

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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Jurisdictional Separations Reform)
and Referral to the)
Federal-State Joint Board)
)
Comments on Separations)
Simulation Cost Study Tool)

CC Docket No. 80-286

DA 99-2677

COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of its local, long distance and wireless divisions, submits its comments in response to the Public Notice released December 1, 1999 in which the Federal-State Joint Board on separations reform requests comments on the use of its separations simulation cost study analysis tool to evaluate separations reform proposals.

Before proffering its comments on the subject cost study analysis tool, Sprint notes its concern with the fact that the Joint Board is pursuing the use of this or any separations-related tool. The adoption of such a tool will do little but continue the use of the separations process in general, an outcome that is antithetical to the realities of today's telecommunications marketplace. In the days of monopoly providers and rate of return regulation, separations played an important role in the regulatory process. However, times have changed. Today, competitive providers are entering the marketplace, causing regulation, by necessity, to shift its focus and soon will be relegating monopolies to a thing of the past. Just as monopolies must move aside to make room for this new competitive arena, so must outmoded regulatory tools like the separations process be phased-out.

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Competitive carriers do not create services with intrastate or interstate distinctions in mind. Consequently, rather than attempt to maintain these purely regulatory distinctions – which serve no tangible purpose – regulators should concentrate their efforts on activities designed to: (1) open markets in order to achieve the goal of local competition; and (2) take the appropriate enforcement action when market-opening rules are violated. To that end, Sprint urges the Joint Board to abandon this particular proceeding, as well as other separations-related reform. Rather than being concerned with, or attempting to shift costs into one jurisdiction or another (with the end result to the consumer being the same) regulators, both state and federal, should focus on determining carriers’ underlying costs and correspondingly, undertake the move to cost-based rates.

Should the Joint Board be determined to pursue the use of the cost study analysis tool described in the Public Notice, Sprint offers the following comments with respect to that particular instrument. Generally, the model appears to do an adequate job of quantifying the scenarios offered. However, Sprint stresses that it would be highly inappropriate to suggest that this, or any other model, will accurately quantify each and every possible change to the Commission’s Part 36 rules.

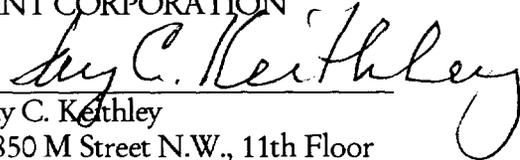
More specifically, while the separations simulation cost study tool appears to do an acceptable job of re-creating a Part 36 separations study for a study area, in running the model, Sprint did uncover a flaw that would cause problems for certain LECs. In particular, the model uses ARMIS 43-04, Row 7041, “Weighted Standard Work Seconds,” to allocate all operator service expenses. The Sprint LECs do not populate Row 7041 since they have no expenses on Row 7040, “Other Operator Expenses,” allocated on a work seconds basis. A minor change to the model, to calculate Row 7041 based on the results displayed on Row 7060, “Total Telephone Operator Service Expenses,” would correct this situation.

CONCLUSION

The preparation of Part 36 separations studies is a tool uniquely related to monopoly regulation. The separations process has no meaning for new market entrants nor will its continuation advance the goal of opening local markets to competition. Consequently, for the Joint Board to spend significant time proposing and studying the impact of separations changes in this era of increasing competition would be a misallocation of both time and resources.

Respectfully submitted,
SPRINT CORPORATION

By

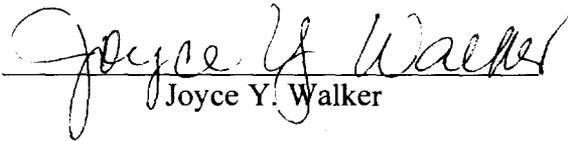

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December 17, 1999

CERTIFICATION OF SERVICE

I, Joyce Y. Walker, hereby certify that I have on this 17th day of December 1999, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of Comments filed by Sprint Corporation "In the Matter of Jurisdictional Separations Reform and Referral to the Federal-State Joint Board and Comments on Separations Simulation Cost Study Tool", CC Docket 80-286 and DA 99-2677, filed this date with the Secretary, Federal Communications Commission, to the persons on the attached service list.


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