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January 23, 1997

VIA AIRBORNE

Ms. Blanca S. Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

In Re: Proposed Adoption of Rules 25-24.900, F.A.C., et seq. Relating to Prepaid Calling Services; Docket No. ~~97000001~~

Dear Ms. Bayó:

Enclosed for filing, is the original and fifteen (15) copies of Comments and Request for Rules Development Workshop on behalf of Sprint Communications Company Limited Partnership in the above proceeding.

We are enclosing an extra copy of this transmittal letter. We ask that you please acknowledge receipt thereon and return to the undersigned in the enclosed self addressed stamped envelope.

ACK _____ All parties of record have been served in accordance with the attached Certificate of
AFA _____ Service.

APP 1 _____ Thank you for your cooperation.
CAF _____

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SEP 1 cc: Everett Boyd

W _____
OT Ag. h. Don

Sincerely,

Carolyn Tatum Roddy

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Attorney, State Regulatory

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FILE COPY

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re)
) Docket No. 960254-T1
 Proposed Adoption of Rules 25-24.900, F.A.C., et seq.)
 Relating to Prepaid Calling Services)

**COMMENTS AND REQUEST FOR RULES DEVELOPMENT WORKSHOP
 OF SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**

COMES NOW Sprint Communications Company Limited Partnership (Sprint) and files these its Comments and Request for Rules Development Workshop in the above-captioned proceeding relating to prepaid calling services as follows:

1. Section 25-24.900(2) states that Prepaid Calling Services (PPCS) providers may petition for a waiver for any provision of these rules pursuant to Chapter 120. Sprint requests clarification to determine whether it, as a tariffed Florida interexchange carrier, can request a waiver. Further, Sprint requests clarification concerning whether promotional prepaid calling services are exempt from the requirements of the proposed rules. The Notice of Proposed Rule Development (NPRD) makes no mention of the distinction between purchased and complimentary prepaid cards. Sprint urges the Florida Public Service Commission (Commission) to exempt purely promotional and give-away prepaid cards.

2. **Sections 25-24.908(9) and (9) define "Initial Face Value" to mean "the prepaid minutes (units) of the card when sold to an end user." "Minute" or "Unit" means "one minute of intrastate conversation time." Sprint notes that there are features that a consumer may select based on the prepaid calling product, that allow for value-added services that are separate from the card value and not necessarily tied to the minutes or unit rate. These might include voice mail, database scan for information, Sprint InMail, and others. In essence, the card is a means to store value for services, including long distance rather just for long distance. Sprint also notes that the proposed rules focus on intrastate calling minutes. Sprint prepaid cards are generally based on intrastate calling minutes and Sprint would oppose a mandated intrastate calling rate level.**

3. **Section 25.14.919 requires a company providing prepaid calling services to first obtain a certificate of public convenience and necessity from the Commission. Sprint supports this requirement. Prepaid calling service providers should be held accountable for their handling of telecommunications business.**

4. **Section 25-24.919(1)(M) requires that a printed notice be posted by each company "in a public and conspicuous place in each office where application for service may be made stating that its tariff and standard contract and agreement forms are on file at that office and are open to examination by any person." The requirement also mandates that the company will also make available a list of the exchanges it serves." Sprint seeks clarification that this requirement is satisfied by posting at the offices from which Sprint does business. Sprint notes that an interpretation that compliance requires a posting of information at retail outlets where Sprint prepaid cards are sold would be very expensive and very difficult. Sprint currently provides point-of-purchase materials for all locations in which it does business but can not control their use. Since there is no contract, per se, with the consumer outside of the implied contract on the card, Sprint would have some difficulty providing one. As for the tariff, it would be very difficult to provide all distribution locations with a copy of it and all of its subsequent revisions. This seems especially onerous in light of the fact that Sprint on request already provides policy**

statements concerning the cards through its customer service organization.

5. **Section 25-24.920 establishes standards for prepaid calling services contracts.**

The following are subjects for which Sprint provides comments:

Section 25-24.920 (1) requires the name of the certificated company providing the prepaid calling services, its address and its headquarter's telephone number printed on the card. Sprint approves of this requirement, and notes that many competitors provide no such notice.

