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*Chan Bryant Abney*  
Attorney, State Regulatory - South

July 7, 1995

VIA AIRBORNE EXPRESS

Ms. Blanca S. Bayó  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 100, Easley Building  
Tallahassee, Florida 32399-0850

Re: Docket No. 920260-TL - Comprehensive Review of the Revenue  
Requirements and Rate Stabilization Plan of Southern Bell Telephone and  
Telegraph Company

Dear Ms. Bayó:

Enclosed for filing with the Commission are an original and fifteen (15) copies of Sprint Communications Company Limited Partnership's Prehearing Statement along with a 3-1/2" diskette in the above-referenced matter. A sixteenth copy is enclosed which we would request you return with your file-stamp in the enclosed self-addressed envelope.

Thank you.

Very truly yours,

Chan Bryant Abney  
Attorney, State Regulatory

CRB:ls

cc: Parties of Record

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Comprehensive Review of the        )  
Revenue Requirements and Rate        )  
Stabilization Plan of Southern        )  
Bell Telephone and Telegraph        )  
Company        )  
\_\_\_\_\_ )

Docket No. 920260-TL  
Date Filed: July 10, 1995

**PREHEARING STATEMENT OF**  
**SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**

Sprint Communications Company Limited Partnership (hereinafter "Sprint") hereby submits its Prehearing Statement in the above-captioned docket pursuant to Rule 25-22.038 (3), Florida Administrative Code, and Order No. PSC 95-0642-PCO-TL order establishing Prehearing Procedure issued May 24, 1995.

**A. WITNESSES**

Sprint will present Mr. Tony Key, Director, State Regulatory - South, as its witness in this proceeding. Mr. Key will address all issues as identified in the prehearing order issued in this docket.

**B. EXHIBITS**

Sprint has no exhibits at this time. Sprint reserves the right to present exhibits prior to the commencement of this proceeding.

**C. BASIC POSITION**

Sprint opposes Southern Bell's ("SBT") proposal to implement Extended Calling Service ("ECS") pursuant to its tariff filed on May 15, 1995. The rate levels proposed for this plan do not satisfy current access imputation requirements using current SBT Florida intrastate access charges. Further, there is no demonstrated community of interest between the extended local calling areas. These plans merely convert competitive intraLATA toll calling to monopoly local service in advance of 1+ intraLATA competition being implemented in Florida and should be rejected by the Commission.

The CWA's proposal to reduce basic telephone service is flawed because it seeks to reduce rates for services that are already being provided below cost. Further reductions in rates for these services would place greater pressure on other SBT services to subsidize these low rate levels.

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The Commission should encourage competition by preserving the classification of these routes as toll and establishing a process whereby all carriers can compete for short-haul traffic. Thus, imputation of two ends of switched access should be required.

**D. FACT ISSUES**

See Sprint's Position on Issues below.

**E. LEGAL ISSUES**

See Sprint's Position on Issues below.

**F. POLICY ISSUES**

**Issue 1:** Which of the following proposals to dispose of \$25 million for Southern Bell should be approved?

- a) SBT's proposal to implement the Extended Calling Service (ECS) plan pursuant to the tariff filed on May 15, 1995. (T-95-304)
- b) CWA's proposal to reduce each of the following by \$5 million:
  - 1. Basic "lifeline" senior citizens telephone service;
  - 2. Basic residential telephone service;
  - 3. Basic telephone service to any organization that is non-profit with 501(c) tax exempt status;
  - 4. Basic telephone service of any public school, community college and state university;
  - 5. Basic telephone service of any qualified disabled ratepayer;
- c) McCaw's and FMCA's proposal that a portion be used, if necessary, to implement the decisions rendered in DN 940235-TL.
- d) Any other plan deemed appropriate by the Commission.

**SPRINT POSITION (a):** Sprint is opposed to SBT's proposal because it does not appear to be based on true community of interest factors. Further, the impact of this plan is clearly to remonopolize the intraLATA toll market in the face of 1+ intraLATA toll competition being implemented.

**SPRINT POSITION (b):** Generally it is not good public policy to reduce rates for services that are already being provided below cost. Providing service below cost requires some other service to subsidize the below cost service. This creates distortions in the marketplace that are very difficult to correct.

**SPRINT POSITION (c):** Sprint takes no position on this issue at this time.

**SPRINT POSITION (d):** Sprint urges the Commission to adopt a pro-competitive position that would allow all carriers to compete for toll traffic in the intraLATA market. The local calling area should not be expanded without sufficient data indicating community of interest that would justify the implementation of extended calling plans.

**Issue 2:** If the Southern Bell proposal is approved, should the Commission allow competition on the Extended Service Calling routes? If so, what additional actions, if any, should the Commission take?

**SPRINT POSITION:** The current Southern Bell plan forecloses competition on the routes in question. The proposal mandates that these services be dialed on a 7 or 10-digit basis like a local call. Further, the services will be mandatory in nature. Therefore, IXC's will not be able to compete for this traffic even with 1+ intraLATA presubscription.

To allow competition on these routes, they must be preserved as toll routes. SBT must impute two ends of switched access in the rates for the service. If the Commission wishes to develop very low rates for these routes, a system should be developed to offer reduced access for IXC's.

**Issue 3:** When should tariffs be filed and what should be the effective date?

**SPRINT POSITION:** Sprint takes no position on this issue at this time.

**Issue 4:** Should this docket be closed?

**SPRINT POSITION:** This docket should remain open to allow Commission oversight over any proposal adopted and to examine future rate reductions ordered in this docket.

## **G. STIPULATED ISSUES**

Sprint is not aware of issues that have been stipulated.

**H. PENDING MOTIONS**

Sprint is not aware of any pending motions.

**I. OTHER REQUIREMENTS**

Sprint is not aware of any requirements with which it is unable to comply.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY  
LIMITED PARTNERSHIP

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Its Attorneys

DATED: July 7, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing Prehearing Statement on behalf of Sprint Communications Company L.P. in Docket No. 920260-TL, via United States mail, postage paid and properly addressed to the following:

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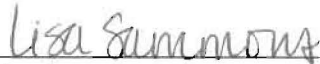
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This 7th day of July 1995.

  
\_\_\_\_\_  
Lisa Sammons  
Sprint Communications Company  
Limited Partnership