

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Implementation of the Pay Telephone)
Reclassification and Compensation)
Provisions of the Telecommunications)
Act of 1996)

CC Docket No. 96-128

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REPLY OF SPRINT CORPORATION

Sprint Corporation hereby replies to the "Comments of the RBOC/GTE Payphone Coalition on the Colorado Payphone Association's Petition for Partial Reconsideration" of the Third Report and Order herein. As discussed below, the RBOCs' comments are procedurally improper and substantively without merit.

The RBOCs and GTE, while nominally supporting the petition of CPA, in fact ask for different affirmative relief than that sought in CPA's petition. Rather than supporting CPA's request that the Commission order IXCs to implement selective call blocking, the RBOCs and GTE instead ask the Commission to move to a deregulated per-call compensation rate.¹ The RBOC/GTE comments are procedurally improper for two reasons. First, Section 1.429 of the Commission's Rules does not contemplate comments in support of a petition for reconsideration but rather only oppositions to such petitions. Second, by seeking different relief from that sought by CPA, the RBOCs and GTE are in

¹ The other issue raised in the RBOC/GTE comments – the Commission's reliance on the costs of the Model 11A phone – adds nothing to CPA's discussion of the issue, which Sprint addressed in its July 7 opposition.

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effect seeking reconsideration out of time, and in conflict with their determination instead to seek judicial review of the Third Report and Order.² The Commission should not countenance the attempt of the RBOCs and GTE to make an end run around the prohibition against a party seeking both reconsideration and judicial review of the same agency order³ by allowing the RBOCs and GTE to file their request in “Comments” that are not contemplated by the Rules.

In any event, the request of the RBOCs and GTE for deregulated per-call compensation rates ignores the nine-figure costs that targeted call blocking would impose on the industry⁴ and fails to acknowledge, much less address, the fact that the lack of targeted call blocking was only one of the reasons given by the Commission for determining to dispense with a market-based approach. The Commission also relied on the fact that locational monopolies would allow PSPs to set rates from some payphones above costs,⁵ and the Court of Appeals has already ruled that the possibility of call blocking does not obviate the need to set a reasonable default rate.⁶ Although Sprint disagrees with the level of the per-call rate set by the Commission, the Commission’s approach in the Third Order of using a bottom-up cost-based approach to setting the per-call rate is far more sound than forcing IXCs to spend hundreds of millions of dollars to

² Ameritech et al., v. FCC, CADC No. 99-1115, consolidated with American Public Communications Council v. FCC, CADC No. 99-1114.

³ See BellSouth v. FCC, 17 F.3rd 1487 (D.C. Cir. 1994); and United Transportation Union v. ICC, 871 F.2d 1114 (D.C. Cir. 1989).

⁴ See Sprint’s Opposition at 7.

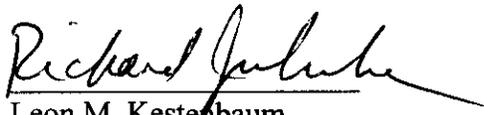
⁵ See Third Report and Order at ¶64.

⁶ Illinois Public Telecommunications Ass’n v. FCC, 117 F.3rd 555, 564 (D.C. Cir. 1997).

protect themselves and their consumers against the ability of the PSPs to charge exploitative rates. Moreover, such an approach would cause long distance carriers to incur other financial losses as well – the revenues and profits foregone from the blocked calls – and would impede, rather than enhance, consumers' ability to communicate.

Respectfully submitted,

SPRINT CORPORATION

A handwritten signature in black ink, appearing to read "Richard Juhnke", with a long horizontal flourish extending to the right.

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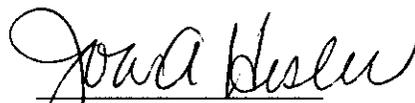
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July 21, 1999

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document in CC Docket No. 96-128 was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 21st day of July, 1999 to the parties listed below.


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