

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the)
Commission Investigation)
Relative to Establishment)
of Intrastate Access Charges.)
)

No. 83-464-TP-COI

COMMENTS OF GTE SPRINT
COMMUNICATIONS CORPORATION

On April 6, 1983, the Public Utilities Commission of Ohio (the "Ohio Commission") opened this investigation to determine appropriate intrastate charges to be collected by all Ohio local exchange telephone utilities for the provision of access to their respective exchange networks. Hearings commenced on September 28, 1983 and continued through October 21, 1983. A principal issue in the investigation is whether and to what extent intrastate access charges should mirror the interstate access charge structure set forth in the Federal Communications Commission's Third Report and Order in CC Docket 78-72, FCC 82-579, released February 28, 1983, as modified, FCC 83-356, released August 22, 1983.

Last week, the FCC suspended, until April 3, 1984, the access charge and interexchange carrier tariffs filed in response to the February and August orders entered in Docket 78-72, which were scheduled to take effect on January 1,

1984. (Memorandum Opinion and Order, CC Docket 83-1145, FCC 83-470, released October 19, 1983). In response to the FCC's action, Ohio Bell Telephone Company recommended suspension of this access charge investigation, maintenance of its present MTS/WATS rates, continuation of settlements between Ohio Bell, Cincinnati Bell and the independent telephone companies, and creation of some sort of settlement arrangement for the traffic to be carried by AT&T Communications of Ohio, Inc. (Tr., October 21, 1983 at 3-4). GTE Sprint Communications Corporation ("SPRINT") files these comments in response to those recommendations.

The FCC suspended the effective date of the tariffs filed in response to its orders in Docket 78-72 because its initial review raised "substantial questions of lawfulness." (Memorandum Opinion and Order, CC Docket 83-1145, FCC 83-470 at ¶3, ¶6). The FCC noted that the tariffs included provisions which were not required by its orders or by the Modified Final Judgment ("MFJ") entered on August 24, 1982 in United States v. American Telephone and Telegraph Co., 552 F.Supp. 131 (D. D.C. 1982), aff'd sub nom Maryland v. U.S., 103 S.Ct. 1240 (1983). The FCC also noted that the tariffs would "establish an entirely new structure of relationships among customers, carriers, and equipment suppliers." (Id. at ¶5). During the suspension period, the FCC anticipated that independent interexchange carriers

would pay interstate access charges under the current ENFIA tariffs while AT&T would continue to pay for the origination and termination of its interstate traffic under division of revenues procedures. (Id. at ¶10).

A. Issues Which Must Be Decided.

The FCC's order in CC Docket 83-1145 does not eliminate the immediate need for the Ohio Commission to decide many of the issues which have been addressed in this docket, including some of the issues related to the appropriate level and structure of access charges and the disparity between the access arrangements afforded to the independent interexchange carriers and those which will be made available to AT&T Communications of Ohio.* During the course of this proceeding, SPRINT urged the Commission to maintain the current ENFIA differential as long as in-

*Ohio Bell's tariff identified access arrangements by Feature Group (FG A, B, C or D). The technical inferiority of the FG A and FG B arrangements were listed in SPRINT Exhibit 3. SPRINT Exhibit 1, the prefiled testimony of Dr. Nina W. Cornell, and SPRINT Exhibit 2, the prefiled testimony of Ronald D. Havens, further detailed the technical and economic handicaps imposed on the independent interexchange carriers by these inferior access arrangements. Prior to the provision of FG D access, which is not yet available anywhere in Ohio, AT&T Communications of Ohio will receive superior access arrangements under FG C which cannot be ordered by other carriers. (Tr. October 12, 1983 at 130, 152).

dependent interexchange carriers are confined to the inferior FG A or FG B access arrangements. Such a differential, while not entirely offsetting the substantial competitive advantage gained by AT&T Communications of Ohio from its superior quality of access, would allow its competitors to enter and effectively compete in the Ohio intrastate telecommunications market. The development of such competition would allow Ohio consumers to benefit from greater technological innovation, options in price and quality of service, and ultimately lower costs. (Tr. October 17, 1983 at 6, 14; Staff Exhibit 1 at 13; SPRINT Exhibit 1 at 13).

The Ohio Commission must establish appropriate carrier access charges to become effective on January 1, 1984. On January 1, 1984, Ohio Bell Telephone Company must, under the terms of the MFJ, transfer a portion of its interexchange plant to AT&T Communications of Ohio. Ohio Bell will be precluded from providing interLATA toll service. AT&T Communications of Ohio will begin providing intrastate interLATA services on January 1, 1984, using the local facilities of the exchange companies to originate and terminate calls. SPRINT and other carriers, which would also use the exchange companies' facilities to originate and

terminate calls, have filed for intrastate operating authority. The local exchange companies presently have no rate structure applicable to the provision of access service for intrastate traffic to such carriers or to AT&T Communications of Ohio. Thus, there is a need for the Ohio Commission to immediately establish interim access charges and to have those charges adequately account for the superior access provided to AT&T Communications of Ohio.

