BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

UT-990146 Telecommunications Companies, Chapter 480-120 WAC **UT-991301** Tariffs, Chapter 480-80 WAC **UT-991922** Registration, Classification, and Price Lists, Chapter 480-121 WAC	)))))))))	COMMENTS OF SPRINT CORPORATION

INTRODUCTION

Sprint appreciates the opportunity to comment on the Staff's "first discussion draft" in this rulemaking. Because of the extensive nature of the changes and the relatively short turnaround for drafting these comments, Sprint has been unable to make an exhaustive analysis of the potential impact of the proposals. Therefore, Sprint will limit its first discussion to the scope of the changes and offer some preliminary recommendations on specific rules. Staff has had many months to prepare the changes. Sprint urges the Commission to give the industry sufficient time to review, and additional opportunity to comment on, the proposed changes. In some cases the proposed rule may have unintended consequences. Therefore, it would be productive to have several more rounds of drafts and comments before moving on to the CR-101.

Sprint also suggests moving some of the more complex issues, such as network performance standards, local number portability, and unserved areas, to separate dockets so that the Commission has a full record upon which to make informed decisions.

As Sprint understands it, this rulemaking was initiated at the request of the Governor. The Commission was asked to re-examine the rules in light of need,

effectiveness and efficiency, clarity, intent and statutory authority, and coordination with other agencies. Sprint applauds the Staff for its fine work in improving the clarity of the existing rules. The writing style is clear and concise and the rules are much better organized. Several unnecessary or outdated rules were eliminated.

Sprint is alarmed, however, at the number of new rules and requirements that are contained in the draft. The scope of these changes seems to go well beyond the Governor's mandate. The net result would be a radical increase in regulatory burden and expense. The new rules and revisions would impair, rather than improve, the providers' effectiveness and efficiency and would constitute new entry barriers that would likely slow the development of enhanced services and competition in the state. Sprint therefore urges the Commission to refrain from imposing new requirements.

PROPOSED RULE REVISIONS AND ADDITIONS

WAC 480-120-011 Application of rules.

Specifically, Sprint suggests adding the following language, some of which is currently to be deleted from WAC 480-120-500, at the end of this section:

> The rules set forth in this chapter do not relieve any telecommunications company from any of its duties under the laws of the state of Washington. These rules are not intended to establish a standard of care owed by a telecommunications company to any customer, consumer, or subscriber.

In general, it appears that by replacing the terms "utility" and "local exchange company" with "company" throughout the rules the Staff is proposing to significantly broaden the applicability of many current rules to include competitive providers. This change conflicts with the Commission's statutory authority. RCW 80.36.320 (2) states that competitive telecommunications companies shall be subject to minimal regulation. The statute grants the Commission the power to waive regulatory requirements when it

determines that competition will serve the same purposes as public interest regulation. In enacting this law, legislators chose an approach intended to facilitate the development of competition by freeing competitive providers from unnecessary, costly and burdensome requirements that, in many cases, are beyond the control of the provider. If competition is insufficient to protect consumers, or the Commission finds occasional "bad actors," then the law grants the Commission effective remedies. For instance the Commission may revoke the certificate or some of the waivers of regulation held by the competitive provider. Sprint believes an approach that eliminates most regulations for competitive providers, with exceptions where necessary, would better adhere to statutory requirements, encourage competition, and still provide safeguards that protect the public interest.

Sprint, therefore, recommends that the term "utilities" not be replaced with the term "company" throughout the rules. Those rules that specifically apply to competitive providers should be so noted. Sprint's proposal for a revised Section 24 is as follows:

WAC 480-120-024 Waiver of regulatory requirements for competitive telecommunications companies.

(1) Competitive telecommunications companies shall be exempt from the regulatory requirements of each and every section of WAC 480-120 unless the section(s) specifically indicate(s) otherwise. The Commission, upon request by a competitive telecommunications company, may waive in writing regulatory requirements that otherwise do specifically apply to competitive telecommunications companies if it is determined that competition will serve the same purposes as public interest regulation.

(2) Any telecommunications company seeking competitive classification ~~shall~~ may include as part of its petition for classification any requests for waivers of the regulatory requirements that specifically apply to competitive telecommunications companies. Requests for waiver not included in a classification petition shall be granted or denied in

writing. The commission reserves the right to set any such request for hearing at its discretion. Any request for waiver of regulatory requirements must include a statement as to how competition will serve the same purposes as public interest regulation.
(3) The commission may revoke waivers of regulatory requirements in the same manner in which they were granted if such revocation would protect the public interest.

