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August 25, 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. 041464-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint-Florida, Incorporated is Sprint's RCC for document nos. 06103-05 and 07643-05.

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 / (CSU)*  
Susan S. Masterton

Enclosure

**CERTIFICATE OF SERVICE  
DOCKET NO. 041464-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic and U.S. mail on this 25<sup>th</sup> day of August, 2005 to the following:

Kira Scott  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

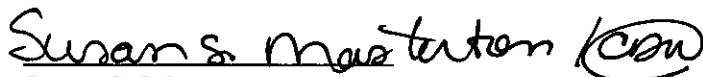
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Susan S. Masterton

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Sprint-Florida, Inc.	)	
For Arbitration of an Interconnection	)	Docket No. 041464-TP
Agreement with Florida Digital	)	
Network, Inc., Pursuant to Section	)	Filed: August 25, 2005
252 of the Telecommunications Act	)	
of 1996.	)	

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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") hereby request 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 Attachment A. Sprint previously filed a Claim of Confidentiality related to this information and is filing this request pursuant to Rule 25-22.006, F.A.C. The following documents or excerpts from documents are the subject of this request:

- 1. Highlighted information in Sprint's Response to Staff's Interrogatory Nos. 1, 36 and 38**
- 2. Highlighted information in Sprint's Response to Staff's POD No. 2**

3. Two redacted copies of the information are attached to this request. Sprint is not requesting confidential classification for certain information in the Attachment to POD No. 2 that Sprint originally claimed as confidential. The redacted copies reflect these changes. One unredacted copy of the information was filed under separate cover and designated Document No. 06103-05 on June 27, 2005 and entered into the record as Hearing Exhibit No. 2 (Document 07643-05).

4. The information for which the Request is submitted contains information that is proprietary confidential business information. Detailed justification for the request for confidential classification is set forth in Attachment A.

5. 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.

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

Based on the forgoing, 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 25th day of August, 2005.

*Susan S. Masterton / (circled initials)*

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ATTORNEY FOR SPRINT

ATTACHMENT A

Document and page and line numbers	Justification for Confidential Treatment
Highlighted information in Response to Staff Interrogatory No. 1	This information is information relating to Sprint's competitive interests, the disclosure of which would impair the competitive business of Sprint. Section 364.183(3)(e), F.S.
Highlighted information in Response to Staff Interrogatory No. 36	This information is FDN customer account information that Sprint is required by law (s. 364.24, F.S.) and/or contract (Sprint's interconnection agreements) to keep confidential
Highlighted information in Response to Staff Interrogatory No. 38	This information is FDN customer account information that Sprint is required by law (s. 364.24, F.S.) and/or contract (Sprint's interconnection agreements) to keep confidential
Highlighted information on line 4, columns D-K of page 2, of Attachment to POD No. 2 labeled Summary of Business Access Lines by Wire Center for Florida	This information is information relating to Sprint's competitive interests, the disclosure of which would impair the competitive business of Sprint. Section 364.183(3)(e), F.S.

## INTERROGATORIES

### **Issue 5 - How should "local traffic" be defined?**

1. In Witness Sywenki's direct testimony, he states that there is significant rate disparity between reciprocal compensation and access charges under the current intercarrier compensation regime. Please describe in detail how reciprocal compensation and access works and how defining "local traffic" as *all traffic exchanged within a LATA* affect your customer rates. If possible, please provide a numeric and/or percentage summation to illustrate the general effect on your rates.

### **Response:**

#### How reciprocal compensation and access charges work

Reciprocal compensation applies to traffic that originates and terminates within the same local calling area. The originating carrier pays reciprocal compensation to the terminating carrier for transport and termination of the traffic. Access charges apply to inter-exchange traffic that originates in one local calling area and terminates in another local calling area. The inter-exchange carrier pays the originating carrier for originating the call and pays the terminating carrier for terminating the call. Both the rate level and the rate structure differ between reciprocal compensation and access charges. If all traffic exchanged within the LATA were to be defined as "local traffic", then the reciprocal compensation rate and structure would replace the access rate and structure for calls that are currently subject to the access rate and structure.

#### How defining "local traffic" as all traffic exchanged within a LATA would affect your customer rates

In essence, the result of defining "local traffic" as all traffic exchanged with FDN within a LATA would be a rate reduction from the higher access rate to the lower reciprocal compensation rate and a corresponding access revenue reduction. Sprint's average rate for termination of intrastate intraLATA switched access is 5.6 cents per minute. The rate for reciprocal compensation is zero cents per minute under bill and keep.

