

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of Sprint-Florida, Incorporated)	Docket No. 041144-TP
Against KMC Telecom III LLC,)	
KMC Telecom V, Inc. and KMC Data LLC,)	
for failure to pay intrastate)	
Access charges pursuant to its interconnection)	
Agreement and Sprint's tariffs and for violation of)	
Section 364.16(3)(a), Florida Statutes.)	Filed: April 14, 2005

Sprint-Florida, Incorporated's Request for Confidential Classification Pursuant to Section 364.183(1), Florida Statutes

Sprint-Florida, Incorporated (hereinafter, "Sprint-Florida") hereby requests that the Florida Public Service Commission ("Commission") classify certain documents and/or records identified herein as confidential, exempt from public disclosure under Chapter 119, Florida Statutes and issue any appropriate protective order reflecting such a decision.

1. The information that is the subject of this request is confidential and proprietary as described in paragraph 3. Sprint previously filed a Claim and Notice of Intent to Request Confidential Classification related to this information on February 28, 2005 and is filing this request pursuant to Rule 25-22-2006, F.A.C. The following documents or

- CMP _____
- COM _____
- CTR _____
- EGR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

_____ excerpts from documents are the subject of this request:

Highlighted portions of Exhibit WLW-2

2. Two redacted copies of the information are attached to this request. One unredacted copy of the confidential information was filed under seal with the Division of Records and Reporting on February 28, 2005 (a portion of Document No. 02033-05)

Simultaneously with this filing, Sprint is re-filing an additional unredacted copy of the information with the confidential portions highlighted in yellow

3. The information for which the Request is submitted is KMC customer account information that Sprint is required by law and/or contract (Sprint's interconnection agreements with KMC) to keep confidential, pursuant to s. 364.24, F.S. or is Agilent proprietary trade secret information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods or services and would harm the company's business operations (See, s. 364.183(3) and (3)(a) and (d), F.S.) Specific justification for confidential treatment is set forth in Attachment A.

4. Section 364.183(3), F.S., provides:

- (3) The term "proprietary confidential business information" means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. The term includes, but is not limited to:
 - (a) Trade Secrets.
 - (b) Internal auditing controls and reports of internal auditors.
 - (c) Security measures, systems, or procedures.
 - (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company or its affiliates to contract for goods or services on favorable terms.
 - (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.

(f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

5. Section 364.24, Florida Statutes, prohibits a telecommunications company from intentionally disclosing customer account records, except as authorized by the customer or allowed by law.

6. The subject information has not been publicly released by Sprint.

Based on the foregoing, Sprint respectfully requests that the Commission grant the Request for Confidential Classification, exempt the information from disclosure under Chapter 119, Florida Statutes and issue any appropriate protective order, protecting the information from disclosure while it is maintained at the Commission.

RESPECTFULLY SUBMITTED this 14th day of April 2005.

Susan S. Masterton
Post Office Box 2214
Tallahassee, Florida 32316-2214
850/599-1560
850.878-0777 (fax)
susan.masterton@mail.sprint.com

ATTORNEY FOR SPRINT

ATTACHMENT A

Document and page and line numbers	Justification for Confidential Treatment
Exhibit WLW-2, page 4, lines 4-9 and Table 1, lines 3-8, columns A-I, and line 9, columns B-I	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, Page 5, highlighted information on lines 3 & 4 and Chart 1.	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 6, highlighted information on lines 6 & 7	This information is Agilent proprietary trade secret information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.
Exhibit WLW-2, page 6, Table 2, lines 1-8, columns A-D	This information is Agilent proprietary information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.), and KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 6, Table 3, lines 3 & 4, columns B, D, E, F, and I	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 7, Table 4, lines 2-7, columns A-D and Table 5, lines 3-12, columns A-C	This information is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.