WAC 480-120-011 Application of Rules

Sprint proposes that the term "telecommunications companies" be replaced with the term "telecommunication utilities."

WAC 480-120-027 Price lists.

Sprint is confused about this proposed change in that we are unable to find any reference to price lists in the versions of 480-80 WAC to which we have access. If changes are proposed in 480-80 WAC, we would need to see those proposals before commenting further.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated. RCW 80.36.320 (2)(c) leaves it to the Commission's discretion to decide whether competitive providers must file price lists.

WAC 480-120-031 Non-competitive companies- Accounting.

Sprint suggests that the criteria for determining whether a company is a Class A or a Class B company should rely on the access lines for the prior year so that companies that move from one class to another are not required to restate their books retroactively.

WAC 480-120-041 Availability of information.

While Sprint certainly has no objection to providing customers with all the information they need, we do object to the duplicative efforts that would be required by this rule revision. Sprint recommends the rule be changed to allow companies to make

information available either through a brochure or the directory. Also, we would suggest that (1)(a) be revised to read:

> notify customers of its regular business hours, mailing address, and a twenty-four-hour toll-free telephone number for repair~~, and a twenty-four-hour emergency telephone number~~ at least once a year.

Sprint does not have a twenty-four-hour number except for repair service and that would obviously serve as the emergency number as well.

Sprint is concerned that the language in (5) would require the company to provide the Commission with a copy of every bill message, etc., of every sort that is sent to the customer. This would be an extraordinarily burdensome new requirement—not only for us, but for Commission Staff as well. Sprint alone sends nine or ten bill messages and inserts per month to its customers.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons already enumerated. The production and distribution of customer brochures will be costly to implement. Additionally, subsection (6) should specify to whom the information is to be provided (Sprint assumes it is the customer).

WAC 480-120-042 Directory service.

While Sprint understands and applauds the Staff's efforts to make the language of the rules more clear, in this instance we believe the original language, "A telephone directory shall be published," is better than "A local exchange company must publish." For the most part, companies such as Sprint do not publish directories; we contract with other entities to publish the directory.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for reasons previously enumerated. CLECs should not be forced to match all LEC offerings,

especially if there are multiple directory providers. If a customer selected a CLEC and was unable to obtain a directory either from the CLEC or another directory vendor, the customer would be free to switch back to the incumbent if she wished.

WAC 480-120-045 Local calling areas.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-046 Service offered.

Sprints suggests that, in (2), the word "local" be inserted after "flat-rate." RCW 80.04.130 contains a prohibition on mandatory *local* service.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated. This rule is generally waived for CLECs.

WAC 480-120-051 Availability of service—Application for and installation of service.

Sprint's primary concern in this rule is with the new requirement in 5 (c) that "One hundred percent of all orders for installation of exchange access lines in any exchange must be completed within one hundred eighty days of the application." There seem to be no exceptions contemplated here, other than those set forth in 5 (d). There are sometimes easement or right-of-way problems that can delay a service installation longer than six months. The obtaining of permits from such agencies as the Gorge Commission and the Bureau of Land Management can be a lengthy process. Lead time on special equipment can also result in delays regardless of whether obtained by the company or the customer.

Sprint seeks clarification that "exchange access lines" does not include ISDN, BRI or PRI, T-1, or other special installations that can easily take more than six months in

some areas.

It should be noted that the subsections in the revision now skip from (2) to (4). Additionally, for the sake of clarity, the words “for service” should be removed from the sentence in (1) that currently reads “Application for service is an expression of the applicant’s for service willingness to conform to the tariff, price list, or both on file with the commission.”

Failing the adoption of Sprint’s proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons already enumerated.

WAC 480-120-056 Establishment of credit.

Sprint appreciates the Staff’s addition of language that allows the company to require that business applicants demonstrate satisfactory credit. Sprint also favors new wording that relieves the company of the obligation to make extended payment available on ancillary local exchange services. Many of the other changes, however, would effectively prevent the company from controlling bad debt expense. Under the proposed wording, a customer is not required to make a deposit as long as the customer was not previously disconnected for non-payment *or* the customer had fewer than four delinquency notices in the past *or* if he or she can demonstrate established credit with another provider. In other words, under the new rule, a customer previously disconnected for non-payment need not make a deposit as long as he/she received fewer than four delinquency notices. The proposed rule also requires that companies refund deposits even if the customer has had three delinquency notices. Additionally, the rule would require companies to have cash on hand at business offices to make refunds available at customer request, without regard to the security risks this poses. These changes do not further the goals of effectiveness, efficiency, or any of the other criteria established by the Governor. Nor is it clear how such changes serve the public interest,

since bad debt ultimately raises the prices for all consumers.