In addition to the difference in rate level, the reciprocal compensation rate structure that applies to local traffic is completely different than the access charge rate structure which applies to long distance calls which causes a number of other significant problems. For example, today intraLATA long distance traffic is handled by the customer's presubscribed interexchange carrier. The interexchange carrier pays originating access to the originating LEC and terminating access to the terminating LEC. If intraLATA long distance traffic is deemed local as FDN suggests, it is not clear to Sprint what would happen to the presubscribed IXC, whether the IXC or LEC would be responsible for

delivering the call to the terminating LEC, whether the IXC or the LEC would be responsible for compensating the terminating LEC, whether the IXC would still be required to pay originating access to the originating ILEC, etc. Moreover, maintaining a different local calling scope solely for traffic exchange with FDN would require billing system and operational modifications because Sprint's intercarrier compensation systems and processes are standardized based on Sprint's Commission-approved local calling areas.

In addition, there is the potential for the access revenue reduction to expand well beyond that which would be experienced based on the traffic currently exchanged between Sprint and FDN for three reasons. First, FDN would have a lower cost of terminating intraLATA long distance traffic to Sprint than other carriers have, and since there is no restriction on FDN being a "carrier's carrier" FDN could readily attract other carriers to terminate their traffic to Sprint through FDN. Second, other carriers could MFN the FDN-Sprint agreement. Third, competition gives carriers the incentive to lower cost by any means and new technologies are making it more difficult to identify the physical origination points for calls and therefore the appropriate jurisdiction for compensation. Expanding the definition of local calling area to an entire LATA just increases this natural incentive and opportunity to misclassify traffic jurisdiction.

If possible, provide a numeric and/or percentage summation to illustrate the general effect on your rates

For all the above reasons and because Sprint is not privy to FDN's business plans, it is very difficult to determine precisely the impact that treating all traffic exchanged in a LATA as "local traffic" would have on Sprint's inter-carrier compensation revenue. However, in an attempt to put this issue into perspective, Sprint Florida generates approximately [REDACTED] per line per year in intrastate access revenue. Arguably not all of this is at immediate risk, but an expansion of the definition of "local" for intercarrier-compensation purposes within the context of this arbitration will quickly put significant additional pressure on this revenue stream as other carriers seek ways to avoid access charges in order to stay competitive with FDN's preferential treatment.

If this question pertains to the impact on Sprint's retail customer rates if the Commission adopts a definition of "local traffic" that includes all traffic exchanged with FDN within a LATA, the response is that there will be no impact because Sprint cannot within the context of this arbitration change its retail rates. If the question is asking Sprint to speculate what might occur to Sprint's retail customer rates after the arbitration if the Commission adopts a definition of "local traffic" that includes all traffic it exchanges with FDN within a LATA, the response is that Sprint is reluctant to speculate but it is likely that there would be no immediate impact on retail customer rates, because Sprint assumes it would continue to be bound by the existing definition of local traffic for all traffic it exchanges with other carriers besides FDN. If this question is asking Sprint to speculate as to what the impact would be if all carriers were subject to a compensation structure where all intraLATA traffic were deemed local, Sprint is reluctant to speculate,



but the likely result would be reduced per minute toll rates and increased line rates for basic local service as carriers would seek to recover lost toll and access revenue.

36. Which wholesale services are FDN currently using with Sprint?

**Response:**

As of April 2005, FDN is using the following wholesale services with Sprint:

[REDACTED]

38. During the past two (2) years, how many times has Sprint determined that a network modification falls within the definition of "Special Construction" and charged FDN for the network modification? Please explain in specificity why each modification falls within the definition of "Special Construction."

**Response:**

According to Sprint's records, [REDACTED]

[REDACTED] The [REDACTED] requested by FDN was not a Sprint standard card. This request meets the second criterion of special construction appearing on page 8 lines 10-12 of Sprint witness Davis's direct testimony because the [REDACTED] is a facility "other than that which Sprint would otherwise utilize in furnishing the requested service." None of these prices were accepted by FDN therefore they were not charged.