Exhibit WLW-2, page 8, highlighted information on lines 8-11 and in footnote 1	This information is IXC customer account information that Sprint is required by law to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 9, Table 6, line 1, columns B-E, lines 3-8, columns A-F, and line 9, columns B-F	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 10, highlighted information on lines 2 and 10, and Figure 2, lines 2, 4, 6, 7, 9, 10, 11, and 12	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 11, line 1 and Figure 3, lines 2, 3, 4, 6, 7, 9, 10, 11, and 12	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, page 12, highlighted information on lines 4 and 5 and Table 7, lines 3-5, columns A-I	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.
Exhibit WLW-2, highlighted information on lines 8, 9, and 11, Table 8, lines 2-7, columns A-E, and Table 9.	This information is KMC and IXC customer account information that Sprint is required by law and/or contract to keep confidential. Section 364.24, F.S.

lines 3-8, columns A-F and line 9, columns B-F	
Exhibit WLW- 2, page 14, lines 2-25	This information is Agilent proprietary information relating to Agilent's processes and methodology that Sprint is required by contract to keep confidential and the disclosure of which would impair Sprint's ability to contract for goods and services and would harm Sprint's business operations (Section 364.183(3) and (3)(a) and (d), F.S.

REDACTED



Docket No. 041144-TP
Exhibit No. _____ (WLW-2)
Access Bypass study results (Page 1
of 14)

Study Results

for:

KMC Access Bypass Study

Revision: 46

Date: 2/28/2005 10:42 AM

Status: Final

Engagement ID: CMSCD56466

Name: Sam Miller (in conjunction with Al Samples, Patti Key, and Jeremy Ho)
Phone: 972-699-6403
E-mail: sam_miller@agilent.com

Agilent/Sprint LTD Confidential

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4/13/2005

Final

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



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EXECUTIVE SUMMARY

Sprint Local Telecommunications Division (Sprint LTD) requested Agilent Technologies, Inc. (Agilent) perform a single Access Bypass study using the Agilent acceSS7 Business Intelligence system (BI). Access Bypass can be defined as the manipulation of standard call routing or call information to take advantage of tariff based rate differences. Sprint LTD requested Agilent look specifically at traffic terminating in Florida from KMC Telecom, Inc. (ACNA: KMM) across reciprocal compensation trunk groups. Based on Sprint LTD's analysis of these study results, Sprint LTD will evaluate entering into a subsequent revenue sharing agreement with Agilent.

The goal of the analysis was to identify specific patterns that demonstrate the characteristics of access bypass. The following patterns were identified:

- 1) Inserted or altered Charge Party Number information that changes call jurisdiction
- 2) Access Calls terminating via the reciprocal compensation trunk group

In scenario 1, the same three charge party numbers were used to override an inter/intra state jurisdiction with a local jurisdiction. In many cases these calls were not stripped of the original Calling Party Number (CPN). This is likely due to the tariff Sprint LTD implemented which charges the highest rate for carriers delivering no CPN traffic above an average of their peers. Using correlated calls to gain better insight, it was determined that the charge party number was being altered or inserted.

Call correlation was also used to detect scenario 2. Calls were handed from Sprint LTD to an Interexchange Carrier (IXC) and then returned to the Sprint LTD network via the reciprocal compensation trunk groups.

There is strong evidence that calls are being purposefully manipulated to appear as valid reciprocal compensation traffic. This is a very basic, but effective way to change the jurisdiction of calls.

Agilent consultants looked for other types of arbitrage, however, the only substantial arbitrage are the two scenarios described above. This document details the data collected, the extent of the arbitrage, and assesses the impact based on blended access rates provided by Sprint LTD.

STUDY OVERVIEW

Agilent Technologies, Inc. (Agilent) analyzed the traffic terminating to Sprint LTD from KMC Telecom (KMC) during a one-week study period across the following local trunk groups in Florida:



The study period began September 15, 2003 at 12:05 AM and ended September 21, 2003 at 12:04.99 AM. Call detail records were collected from Sprint LTD's Business Intelligence (BI) system and then analyzed by Agilent consultants. The total non-transit terminating minutes of use (MOU) included in the study are displayed in the table below for each day of the study period.

