

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
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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 set forth 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 _____ excerpts from documents are the subject of this request:

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

- a. Highlighted portions of Mitchell S. Danforth's Direct Testimony, page 6, lines 12 & 13, 20-22, page 7, line 21 and page 8, line 3
- b. Exhibit MSD-1
- c. Highlighted portions of Kenneth J. Farnan's Direct Testimony, page 5, line 19
- d. Exhibits KJF-1, KJF-2 and KJF-3
- e. Highlighted portions of William L. Wiley's Direct Testimony, page 12, lines 15 & 16
- f. Exhibits WLW-3 and WLW-5 (CDs)

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g. Highlighted portions of James R. Burt's Direct Testimony, page 19, lines 21 & 22

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 (Document No. 02033-05).
3. The information for which the Request is submitted is KMC customer account information Sprint is required by law and contract (Sprint's interconnection agreements with KMC) to keep confidential, pursuant to s. 364.24, 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.

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ATTACHMENT A

Document and page and line numbers	Justification for Confidential Treatment
Highlighted portions of Mitchell S. Danforth's Direct Testimony, page 6, lines 12, 13, and 20-22, page 7, line 21 and page 8, line 3	This information is KMC customer account information (minutes of use and associated reciprocal compensation amounts) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibit MSD-1	This information is KMC customer account information (minutes of use and associated reciprocal compensation amounts) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Highlighted portions of Kenneth J. Farnan's Direct Testimony, page 5, line 19	This information is KMC customer account information (intercarrier compensation Sprint alleges KMC owes Sprint) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibits KJF-1, KJF-2 and KJF-3	This information is KMC customer account information (minutes and percentages of use and associated intercarrier compensation amounts) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Highlighted portions of William L. Wiley's Direct Testimony, page 12, lines 15 & 16	This information is KMC customer account information (numbers of local interconnection trunks in Sprint exchanges) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
Exhibits WLW-3 and WLW-5 (CDs)	This information (SS7 records relating to KMC's traffic terminating to Sprint over KMC's local interconnection trunks) is KMC customer account information that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.

Highlighted portions of James R. Burt's Direct Testimony, page 19, lines 21 & 22	This information is KMC customer account information (minutes of use) that Sprint is required by law and contract to keep confidential. Section 364.24, F.S.
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Docket No. 041144-TP
Filed: February 28, 2005
Direct Testimony of Mitchell S. Danforth

1 **Q. Please explain how application of the 3:1 ratio in this instance caused Sprint to**
2 **overcompensate KMC?**

3 A. By sending non-local access minutes over the local facilities KMC inflated the amount
4 of Local or 'voice' traffic and, as a result, Sprint overpaid reciprocal compensation by
5 three times for the minutes-of-use that KMC incorrectly routed in this fashion.
6 Because the contractual Local or 'voice' rates are substantially higher than the ISP-
7 bound traffic rates, Sprint overpaid by that rate differential multiplied by the number of
8 minutes that were sent incorrectly as if they were Local or voice traffic.

9
10 **Q. Can you please describe how Sprint overpaid KMC for the traffic**
11 **below the 3:1 ratio?**

12 A. Yes. Sprint has calculated that it overpaid KMC \$ [REDACTED]. This calculation is based
13 on [REDACTED] minutes-of-use that KMC delivered to Sprint from July 2002 – June
14 2003. Sprint, believing this traffic to be local, billed KMC for termination of these
15 minutes as local at the reciprocal compensation rate in the interconnection agreement
16 (\$.006467) and included these minutes in the 3:1 calculation.

17
18 As a result of the application of the 3:1 ratio in the ISP Remand Order, Sprint
19 overpaid KMC 3 times the volume of Local or voice minutes at the reciprocal
20 compensation rates ($[REDACTED] \text{ minutes} \times 3 = [REDACTED] \times \$0.006467 =$
21 $\$ [REDACTED]$), [REDACTED] is the number of minutes delivered by KMC and
22 terminated by Sprint and [REDACTED] is the number of minutes delivered by Sprint

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1 and terminated by KMC that were presumed to be local traffic. (Please see Exhibit
2 MSD-1 for further explanation)

3

4 **Q. How is the adjustment handled for the reciprocal compensation KMC was billed**
5 **for the access minutes that were sent over the local interconnection facilities?**

6 **A.** The adjustment for the local compensation billing amount is made by Mr. Kenneth
7 Farnan in his calculation of the access charges that are due to Sprint as a result of
8 KMC misrouting this traffic as local instead of terminating access.

