

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

In the Matter of	)	
	)	
2000 Biennial Regulatory Review --	)	
Review of Policies and Rules Concerning	)	CC Docket No. 00-257
Unauthorized Changes of Consumers	)	
Long Distance Carriers	)	
	)	
Implementation of the Subscriber Carrier	)	
Selection Changes Provisions of the	)	
Telecommunications Act of 1996	)	
	)	CC Docket No. 94-129
Policies and Rules Concerning	)	
Unauthorized Changes of Consumers	)	
Long Distance Carriers	)	
_____	)	

**OPPOSITION OF SPRINT CORPORATION**

Sprint Corporation ("Sprint") hereby respectfully submits a limited opposition to the petitions for reconsideration of the Commission's *First Report and Order* (FCC 01-156) issued May 15, 2001, in this proceeding ("*First Report*") filed by SBC Communications ("SBC") and Verizon. Specifically, Sprint opposes SBC's petition to the extent that it asks that the Commission reconsider and eliminate the requirement that LECs lift any existing preferred carrier freezes on the services involved in cases where "mechanized processes or other methods allow LECs to bypass the freeze." SBC at 6. Sprint also opposes Verizon's petition to the extent that it seeks modification of the rule against assessing customers who are being acquired by another carrier any charges associated with the transfer, to instead enable an incumbent local exchange carrier ("ILEC") to collect the charges from customers being acquired by default.

Verizon at 3. Sprint asks that the Commission deny these reconsideration pleas by SBC and Verizon, and in support thereof, states as follows.<sup>1</sup>

The Commission explained that its decision to require that the executing carrier lift a customer's preferred carrier freeze on the services involved in the transfer was designed to eliminate the confusion that, in the Commission's experience, occasionally arose over "the status of 'frozen' subscribers who are part of a subscriber base being acquired by another carrier pursuant to a sale or transfer." *First Report* at ¶28. In some instances, such confusion simply delayed the transfer of customers; in others, it put the customer at risk of losing presubscribed service altogether. *Id.* Under the Commission's decision, the confusion would be minimized, if not eliminated, since all customers would be informed well in advance of the transfer that any applicable preferred carrier freeze would be lifted. Customers who wanted to have the services provided by the acquiring carrier frozen would have to contact their LECs to institute such a freeze. *Id.*

The Commission's decision to require a pre-transfer notification that any applicable freezes will be lifted so as to ensure the smooth transfer of customers to the acquiring carrier was the approach recommended by SBC in an *Ex Parte* submission filed on April 23, 2001. *See* Letter to Ms. Michele Walters, FCC from Davida Grant, SBC in CC Docket No. 94-129 at 1-2 (recommending that the pre-transfer letter "notify...affected customers that if they have a preferred carrier freeze on their account, the applicable freeze will be overridden for the purpose of the transfer or sale" which in turn would eliminate the need "to obtain the affected customer's consent to lift the freeze..."). Given SBC's previous recommendation here, it is somewhat

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<sup>1</sup> Sprint takes no position on the other reconsideration requests by SBC and Verizon. Nor does Sprint take any position on the reconsideration petitions filed by Qwest and AT&T.

surprising that SBC is now seeking to reintroduce confusion back into transfer process with respect to carrier freezes. Under SBC's proposal, the acquiring carrier would notify customers that their preferred carrier freezes would be removed unless the executing LEC -- the carrier administering the freeze program -- employed "mechanized processes or other methods" that allowed it "to bypass the freeze." Petition at 6. It would be difficult and costly to make the letter any more specific, since the acquiring carrier may not know whether all of the executing LECs that may be involved in a transfer -- and there may be several especially in situations where the transferring carrier has a widely dispersed customer base -- are able to employ such "processes" or even if such "processes" worked. Thus, customers would have to determine on their own whether their preferred carrier freezes were still in place. And such determination would likely engender customer confusion and frustration especially if customers had to make several phone calls just to reach the LEC administering the freeze program. SBC does not explain why the re-introduction of customer confusion into the transfer process would be in the public interest.<sup>2</sup>

Moreover, SBC's proposal here assumes that customer wanted to continue the freeze. Such assumption may well be in error. Because customers will not pay the change charges associated with the transfer, they may decide to sample the services of the acquiring carrier before making a choice as to their preferred carrier. A customer who may be considering changing his/her carrier after such sampling may not want his/her account frozen in the interim because of the potential for delay in transferring to another carrier. In any event, consistent with the underpinnings of the Commission's rules governing preferred carrier freezes, *see Second*

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<sup>2</sup> See also *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, 14 FCC Rcd 1508, 1588 (¶134) (1998) ("*Second Report*") (proposal to have the LECs "automatically establish existing preferred carrier freezes that were implemented with the prior LEC when the subscriber switches his or her provider of local service" not adopted in part to "avoid[] potential confusion for subscribers").

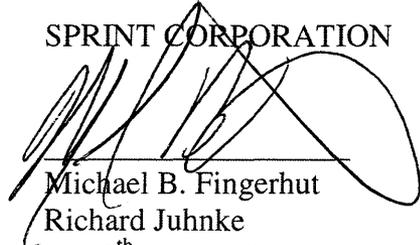
*Report*, 14 FCC Rcd at 1586 (¶131), the customer -- and not the LEC -- should decide whether to freeze his/her service account with the acquiring carrier. Plainly, SBC's requested modification is without justification and should be denied.

Equally without merit is Verizon's request that the Commission modify its rule against assessing change fees upon customers being transferred so as to permit ILECs to charge customers they acquire by default from a CLEC exiting the market the costs associated with such acquisition. The Commission's rule here is based upon the reasonable conclusion that "because the carrier changes associated with a carrier-to-carrier sale or transfer are involuntary, subscribers should not bear the burden of the cost of changing service providers." *First Report* at ¶25. Verizon does not challenge this conclusion. Rather, it claims that the ILEC should be allowed to collect the costs associated with the transfer of customers from an exiting CLEC because otherwise a subscriber may not want to choose another CLEC after receiving notice of the impending acquisition if he/she has to pay such transfer costs. While Verizon's concern here for the welfare of its CLEC competitors is admirable, it in no way undermines the Commission's reasoning in adopting the challenged rule. On the contrary, the modification suggested by Verizon may well deter a customer from switching from an ILEC to a CLEC in the first place, since the ILEC could make it known that the subscriber will have to pay the costs of resuming ILEC service in the event the CLEC exits the market. Moreover, Verizon's suggested modification could bolster an ILEC's efforts to win back customers from CLECs, especially if the such efforts involve waivers of the costs of re-subscribing to the ILEC, since the ILEC could inform the targeted customers that in the event their CLECs discontinue operations, they will be assessed the costs of being switched back to the ILEC. For these reasons, Sprint believes

Verizon's request modification here is without justification and should be denied.

Respectfully submitted,

SPRINT CORPORATION

A large, stylized handwritten signature in black ink, appearing to read 'Michael B. Fingerhut', is written over the printed name and extends upwards into the 'Respectfully submitted,' line.

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July 26, 2001

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **OPPOSITION OF SPRINT CORPORATION** was sent by hand or by United States first-class mail, postage prepaid on this the 26<sup>th</sup> day of July, 2001 to the parties on the attached list.

  
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