - \$1.40; NM - \$1.66; and NY - \$1.76. The In-State Access Charge for customers in other states not specifically listed here is up to \$1.99.

**13.2. Local Notices.** (A) *Florida Residents* - If you believe you were switched to Sprint in error, please call 1-800-795-1149; (B) *Indiana Residents* - you have a right to file a complaint to the Consumer Affairs Division at Indiana Government Center South, 302 West Washington Street, E-306, Indianapolis, IN 46204 or by calling 1-800-851-4268; (C) *Maine Residents* - The Maine Public Utilities Commission requires long-distance companies to provide notice of any price increase to customers. If your bill reflect a price increase and you did not receive prior notification from Sprint, you have the right not to pay the increase or to receive reimbursement for payments that were attributable to the increase in price. In such instances, please contact Sprint Customer Service at 1-800-877-4646; (D) *Minnesota Resident* - Interstate directory assistance is \$2.49 per call; (E) *Missouri Residents* - Upon request and depending on your Service, we may be able to restrict 900 calls, long distance calls without a passcode, and calls to correctional facilities; (F) *Nevada Residents* - Questions or comments may be directed to Public Utilities Commission of Nevada, 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109, 702-486-2600; (G) *New Jersey Residents* - Questions or comments may be directed to New Jersey Board of Public Utilities, Division of Customer Relations, Two Gateway Center, Newark, New Jersey 07102, 1-800-624-0241, and the New Jersey Division of Consumer Affairs, Consumer Service Center, 124 Halsey Street, 7th Fl., P.O. Box 45027, Newark, New Jersey 07102, 973-504-6200; (H) *Ohio Residents* - Questions or comments may be directed to Public Utilities Commission of Ohio, [www.puc.state.oh.us](http://www.puc.state.oh.us), 180 E. Broad Street, Columbus, Ohio 43215-3793, 614-466-3292 or 614-466-8180 (TTY-TTD), toll-free in Ohio 1-800-686-7826 or 1-800-686-1570 (TTY-TTD); and (I) *Puerto Rico Residents* - You have 15 days to either pay or object to charges that appear on your invoice. For questions concerning your invoice, please contact Sprint at 1-800-877-4646.

EXHIBIT \_\_\_\_\_  
TO-2002-129 et al.  
Direct Testimony of James A. Appleby  
Sprint Communications Company L.P.  
JAA#3

**Exhibit JAA#3**

**HIGHLY CONFIDENTIAL**

EXHIBIT \_\_\_\_\_  
TO-2002-129 et al.  
Direct Testimony of James A. Appleby  
Sprint Communications Company L.P.  
JAA#4

**Exhibit JAA#4**

**HIGHLY CONFIDENTIAL**