9 **Q. What are the appropriate payment arrangements for KMC to follow if the**
10 **Commission determines that KMC owes Sprint compensation for traffic**
11 **delivered by KMC that is subject of this complaint, and for refunds for Sprint's**
12 **overpayment of reciprocal compensation?**

13 **A.** KMC should be required to pay Sprint within ten days all monies awarded to Sprint.
14 The payment should be wired transferred to Sprint at the following bank account:

15 Bank Name: Fifth Third Bank

16 Bank City/State: Cincinnati, Ohio

17 Transit Routing Number: 0420-0031-4

18 Bank Account Number: 99942515

19

20 **Q. Would you please summarize your testimony?**

21 Yes. Sprint has overpaid KMC \$ [REDACTED] in reciprocal compensation. This occurred
22 because KMC sent 38,214,362 minutes of non-local traffic to Sprint over local
23 interconnection trunks that resulted in the treatment of that traffic as local. Sprint

1 compensated KMC for reciprocal compensation based on the ISP Remand Order
2 interim compensation regime and paid three (3) times for each minute of incorrectly
3 routed traffic. Sprint is requesting a refund of \$ [REDACTED]

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5 **Q. Does this conclude your testimony?**

6 A. Yes, it does.

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Docket No. 041144-TP
Exhibit ___ (MSD-1)
Reciprocal Compensation Expense Overpayment Calculation

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1 process with the jurisdictions available to the billing systems, as explained
2 in Mr. Bill Wiley's testimony. Columns G – M use the results of the SS7
3 study information, also explained in Mr. Wiley's testimony, to reallocate
4 these minutes into the proper jurisdictions. In June 2003 a Bill and Keep
5 contract was implemented between KMC and Sprint whereby local minutes
6 originated by KMC terminated directly to Sprint were no longer billable.
7 However, local minutes transiting Sprint's tandems were still billable per
8 the contracts. This is reflected in Column K. Columns O – S reflect the
9 billable MOU net of minutes already billed to KMC by Sprint.
10 Exhibit KFJ-3 outlines the compensation due Sprint when Sprint's
11 interstate and intrastate tariff and local contract rates are applied to the
12 MOU by jurisdiction from Exhibit KFJ-2. The composite rates in this
13 exhibit are based on end office switching, tandem switching and common
14 line elements, as set forth in Sprint's access tariffs. These composite rates
15 were developed by taking the total revenues in each month divided by the
16 number of minutes for that month

17
18 Thus, the total due to Sprint for interexchange traffic terminated over local
19 interconnection facilities is \$ [REDACTED].

20

21 **Q. Does this conclude your testimony?**

22 **A.** Yes, it does.

Docket No. 041144-TP
Exhibit ____ (KJF-1)
KMC Complaint Summary

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Docket No. 041144-TP
Exhibit ____ (KJF-2)
Reallocated MOU

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Exhibit ____ (KJF-3)
Access Compensation Due

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Exhibit ___ (WLW-3)
Agilent CDR's

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(On CD Only)

Docket No. 041144-TP
Exhibit ___ (WLW-5)
KMC CDR Records

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(On CD Only)

1 **charges apply to certain phone-to-phone VoIP traffic,” please explain what you mean**
2 **by confirm.**

3 **A** The AT&T Declaratory Ruling confirmed how existing rules applied to phone-to-phone
4 VoIP. One needs not look further than the statement in paragraph 16 of the FCC
5 Declaratory Ruling to understand that the FCC was making it abundantly clear that the
6 existing rules apply to phone-to-phone VoIP;

7
8 “If the Commission [FCC] had wanted to establish an exemption from
9 section 69.5(b) for certain telecommunications services, it would have been
10 obligated to conduct a rulemaking in conformity with the Administrative
11 Procedure Act.”

12
13 The simple interpretation of this statement is that access charges have always applied to
14 interexchange traffic.

15
16 **Q. In addition to the SS7 information and associated call records, what other evidence**
17 **does Sprint have that suggests that the traffic was nothing more than Phone-to-Phone**
18 **VoIP as described in the AT&T Order?**

19 **A.** Sprint’s records demonstrate that there was a significant reduction of traffic delivered to
20 Sprint over KMC’s local interconnection trunks shortly after the AT&T Declaratory
21 Ruling, as reflected in Exhibit KJF-1. The Local MOU in April, 2004 was [REDACTED]
22 MOU. The corresponding traffic for May, 2004 was [REDACTED] MOU. This represents a
23 month-to-month drop of 44%. In addition, KMC’s responses to Sprint’s discovery confirm