

comply with the rest of the rules),⁴ while Comptel, Carolina West Wireless, XO and Hypercube describe the burdensome consequences of being unexpectedly classified as a covered carrier subject to the call completion rules (indeed, as Hypercube explained, even the process of determining whether it was a covered carrier involved the expenditure of “significant resources”).⁵

The RLEC Associations do not dispute the accuracy of any of the compliance cost estimates made by covered carriers. Instead, they state (pp. 4-5) that Sprint “simply rehashes its prior arguments”; that Sprint’s initial estimate of industry compliance costs was incorrect; and that Sprint failed to distinguish between one-time and recurring costs. None of these points invalidates the need for re-evaluation of the cost-benefit analysis.

The RLEC Associations are correct that Sprint’s petition for reconsideration raised the cost issue again. However, Sprint’s most recent analysis was updated and broadened to reflect new compliance cost information from numerous other affected entities that was entered into the record after Sprint made its initial estimate, and reflects the impact of the rules actually adopted (rather than general proposals in the NPRM phase of the proceeding on which Sprint commented). Whether the costs incurred are one-time or recurring is not especially relevant to the cost-benefit analysis; both types of costs are real and must be borne by the covered carriers and their customers, and thus must be included in the analysis. Sprint does agree with the RLEC Associations, however, that recurring costs should be separately identified, as the lack of a sunset date

⁴ See, e.g., Sprint’s PRA Comments filed in WC Docket No. 13-39 on February 28, 2014, pp. 7-8; Petition for Reconsideration filed by US Telecom/ITTA, p. 2.

⁵ See Petitions for Reconsideration filed on January 16, 2014 by Comptel (p. 4) and Carolina West Wireless (p. 3); comments on petitions for reconsideration filed by Hypercube (p. 3) and XO (p. 2).

of the rural call completion rules means that covered carriers will continue to incur their recurring costs indefinitely.

Industry compliance costs exceeding a hundred million dollars will far exceed any potential benefit from the new rules. In fact, it is not at all clear what benefits the mandated reports will generate. While the mandated reports might (indeed, almost certainly will) show a difference in call completion rates by rural OCN or as compared to the overall non-rural call completion rate, such differentials are not dispositive of inappropriate network management or lack of controls on the part of covered carriers. There are numerous factors which affect call termination; many of those are beyond the knowledge or control of a covered carrier, or are not even reflected in the mandated reports.⁶ In such situations, the mandated reports will not be helpful in identifying or addressing the reason(s) for rural call quality or termination problems.

Given the certain costs and the uncertain benefits of the rules, and the nature of the mandated reports, it surely is in the public interest for the Commission to re-evaluate the merits of the rules as well as the surveys on which those rules were partly based. Such re-evaluation is not, as the RLEC Associations claim, simply a “delay” tactic.⁷ To the contrary, it would be a measured response to and an opportunity to engage in fact-based analysis of an ever-growing body of information which Sprint believes will lead to the unambiguous conclusion that costs far outweigh the benefits.

In its petition for reconsideration, Sprint also demonstrated that the lack of guidance as to what call completion behaviors by covered carriers the Commission

⁶ See, e.g., comments of Sprint in WC Docket No. 13-39 filed on May 13, 2013, pp. 11-12; Sprint PRA comments, pp. 3-4; see also, XO comments on petitions for reconsideration, p. 5.

⁷ See RLEC Opposition, p. 4.

considers reasonable, or what performance results are actionable, makes the use of the filed call completion reports as the basis for subsequent enforcement action (“where necessary”) highly problematic, and renders any enforcement actions stemming from the reports unreasonable and arbitrary. The RLEC Associations and the Oregon PUC oppose Sprint’s petition in this regard, arguing that the reports should be used for targeted enforcement (RLEC Associations, p. 4) and that the reports are to be used for review and investigation where warranted, not enforcement action (PUC, p. 2).

Sprint agrees that the Commission has the authority and responsibility to investigate possible infractions of its rules and to engage in appropriate enforcement actions where infractions are determined to have incurred. However, this presumes that the rules are sufficiently clear to allow such a determination, and that covered carriers have reasonable knowledge about what constitutes acceptable vs. unacceptable behavior. That is not the case here. The Commission has advised covered carriers that their routing and other call completion practices must be just and reasonable, in compliance with Sections 201 and 202 of the Act,⁸ but has not provided specific guidance that can be implemented by carriers. Certainly, once such specific and actionable guidance is provided, covered carriers should be required to take appropriate steps to ensure compliance and held accountable for lack of compliance. What is not reasonable is to demand compliance with standards that are vague and amorphous, or that are not made public in advance of their application.

⁸ See, e.g., *Developing a Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92, and *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *Declaratory Ruling*, 27 FCC Rcd 1351 (2012).

Respectfully submitted,

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