

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED

JUL 12 2002

Missouri Public  
Service Commission

In the Matter of Sprint Communications Company, )	
L.P.'s Proposed Tariff to Introduce an In-State )	<u>Case No. TT-2002-1136</u>
Recovery Charge and Make Miscellaneous Text )	Tariff No. 20021020
Changes )	

**SPRINT COMMUNICATIONS COMPANY, L.P.'s**  
**RESPONSE TO ORDER DIRECTING FILING**

Comes now Sprint Communications Company, L.P. (Sprint) in response to the Commission's Order Directing Filing states:

INTRODUCTION

On May 31, 2002, Sprint Communications Company L.P., a competitive company certified to offer long distance in Missouri submitted a proposed tariff revision to its Intercity Telecommunications Services tariff (P.S.C. Mo. Tariff No. 2) with a proposed effective date of July 1, 2002. The proposed tariff revision is identified as File No. 200201020. The proposed tariff revision introduces a monthly service charge called the In-state Access Recovery Charge of \$1.99 and makes various text changes. A similar monthly service charge has previously been approved for AT&T Communications of the Southwest, Inc. (AT&T). On June 13, 2002, the Office of Public Counsel (OPC) filed a motion requesting the Commission suspend the tariff. Staff and Sprint responded to OPC's filing, urging the Commission to approve the tariff revisions. On June 27, 2002, the Commission issued an order suspending Sprint's proposed tariffs for 30 days. On July 3, 2002, the Commission issued an "Order Directing Filing" requesting the Staff to respond to the following three questions:

- A. Is the tariff filed by Sprint identical to the tariff approved in Case No. TT-2002-129? If not, explain specifically how they differ.
- B. Do the exceptions in Section 392.200 RSMo apply to this tariff? If so, why is the disparity in treatment of Sprint Missouri, Inc. customers and Sprint Communications Company customers nondiscriminatory? If not, explain why the exceptions do not apply.
- C. Explain the significance and effect of the promotional tariff (File No. 200201106).

In its Order, the Commission stated that any other party may file answers to these questions. Sprint provides its answers to these questions below. Sprint reasserts that it is a competitive company offering a competitive service, long distance telecommunications. The proposed tariff revision applies to Sprint's long distance service and replicates an offering of one of Sprint's larger competitors, AT&T. Further, Sprint's proposed tariff filing introduces no new concepts or marketing packages that have not been previously approved by the Commission on a routine basis.

## RESPONSES

- A. Is the tariff filed by Sprint identical to the tariff approved in Case No. TT-2002-129? If not, explain specifically how they differ.

Sprint seeks the approval of a tariff change under which Sprint introduces an In-State Access Recovery Charge that is, in all material respects, identical to AT&T's in-state access recovery charge approved by this Commission on December 13, 2001 in Case No TT-2002-129.<sup>1</sup> Both AT&T's and Sprint's tariffs establish a fee to be charged in connection with intrastate long distance services on a monthly recurring basis, and both tariffs exclude the respective company's local service customers. Both tariffs further exempt customers not otherwise billed on a monthly

---

<sup>1</sup> *In the Matter of AT&T Communications of the Southwest, Inc.'s Proposed Tariff to Establish a Monthly Instate Connection Fee and Surcharge.*

basis. In AT&T's case, this exemption applies to those customer who bill less than a dollar in a given month. In Sprint's case, the exemption applies to the customers who have no long distance usage in a given month.<sup>2</sup> Furthermore, both tariffs also exempt those customers covered under a prior obligation to offer a federal price protection plan. AT&T waives its fee for all customers who subscribe to AT&T's Lifeline program and/or to AT&T's Federal Price Protection Program. Sprint proposes, via a promotion also filed with the Commission, to waive the In-state Access Recovery Charge for all customers who subscribe to Sprint's Standard Weekend Plan. Finally, both AT&T and Sprint are competitive IXC's operating in the extremely competitive long distance telecommunications services market.

The only true difference is that Sprint seeks to charge \$1.99 whereas AT&T has an approved charge of \$1.95. As there is no requirement to charge exactly what your competitors charge, this is not a material difference for the purpose of the Commission's determinations in this case.

- B. Do the exceptions in Section 392.200 RSMo apply to this tariff? If so, why is the disparity in treatment of Sprint Missouri, Inc. customers and Sprint Communications Company customers nondiscriminatory? If not, explain why the exceptions do not apply.

There are no exceptions in 392.200 RSMo that apply to Sprint's tariff for the reason that the tariff does not contain any provision that would be unreasonably discriminatory. As with the AT&T filing, the Commission has ruled that exempting low or zero billers, as well as those who are on plans designed to have no monthly recurring fees, is reasonable.<sup>3</sup> Further, the fact that Sprint exempts local service customers is typical of tariffs previously approved by this

---

<sup>2</sup> See *In-State Waiver Charge Promotion, effective same day as In-State Access Charge*.

Commission. As mentioned above, it is a feature of the AT&T tariff.<sup>4</sup> Furthermore, the Commission has routinely approved interexchange tariffs that offer discounts or that waive various charges to customers who purchase local service from the same company. For instance, the Commission approved the tariff of Birch Telecom of Missouri, Inc. (Birch) under which Birch offers a 10% discount on interexchange services to customers who are also local service customers. The Commission has approved the offering of bundled packages containing discount long distance service for incumbent LECs in Missouri. For example, Southwestern Bell Telephone Company (SWBT) offers its residential customers who subscribe to any of three EASYOPTIONS® (The WORKS®, BizSaver, or BASICS<sup>SM</sup>) its 1+SAVER 10% optional toll calling plan free of charge.<sup>5</sup> Another example from SWBT's tariffs is the application of an additional \$2.00 discount for residential customers who subscribe to The WORKS® in conjunction with a primary access line, Call Waiting ID, a 1+SAVER 10% Optional Calling Plan and Call Forward-Busy Line/Don't Answer.<sup>6</sup> By approving these tariffs, the Commission must have concluded that such waivers of fees or offerings of discounts were not discriminatory.

