THE PUBLIC UTILITIES COMMISSIQNOF 8HIO

In the Matter of the Commission Investigation Into the Treatment of Reciprocal Compensation for Internet Service Provider Traffic Case No. 99-941-TP-ARB

## INITIAL BRIEF OF SPRINT COMMUNICATIONS COMPANY L.P. AND UNITED TELEPHONE COMPANY OF OHIO d/b/a SPRINT ON ISSUES AND IMPACT OF D. C. CIRCUIT OPINION

## INTRODUCTION

Pursuant to the Entry dated April 6, 2000 herein, Sprint Communications Company L.P. and United Telephone Company of Ohio d/b/a Sprint (hereafter collectively "Sprint") respectfully submit their Initial Brief regarding the issues to be considered by the Commission in this matter as well as the impact of the decision in Bell Atlantic Telephone Companies, et al. v. Federal Communications Commission. Case No. 99-1094, 2000 U.S. App. LEXIS 4685 (D.C. Cir. March 24, 2000) ("D. C. Circuit Opinion").

THE D. C. CIRCUIT OPINION IS NOT DISPOSITIVE OF ANY ISSUES SET Π. FORTH IN THE COMMISSION'S MARCH 15, 2000 ENTRY.

The D. C. Circuit Opinion held that the FCC had failed to supply a sufficiently reasoned decision when the FCC determined that ISP traffic is primarily interstate in nature and that such traffic was therefore non-local for purposes of reciprocal compensation under the Telecommunications Act of 1996 ("Act"). Notably, the D. C. Circuit Opinion did not decide that calls to ISPs either are or are not eligible for reciprocal compensation under the Act; rather, the Court only held that the FCC had failed to justify its ruling. Accordingly, upon remand, the

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FCC may well decide that calls to ISPs are not subject to reciprocal compensation; conversely, the FCC may decide otherwise.

Nonetheless, a fair reading of the D.C. Circuit Opinion suggests that the Court is, at a minimum, skeptical about the likelihood of the FCC's ability to provide a reasoned decision that classifies calls to ISPs as anything other than "local calls" subject to reciprocal compensation. Accordingly, Sprint submits that there is nothing in the D. C. Circuit Opinion that should dissuade this Commission from proceeding with the instant case and, ultimately, determining that calls to ISPs are eligible for reciprocal compensation.

The D. C. Circuit Opinion noted that the FCC had concluded that, even when an interconnection agreement did not require reciprocal compensation for ISP calls, a state commission could find that such reciprocal compensation is appropriate.<sup>1</sup> The Court neither approved nor criticized that aspect of the FCC's rulemaking; accordingly, the D. C. Circuit Opinion constitutes no basis for this Commission to reverse its previous conclusion that it has the jurisdiction to investigate the issue of reciprocal compensation for calls to ISPs and fix rates for such calls.<sup>2</sup>

III. THE ISSUES THAT THE COMMISSION SHOULD CONSIDER HEREIN ARE THOSE SET FORTH IN THE ENTRY OF MARCH 15, 2000.

In the Attorney Examiner's March 15, 2000 Entry ("Entry"), the Attorney Examiner set forth a relatively comprehensive list of issues that the parties are expected to address herein. The issues range from the jurisdiction of the Commission to establish compensation for calls to ISPs to the policy implications and competitive incentives that result from various proposed

D. C. Circuit Opinion at 4 citing 14 FCC Rcd at 3703-05.

<sup>&</sup>lt;sup>2</sup> P.U.C.O. Case No. 99-941-TP-ARB, Entry (January 13, 2000) at 3.

compensation arrangements for dial-up ISP traffic.<sup>3</sup> Sprint believes that a thorough analysis of the issues set forth in the Entry will provide the Commission with a sound basis for determining appropriate compensation arrangements for ISP traffic. Sprint believes that the Commission has the jurisdiction to do so, and further, that, after the Commission has considered the evidence, it will conclude (and should conclude) that ISP traffic should be subject to reciprocal compensation.