Ohio Bell Telephone's proposal recommended only the creation of "some sort of settlement arrangement with AT&T [of Ohio] with regard to the portion of our inter-exchange plant that is being divested" (Tr. October 21, 1983 at 4) and did not suggest a means for charging interexchange carriers other than AT&T Communications of Ohio for access. An intrastate carrier access charge structure which mirrored the federal ENFIA tariffs for access provided to independent interexchange carriers and which established charges for AT&T Communications of Ohio identical to those set forth for FG C in Ohio Bell's proposed interstate tariff would be far more equitable and practicable than the proposal made by Ohio Bell Telephone.

Because the independent interexchange carriers cannot, with their current access arrangements, determine whether a particular call is interstate or intrastate, each of the exchange carriers in this proceeding has recommended

that intrastate access charges for such carriers mirror the interstate charges. (Ohio Bell Telephone Exhibit 5 at 4; General Telephone Company of Ohio Exhibit 1 at 2-3; Central Telephone Company of Ohio Exhibit 1 at 5; United Telephone Company of Ohio Exhibit 1 at 2; Cincinnati Telephone Company Exhibit 1 at 1-2; Elyria, et al. Exhibit 1 at 2. See also, Staff Exhibit 1 at 2-3.) Until April 3, 1983, independent interexchange carriers will be charged under the ENFIA tariffs for the origination and termination of their interstate calls. (Memorandum Opinion and Order, CC Docket 83-1145, FCC 83-470 at ¶10). All of the reasons stated by the exchange carriers earlier in this proceeding for mirroring equally support the interim mirroring of the ENFIA tariffs.

Until it reaches a decision in CC Docket 83-1145, the FCC has decided to allow a continuation of the current division of revenues procedure between AT&T and Ohio Bell. (Id. at ¶10). No such settlement procedure exists between Ohio Bell and AT&T Communications of Ohio.* The creation and supervision of such a procedure would not only impose a substantial administrative burden on this Commission, it

*The problem of certainty in the jurisdictional allocation of calls is not as great for the traffic carried by AT&T Communications of Ohio. The local exchange companies will be able to determine the jurisdictional nature of a particular call through the billing and collection services which they will provide to AT&T Communications of Ohio, and AT&T Communications of Ohio will itself be able to identify the jurisdictional nature of a call through the use of the Automatic Number Identification (ANI) feature available under FG C.

would have to be undone in the near future, require an unnecessary deviation from the provisions of the MFJ and increase the opportunities for discrimination between AT&T Communications of Ohio and the independent interexchange carriers. Because it appears that AT&T Communications of Ohio will ultimately pay FG C access charges similar or higher than those in the proposed interstate access tariff, it would be equitable and administratively more workable for the Ohio exchange carriers to institute for intrastate traffic carried by AT&T Communications of Ohio the proposed access charges for FG C on January 1, 1984.

B. Issues Which May Be Deferred.

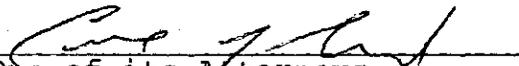
With regard to various other issues which have been raised in this proceeding, SPRINT supports Ohio Bell Telephone's proposal to maintain its present MTS/WATS rates and to continue the current settlements process with the independent companies. SPRINT would recommend, however, that the Commission direct Ohio Bell and the independent companies to develop during the suspension period a comprehensive proposal for the replacement of the current settlements process. Due to the FCC's suspension of the proposed end user charges, and the possibility that the FCC may eliminate such a charge, it is unnecessary for the Ohio Commission to consider at this time either the Staff's proposal for a carrier presence charge, or various proposals

for the establishment of an intrastate end user charge.*
These issues would be better addressed after the FCC renders
a final decision.

* * *

For all of the above reasons, SPRINT respectfully
requests the Ohio Commission to establish interim intrastate
carrier access rates as set forth herein, effective January
1, 1984, and to provide for further comment and hearings at
the time the FCC issues a final decision in CC Docket 83-
1145.

GTE SPRINT COMMUNICATIONS
CORPORATION

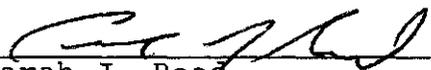
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*During the course of these proceedings, SPRINT
also recommended against both the Staff's proposal to impose
a Carrier's Presence Charge and Ohio Bell Telephone's proposal
to reduce its intrastate toll rates by 40%. Although SPRINT
did not take a position on the amount of any customer access
charge, it did suggest that in the long run, both consumers
and carriers alike would benefit if each pays the costs
which it causes the local exchange company to incur. (Tr.
October 17, 1983 at 13; SPRINT Exhibit 1 at 6).

CERTIFICATE OF SERVICE

I, Sarah J. Read, one of the attorneys for GTE Sprint Communications Corporation, hereby certify that copies of the attached Comments of GTE Sprint Communications Corporation were served by Federal Express upon counsel for all parties listed on the attached list, this 28th day of October, 1983.



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APPENDIX
CASE NO. 83-464-TP-COI

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