	A	B	C	D	E	F	G	H	I
1	Sum of MOU	Date							
2	TGSN	09/15/03	09/16/03	09/17/03	09/18/03	09/19/03	09/20/03	09/21/03	Grand Total
3									
4									
5									
6									
7									
8									
9	Grand Total								

Table 1. MOU per Study Day for the Trunk Groups Under Test



Agilent Technologies

1 The graph below shows that although the trunk groups had varying amounts of MOU, each had similar
2 characteristics:

- 3 • Busy day of the week for traffic volume was [REDACTED]
- 4 • Lowest day of the week was [REDACTED]

CHART CONFIDENTIAL

Chart 1. Graph of MOU per Study Day for the Trunk Groups Under Test



TRAFFIC OVERVIEW

The goal of the study is to determine if the traffic crossing these trunk groups is valid local traffic. In order to validate the traffic, we studied the characteristics of the originating calling party information for each trunk group under test.

For local trunk groups, we expect the traffic to originate from a single state, however, two or three states could occur.

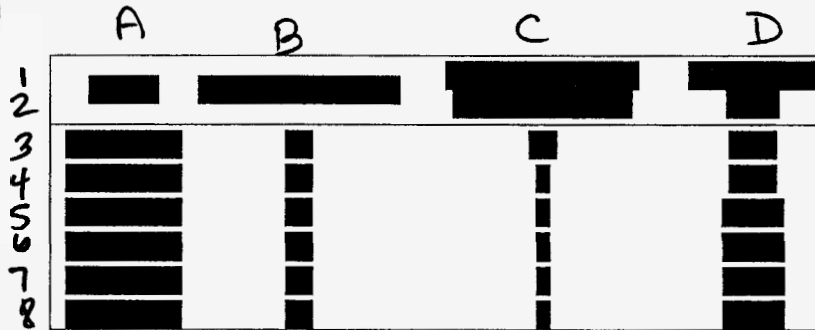


Table 2. Graph of MOU per Study Day for the Trunk Groups Under Test

Two sample calls from states outside of Florida are shown in the table below.

E

Time of Call	TGSN	Calling State	Calling Party Number	Charge Party Number	Called Party Number	Ported?	LNP?	Duration (MOU)
9/16/03 2:31 AM		VA				N	N	

Table 3. Call Detail for Traffic Originating Outside of Florida



Agilent Technologies

In addition to general characteristics, we studied the calling and charge party numbers associated with the calls.

up.
A

1	TGSN	Charge Party #	MOU	% of Total MOU
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

With respect to the calling party information, there is no glaring repetition and CPN is being delivered around 90% of the time. The oddity is that on the calls associated with the charge party numbers above, the calling party number is most often a different NPA-NXX. A few examples are shown in the table below.

	A	B	C
1	ChPN	CgPN	# Calls in
2	NPANXX	NPANXX	One Day
3	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]	[REDACTED]

Table 5. Example of Different NPANXXs for Chage and Calling Party Numbers



1 CORRELATED CALL OVERVIEW

2 In order to better understand the discrepancy between calling and charge numbers terminating across the KMC
3 local trunk groups, we used the call correlation feature (see Appendix A for description of feature) to examine
4 calls that originated from and terminated to Sprint LTD customers.