At a minimum, and failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-057 Deposit or security-resellers

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-061 Refusal of service.

Sprint supports the proposed language concerning rights-of-way, easements, and permits on private property in subsection (3). Sprint requests clarification on the intent behind the change that adds the word "physically" in subsection (4)(b)(i) and (4)(b)(ii).

If new rules are to address number portability, then they should comport with federal rules concerning number portability. For instance, there are a number of circumstances set forth in FCC and NANC rules and process flows that would permit or even require a company to refuse to disconnect or release a customer's telephone number to another company; these are not addressed in the draft proposed rule. Such requirements would be better addressed in a separate rulemaking, to examine and take into account federal rules and the wide variety of scenarios that occur. At the very least, the words "disconnect or" should be deleted from the proposed (10). NANC process flows do not permit the porting of a vacant number.

WAC 480-120-076 Underground.

Sprints agrees that this rule should be eliminated.

WAC 480-120-081 Discontinuance of service.

Sprint believes there should be exceptions to the requirement that disconnection occur no later than the day following the requested disconnection date. While this is

normal company practice, there are occasions—last minute requests, remote rural locations requiring physical disconnection—on which this time frame would be difficult to meet.

Again, if the new rule is to address number portability, rather than simply resellers, it should comport with federal rules concerning number portability and should probably be considered in a separate rulemaking. FCC and NANC rules and process flows set forth the conditions and time frames for release of a customer number to another company. There appears to be some confusion between discontinuance of service and disconnection of service. A disconnected, i.e. vacant, number could not be released under NANC process flows.

Sprint suggests deletion of the term "regulated" in subsection (3)(a).

Adding more days before action can be taken if notification is mailed outside of Washington will increase Sprint's administrative costs. The currently required eight days has been sufficient.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for reasons previously enumerated.

WAC 480-120-088 Automatic dialing-announcing devices
WAC 480-120-089 Information delivery services.
WAC 480-120-091 Farmer lines.
WAC 480-120-096 Grounded circuits.

Sprint applauds the elimination of these rules.

WAC 480-120-106 Form of bills.

In subsection (2)(b), the requirement that carriers highlight "new service providers" should be limited exclusively to presubscribed local exchange or interexchange companies. Sprint suggests the following change to the rule:

(ii) "New service provider" is any <u>presubscribed local exchange or</u>

interexchange company~~provider~~ that did not bill for services on the previous billing statement. The notification should describe the nature of the relationship with the customer, including a description of whether the new service provider is the presubscribed local exchange or interexchange company.

Sprint's changes meet the anti-slamming intent of the proposed amendment by tracking changes to presubscribed intraLATA and interLATA interexchange carriers. Sprint's bill will also clearly identify all service providers. Sprint does not, however, have the capability to track "new" non-primary (i.e. non-presubscribed) service providers. Other carriers have expressed similar concern over their inability to meet this requirement and Sprint therefore urges the Commission to reject the suggested change.

The lack of empirical evidence that identification of "new" non-PIC carriers will in any way clarify billing or facilitate identification of cramming incidents further supports Sprint's position that requiring such identification of these carriers is unnecessary. On the contrary, identification of charges as "new" merely by virtue of their not having been billed during the preceding month, including any "new" dial-around provider, "new" operator service provider, "new" directory assistance provider, or "new" pay-per-call service provider, will likely cause *increased* bill complexity and customer confusion. Thus, the requirement that carriers highlight new service providers, other than new presubscribed interLATA or intraLATA interexchange carriers, would cost substantial money, effort, and delay, with little or no corresponding improvement to bill clarity or reduction of cramming incidents.

Furthermore, billing customers for operator-assisted, dial-around, directory assistance, and pay-per-call services rendered does not constitute a slam. Use of any of these services requires affirmative action on the part of the consumer. For example, the billed party must accept an operator-assisted call before such call is completed, and a

caller must dial a 7-digit access number to use dial-around services. The billed party knowingly used these services, and his primary carrier is not affected by use of operator-assisted, dial-around, or directory assistance services. Thus, identifying an operator or dial-around service provider as a "new" service provider offers no protection against slamming, and again, such identification is only likely to confuse the end user customer.

Sprint supports the language in subsection 8 that grants companies permission to refuse to establish a preferred payment date that extends the due date beyond the next normally designated payment date. Under the existing rule, companies must seek special exemption in every instance.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons enumerated previously. This rule is typically waived for competitive providers.

WAC 480-120-121 Responsibility for delinquent accounts.

Sprint compliments the Staff on the improved language in this rule.

