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Sent: Friday, April 15, 2005 1:46 PM
To: Filings@psc.state.fl.us
Subject: 031047-TP Sprint's RCC's
Attachments: 031047 Sprint's RCC's.pdf

Filed on behalf of:

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Docket No. 031047-TP

Title of filing: 031047-TP Sprint's Requests for Confidential Classification

Filed on behalf of: Sprint

No. of pages: 19

Description: Sprint's Request for Confidential Classification on document # 06536-04 and 01534-05 in Docket 031047-TP

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April 15, 2005

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

Re: Docket No. 031047-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint-Florida, Incorporated is:

1. Sprint's Request for Confidential Classification for document # 06536-04
2. Sprint's Request for Confidential Classification for document # 01534-05

Copies are being served on the parties in this docket pursuant to the attached certificate of service.

If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Enclosure

DOCUMENT NUMBER-DATE

03700 APR 15 05

FPSC-COMMISSION OF PUBLIC UTILITIES

**CERTIFICATE OF SERVICE
DOCKET NO. 031047-TP**

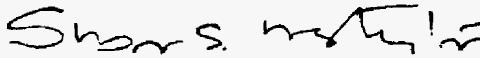
I HEREBY CERTIFY that a true and correct copy of the foregoing was served by Electronic and U.S. mail on this 15th day of April, 2005 to the following:

Carris (Lee) Fordham
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

KMC Data LLC/KMC Telecom III LLC/KMC Telecom V, Inc.
Marva B. Johnson/ Mike Duke
1755 North Brown Road
Lawrenceville, GA 30043-8119

Kelley Drye & Warren LLP
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1200 19th Street, N.W.,
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Floyd R. Self, Esq.
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Tallahassee, FL 32302-1876


Susan S. Masterton

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of Petition of KMC Telecom III)
LLC, KMC Telecom V, Inc., and KMC Data)
LLC For Arbitration of an Interconnection)
Agreement with Sprint- Florida, Incorporated)

Docket No. 031047-TP

Filed: April 15, 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 set forth in paragraph 3. Sprint previously filed a Claim and Notice of Intent to Request Confidential Classification related to this information on June 11, 2004 and is filing this request pursuant to Rule 25-22-2006, F.A.C. The following documents or excerpts from documents are the subject of this request:

- a. **Highlighted information on page 15 of James R. Burt's Direct Testimony**
- b. **Highlighted information on pages 4, 6 and 8 of Pete Sywenki's Direct Testimony**

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 June 11, 2004 (Document No. 06536-04).

3. The information for which the Request is submitted is customer information that 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 15th day of April 2005.



Susan S. Masterton
Post Office Box 2214
Tallahassee, Florida 32316-2214
850/599-1560

ATTORNEY FOR SPRINT

ATTACHMENT A

Document and page and line numbers	Justification for Confidential Treatment
Highlighted information on page 15, line 2 of James R. Burt's Direct Testimony	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.
Highlighted information on page 4, lines 8, 9, 10, and 11 of Pete Sywenki's Direct Testimony	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.
Highlighted information on page 6, lines 11 & 12 of Pete Sywenki's Direct Testimony	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.
Highlighted information on page 8, lines 11, 12, 13, 14, 16 and 18 of Pete Sywenki's Direct Testimony	This information is KMC customer account information (network facility information) that Sprint is required by law and contract to keep confidential Section 364.24, F.S.

1 A. For the time period from July 2002 through March 2004, Sprint has lost [REDACTED]
2 [REDACTED] in access revenue from KMC.
3 This amount of access avoidance – lost revenue – warrants a decision from the Florida
4 Public Service Commission. Until now, toll service providers purchased access
5 services to terminate and originate their traffic to and from Sprint's local service
6 customers. The systems and process were set up to ensure that accurate billing took
7 place. However, since carriers like KMC are now terminating toll traffic over local
8 interconnection trunks, it's difficult to quantify the amount of toll traffic that is not
9 being subjected to the appropriate access charges. When Sprint suspects this type of
10 access avoidance is occurring, it can monitor the local interconnection trunks and
11 attempt to identify the toll traffic, but Sprint cannot be certain all access avoidance is
12 being identified. Indecision will result in regulatory uncertainty for all parties
13 concerned. It is clear to Sprint that the technology is no longer nascent. Sprint
14 believes it is now time for the Commission to decide this issue.

15

16 **Q. Has the FCC determined if VoIP traffic should be subject to access charges?**

17 A. Yes. In October, 2002, AT&T filed a Petition For Declaratory Ruling suggesting the
18 FCC find that access charges should not apply to Phone-to-Phone VoIP services. The
19 FCC ruled, in WC Docket No. 02-361, at paragraph 25, that interstate access charges
20 are appropriate for this form of VoIP.