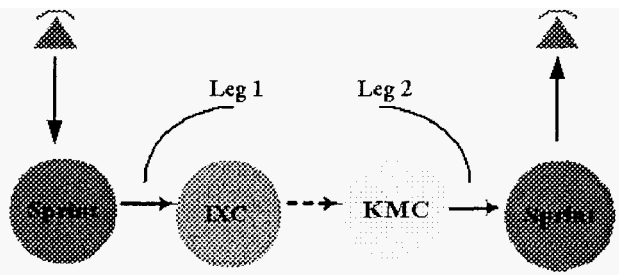


Figure 1. Correlation Diagram

597
2005
=0

Of the non-transit terminating traffic, only about 2.5% was correlated. However, those correlated calls do provide insight. Of that traffic, four Inter-exchange Carriers (IXCs) accounted for most of the MOU associated with calls handed off from Sprint LTD that returned to Sprint LTD via KMC Telecom. Those companies are:

[Redacted list of companies]

[Redacted footer text]

1						
2						All Other Carriers
3						
4						
5						
6						
7						
8						
9	Total					

Table 6. MOU for Correlated Calls

This correlated traffic is access traffic and should not be terminated via a local reciprocal compensation trunk group.

So far we've shown two scenarios that are impacting billing on the trunk groups under test: 1) charge party number scenario and 2) correlated access scenario.

In the next section , we will examine call detail records that demonstrate both scenarios to gain insight into where the call parameters might have been changed.



CORRELATED CALL DETAILS

2
3
4
5
6
7
8
9
10

In the diagram below, Sprint LTD hands ██████████ a call that has a calling party number and no charge party number. In SS7 signaling, if a calling party number is present but no charge party number, this indicates that both are the same. The call returns to Sprint LTD via KMC Telecom with a charge party number inserted but not equal to the calling party number. The inserted number has an NPA/NXX that is local to the terminating end of the call.

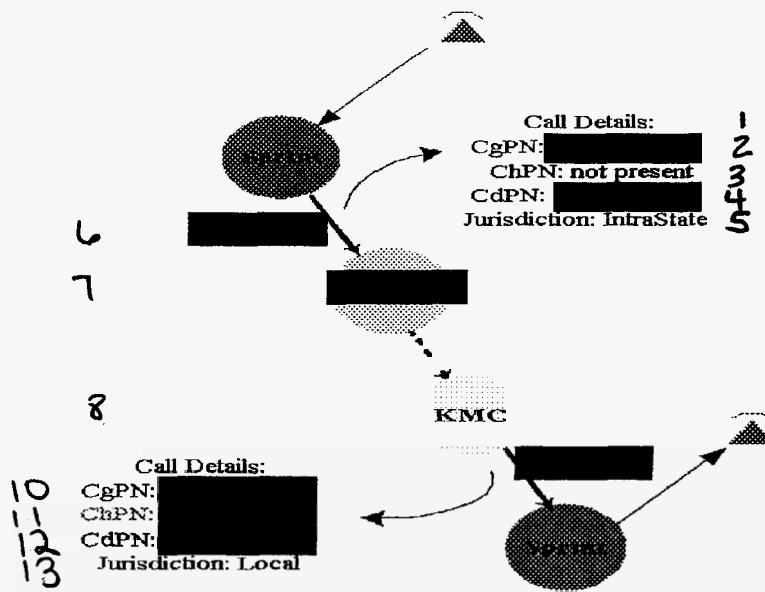


Figure 2. Correlation Diagram Depicting Inserted Charge Party Number

7
8
9
10

Clearly this traffic is access traffic. In addition, the jurisdiction is altered from intrastate to local due to the insertion of the charge party information. What we don't know is whether the call information was altered prior to arriving at KMC Telecom. It cannot be determined with certainty whether the call information was altered by KMC, by ██████████, or even by another intermediate carrier."

1
2
3

In a second call shown in the diagram below, Sprint LTD hands ██████████ a call that includes a calling party and a charge party number. The call returns to Sprint LTD via KMC Telecom with an altered charge party number.