WAC 480-120-131 Reports of accidents.

Outage reporting is addressed in WAC 480-120-520. There is no need for a requirement here. In subsection (g), "Where any necessary medical treatment was provided" seems to be broader than "accident that results in death or serious injury" referenced in the first paragraph.

This rule is typically waived for competitive providers and therefore should apply to utilities rather than all companies.

WAC 480-120-136 Retention and preservation of records.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-500 Service quality—General requirements.

The new wording indicates that companies must make comparable services available, but does not provide a reference point for "comparable." If the intention is that all services offered must be offered ubiquitously with the same terms and conditions throughout the company's territory, this would be a substantial barrier both to entry and to the offering of new services such as Frame Relay, ISDN, etc. Such services often must be offered, at least at first, in limited areas and under limited conditions.

Sprint proposes not only retaining the current subsection (3), but moving it to WAC 480-120-011 as indicated earlier in these comments.

WAC 480-120-510 Business offices.

Again, the changes proposed represent increased regulation without offering any explanation of how such changes further the Governor's directive.

Subsection (3) requires that all local companies make payment agencies available for cash and urgent payments. A waiver may be granted, but only if companies can demonstrate that customers have a reasonable opportunity to make cash payments. This rule is unduly burdensome, extremely costly, and outdated in today's business environment. The majority of debts consumers incur cannot, for all practical purposes, be made in-person. Sprint recognizes the importance consumers place on maintaining telephone service; however, the rules regarding notification of disconnection ensure that customers have adequate warning if 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 the credit card method, do not even require the purchase of a stamp.

The complexity of the communications industry has changed the way companies must organize and staff customer service personnel. It is no longer reasonable to expect a representative or payment agent to be able to address all of the questions the public has about their communications options. Call centers with automated call systems and

specialized work groups are better equipped to address specific needs and inquiries than are “super reps.” Additionally, safety has become a bigger factor than in years past. Just as the Commission has increased its building security in the past few years, so must other public offices, especially those with large cash reserves on hand. For these reasons, Sprint urges the Commission to reconsider this requirement.

Concerning answer time, Sprint proposes that the answer time requirement be changed to an average hold time (also called average speed of answer, ASA) of 60 seconds. An answer time standard does not take into consideration the average hold time per customer. Conceivably 90% of customers could get an immediate answer while the remaining 10% were on hold for hours. There has been considerable debate nationwide about the appropriate target for answer time—90% within 30 seconds, 75% within 20 seconds, and so on. The correlation between these proposed targets and average hold time has never been clear. It is difficult to quantify whether a change of 5% has any appreciable effect on hold time. A company may be required to hire many additional representatives with a resulting “improvement” that is imperceptible to customers. Sprint believes a requirement that explicitly targets average hold time, or average speed of answer, would be less burdensome to the company and definitely more beneficial to the customers.

Failing the adoption of Sprint’s proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-515 Network performance standards.

Once again, this proposed revision represents additional regulation without an explanation of how such changes comport with the Governor’s directive. Subsection 5 goes so far as to mandate network redundancy without regard to cost. Language previously contained in WAC 480-120-520 (10) addressed this requirement but

conditioned it on “where economically and technically feasible.”

If the Commission is determined to modify this rule, then Sprint recommends that a separate rulemaking be opened. Network performance standards are of a highly technical nature. Even slight wording changes may have a profound effect on network design and company cost structures. For instance, in several places the words “engineering design standard” have been substituted with “performance.” This could have significant impact on the actual requirement involved. In another case, error-free performance for non-switched dedicated circuits becomes error-free performance for switched and non-switched dedicated circuits. Again, this is quite possibly a very major change that should be debated by subject matter experts so that the Commission has all the facts it needs to make an informed decision. One final example is the new requirement in (2)(i) that companies must establish route and circuit diversity for signal system 7 “A” links. Few companies have route diversity into and out of their smaller switches. This requirement constitutes a major barrier to the deployment of SS7.

Sprint believes that the original language of the rule in subsection 3(iv) is less ambiguous than the proposed change.

Failing the adoption of Sprint’s proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-520 Major outages.

Curiously, the proposed revision eliminates the definition of “major outage.” Without the definition, the rule is less clear.

WAC 480-120-525 Network maintenance.

Again, this revision is more prescriptive than in the past with no explanation given for how such changes further the Governor’s directive. Additionally, it contains more than one standard. Subsection (1) states that LECs must answer eighty percent of repair

calls within thirty seconds. Subsection (3)(a) states that each company must ensure that a minimum of ninety-eight percent of all call attempts to the company's repair office are answered within twenty seconds either by live company representatives or an automated call system.

