

ORIGINAL

ATTACHMENT "B"

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**SECOND DATA REQUEST ON
PROPOSED AMENDMENTS TO
RULE 25-4.002, F.A.C. DEFINITIONS;
RULE 25-4.110, F.A.A. CUSTOMER BILLING;
RULE 25-4.112, F.A.C. INTEREXCHANGE CARRIER SELECTION;
RULE 25-34.002, F.A.C. CUSTOMER RELATIONS; RULES INCORPORATED;
AND PROPOSED RULE 25-34.002, F.A.C. CUSTOMER RELATIONS;
RULES INCORPORATED.**

PROPRIETARY INFORMATION CONTAINED HEREIN

Company Name: Sprint Communications Company Limited Partnership

Name, title and telephone number
of official responding to request:

Tony H. Key
Director, State Regulatory
404 649-5144

- For each modification to the proposed rule and rule amendments described below, please identify and estimate additional costs to comply, including all potential transactional costs. For purposes of this question, "transactional cost" should include direct costs that are readily ascertainable based upon standard business practices. These costs may include filing fees, costs of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, and the costs of monitoring and reporting.

Responses:

1.a. Rule 25-4.003(41), F.A.C.; Sprint LP cannot estimate the cost of implementing this rule since it applies to ILECs.

Sprint LP believes that allowing ILECs to administer the PIC Freeze process will create significant costs for long distance providers as well as consumers. ILECs have used the PIC Freeze to block competition. In this regard, the market has not benefited and consumers will pay higher costs for long distance service.

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- WAS _____
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1.b. Rule 25-4.003(42), F.A.C.; in those cases in which Sprint LP directly bills its customers for toll service, the Sprint LP name and logo are conspicuously displayed. The cost of implementing this rule has already been incurred by Sprint LP for directly billed customers. In those cases in which the ILEC bills on Sprint's behalf, Sprint cannot estimate the cost of implementing this rule.

1.c. Rule 25-4.110(11)(a) F.A.C.; Sprint cannot estimate the cost of implementation since this rule applies to ILECs.

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REG-RECORDS/REPORTING

Although Sprint LP is not a provider of 900 or 976 services, Sprint LP believes that satisfying the consumer that payments of Pay Per Call service will not result in discrimination of local service will increase consumer trust. Consumers that distrust that Pay Per Call numbers from their providers or plans of business are highly susceptible to pay for these services.

14. Rule 25-4.118(1)(X)(D), FAC: Sprint LP cannot estimate the cost of implementation since the rule applies to ILBCs. However, implementation of this rule will create significant lost revenue for long distance providers. Although the ILBC will limit future billing from the alleged scamming long distance company, the consumer will include the ability to use the long distance network. Once consumers realize that they can use toll service and never receive a bill, fraud will continue. Although Sprint LP estimates the average revenue billed per month as proprietary information, it is logical to assume that if every consumer that claims they were defrauded without proper substantiation, it could potentially cost approximately (\$200K). If all charges for the first 90 days are refundable to the consumer, it will not take long for consumers to figure out that dialing they were defrauded will result in free telephone service for 90 days.

If this rule is imposed, long distance providers will have no other option but to raise the cost of the service, and pass that rate increase to consumer. Unfortunately, those consumers that pay for the service they receive will inadvertently lower the cost for those that use the rule to avoid payment.

14. Rule 25-4.118(1)(D), FAC: Sprint LP cannot estimate the cost of implementation since this rule applies to ILBCs.

As stated in response to question 14, Sprint believes that authorizing ILBCs to administer the PFC Process process will harm competition. Sprint has recommended to the Commission as well as to the FCC that the PFC Process process be given to a third party administrator to ensure that all providers are treated with the same set of operating practices.

14. Rule 25-4.118(1)(D), FAC: Sprint LP cannot estimate the cost of implementation since this rule applies to ILBCs.

14. Rule 25-4.118(8), FAC: Sprint LP believes that implementation of this rule will create significant lost revenue for all long distance providers. Sprint opposes any rule that relieves customers of their legal obligation to pay for services they have received. This rule will cause fraud to escalate. Once consumers learn that dialing to have been defrauded will relieve them of all responsibility to pay for toll charges, scamming calls will increase not decrease. Long distance providers will increase their rates as a result.

