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August 30, 2001

Ms. Blanca S. Bayó, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 010774-TP
Information Request regarding Proposed Rule on Customer Notification

Dear Ms. Bayó:

Sprint - Florida, Inc. provides the attached in response to your information request issued July 2, 2001.

Please call me if you require additional information

Sincerely,

for F. Ben Poag
Director - Regulatory Affairs

Enclosure

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INFORMATION REQUEST
Proposed Rule on Customer Notification

Company Name: Sprint

F. Ben Poag, Director - Regulatory Affairs, (850) 599-1027

1. What is the problem that this rule is intended to correct?

Response: The proposed rule is intended to give customers advance notice of rate or other changes in telecommunication services provided by telecommunications carriers. The ultimate goal is to inform customers of changes and give them the opportunity to change usage and/ or the services to which they subscribe.

2. Does this rule accomplish what it is intended to accomplish?

Response: No. The best way to inform customers of changes is to give them notice in a bill which reflects the impact of the changes or via electronic means in the case of companies that deal with their customers on an agreed upon and/or otherwise entirely electronic basis.

The proposed rule includes several provisions that Sprint does not agree with.

The requirement to send customer notices at least 30 days in advance of any change is not necessary. There should be different notice periods for different services and/or types of changes.

Notices should not be restricted to first class mail, 12-point type, and specifications about a notice on the envelope. There are many ways to notice customers, including bill message, electronic notice, and notification through the newspaper.

The proposed rules should not apply to ALECs for the following reasons:

- a) The Commission rules allow price list and tariff changes for ALECs to become effective the day after filing. The Commission gave ALECs this flexibility to make changes, and to maintain logical consistency in the rules, ALECs should not be required to give customers a written notice 30 days in advance of a price change. If the customer is a large business customer, notice may be made by direct contact by the marketing representative.
- b) To survive in a competitive environment, an ALEC must provide a high level of customer service. ALECs should be given the flexibility to

determine how, when, and in what manner to notify their customers. The competitive marketplace must be given an opportunity to function unfettered by burdensome and complicated rules which are barriers to competitive entry and which misdirect resources from serving customers to satisfying rules developed to address perceived customer problems without sufficient supporting actual customer data.

This position is consistent with the language in Sections 364.01(3) and (4) and the Legislature's intent in their 1995 legislation to promote competition and to provide flexible regulatory treatment among providers and allow for a "transitional period in which new entrants are subject to a lesser level of regulatory oversight than local exchange telecommunications companies".

3. Are there any other Commission rules that already address the problems this rule is intended to address?

Response: There are no other Commission rules that already address the problems this rule is intended to address.

4. Are there any other laws (i.e. federal rules, statutes, etc.) which already address the problems this rule is intended to address?

Response: The FCC has required IXCs to remove their interstate tariffs, effective August 1 (In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of 254(g) of the Communications Act of 1934, CC Docket No. 96-61, Second Report and Order, 11 FCC Rcd 20730 (1996), Order on Reconsideration, 12 FCC 15014 (1997), Second Order on Reconsideration and Erratum, 14 FCC Rcd 6004 (1999)). This results in a change to the way long distance carriers make their interstate rates, terms and conditions of service publicly available. Companies are required by the FCC to post the required information on their Web sites and make it available at one of their offices.

5. What are the costs involved if this rule is adopted?

Response: Annual estimated costs to Sprint of customer notification if this rule is adopted are \$2.3M. These costs include design, copy development, imprinting of letters and envelopes, assembly, and postage.

6. Are there other noticing mechanisms that would accomplish the same goal at less cost?

Response: Yes, there are several other noticing mechanisms that would accomplish the same goal at less cost, including e-mail notice, notice on the company Web site, bill insert, and bill message. Some companies deal with their customers on an entirely electronic basis and should be allowed

to notice customers in the same manner. For companies that provide customers with paper bills, the most effective method of informing customers would be in a bill message on the bill where the change is taking effect. The message should only serve as a general notice of a rate change; customers could call for more detailed information about their specific services and charges if additional explanation was required. Detailed rate change information where multiple rate changes are made would be confusing to most customers if current and proposed rates of individual services were included.

7. Are companies already providing notice to customers in regard to change in rates? If so, how?

Response: Sprint's Local Division generally starts bill messages 30 days in advance of the effective date of a rate change. Depending on customers' bill cycles, some customers may not receive notice until a few days before the effective date. Notices are typically in the form of a bill insert or bill message. Sprint's Long Distance Division notifies customers regarding a change in intrastate rates via tariff filing and posting to the company web site. In situations where a customer complains that she would have changed or discontinued service had notice come sooner, Sprint has a practice of working with the customer to place her in the situation she would have been had notice arrived before the last bill was rendered.

8. Should customers be notified of a rate decrease?

Response: No. The company may want to promote the rate decrease; however, they should not be required to notice. A requirement to notice which introduces an added expense to the company may be a deterrent to providing the rate reduction or may lessen the rate reduction the company would otherwise have offered.

9. How many complaints has your company received from customers when rates are changed without notice?

Response: Sprint does categorize complaints to identify potential problems and areas for improvement. However, "lack of notice" is not separately identified, as there have not been enough such complaints to justify a separate category.

10. What changes in "terms and conditions" should be subject to the noticing requirement?

Response: Sprint does not believe that changes in "terms and conditions" should be subject to the noticing requirement because current noticing methods and procedures are appropriate for these types of changes.

11. Does "customer" include wholesale customers?

Response: Yes, "customer" includes wholesale customers; however, notice of rate changes for wholesale customers are covered by intercarrier agreements.

12. What is meant by "cost of service" and why is that phrase used when the rest of the rule refers to a "price increase"?

Response: Sprint interprets the term "cost of service" as proposed to convey the price the customer pays for his service (i.e., the customer's cost).

13. Should companies be required to provide a copy of their notices to the Commission?

Response: Companies should not be required to provide a copy of their notices to the Commission. Notices can be provided as part of an information request if the Commission desires to see certain notices.