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MAY 19 2003

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

**Missouri Public
Service Commission**

**In The Matter Of A Further Investigation of the)
Metropolitan Calling Area Service After)
Passage and Implementation of the)
Telecommunications Act of 1996)**

Case No. TO-2001-391

**SPRINT MISSOURI, INC.'S COMMENTS
AND POSITION STATEMENT**

COMES NOW Sprint Missouri, Inc. ("Sprint") and hereby provides these comments and position statements in connection with the above mentioned case.

On April 7, 2003, the Commission issued its Order Directing Filing in Case No. TO-2001-391 noting that it would be aided in its review if the parties would provide a joint issues list as well as individual party positions on the issues. On April 25, 2003, Staff filed a joint issues list on behalf of the parties to this case. Sprint will provide its position statement to the joint issues list but will first provide a brief overall statement.

Sprint recommends the Commission make no changes to the current MCA plan and take no further action in this case. Sprint submits that customers are generally happy with the current MCA plan and it has served its intended purpose for many years. Some of the proposed changes associated with a revised MCA-2 plan have the potential to cause more harm than benefit. During the July 15, 2002 on-the-record presentation, all parties expressed concern about the potential risk of altering the status quo and the unintended impact this might have in diminishing the existing MCA service.

The primary advantage of the proposed MCA-2 plan appears to be number conservation. Secondary benefits include such elements as an overall simpler plan (i.e.,

less customer confusion), and the ability to subscribe or unsubscribe to MCA without the need to change phone numbers. There are, however, substantial costs associated with the MCA-2 plan. Specifically, the estimated financial impact to be incurred by ILECs from implementing MCA-2 was identified to be approximately \$8.5 million¹ in late 2001. This amount excludes the impact of lost revenues experienced by interexchange carriers such as AT&T, MCI, Sprint Communication Company, LP, and other long distance providers.² Sprint notes that Industry Task Force has not revised its estimate since the last meeting approximately 18 months ago and the \$8.5 million estimate may no longer be valid.

Sprint does not argue the fact that MCA-2 will provide additional number conservation relief; however, Sprint believes that the cost to implement MCA-2 far outweighs the current need to take steps for additional numbering relief in Missouri at this time. This Commission's pro-active efforts with thousand block number pooling, combined with FCC action, have provided the catalyst to substantially diminish the risk of number exhaustion in the near term. The secondary benefit that MCA-2 may result in an overall simpler plan does not warrant the substantial additional costs that would result. After more than a decade of the current MCA plan, customers have become accustomed to its unique characteristics.

POSITION STATEMENTS

1. Based on the instant record, is it necessary or appropriate to modify or alter the existing MCA plan?

¹ See Staff's Final Status Report of the MCA Task Force, issued January 2002, page 7 of 29.

Sprint's Position: No. As noted above, Sprint submits that the cost and other potential risks associated with making changes to the current MCA structure simply outweigh the limited benefits. Customers appear generally happy with the current plan and number conservation measures have successfully curbed potential number exhaustion for the time being. Therefore, based on the instant record, it is not necessary or appropriate to modify or alter the existing MCA plan.

2. If so, what specific modifications or alternations are necessary or appropriate given the record in this case?

Sprint's Position: Notwithstanding the fact that Sprint recommends the Commission make no changes to the current MCA plan, due to the overall significance of this issue Sprint will nonetheless provide its position on the issue identified below.

- a. Should the Commission order implementation of MCA-2?

Sprint's Position: No. Please refer to Sprint's position statement to issue 1.

- b. If the Commission orders implementation of MCA-2, what are the appropriate rates?
 1. Is revenue neutrality required or appropriate for all carriers (i.e. price cap carriers, rates of return regulated carriers, competitive carriers, etc.) if the Commission implements revenue impacting changes to the MCA, such as MCA-2?
 2. If revenue neutrality is required or appropriate, how should revenue neutrality be implemented?

² Sprint Communications Company, LP is an IXC. The financial impact to only Sprint Missouri, Inc. (the ILEC) is included within the \$8.5 million. Is this number confidential?

3. Are implementation costs required or appropriately included as a part of revenue neutrality?
4. Are there additional financial impacts to consider if the MCA is modified?

Sprint's Position: As Sprint stated in its August 14, 2002 comments, Missouri statutes do not provide the Commission with any means to simply increase the price for an existing service for price-capped companies. However, MCA-2 is considerably different than the current MCA plan due to the participation expansion of customers, and the new features proposed by Staff. Therefore, it is a new service and the Price Cap Statute allows price-capped regulated companies to establish the initial rates for a new service. See, 392.245.11 RSMo. Sprint and other price cap regulated companies will be able to recover any revenue lost as a result of the Commission's acceptance of a new MCA-2 plan.

- c. Should wireless carriers be allowed to fully participate in the MCA plan?
 1. Is revenue neutrality required or appropriate for all carriers (i.e. price cap carriers, rate of return carriers, competitive carriers, etc.) if wireless carriers are allowed to fully participate in the MCA plan?

Sprint's Position: Wireless carriers should be allowed to participate in the MCA plan to the extent necessary to achieve parity with competitive landline alternatives. It is clear that wireless carriers are not within the Commission's jurisdiction under Section 386.250(2) RSMo 2000 and that Section 47 U.S.C. 332(3)© the Federal Telecommunications Act prohibits

the Commission from regulating rates of wireless carriers. However, to be competitively neutral the Commission should allow wireless carriers to participate in the MCA plan. In allowing this, the Commission will not be required to address the calling scopes of wireless carriers as wireless carriers already offer local calling within the MCA. However, in allowing wireless carriers to participate, the Commission need only address the calling scope of the landline providers whose MCA customers call wireless customers. By ensuring that in-bound calls to wireless carriers can be treated similar to inbound calls to wire line customers, the Commission will be enhancing the competitive environment and ensuring the greatest amount of choice for the customer.

