BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

UT-990146

Rulemaking re Telecommunications - Operations, Chapter 480-120 WAC	))	COMMENTS OF SPRINT

Sprint Communications Company on behalf of United Telephone Company of the Northwest and Sprint Communications Company L.P., (collectively hereafter "Sprint") submits the following comments in response to the Commission's January 23, 2001 Notice of Opportunity to File Written Comments on Telecommunications Operations, Chapter 480-120, including revisions of the rules that have been transferred from Chapter 480-80 and the new Definitions section.

Analysis of the new rules relative to the Governor's criteria

Sprint has reviewed the revised and new rules based on the criteria established by the Governor. Rules were to be re-examined in light of need, effectiveness and efficiency, clarity, intent and statutory authority, and coordination with other agencies. Sprint believes that many revisions proposed by staff fulfill the objective. A number of the rules are clearer and some revisions have made certain rules more effective. For instance, the new answer time measurement results in a more effective rule, and the new rule concerning distribution plant, drop wire, and support structures provide greater clarity and effectiveness in support of the new line extension rule.

Yet in some ways the rule changes do not go far enough. Sprint believes the Commission is missing an opportunity to further revise or eliminate rules that apply to competitive providers. Reducing the regulatory burden on competitive providers would better match the statutory intent and the need to protect the public interest. Additionally,

many of the rules in this section, especially the requirement to establish and maintain a payment agency, WAC 480-120-510(4), and the minimum filing requirements for Class B companies, WAC 480-120-X18, constitute extraordinarily burdensome requirements and barriers to entry for competitive companies. Further, these rules are often ambiguous with respect to new entrants, and inefficient.

Legitimate reasons exist for disparate treatment of ILECs and CLECs with regard to these rules. The Washington Administrative Code and the Revised Code of Washington currently make many exceptions for competitive companies and generally recognize that treating CLECs differently from ILECs provides a benefit to the public. For instance, RCW 80.36.320(d)(2) states that competitive telecommunications companies shall be subject to minimal regulation. The statute dictates the minimum requirements and gives the Commission discretion to waive other regulatory requirements when it determines that competition will serve the same purposes as public interest regulation.

Disparate regulatory treatment is warranted in light of the CLECs' lack of market power. New entrants do not have a captive customer base nor the ability to control prices. Customers who do not like the service or price that is offered by a CLEC are free to purchase services from the incumbent provider or another CLEC. Because CLECs are not dominant carriers, they should not be subject to requirements that were designed to protect the public from monopolistic behavior. If a customer is dissatisfied with a provider because she cannot make cash payments at a convenient location, for example, she is free to find another provider who does offer that service. On the other hand, if she would gladly forgo that convenience for other attributes, like a lower price relative to competitors' prices, then she should likewise be able to make that choice.

Moreover, it is good public policy to minimize market entry barriers for new entrants in order to encourage competition. The lighter regulation of these competitive

entities is one of the factors that can partially mitigate the disadvantages CLECs face in competing against incumbent companies that are still essentially monopolies. Onerous standards for CLECs will not promote local competition in Washington.

WAC 480-120-510 Business office

The payment agency rule is not only unnecessary and burdensome for new entrants as previously mentioned, but it is ambiguous and inefficient. Suppose a new provider serves a large market such as Seattle, but at least initially, serves only a few business customers who each have less than fifty lines, and those customers are scattered geographically within the market. Does the provider "serve an exchange serving over seventy-five thousand access lines" as delineated in WAC 480-12-510(4)(a)? The language begs the question, "How can an exchange serve access lines?" Certainly the Seattle exchange has more than seventy-five thousand access lines, but our hypothetical provider serves only a few hundred lines. If we assume then that 4(b)(ii) or (iii) applies, the provider must decide where to locate the payment agency to best serve a scattered customer base comprised of businesses that are highly unlikely to ever make a cash payment.

Even for incumbent providers, WAC 480-120-510 is outdated and largely unnecessary in today's environment. The majority of debts that consumers incur cannot, for all practical purposes, be paid in person and there is no reason that telecommunications providers should be singled out to continue to provide this option for the benefit of the few consumers who prefer this means of payment. Ultimately the cost of this option is passed on to all ratepayers. Sprint recognizes the importance consumers place on maintaining telephone service, but the rules regarding notification of disconnection ensure that customers have adequate warning that their service is in jeopardy. Additionally, Sprint offers a variety of convenient payment methods that customers can use to ensure service is not disconnected. Some of these methods, such

as auto-pay or payment by credit card, do not even require the purchase of a stamp. Customers who do not have a credit card or checking account may send a money order. Elderly customers on a fixed income generally have bank accounts because it is a requirement for receiving social security checks. For these reasons, Sprint urges the Commission to reconsider this requirement.

WAC 480-120-525 Network maintenance

Sprint would appreciate an additional exception under (4)(b) for advanced services such as ION. It should be made clear that these standards apply only to basic services, not complex advanced services for which customers generally have alternatives. There is no reason to believe that customers have the same expectations for an always-on data service that they have for basic voice-grade service nor has there been evidence presented to suggest the different technology will support the same standards.

WAC 480-120-X16 Service interruptions

Likewise, we believe it should be clarified that the service interruption standards do not apply to advanced services.

WAC 480-120-X08 Service quality guarantees

Sprint must renew its objection to this proposed new rule in view of the Governor's mandate to examine and revise the rules in light of need and efficiency. The existing rules are sufficient to ensure that companies provide high quality service. If for some reason a company does not do so, the Commission has ample remedies without creating another rule for the companies. Both our local and competitive companies would have to develop and implement numerous new and costly systems, record-keeping, disbursement, and so on, to meet the requirements of this rule. The rule is particularly unnecessary for competitive providers since they will, in the natural course of things, not survive long if they don't provide high quality service.

WAC 480-120-X16 Service interruptions

Sprint urges the Commission to make a distinction between service interruption and impairment. Our current internal standards and systems would meet the requirements of (1)(a) and (1)(b) of this proposed rule if those sections referred only to service interruptions. On the other hand, we allow ourselves forty-eight hours for response to service impairments (customer is in service) that do not require a visit to the premise and seventy-two hours for those that do. We have found that this is a more efficient and focused use of resources—and one which has not led to significant customer complaint. Modifying our systems and procedures to meet the new, more rigorous standard would be costly and would not substantially increase customer satisfaction.

WAC 480-120-X18 Minimum filing requirements for Class B companies – rate increase

The rule should be clarified that it applies to ILECs only. While Sprint's competitive companies do not object to informing customers of rate increases, we believe that the rule as drafted is overly burdensome and unnecessary for competitive providers. The required supporting documentation would be a barrier to entry.

Conclusion

In conclusion, Sprint hopes that the staff will make the changes proposed here in the final draft of the technical rules. The purpose of this rulemaking should not be to impose new regulatory burdens or barriers to competitive entry, but rather to reduce the regulations to those genuinely needed and effective in today's environment.

Respectfully submitted this 14th day of February by

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