14. Rule 25-4.118(1)(I), FAC: The additional cost of complying with this rule would depend upon how long it would take to explain to the customer what a PFC freeze is, that it is available, and how to obtain one. As toll time increases both during telemarketing and the verification process, cost per transaction increases. Sprint estimates that it might take 2 minutes to explain to the customer how to obtain a PFC freeze. It costs (\$250K per minute for toll time) and would add (\$500K) to the cost per sale. Sprint estimates that it handles (200K) new Florida customers each year. The increased toll time would create an additional incremental cost of (\$100000).

The customer service representatives would also need additional training on how to discuss a PFC freeze. If the Commission mandates affecting the PFC freeze, it would be Sprint's suggestion that either the telemarketing centers or the verification centers be required to offer the PFC freeze, not both.

Sprint supports the consumer's ability to obtain a FIC screen, but thinks it is just as critical that the consumer can withdraw the consent. Difficultly in withdrawing the FIC can impact competition especially when one carrier has the bulk of the business. Notwithstanding that consumers be informed during underwriting and verification that a FIC screen is available, because the DCC to act the consumer to call the LBC to implement the screen. There may be objections for the LBC to disseminate the DCC info. For this plan to work to the benefit of both the consumer and the industry, Sprint believes that the process should be assigned to a neutral third party and that it should be just as easy for a consumer to freeze or withdraw their consent.

1j. Rule 25-4118(13), F.A.C.: Sprint already made each new customer a letter notifying them that their service has been activated. It is adding a Welcome Package and it contains information about the new Sprint service. Sprint believes that this is a benefit to the consumer and that it provides needed follow up information on the services ordered.

1j. Rule 25-4118(13), F.A.C.: The additional cost of complying with this rule change would be setting up a letter process. Perhaps currently costs \$32 per letter. Sprint estimates that it would cost (MCO) per month to substantially improve and (MCO) per letter. There would also be programming costs to extract the verification data. A formal request which Sprint would need to be made to disseminate the programming data. Sprint understands how a hard copy of the LOA or a screen print of the information required during third party verification could be provided to the consumer. However, it is less evident how a copy of the video recording could be provided to each consumer on request. This cost has previously been assigned to the Commission. Sprint would propose that instead of a hard copy, a toll free number be utilized for the consumer to call and listen to the recording. It would cost Sprint (MCO) to handle the initial call to Customer Service. The consumer would then need to call the toll free number to listen to the recording.

This proposed rule would benefit the DCC only if it was successful in revealing the consumer. If a consumer feels they have been discriminated, and even if the DCC can provide proof that it did not violate the law, the consumer may still have negative feelings toward the DCC. More than likely, the consumer will not reach with the DCC. The benefit to the consumer is more obvious in that they would be provided proof that the sale was authorized.

1. L. Rule 25-4118 (14), F.A.C.: Sprint LP provides customers with access to our customer service facilities on a 7 day a week, 24 hours per day basis. Sprint believes that the consumer should be allowed to monitor service levels. If a consumer is not satisfied with a service provider's customer service availability, the consumer should take higher business to another provider. In this situation, the consumer had the competitive market will drive service level standards.

11. Rule 25-24.949, F.A.C.: Sprint is continuing to evaluate the effect of adding the certificate number on customer bills. At this time we do not have a cost to do that.

2a. Sprint LP does not believe that implementation of Rule 25-4008(43), F.A.C. will benefit the consumer. This rule continues to allow the LBCs to administer the FIC Freeze process. LBCs have abused this authority and have used the FIC Freeze to their advantage by setting up arbitrary blocks to competition. If the consumer is to benefit, competition must be free to grow.

2b. The consumer will benefit from notification of higher service providers.

2c. The telecommunications industry as a whole will be harmed should any rule allow consumers

to use services without the legal obligation to pay. Although Sprint LP does not provide 900 or 976 services, Sprint believes that when a consumer direct dials a service of this type from either his/her residence or place of business, the consumer has received a benefit and should be responsible for those charges.

2d. A free billing block option will harm long distance providers in that it blocks billing but does not block the customer's ability to access the long distance network. When consumers realize that claiming to have been slammed will stop future billing for toll, fraud will continue as well as create more slamming claims.