21

22 **Q. Did the FCC Order resolve the issue of whether access charges should apply to**
23 **phone-to-phone VoIP for the State of Florida?**

1 POI per LATA and refuses to share the costs of transport for Sprint-originated ISP-
2 bound traffic to this single POI.

3
4 **Q. What types of traffic is Sprint exchanging with KMC currently?**

5 A. According to Sprint's network staff, KMC has very few originating trunks that carry
6 KMC-originating traffic and terminate in Sprint's territory. Furthermore, those
7 existing KMC-originated trunks carry few minutes. According to a traffic study
8 completed by Sprint's network staff, Sprint and KMC exchanged approximately [REDACTED]
9 [REDACTED] minutes during the month of April. The traffic study revealed that KMC
10 originated less than [REDACTED] of those minutes which equates to only [REDACTED]% of the total
11 minutes "exchanged" while the remaining [REDACTED] minutes are all minutes that
12 originated on Sprint's network and terminated to KMC. Based on this information
13 that clearly demonstrates a drastic imbalance of traffic, it is Sprint's assumption that
14 the Sprint-originated minutes are likely to be all ISP-bound traffic.

15 As this Commission can attest, the POI issue and related transport obligations are two
16 of the most contentious and highly arbitrated issues in the telecommunications
17 industry today, largely due to the transport burden that results when traffic is relatively
18 one-way. Where traffic is roughly balanced, both carriers have an incentive to
19 interconnect in the most efficient manner, since each effectively bears half the cost of
20 such interconnection. However, where traffic is highly unbalanced, such as ISP-
21 bound traffic, the cost of interconnection is borne primarily, if not entirely, by the
22 originating carrier. In this case, KMC has no incentive to deploy more than one POI
23 per LATA because there is no equitable distribution of transport costs. Until KMC

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Therefore, any reliance upon 51.703(b) to define transport obligations for ISP-bound traffic is misguided as 51.703(b) is irrelevant to ISP-bound traffic.

Furthermore, based on Sprint's reading, it does not appear that the Commission's decision in Phase II of the Generic Reciprocal Compensation Docket, Docket No. 000075-TP, applied to ISP-bound traffic. Sprint is asking the Commission to recognize the burdensome transport costs associated with hauling one-way traffic, possibly across a LATA, to a single POI. CLECs like KMC who originate very little traffic, have no incentive to establish interconnection in an efficient manner in order to "exchange" traffic with ILECs. As mentioned earlier, KMC is only originating [REDACTED] per month and these are the only minutes for which KMC must pay Sprint terminating reciprocal compensation. As long as KMC is originating very little traffic for which it must pay Sprint reciprocal compensation, KMC has no incentive to establish more than one POI per LATA and will continue to prefer that Sprint shoulder the transport costs associated with hauling one-way traffic to its POI.

Q. How does the ISP Remand Order apply to this issue of transport cost obligations to deliver Sprint-originated traffic to KMC's POI in the LATA?

A. It is clear from the language in ¶102 of the ISP Remand Order that the FCC understood its Order does not address the issue of originating transport costs. Specifically, the FCC states,

1 transporting one-way ISP-bound traffic when KMC establishes only one physical POI
2 in each LATA that potentially covers multiple local calling areas.
3

4 **Q. It is clear that Sprint firmly believes that it is legally justifiable to charge KMC**
5 **for transport associated with ISP-bound traffic that Sprint is required to deliver**
6 **to a distant POI outside the local calling area. Nonetheless, has Sprint offered to**
7 **KMC a compromise proposal in an effort to resolve this issue?**

8 A. Yes. Sprint has recently offered KMC a proposal in an effort to resolve the issue
9 outside of arbitration. Specifically, for current traffic exchanged, the proposal did not
10 require that KMC establish or maintain any more POIs than KMC currently has with
11 Sprint. Currently, KMC has ■ POIs on Sprint's network and Sprint's proposal
12 required that KMC continue to maintain a POI at ■ of those locations. In addition,
13 Sprint's proposal suggested that KMC "de-POI" ■ of the locations and establish a
14 POI at ■ new end office locations to accommodate the extremely large traffic
15 volumes that Sprint and KMC exchange in those locations. Specifically, Sprint's
16 originating traffic volumes equate to over ■ from each of the two different
17 end offices that Sprint included in its POI proposal. In all, Sprint's proposal required
18 that KMC establish or maintain ■ POIs for the exchange of all traffic in Sprint's
19 territory in Florida. Sprint also proposed that KMC need not establish a direct
20 interconnection with Sprint in certain locations where Sprint subtends another ILEC's
21 tandem when traffic volumes are small. Sprint would allow KMC to exchange traffic
22 with Sprint indirectly through the ILEC tandem. Overall, Sprint believes its proposal
23 results in a balanced, reasonable sharing of the transport costs, particularly since
24 virtually all of the traffic exchanged is one-way, ISP-bound traffic. Clearly, Sprint has