Sprint is a competitive telecommunications company offering competitive long distance service. A customer has the freedom to choose another long distance carrier. The Commission has previously approved this tariff for a competitor of Sprint, AT&T. AT&T, operating as both an IXC and an LEC, has, in Missouri, 61% of the residential long distance market.<sup>7</sup> Clearly, if the Commission had any concern about customers' ability to escape an in-state access charge by

---

<sup>3</sup> *In the Matter of AT&T Communications of the Southwest, Inc.'s Proposed Tariff to Establish a Monthly Instate Connection Fee and Surcharge*, Case No. TT-2002-129, Order Approving Tariff, December 13, 2001

<sup>4</sup> See Section 1.2.18(B) of PSC Mo. No. 15, AT&T Communications of the Southwest, Inc. Message Telecommunications Service tariff.

<sup>5</sup> Southwestern Bell Telephone Company P.S.C. Mo.No. 35, Section 44, 10<sup>th</sup> Revised Sheet 1, paragraph 44.1.5.

<sup>6</sup> Southwestern Bell Telephone Company P.S.C. Mo.No. 35, Section 44, 14<sup>th</sup> Revised Sheet 6.01, footnote to the rates and charges for residence The WORKS®.

<sup>7</sup> *Statistics of the Long Distance Telecommunications Industry-Market Share of Residential Access Lines*, Table 24, Federal Communications Commission, report released January 24, 2001.

selecting a certain local service provider, such a concern should have arisen in the AT&T case. These concerns did not arise in the AT&T tariff filing, nor have they arisen in connection with the numerous other tariffs offering bundled packages of local and long distance services at reduced rates for CLECs and ILECs alike. Section 392.200 RSMo has never been an issue in the earlier cases and is not an issue in this case. Sprint clearly competes against companies offering discounted local and long distance services, and all customers have numerous options to avoid Sprint's instate access fee if they so desire. Therefore, there is no unreasonable discrimination.

- C. Explain the significance and effect of the promotional tariff (File No. 200201106).

Sprint Communications Company, L.P. has submitted a proposed tariff revision to introduce two promotions related to the proposed Instate Access Recovery Charge. The two promotions are proposed with the following language:

*"In-State Access Recovery Charge Waiver Promotion*

New and Existing Dial-1 Sprint accounts with no monthly Sprint long distance usage will receive a waiver of the In-state Access Recovery charge for that month. This promotion shall remain in effect until December 31, 2002 unless earlier changed or canceled by Sprint.

*In-State Access Recovery Charge Promotion II*

New and Existing Sprint Standard Weekends<sup>SM</sup> customers will receive a waiver of the In-state Access Recovery charge. This promotion shall remain in effect until December 31, 2002 unless earlier changed or canceled by Sprint."

The significance and effect of the *In-State Access Recovery Charge Waiver Promotion* is that the proposed In-state Access Recovery Charge will not be billed to any customer who has not incurred any toll charges for the billing month. Although Sprint has chosen to propose this as a promotion at this time, the effect for Sprint's customers will not be significantly different from

the effect of the application of AT&T's monthly surcharge only "...if a customer has \$1.00 or more of billable charges and credits on their bill..."


The significance and effect of the In-State Access Recovery Charge Promotion II is that the proposed In-State Access Recovery Charge will not be billed to any customer who subscribes to Sprint Standard Weekends<sup>SM</sup>. A defining attribute of Sprint Standard Weekends<sup>SM</sup> is the absence of recurring flat rate, monthly charges. The effect of this promotion is to maintain the standard of a total usage-sensitive service offering to customers who chose the Sprint Standard Weekends<sup>SM</sup> plan. Although Sprint has chosen to propose this as a promotion at this time, the effect for Sprint customers will not be significantly different from the effect of the exemption from AT&T's monthly surcharge for AT&T's Federal Price Protection Plan customers. AT&T's Federal Price Protection Plan offers long distance customers a plan with no recurring flat charges, monthly charges, and is a total usage-sensitive service offering. Both Sprint's and AT&T's exempted plans arise out of the parties obligations that existed in connection with the FCC's CALLS docket.

### CONCLUSION

WHEREFORE, for the above reasons, Sprint respectfully requests the Commission deny the Office of Public Counsel's Motion and approve Sprint's proposed tariff revision pursuant to Section 392.500(2) RSMo (2000).

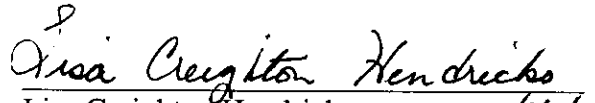
Respectfully submitted,

**Sprint**

  
Lisa Creighton Hendricks - MO Bar #42194  
6450 Sprint Pkwy  
MS: KSOPHN0212-2A253  
Overland Park, KS 66251  
Voice: 913-315-9363 Fax: 913-523-9769  
[Lisa.c.creightonhendricks@mail.sprint.com](mailto:Lisa.c.creightonhendricks@mail.sprint.com)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first-class/electronic/facsimile mail, this 12<sup>th</sup> day of July, 2002.

  
Lisa Creighton Hendricks *lydb*

Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102

Dana Joyce  
Office of the General Counsel  
MO Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102