Section 25-24.920(2) requires each company to provide toll-free access to prepaid calling services. The provision notes that "After reaching a toll-free access number, an end user shall not be required to incur toll charges or any additional fees or surcharges to access prepaid calling services." This requirement is contrary to the Federal Communications Commission decision allowing payphone owner compensation for calls made from their equipment. Sprint notes that the current industry thinking decrements the card value by 35 cents for each call placed from a payphone. Sprint notes that mandating that all calls be toll-free would require modification of the consumer rates for all customers, including those that don't place calls from payphones.

Section 25-24.920(3) requires each company to provide and legibly print a toll-free customer service number on each card. The company is also required to record end user complaints or provide a live operator to answer incoming calls for 24 hours a day, seven days a week and to acknowledge all recorded complaints within 24 hours. Sprint supports this requirement. Sprint provides such a service but competitors often do not and the consumers are harmed.

Section 25-24.920(4) states that when the end user pays value for service, each company is required to legibly print the initial face value expressed in minutes on the card or its packaging. Cards sold through vending machines should have their initial face value legibly

printed on the vending machine. The company is then required to deliver the number of minutes (units) specified. Sprint opposes this requirement for a number of reasons. First, committing to a set value of minutes (units) is difficult should the consumer have selected some value-added features. Further, point-of-sale activated cards are often "charged" with a value at purchase and would be impossible to print on the product. Finally, different rates are charged for domestic and international toll calling and the number of minutes (units) depends on what type of calls are being made.

Section 25-24.928(6) states that rechargeable cards allow the end user to purchase additional minutes (units) and requires that the rate per minute should equal the tariffed rate, that each company must disclose to the end user the number of minutes (units) being purchased at recharge, and that the company should not charge an additional fee for recharging. Sprint is concerned about these restrictions. First, the number of minutes (units) depends on whether the minutes are domestic calling minutes or international calling minutes. Further, cards are often recharged at rates different than that at which the card was originally purchased. A sliding scale in which higher volume purchases are subject to lower rates is often used to encourage higher volume purchases so that the recharge value depends upon the volume of value recharged. Sprint would accept this proposal provided it was able to file tariffs at the scaled rate.

Section 25-24.928(7) states that companies can charge for conversation time rounded up to the next full minute. The proposal prohibits charging for ring time or uncompleted calls. Billing for a call ends when either the calling or called party hangs up. This provision, again, does not consider value-added services and should be reconsidered on that basis. It should also be noted that, unlike Sprint, many competitors begin decrementing the card as access is gained to the platform rather than once connection is made.

Section 25-24.928(8) requires specific expiration dates to be printed on the card. Cards without a printed expiration date and with time remaining are considered active for a minimum of two years from the date of first use or last recharge, whichever is later. The proposed rule

allows each company to declare a card inactive after the minimum time period has passed.

Sprint supports mandatory expiration dates. It is impossible, however, to print an expiration date on the card in the event of a point-of-sale activated product since its expiration date is determined by computing from the date of purchase or date of first use.

6. **Section 25-24.925** describes the proposed rules concerning refunds. Specifically, the Florida proposal requires cash refunds within 60 days upon card deactivation equal to the value remaining in the account, and cash refund or replacement equal to the value remaining in the account when an end user is unable to use the service as a result of technical difficulties with the card or other problems. Companies, under the rules, are not required to provide a refund when a card is lost or stolen or legitimately expired. The proposed rules require that a refund policy be published in its company tariffs and printed on the card or described by a customer service operator. Sprint strongly supports full disclosure in advertising, packaging, and point-of-purchase materials, but has some specific concerns about the proposed refund rules. First, it is financially impossible to provide small dollar refunds to consumers. Sprint customers generally receive refunds through additional value on the card or additional service access. Further, Sprint does not describe its refund policy in its tariff, but an internal policy is in place and available upon request to consumers. Sprint would encourage the Florida Commission to allow prepaid service providers to make refund policy standards available through customer service lines rather than as part of tariff language.

7. **Section 25-24.930(1)** requires each company to ensure that a minimum of 90 percent of all call attempts would be completed to the called party. Sprint objects to this requirement. Sprint has no control over interstate LEC service performance and believes that such claims would be difficult and misleading.

8. **Section 25-24.935** sets out the deposit requirements for provision of access and describes discontinuance of network access for past due charges. Sprint supports deposit requirements. The requirement that third party providers place a sizable deposit would protect

consumers. Sprint would encourage the Commission to establish a higher deposit requirement, such as the \$5 million bond proposed by the Louisiana Public Service Commission.

Sprint requests that the Commission establish a workshop to further develop its prepaid calling service proposal in light of the Comments herein.

Respectfully submitted,

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