

Finally, US Sprint would point out that implementation of a separate IMTS basket would be consistent with the reasoning behind the decision to establish a separate 800 basket. Like IMTS, 800 service involves substantial barriers to entry which prevent this market segment from being fully competitive, and is not directly substitutable with other services. Because of these two factors, the Commission concluded that 800 services should be placed in a separate basket to prevent misallocation of any cost changes (id. at para. 384). Since the competitive situation surrounding the provision of IMTS is analogous to that for 800 service, the Commission should apply the same analytical framework which led it to conclude that 800 services should be placed in a separate basket, and order that IMTS similarly be placed in its own basket.

III. THE NET REVENUE TEST SHOULD NOT BE USED TO EVALUATE NEW SERVICE OFFERINGS.

Under the price cap plan adopted by the Commission, new service offerings are to be offered initially outside of price cap regulation. Carriers seeking to introduce a new service will be required to demonstrate that the service meets a net revenue test, which requires, among other things, a showing that the service will increase AT&T's net revenues for all services subject to price cap regulation within the

(Footnote Continued)
§61.47(g)). This section would have to be amended slightly to accommodate implementation of a separate IMTS basket.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Comments" of Sprint Communications Company L.P. were sent via first-class mail, postage prepaid, on this the 4th day of September, 1992, to the below-listed parties:

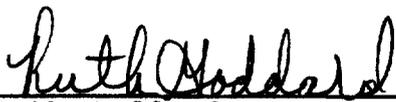
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September 4, 1992

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