## DETERMINATION OF BUSINESS LINES AND FIBER BASED COLLOCATORS BY WIRE CENTER

### Changes in FCC Rules

On February 4, 2005 the FCC adopted its Order on Remand (FCC 04-313) which provides modifications to unbundling obligations for incumbent local exchange carriers (ILECs)<sup>1</sup> Included in these modifications were various impairment findings for local loop and dedicated transport services that ILECs lease to competitive carriers and unbundled network elements pursuant to §251(c)(3) of the Act. As a result of these findings, several thresholds were defined that are based on access line and/or collocator counts at each Sprint wire center. The non-impairment findings vary based on capacity of the loop and are as follows

### Local Loops

- **DS-1 Loops:** The FCC concluded that competitive local exchange carriers (CLECs) are impaired without access to DS-1 capacity loops except in any building within the service area of a wire center containing 60,000 or more business lines *and* four or more fiber based collocations (§51.319(a)(4)(i))
- **DS-3 Loops:** The FCC concluded that CLECs are impaired without access to DS-3 capacity loops except in any building within the service area of a wire center containing 38,000 or more business lines and four or more fiber based collocations (§51.319(a)(5)(i)).
- **Dark Fiber Loops:** The FCC concluded that CLECs are not impaired without access to dark fiber loops in any instance (§51.319(a)(5)(i)).

### Dedicated Transport

For the purposes of determining where incumbent LECs are required to provide DS-1, DS-3 and dark fiber transport on an unbundled basis, the Order establishes 3 tiers which are defined as follows:

**Tier 1 Wire Center** – an incumbent LEC wire center that contains at least four fiber based collocators, 38,000 business lines, or both. Tier 1 wire centers also include incumbent LEC tandem switching locations that have no line-side switching facilities but still serve as a traffic aggregation point accessible by competitive LECs. Once a wire center is determined to be a Tier 1 wire center, that wire center is not subject to later reclassification as a Tier 2 or Tier 3 wire center (§51.319(e)(3)(i)).

**Tier 2 Wire Center** – an incumbent LEC wire center that do not qualify as a tier one wire center but contain at least 3 fiber based collocators, 24,000 business lines, or both. Once a wire center is determined to be a Tier 2 wire center, that wire center is not subject to later reclassification as a Tier 3 wire center (§51.319(e)(3)(ii)).

**Tier 3 Wire Centers** – an incumbent LEC wire center that does not meet the criteria for Tier 1 or Tier 2 wire centers (§51.319(e)(3)(iii)).

- **DS-1 Transport:** The FCC concluded that incumbent LEC's shall unbundle DS-1 transport between any pair of incumbent LEC wire centers except where both wire centers defining the route are Tier 1 wire centers (§51.319(e)(2)(ii)(A)).

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<sup>1</sup> FCC 04-290, *In the Matter of Unbundled Access to Network Elements and Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket 04-313 and CC Docket 01-338, Adopted December 15, 2004 and released February 4, 2005. Referred to as the Triennial Review Remand Order or TRRO.

- DS-3 Transport/Dark Fiber Transport: The FCC concluded that incumbent LECs shall unbundled DS-3 transport between any pair of wire centers except where both wire centers defining the route either Tier 1 or Tier 2 wire centers. (§51.319(e)(2)(iii)(A)).

### **Business Line Definition**

The Order also defines a switched business line as “an incumbent LEC-owned switch access line used to serve a business customer, whether by the LEC itself or by a competitive LEC that leases the line from the incumbent LEC. The number of business lines in a wire center shall equal the sum of all incumbent LEC business switched access lines plus the sum of all UNE loops connected to that wire center including UNE loops provisioned in combination with other network elements. Business line tallies (1) shall include only those access lines connecting end user customers with incumbent LEC end offices for switched services, (2) shall not include non-switched special access lines and (3) shall account for ISDN and other digital access lines by counting each 64 kbps equivalent as one line. For example, a DS-1 line corresponds to 24 64 kbps equivalents, and therefore to 24 business lines.” (47 C. F. R. §51.5).

### **Methodology**

#### **Business Line Calculation**

In an effort to determine which wire centers qualify for the various loop and transport thresholds established by the FCC, Sprint has developed a reporting methodology that accurately reflects the number of business lines and collocation sites physically located within any given wire center. This methodology consists of the following steps:

#### **Determination of Business Line Counts**

1. Determine which billing codes apply only to switched business lines (i.e B1, Centrex, PBX Trunks).
2. Extract switched access line quantities for business line customers from March 2005 billing data. The Customer Loop Assignment System is then used to add the name of the serving wire center associated with each line.
3. Line counts for each wire center are added together to determine total retail business lines. This information was summarized in an Excel spreadsheet for all LTD wire centers.
4. UNE line counts for each wire center are provided by the March 2005 UNE Detail Report. The UNE Detail Report extracts UNE-L line counts by wire center from the Sprint billing system. These line counts are summarized by wire center based on voice grade equivalents (VGEs). 2 and 4 wire UNEs are assigned a value of 1 VGE. DS-1 UNE Loops and DS-1 UNE Loops provided as part of EELs are assigned a value of 24 VGEs. Total VGEs are summed for each wire center and added to the total switched lines calculated in steps 1 through 4 above.
5. Wire center list is sorted by business line totals in descending order to determine which wire centers qualify under each of the FCC thresholds.