Respectfully submitted,

Lee T. Lauridsen

Senior Attorney

Sprint

8140 Ward Parkway

Kansas City, MO 64114-2006

Phone: (913) 624-6841

Fax: (913) 624-5681

Lee.T. Lauridsen@mail.sprint.com

Joseph R. Stewart (Ohio Reg. No. 0028763)

Trial Attorney

Sprint

50 West Broad Street, Ste. 3600

Columbus, OH 43215

Phone: (614).220-8625

Fax: (614) 224-3902

Joseph.R.Stewart@mail.sprint.com

<sup>&</sup>lt;sup>3</sup> Entry pp. 1-3.

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Initial Brief Of Sprint Communications Company L.P. And United Telephone Company Of Ohio d/b/a Sprint On Issues And Impact Of D. C. Circuit Opinion was served by Internet e-mail and/or U. S. mail upon counsel listed below, this 14th day of April, 2000.

Joseph R. Stewart

ROGER P SUGARMAN via regular mail

only
LEIGH A. REARDON
KEGLER BROWN HILL & RITTER
65 E STATE ST STE 1800

COLUMBUS OH 43215

DUBLIN, OHIO 43017

BENITA KAHN VORYS SATER SEYMOUR & PEASE 52 E GAY ST COLUMBUS OH 43216-1008

WILLIAM H. KEATING via regular mail only 5994 WHITECRAIGS COURT

STEPHEN M. HOWARD VORYS SATER SEYMOUR & PEASE 52 E GAY ST COLUMBUS OH 43216-1008

SALLY W. BLOOMFIELD BRICKER & ECKLER, LLP 100 SOUTH THIRD STREET COLUMBUS, OHIO 43215-4291

MICHAEL T. MULCAHY AMERITECH OHIO 45 ERIEVIEW PLAZA SUITE 1400 CLEVELAND, OH 44114

BILL HUNT via email LEVEL 3 COMMUNICATIONS

MARSHA ROCKEY SCHERMER
VICE-PRESIDENT REGULATORY
MIDWEST REGION
TIME WARNER TELECOM OF OHIO, LP
250 W. OLD WILSON BRIDGE ROAD,
SUITE 130
WORTHINGTON, OHIO 43085
THOMAS J. O'BRIEN via regular mail only
ASSISTANT GENERAL COUNSEL
CORECOMM NEWCO, INC.
450 WEST WILSON BRIDGE ROAD
SUITE 100
WORTHINGTON, OHIO 43085

MARK STEMM CRAIG R. CARLSON PORTER, WRIGHT, MORRIS & ARTHUR 41 S. HIGH STREET COLUMBUS, OH 43215

DAVID C BERGMANN OHIO CONSUMERS' COUNSEL 77 S HIGH ST 15TH FL COLUMBUS OH 43266-0550

PRINCE I. JENKINS INTERMEDIA COMMUNCIATIONS, INC. 3625 QUEEN PALM DRIVE TAMPA, FLORIDA 33619

DOUGLAS E. HART
JACK B. HARRISON
FROST & JACOBS LLP
2500 PNC CENTER
201 EAST FIFTH STREET
CINCINNATI, OH 45202

GWEN ROWLING via email ICG COMM

BOYD B FERRIS FERRIS & FERRIS 2733 W DUBLIN-GRANVILLE RD COLUMBUS OH 43235-2798

DAVID CHORZEMPA AT&T CORP 227 W MONROE ST #1300 CHICAGO IL 60606

RICH RINDLER ROBIN L. REDFIELD 3000 K STREET, NW SUITE 300 WASHINGTON, DC 20007-5116

JUDITH B SANDERS BELL ROYER & SANDERS CO LPA 33 S GRANT AV COLUMBUS OH 43215

DAVID TURANO 941 CHATHAM LANE SUITE 201 COLUMBUS, OHIO 43221

THOMAS E. LODGE SCOTT A. CAMPBEL THOMPSON, HINE & FLORY LLP 10 WESET BROAD STREET COLUMBUS, OH 43215-3435