With respect to revenue neutrality, it is not an issue for wireless carriers as the Commission cannot regulate their rates.

- d. Should MCA be available to pay phones, resellers, and aggregators?
 - 1. Is revenue neutrality required or appropriate for all carriers (i.e. price cap carriers, rate of return carriers, competitive carriers, etc.) if MCA service is made available to pay phones, resellers, and aggregators?

Sprint's Position: See statements provided above.

- e. Does the Commission have the authority to make tier 3 (or any optional tier) of the current MCA mandatory?
 - 1. If so, should tier 3 of the current MCA be made mandatory?

Sprint's Position: Sprint sees little, if any, consumer benefit in making tier 3 mandatory since the Commission would not have the authority to lower the current rate for tier 3 MCA service for price cap companies. Sprint also notes that the Industry Task Force did not have an opportunity for meaningful discussions on this issue nor does the current record adequately address such action at this time.

- f. Should MCA subscribers in the optional MCA tiers be allowed to call all telephone numbers in the mandatory MCA areas, regardless of the type of service offered in the mandatory tier?

Sprint's Position: Yes. MCA subscribers in the optional MCA tiers pay for the ability to call all customers within the defined calling scope regardless of whether the called-party is served by an ILEC or a CLEC. Sprint also notes that most calling parties do not know if the party he or she is calling is served by a CLEC, wireline, or wireless provider.

- g. Should the current MCA be expanded to include a tier 6 MCA area (or tier 3 in Springfield)?

Sprint's Position: Sprint sees no need to further expand MCA at this time. While none of Sprint's exchanges currently participate in the Springfield MCA, depending upon exactly how a "tier 6 MCA" area may be potentially defined, one or more Sprint exchanges may be impacted. Sprint notes that the current record in this case does not adequately

address which exchanges should be included in a potential tier 6 MCA area or the potential costs that would be associated with such action.. Sprint recommends that any consideration of geographic expansion of the current MCA plan is more appropriately addressed in a separate case. Sprint reiterates its previous statement that any action modifying the current MCA plan would result in a new service and statutes allow price-cap companies to establish the initial rates for a new service.

3. Is the LERG an appropriate mechanism to identify the MCA NXX codes in the future?

a. Should LERG “J” codes be used as the proper optional MCA NXX identifier?

Sprint’s Position: Yes, the LERG “J” code is the most appropriate means to identify MCA NXX codes. Sprint notes that the Final Status Report of the Industry Task Force (January, 2001) stated that the “Task Force agrees that the use of “J” codes is a proper means to identify optional MCA NXX codes. As a result, the Task Force recommends that the “J” code be used for local exchange carriers to designate MCA codes as contrasted with the lack of a “J” code to designate non-MCA NXX codes within the MCA.” (page 16 of 29) Absent a change in position by one or more parties, Sprint submits that this issue has been resolved.

b. Should LERG “J” codes be used to designate NXX codes in the mandatory MCA areas?

Sprint's Position: No. Sprint notes that the Final Status Report of the Industry Task Force (January, 2001) stated that the "Task Force recommends against designating mandatory MCA NXX codes with a "J" designation. Rather, the Task Force suggests that "J" codes designate only MCA NXX codes in optional MCA areas." (Page 16 of 29) Absent a change in position by one or more parties, Sprint submits that this issue has been resolved and no further action is required on this matter.

4. If the Commission does not change the way NXX codes are currently allocated for MCA service, what if any action should the Commission take regarding the NANPA's denial of MCA NXX codes to local exchange carriers?

Sprint's Position: Sprint submits that the Commission has authority, and should apprise NeuStar and NANPA. That a blanket override should be considered for MCA-related NXX code requirements. This is due to the fact that any carrier may appeal to the Commission an adverse ruling made by the Code Administrator. Any local exchange carrier that has been denied numbering resources may petition the Commission to overrule the initial denial by the code administrator³. Sprint is unaware of any recent requests made by a Missouri CLEC, but this procedure has already worked well for ILECs. Since this option is available to all local exchange carriers, and given the fact that there has only been limited requests to date which has not resulted in an administrative burden for any party, Sprint submits that no action is required by the Commission.

5. Should MCA traffic be carried on separate trunk groups?

Sprint's Position: No. Separate, or direct, trunk groups to be used solely for MCA traffic would result in the creation of an inefficient network configuration. This exclusive MCA network potentially would add substantial costs to ILECs who transit the MCA traffic. As an analogy, Sprint submits that direct MCA trunks would be like dedicating one lane of each interstate highway in Missouri to large trucks only. While this may provide benefits to some, the overall impact would be a highly inefficient highway system, and costly to maintain.

6. At present, OPC has requests for public hearings pending in response to requests to expand or modify MCA for (A) Lee's Summit/Greenwood, (B) Wright City/Innsbrook, (C) Lexington, and (D) Ozark/Christian County. Should the Commission schedule public hearings for these areas to obtain current customer sentiment for MCA?

Sprint's Position: No. As previously noted, geographic expansion of the current MCA should not be part of this proceeding but rather could be addressed more appropriately under a separate case.

WHEREFORE Sprint respectfully requests the Commission to consider its comments and recommendation.

³ FCC Third Report and Order and Second Order on Reconsideration in CC Docket No. 96-98 and 99-200, (FCC No. 01-362), released December 28, 2001, para. 57-64.

Respectfully submitted,

Sprint

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I hereby certify that a copy of the above document was delivered to each of the following via U. S. Mail, postage prepaid on this 20 day of May, 2003 to:

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