2e. Providing the consumer with a notice of PIC Freeze availability will serve to educate the consumer.

As Sprint has stated in its previous responses, the PIC Freeze process should be performed by a neutral third party. In the event that ILECs continue to administer this process, competition will certainly be harmed.

2f. Sprint has no response for this item.

2g. The implementation of Rule 25-4.118(f), F.A.C. will harm long distance providers as well as consumers. Any rule that relieves consumers of their financial obligation to pay for services they have received will cause fraud to continue. Long distance providers must receive compensation for their services provided, otherwise toll rates will certainly increase.

2h. The industry as a whole will be harmed if the ILECs are allowed to continue to administer the PIC Freeze process. The consumer will be better served if administration of the PIC Freeze process is handled by a neutral third party. A third-party administrator will ensure that all providers are treated with the same operating practices ensuring that no one provider has an advantage.

2i. Sprint currently provides a letter notifying the consumer that service will be provided. This information is sent in our Welcome Package.

2j. Sprint has no response for this item.

2k. The implementation of Rule 25-4.118(14), F.A.C. Sprint does not believe the commission should mandate service levels. Sprint believes that competition will be served by allowing the consumer to mandate service levels. Should the commission choose to implement this rule, Sprint has proposed a lower cost alternative.

2l. At this time, Sprint is unable to determine what benefit Rule 25-24.845, F.A.C. would provide to consumers.

3a. Sprint has indicated in its previous responses that it believes that competition and the consumer will be better served if the PIC Freeze process was administered by a neutral third party. Sprint can assume that the cost of a neutral third party administrator would be similar to the costs the industry has incurred to impose other types of providers such as the national 800 data base and the National Consumer Telecommunications Database. Although Sprint participates in both services, revealing the costs associated with each is considered to be proprietary information.

3b. Sprint has no response for this item.

3a. Sprint believes that the consumer will benefit from Pay Per Call charges that are disclosed clearly and conspicuously. However, the industry as a whole will be harmed if repayment of Pay Per Call charges does not result in dissemination of local service. Once consumers realize that they can receive these services without penalty for repayment, fraud will ensue.

Sprint recommends that the ELBOs offer consumers a free option to block 800/976 calls from originating from their residences or plans of business.

3d. Sprint has no response for this item.

3a. Sprint has recommended to the Commission as well as to the FCC that a neutral third party should be charged to administer the FCC Process process.

3d. Sprint has no response for this item.

3g. Sprint believes that Rule 25-4.118(f), F.A.C. should not be imposed. As Sprint has testified in this Doctior in its Direct and Rebuttal Testimony, relying the consumer of financial obligations to pay for services will increase demanding complexities and costs faced to ensue.

3h. Sprint believes that the FCC Process process should be administered by a neutral third party. The telecommunications industry is currently using a two third party administration to manage the national 800 database and the National Consumer Telecommunications Database. Given the cost associated with using these administrations is considered proprietary, Sprint will not provide the information at this time, but will share with Staff on an as needed basis.

3i. The letter notifying customers that service will be provided should be handled in the same method that is used today. Imposing Rule 25-4.118(i), F.A.C. will increase costs for long distance providers.

Should Sprint be required to shoulder its use of its negative ballot when consumers cannot be contacted for verbal verification, Sprint could potentially lose \$765,000 in annual revenues. This means that Sprint may need to increase the rates charged to customers.

3j. Sprint has no response for this item.

3k. Sprint does not offer an alternative method of accomplishing this requirement than Sprint already supplies. Sprint provides customers with access to its customer service facilities on a 7 days a week, 24 hours per day basis.

3l. Sprint cannot offer an alternative method of accomplishing this requirement than Sprint is still in the process of evaluating the effect of adding the certificate number to consumer bills.

1. Sprint is a national company doing business throughout the 50 states. Currently Sprint is in compliance with the FCC and FRAC rules regarding RIC charge verification. Sprint, as well as other long distance providers, would incur significant expense if mandated to comply with rules that differ based on jurisdiction. For this reason, Sprint requests the Commission to consider waiving to impose new rules until such time that the FCC completes its Rulemaking on roaming.