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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

In the Matter of)
)
Implementation of the Subscriber Carrier)
Selection Changes Provisions of the)
Telecommunications Act of 1996)
)
Policies and Rules Concerning Unauthorized)
Changes of Consumers' Long Distance Carriers)

CC Docket No. 94-129

COMMENTS OF SPRINT CORPORATION

Sprint Corporation hereby respectfully submits its additional comments regarding the proposal to require resellers to obtain carrier identification codes (CICs), pursuant to the Public Notice released on May 17, 2000 (DA 00-1093). In this Public Notice, the Common Carrier Bureau has requested that parties refresh the record on this matter, and to comment on specific issues relating to the reseller CIC proposal.

Sprint continues to believe that the public interest would be best served by requiring switchless resellers to obtain their own CICs. As Sprint demonstrated in its earlier filings in this proceeding, requiring resellers to obtain their own CICs would help to avoid soft slams, and enable both the consumer and his local telephone company to correctly and immediately identify the carrier to which the line is presubscribed.¹ Sprint also provided data demonstrating that slams by resellers using the Sprint CIC is a significant problem; recent data confirm that this remains a serious problem. Between

¹ See Comments of Sprint Corp. filed March 18, 1999, p. 4, and Reply Comments filed May 3, 1999, p. 4. Identification of the actual service provider is particularly helpful in addressing consumer slamming and billing disputes; it is also helpful in handling disputes involving payment of payphone compensation.

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May 1999-April 2000, over 41% of the total number of slamming complaints served on Sprint by the Commission involved end user conversions by a reseller which utilized the Sprint CIC,² and approximately 11% involved a soft slam (the unauthorized switch of a Sprint long distance customer to a Sprint reseller). Some of the end users who were soft-slammed did have a PIC freeze on their line (which was, of course, ineffective at preventing the soft slam since the reseller was using the Sprint CIC). Although we do not track data on soft slams where the PIC freeze was bypassed, we believe that the percentage of such customers is relatively low since only a minority of all end users have a PIC freeze on their line.

In Sprint's previous filings (see note 1, *supra*), we also acknowledged that CICs are a finite resource, but noted that there appeared to be a sufficient supply of 4-digit CICs to accommodate a requirement that resellers obtain their own CIC. This still appears to be true. Data from the NANPA indicate that as of May 2000, there are still 670 unassigned FG D CICs in the 5000-6000 range. And, in the case of impending CIC exhaust, the Commission could direct the NANPA to reclaim CICs from carriers who have far in excess of the maximum recommended number of CICs.

Sprint estimates that it costs between \$650,000 - \$750,000 for us to activate a CIC on behalf of a reseller on a nationwide basis. (Of course, a regional reseller would face lower CIC activation costs because it would not need nationwide coverage.) This cost recovers non-recurring expenses associated primarily with submitting roughly 8000

Today, some payphone providers attempt to recover payphone compensation costs from the carrier whose CIC was used, even if it was a reseller using that CIC who actually provided the service.

² This is not to say that the remaining 59% of complaints constituted unauthorized conversions by Sprint. Many of these complaints involved telephone lines for which we had an authorized or verified service

Access Service Requests (ASRs)³ to all of the incumbent LECs, competitive LECs, and wireless local service providers that provide equal access in all the LATAs in the United States, as well as testing to ensure that the CIC has been properly loaded in the switches of all of these local service providers.

Sprint does not believe that there would be any significant difference in the nonrecurring cost of provisioning translations access alone, as distinguished from provisioning translations access as a part of a Feature Group D package.⁴ In order to route the reseller's traffic correctly, an ASR must be submitted to the appropriate LEC(s); the effort (and presumably the cost) of processing this ASR is the same whether the reseller obtains translations access alone, or as part of the FG D package. While the reseller who obtains translation access alone would not incur the nonrecurring costs of obtaining a FG D trunk, such cost would be incurred by the underlying facilities carrier which did obtain the access facility; presumably, the underlying carrier would pass that cost along to its reseller customers.

There are additional costs associated with deployment and use of CIP/CSP, a functionality which identifies the CIC of the calling party in situations in which multiple CICs are routed over a common access facility. Most, if not all, of the major ILECs have already deployed CIP/CSP, and ILECs already have in place the OSS and other

request; consumers whose line was switched to Sprint based on information provided to us by the local telephone company; or complaints which were served on Sprint in error.

³ The ASR specifies the LATA or other geographic location where a CIC is to be activated, and the FG D trunk or other access facility to which the traffic is to be routed. The CIC must be activated in the local providers' switches if a call is to be routed correctly.

⁴ There must be some facility in place to carry traffic from the LEC switch to the IXC point of presence. That access facility can be obtained by either the reseller or by the underlying carrier. Sprint assumes that by "translations access alone," the Commission is referring to a situation in which a reseller arranges to have traffic originating over its CIC pointed to the FG D trunk or other access facility already obtained by the underlying carrier whose facilities are being resold.

administrative systems needed to manage carrier activity utilizing the CIC data element. Thus, the incremental costs associated with requiring resellers to obtain their own CIC would appear to be minimal in this regard. While facilities-based carriers also will incur some costs to accommodate a reseller CIC requirement, these costs will be related (in part) to the degree to which a facilities-based carrier seeks to become the underlying carrier for reseller customers. A carrier whose business plan anticipates a high volume of reseller traffic will likely invest in more sophisticated (and likely more costly) administrative and other systems modifications to enable it to handle reseller traffic with maximum efficiency and flexibility. Sprint believes that these system modifications will generate significant secondary benefits as well (*e.g.*, relating to ability to charge for previously unbillable traffic).

While resellers would incur some costs to activate their own CIC, such expenses are a legitimate cost of doing business, and it is not the responsibility of the Commission to insulate any carrier against competitive, market-based pressures. Perhaps of greater importance, it must be recognized that resellers themselves derive significant direct benefits from having their own CICs. For example:

- Resellers' subscribers will find it easier to reach them, since it will be easier for the LEC to identify the actual service provider based on the CIC, thereby alleviating a major source of customer confusion and irritation;⁵
- Resellers will be afforded greater protection against soft slams perpetrated by the facilities provider whose CIC the reseller is utilizing today;

⁵ The Commission must question the legitimacy of the operations of any reseller that does not want to be readily identified as a consumer's service provider.

- Resellers would be able to offer dial-around (101XXXX) service offerings;
- Resellers could be chosen as the preferred carrier in split-PIC situations (for example, the reseller might be the preferred carrier for intraLATA toll traffic, while the underlying facilities carrier may be the preferred carrier for interLATA traffic);
- Resellers who provide service from aggregator locations such as hotels and hospitals would be able to brand their calls accurately; privately branded operator service calls can be routed based on CIC rather than originating ANI.

In summary, it is true that requiring resellers to obtain their own CIC involves some cost, primarily non-recurring. However, the benefits to consumers, the underlying facilities-based carrier, and the reseller, associated with such a policy outweigh these costs, and the Commission should accordingly adopt this requirement.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **COMMENTS OF SPRINT CORPORATION** was sent by hand on this the 13th day of June, 2000 to the below-listed parties:


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June 13, 2000

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