The wording "remote customer company site" in subsection (1)(h) is unclear.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-535 Service quality performance reports.

The new reporting requirements proposed are excessively burdensome, and will be costly to implement. Sprint does not currently have a program that reports held order data for all service orders, both primary and secondary, held more than five days or more than ninety days. Likewise Sprint does not have a program that reports the blocking information outlined in the new language of this rule.

Sprint certainly monitors its own network for blocking and takes the appropriate steps to either add intra-company facilities when required or to initiate trunk augmentations on inter-company EAS facilities. Sprint should not be required to report on the blockage in networks not our own.

At a minimum, and failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated.

WAC 480-120-X01 Accounting requirements for competitive telecommunications companies.

Sprint's local division accounts for intrastate revenues, as it should because the Commission regulates the local division's intrastate earnings. Sprint's competitive and long distance divisions, however, use GAAP as required and do not generate

jurisdictionally separated information. No such data is required by any other state in which Sprint operates. It would be extraordinarily burdensome and expensive to modify our systems to produce such information. Such a requirement certainly would not comport with the Governor's mandate.

WAC 480-120-X05.5 Existing facilities – Reinforcement responsibilities.

The first sentence would be much clearer if it read, "Companies are responsible for all work, materials, and costs associated with reinforcing facilities up to the applicant's facilities for service…."

Also, there should be a new subsection as follows:

(3) Subsection (2) above shall not be construed to limit any remedy otherwise available.

WAC 480-120-X06 Unserved areas

If this rule is to be proposed at all, it should be moved to a separate rulemaking—or possibly to the line extension docket recently opened. It is far too complex an issue to be addressed as part of this rulemaking.

WAC 480-120-X07 Reconnecting service after disconnection.

Restoration of disconnected service within one day is standard Sprint company practice. However, it should be noted that when a premise visit is required to a remote location, it might not be possible to meet this time frame.

Failing the adoption of Sprint's proposed language for WAC 480-120-024, Sprint believes that competitive providers should be exempt from this section for the reasons previously enumerated. CLECs that are not facilities-based providers have little control over the ILEC's practices.

WAC 480-120-X08 Service Quality Guarantees

Again, this is a new regulation that does not comport with the Governor's objective. Existing rules are sufficient to ensure that companies provide high quality

service. If for some reason a company does not provide high quality service, the Commission has remedies without creating another rule. This rule is particularly unnecessary for competitive providers. Competitive firms will not survive long if they do not provide quality service.

WAC 480-120-X09 Commission ordered refunds

There is no justification for this new rule in the context of the Governor's directive.

WAC 480-120-X10 Registration

This rule merely points to another rule and is unnecessary.

WAC 480-120-X11 Access Charges

This rule replaces WAC 480-80-047. Previously, all companies were required to file access reports annually. The new rule is limited to Class A Companies. Sprint requests that the Commission reconsider the requirement for Class A companies. If it is not needed for Class B companies, then arguably, it is not needed for Class A companies.

WAC 480-120-X14 Customer notice – non-competitive telecommunications company.

Again, this is an expansion of the current notice requirements and does not seem to comport with any mandate to make the rules more efficient or streamlined. Alternative methods of notification such as newspaper or other local advertising are not allowed. Moreover, the 30-day notice to customer seems excessive for price listed services, which generally permit the company to make changes on 10 day notice.

WAC 480-120-X15 Customer notice – competitively classified telecommunications companies.

Sprint's competitive companies have every intention of notifying customers prior to changing rates. However, Sprint objects to this new rule for the reasons previously enumerated. The competitive marketplace is a sufficient control over firm's business

practices. The law recognizes this fact in RCW 80.36.320 (2), which states that competitive telecommunications companies shall be subject to minimal regulation.

CONCLUSION

Given the magnitude of the changes proposed, Sprint recommends several more rounds of drafts and comments before moving on to the CR-101. Sprint also suggests moving some of the more complex issues, such as network performance standards, local number portability, and unserved areas, to separate dockets so that the Commission has a full record upon which to make informed decisions.

In conclusion, Sprint sincerely hopes that the Staff is willing to eliminate many of the proposed new rules, reduce the applicability to companies other than local exchange, and substantially revise many of the proposals commented upon above. The Governor did not mandate new regulatory burdens or barriers to competitive entry, but directed the Commission to re-examine the rules in light of need, effectiveness and efficiency, clarity, intent and statutory authority, and coordination with other agencies. The proposed changes clearly go beyond this directive.

Respectfully submitted this 4th day of February, 2000

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