#### **Calculation of Fiber- Based Collocator Quantities**

#### **Fiber-Based Collocator Definition**

The FCC defines a fiber-based collocator as “any carrier, unaffiliated with the incumbent LEC, that maintains a collocation arrangement in an incumbent LEC wire center, with active electrical power supply, and operates a fiber-optic cable or comparable transmission facility that (1) terminates at a collocation arrangement within the wire center; (2) leaves the incumbent LEC wire center premises; and (3) is owned by a party other than the incumbent LEC or any affiliate of the incumbent LEC, except as set forth in this paragraph. Dark fiber obtained from an incumbent LEC on an indefeasible right of use basis shall be treated as non-incumbent LEC fiber-optic cable. Two or more affiliated fiber-based collocators in a single wire center shall collectively be counted as a single fiber-based collocator. For purposes of this paragraph, the term affiliate is defined by 47 U.S.C. § 153(1) and any relevant interpretation in this Title. (47 C.F.R. §51.5)

The FCC further defined that a fiber-based “collocation arrangement may be obtained by the competing carrier either pursuant to contract, tariff or, where appropriate, section 251(c)(6) of the Act, including less traditional collocation arrangements, such as Verizon’s CATT fiber termination arrangements.”<sup>2</sup>

### Methodology

1. Identify all LTD exchanges with 3 or more collocators from CASS billing report for those collocators being billed for fiber entrance facilities.
2. Identify collocators who are interconnected with fiber entrance facilities. Fiber entrance facilities are defined as non-Sprint owned.
3. Perform validation of fiber entrance facility records through three separate Sprint data sources:
  - SEGIS (Sprint Enterprise Geographic Information System) - Where fiber entrance facilities are defined in the collocators application for collocation.
  - Price Flex – Where SBS Product performed a recent study in an effort to market fiber entrance facilities.
  - Las Vegas collocator records – Where the collocation manager provided a comprehensive collocation list for comparison to SEGIS.
4. Perform site validation where collocation count is near 3 or 4 with fiber facilities to confirm that they are in fact fiber entrance facilities.
5. Identify tandems that are stand alone located in a separate building. Those that are in separate buildings qualify for non-impairment.
6. Confirm if Sprint has IDRU (Indefeasible Right to Use) agreements that also qualify for non-impairment.

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<sup>2</sup> TRRO, ¶102.

**SUMMARY OF BUSINESS ACCESS LINES BY WIRE CENTER FOR FLORIDA**

State	Wirecenter	CLLI	Switched Business Access Lines	UNE-L	Loop	UNE DS-1s			VGE Factor	UNE DS1 VGE ((e)*(f))	Total Business Lines ((a)+(b)+(g))	Confirmed Fiber Based Collocators
						(a)	(b)	(c)				
<b>Over 60,000 Business Lines (Meets DS-1 Loop Non-Impairment Criteria)</b>												
None												
<b>38,000 - 60,000 Business Lines (Meets DS-3 Loop Non-Impairment Criteria)</b>												
None												
<b>Tier One Wire Centers (4 or More Fiber Based Collocators, at least 38,000 Business Lines, or both Meets DS-1, DS3 and Dark Fiber Transport Non-Impairment Criteria)</b>												
FL	Altamonte Springs	ALSPFLXA									< 38,000	5
FL	Fort Myers	FTMYFLXA									< 38,000	5
FL	Maitland	MTLDFLXA									< 38,000	6
FL	Winter Park	WNPKFLXA									< 38,000	7
FL	Tallahassee	TLHSFLXA									< 38,000	5
<b>Tier Two Wire Centers (3 or more Fiber Based Collocators, at least 24,000 Business Lines, or both)</b>												

	A	B	C	D	E	F	G	H	I	J	K	L	
1	<b>Meets DS-3 and Dark Fiber Transport Non-Impairment Criteria</b>												
2	FL	Goldenrod	GLRDFLXA									< 24,000	3
3	FL	Lake Brantley	LKBRFLXA									< 24,000	3
4	FL	Tallahassee	TLHSFLXD										< 3

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