

freezes, slamming investigations, and inquiries to customer service all require resources in order to be properly performed and managed. Sprint stated that its costs of administering the PIC charges roughly equaled its PIC-change charge. Sprint also stated that when comparing the level of the PIC-change charge to overall costs of customer acquisition, Sprint's IXC experience has been that the PIC-change charge is but one small component and certainly is not a barrier which prevents customers from switching IXCs.

Sprint believes the current PIC-change rules and safe harbor levels are sufficient and do not warrant changes at this time. Sprint has not experienced any material cost changes that would suggest its analysis of the level of its PIC-change charge in relation to its costs has changed since it last commented in this matter in 2002. Further, the cost and price levels of an RBOC, such as BellSouth in this case, should not be imposed on Sprint or other LECs. Smaller LECs do not have the scale and scope of larger LECs and, accordingly, have much higher unit costs which they should be allowed to fully recover. Basing smaller LEC cost recovery on RBOC costs will prevent full cost recovery for smaller LECs.

A Separate Charge For Orders Requiring Manual Processing Should Not Be Established

Sprint does not support creating separate charges for mechanized PIC-changes and manual PIC-changes. Sprint believes the additional administrative costs and complexity that would be created by the imposition of complicated rate structures or customer-specific rating schemes would outweigh any presumed benefits. A bifurcated rate structure, or charges based on individual customer circumstances, would create the need for LECs to

develop, implement and monitor new systems and procedures to accurately identify, track and bill the new charges.

Such a system could create an opportunity for gaming by LECs to shift more orders to a manual process to increase revenues. A bifurcated system would also be more confusing for customers, who may unnecessarily pay a higher manual rate simply because they are not aware of all of their options to have an order placed with a LEC.

The PIC-Change Charge Should Not Be Levied on the Ordering Party

The current rules provide for the PIC-change charge to be assessed on the end-user customer. The rules are appropriate and should not be changed. The end-user customer is the party initiating the PIC-change. Whether the order is placed by the end-user or the carrier is irrelevant. Carriers cannot initiate a PIC-change without customer permission. To do otherwise would mean the carrier violated the Commission's slamming rules.

Although, in some circumstances, LECs currently assess the PIC-change charge on IXCs, this service is performed only as part of a contractual arrangement with the IXC where the IXC has agreed to assume the liability of the end-user customer for the PIC-change charges. To avoid customer confusion and maintain consistency, the current procedure of assessing the PIC-change charge on the end-user customer, absent such an agreement, should be maintained.

PIC Freeze Costs Should Continue To Be Recovered Through the PIC-Change Charge

PIC freezes are a fundamental component of the PIC-change charge process. As a result of the implementation of equal access in the long distance market, and the ability to change a customer's PIC, instances arose where PIC's were changed without customer authorization. In an effort to combat unauthorized changes, the PIC freeze was created. If a customer utilizes a PIC freeze, the IXC PIC'd to his account cannot be changed without the customer's authorization. Accordingly, PIC freezes are only relevant in the context of the ability to change the customer's PIC. Therefore, the costs of PIC freezes should be recovered as part of the PIC-change charge.

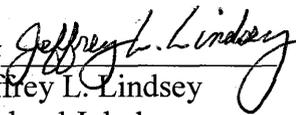
The Commission should not mandate that these charges should be recovered through an independent assessment on only those who utilize the freeze. As pointed out above, there are a variety of other PIC-change-related activities whose costs, in Sprint's view, can fairly be recovered through the PIC-change charge – such as responding to customer slamming complaints, responding to customer service inquiries about the PIC-change process and the like. There is no reason to arbitrarily select one component of a more comprehensive process and require a separate charge for that component. To require separate charges for each of these activities would add unnecessarily to the complexity of the rate structure and the customer's bill, and would likely create more confusion for customers. Separate charges for these various activities would ignore the additional administrative burden of separately tracking the costs of each activity. Carriers should be free to refine their rate structures if they wish to do so, but there is no warrant for an FCC-mandated change in the rate structure.

CONCLUSION

The Commission should not modify its PIC-change charge rules at the present time. The current system is an effective tool that enables end-user customers to exercise their right to choose their IXC in a clear and consistent manner while providing LECs the opportunity to recover their costs for performing this important function.

Respectfully submitted,

Sprint Corporation

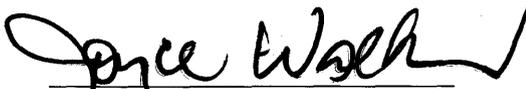
By 
Jeffrey L. Lindsey
Richard Juhnke

401 9th St. NW
Suite 400
Washington, DC 20004
(202) 585-1921

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing COMMENTS OF SPRINT CORPORATION was sent by electronic mail or by United States first-class mail, postage prepaid on this the 15th day of June, 2004 to the following parties.


Joyce Walker

BY ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch, Secretary
Federal Communication Commission
445 12th Street, SW
Washington, DC 20554

Qualex International
Portals II
445 12th Street, SW
Washington, DC 20554
qualexint@aol.com

BY ELECTRONIC MAIL

Bill Maher
Bureau Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
William.maher@fcc.gov

Tamara Preiss
Chief, Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
Tamara.Preiss@fcc.gov

Carol Matthey
Deputy Bureau Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
Carol.matthey@fcc.gov

Jennifer McKee
Ass't. Div. Chief, Pricing Policy Div.
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
Jennifer.Mckee@fcc.gov

Jane Jackson
Associate Bureau Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
Jane.jackson@fcc.gov