James B Wright
Senior Attorney

NCWKFR0313
14111 Capital Blvd
Wake Forest, NC 27587-5900
Voice 919 554 7587
Fax 919 554 7913
james b wright@mail sprint com

January 29, 2004

Chairman Deborah Taylor Tate
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: *Docket No. 00-00873*; Sprint's Comments

Dear Chairman Tate:

Enclosed for filing in the above proceeding are the original and thirteen copies of the Joint Comments of United Telephone-Southeast, Inc. and Sprint Communications Company L.P. regarding the TRA's proposed rule entitled "Obligations of Resellers and Underlying Carriers of Local and Intrastate Long Distance Service Upon Termination of Service".

Please contact me if you have any questions regarding this filing.

Sincerely,

James B. Wright

James B. Wright

Enclosures
CC: Laura Sykora
Kaye Odum

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re: In the Matter of Notice of Rulemaking Amendment of Regulations for Telephone Service Providers

Docket No. 00-00873

JOINT COMMENTS OF UNITED TELEPHONE – SOUTHEAST, INC., AND SPRINT COMMUNICATIONS COMPANY L.P.

The Tennessee Regulatory Authority (hereinafter "Authority") issued a Notice of Filing on January 16, 2004 revising previously proposed Rule 1220-4-2-.07 and asking interested parties to file written comments concerning the revision. United Telephone-Southeast, Inc. and Sprint Communications Company L.P. (hereinafter "Sprint") have reviewed the Authority's January 16, 2004 revised rule ("Current Proposal") and hereby file these joint comments in opposition to portions of the Current Proposal, particularly the uncalled for shifting of burdens away from resellers and onto underlying carriers.

Proposed Rule 1220-4-2-.07, as it appeared in the Authority's draft rules released June 12, 2002, ("2002 Proposal") consisted of two subparts.[1] In the words of the 2002 Proposal's title, subpart (1) addressed the "termination of service to a reseller by an underlying carrier" with subpart (2) addressing the "cessation of service by a local telecommunications service provider." Subpart (1) required that the underlying carrier terminating service to a local or long distance reseller provide the reseller and the Authority no less than thirty (30) days written notice of service termination. In addition,

[1] See http://www.state.tn.us/tra/orders/2000/000087332.pdf

an underlying carrier was required to provide soft dialtone to affected end-user customers for fourteen (14) days.

Subpart (2) required a local telecommunications service provider to give its end-user customers and the Authority no less than thirty (30) days notice before ceasing to provide local services. Soft dialtone to end-user customers for fourteen (14) days after service cessation was also required of a local service provider. Sprint did not oppose the 2002 Proposal in its comments to the Authority. Although deleted by the Current Proposal as a requirement, Sprint continues not to oppose the offering of soft dialtone to affected end-user customers where the service is available for up to fourteen (14) days after reseller disconnect.

The Authority's Current Proposal also requires an underlying carrier to provide resellers and the Authority no less than thirty (30) days written notice of service termination. However, the Authority's Current Proposal substantially reduces the notice period that a reseller must give to their end-user customers from thirty (30) days to ten (10). The Current Proposal effectively makes up the difference by requiring the underlying carrier to temporarily provide basic local exchange service (for up to fourteen (14) days) to end-user customers who fail to switch to a new provider before the reseller's service is terminated. Immediately after the termination of service, the Current Proposal requires an underlying carrier to notify such end-user customers of the temporary change in providers and any changes in rates, terms or conditions.

The Authority's Current Proposal is seemingly premised upon the idea that a reseller's first indication of an involuntary discontinuance of service comes with less than thirty (30) days notice. However, Sprint informs that its incumbent LEC currently

operates under a ninety (90) day involuntary disconnect cycle for competitive LECs. Competitive LECs are billed an amount due and have thirty (30) days in which to pay. If payment is not forthcoming, then Sprint sends late/disconnection notices to competitive LECs after both the day forty-five (45) and the day sixty (60) marks in the cycle before disconnection occurs on day ninety (90). The end result is that a reseller is given multiple notices prior to any disconnection and therefore is provided ample time to notify its end users of a pending disconnection.

Sprint believes the Authority should draft any rule on this matter premised upon the entirely reasonable assumption that a reseller can responsibly plan their exit from the market so that end-user customers are given at least thirty (30) days advanced notice. The calculations contained in the Current Proposal obviously figure thirty (30) days notice is sufficient to give customers enough time to react on their own. If an extraordinary situation should arise such that a reseller cannot comply, then the underlying carrier and the Authority should work together to safeguard end-users' interests as each case may require. Otherwise, the double migration process adds no more time for customers to react, which inevitably they must do, and only adds complexity that will surely lead to more customer confusion. If the Authority believes multiple notices should be given, then the Current Proposal should be amended so that, like the 2002 Proposal, resellers are required to do so.