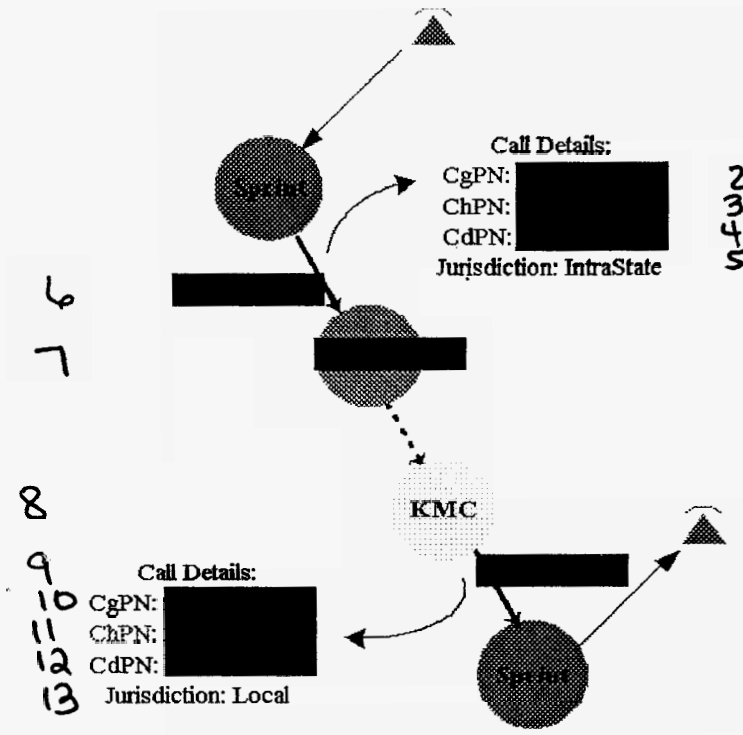


Figure 3. Correlation Diagram Depicting Altered Charge Party Number

4
5
6

The traffic in call two is also access traffic. The jurisdiction is altered from intrastate to local due to the altered charge party information. Although we still don't know when the call information was altered, this is a different carrier from the first call.



1
2

In the table below, we have call detail from multiple calls, leg one shows the call detail from Sprint LTD to an IXC and leg 2 shows the call detail for the same call returning from KMC to Sprint LTD.

A	B	C	D	E	F	G	H	I
Leg 1 TGSN	Leg 1 Carrier	Leg 1 Calling Party Number	Leg 1 Charge Party Number	Leg 1 Called Party Number	Leg 2 TGSN	Leg 2 Calling Party Number	Leg 2 Charge Party Number	Leg 2 Called Party Number

Table 7. Call Detail for Correlated Calls with Charge Party Altered

3
4
5
6

The table shows that although multiple IXCs are involved, the charge party number is changed in each case. In addition, the same charge party number is found in the calls that involved both [redacted] and [redacted]

Contracts often include language that allow a company to request additional compensation if they can show the intent to defraud.

1 FINANCIAL IMPACT

2 In order to assess the financial impact associated with the altered/inserted charge party numbers, the table

B

	TGSN	% InterState	% IntraState	% Unknown	% Local
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 8. Jurisdiction of Suspect MOU

4 If we use the following blended rates provided by Sprint LTD:

- Interstate - .0054
- Intrastate - .0543
- RC - .0007

	A	B	C	D	E	F
	TGSN	Total Non-Tran Term MOU	Disputed MOU	Recip Comp \$	Adjusted \$	% Revenue Increase
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 9. Impact of Adjusting Suspect Traffic

8 The total increase in revenue for Sprint LTD across all six trunkgroups is [REDACTED] for one week.

9 Over the last 12 months, KMC has averaged [REDACTED] MOU per month. At the above factors for interstate and intrastate, and assuming the same percentage of disputed MOU, this would equate to an increase of [REDACTED] per month of additional revenue.



1	APPENDIX A
204-109-100	[Redacted]
10	[Redacted]
11	[Redacted]
12	[Redacted]
13	[Redacted]
14	[Redacted]
15	[Redacted]
16	[Redacted]
17	[Redacted]
18	[Redacted]
19	[Redacted]
20	[Redacted]
21	[Redacted]
22	[Redacted]
23	[Redacted]
24	[Redacted]
25	[Redacted]