The Authority should do everything possible to avoid the need for the underlying carrier to take on the administrative and financial responsibility of transitioning and temporarily serving for a short period of time the reseller's end-user customers. Above all the Authority should not make such double migrations a standard practice. The

Current Proposal makes standard a procedure that the Authority should only invoke in an emergency and on a case-by-case basis. In fact, the Current Proposal encourages the creation of such emergencies by allowing a reseller to avoid its customer obligations with only ten (10) days' notice. As the Current Proposal is written, a financially healthy reseller with plenty of time for planning could shift much of its market exiting burden by strategically withholding payment to the underlying carrier and failing to provide notice to its customers.

Sprint believes that it has been reasonable in its past dealings with resellers on these matters, that it is reseller responsibility, as opposed to irresponsibility, which should be assumed and incorporated into the Authority's rules, and that extraordinary remedies should be reserved for extraordinary situations. Sprint asks the Authority to abandon its Current Proposal in favor of the rule as previously proposed in 2002.

If the Authority nonetheless believes an underlying carrier must accept customers from resellers, then the obligation should be temporary and limited such that it does not extend beyond those customers identified by the Authority to be public health, safety or welfare end-users such as hospitals, police or governments. In no event should Sprint be required to accept customers, even on a temporary basis, who owe Sprint past due amounts.

In addition to the above unwarranted shifting of economic burdens, the Current Proposal contains a number of practical and operational concerns. Sprint is in agreement with the underlying carrier's providing the Authority a copy of the written notice to a reseller 30 days prior to disconnection [Section (3)(b)]. However, Sprint maintains that the requirement for a "48 hour notice and approval by the Authority chairman" [Section

(3) (a) (1)] could interfere with a reasonable and orderly disconnection schedule. The coordination required for a 48 hour notice and approval adds unnecessary complexity and may not be practical.

The Current Proposal at Section 3(b) indicates that the "reseller shall give written notification to its customers or make arrangements with the underlying carrier to place an intercept recording on the end-user's telephone line advising its customers that their service will be terminated on a day certain." Sprint is not aware that it has the capability to place an intercept recording on the customer's line; such intercept prior to termination is certainly outside of Sprint's current standard network practices.

Even though Section 4(a) states the reseller ". . . must provide the underlying carrier any and all relevant information . . .", it has been Sprint's experience that all the required information is seldom if ever provided in a default situation, even when the reseller has been directed to provide such information. Thus, much time is spent trying to get the necessary information from the reseller.

The Current Proposal states in Section 4(c) that "If the reseller fails to fulfill its [notice] obligations . . . the underlying carrier shall notify the reseller's customers seven (7) days prior to terminating the resellers local service . . ." The underlying carrier should not be forced to make such written notification if the reseller fails or chooses not to perform its responsibility, and in all events seven (7) days is an unreasonably short time period to expect this notification to occur. The result would likely be a delay in disconnection of service which increases the underlying carrier's risk of loss.

Expecting a reseller that is being disconnected for nonpayment to reimburse an underlying carrier for notifying the reseller's customers is so unlikely to occur as to be

unreasonable (Section 4c). As mentioned earlier, there is no incentive for a reseller to take responsibility for its customer obligations if that responsibility can be shifted to the underlying carrier.

Sprint is not aware of "the rate set forth in a tariffed Emergency Service Continuity Plan approved by the Authority" (Section 4(e)) but would be concerned that any rate that would be other than the underlying carrier's tariffed rate for similarly situated customers may be discriminatory.

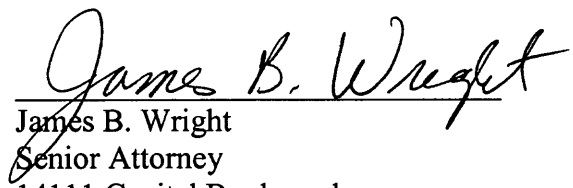
Another practical concern is the fact that not all notices of disconnection sent to resellers are necessarily going to involve companies on the brink of bankruptcy with disconnection actually anticipated. In fact, disconnection is the exception rather than the rule. Some notices may be the result of bona fide disputes, late mailing or posting of payments, misunderstandings and the myriad other billing issues that can arise. Under the Current Proposal, at Section 3(b), the reseller has only two options when it receives a notice of disconnection; it must within ten (10) days of receipt of the notice either tell its customers that they must chose another provider, or have the underlying carrier place an intercept recording. It is unlikely such a requirement would be followed in a great majority of the cases. What is even more of a concern is the requirement in Section 4(b) which says the underlying carrier must then notice the reseller's customers. If no disconnection occurs, the end user is unnecessarily alarmed, the reseller is irate with the underlying carrier, and nothing beneficial is gained.

In view of the numerous operational difficulties and uncertainties contained in the Current Proposal, Sprint urges the Authority to establish an industry workshop in order for interested parties and the Authority and Staff to gain a better understanding of the

expenses and viable approaches which can to used to best serve the public and not be discriminatory or unreasonably burdensome to any end user, customer or carrier.

Respectfully submitted this 29th day of January, 2004.

UNITED TELEPHONE – SOUTHEAST, INC., AND
SPRINT COMMUNICATIONS COMPANY L.P



James B. Wright
Senior Attorney
14111 Capital Boulevard
Wake Forest, North Carolina 27587
(919) 554-7587
Its Attorney