

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the matter of: )  
)  
Petition of Sprint Communications )  
Company L.P., Sprint Spectrum L.P., and )  
Nextel West Corp., d/b/a Sprint, to )  
Conduct General Investigation into the )  
Intrastate Access Charges of United )  
Telephone Company of Kansas, United )  
Telephone Company of Eastern Kansas, )  
United Telephone Company of South )  
Central Kansas, and United Telephone )  
Company of Southeastern Kansas, d/b/a )  
Embarq )

Docket No. 08-GIMT-1023-GIT

STATE CORPORATION COMMISSION

SEP 15 2008



**REPLY TO STAFF COMMENTS**

1. Sprint Communications Company L.P., Sprint Spectrum L.P., and Nextel West Corp. (collectively, "Sprint") submit this Reply in response to Staff Comments filed in this docket on September 2, 2008 ("Staff Comments").

2. Sprint filed its Petition in this docket on May 16, 2008, shortly after the Kansas legislature declined to incorporate Sprint's requested language that would have required Embarq to mirror its intrastate and interstate access rates in order to get the benefit of pricing flexibility for basic residential and business service in competitive exchanges. As part of that legislative session and the hearings conducted on HB 2637, Embarq argued that the question of whether it should be required to mirror its intrastate and interstate access charges should be handled by the KCC. Members of the legislature agreed and asked Sprint to file a proceeding at the KCC. KCC Staff did not object at the hearings to the idea of Sprint filing such a petition. Consistent with the legislature's request, Sprint promptly filed its Petition requesting the KCC to review Embarq's access charges.

3. Staff's Comments recommend that the Commission defer any action on Sprint's Petition until after November 5, 2008, at which time the FCC is expected to issue an order justifying its current intercarrier compensation rules that govern ISP-bound traffic.<sup>1</sup> Staff states that the FCC might address intercarrier compensation reform on a comprehensive basis in connection with this upcoming order; accordingly, Staff suggests the Commission set Sprint's petition for a prehearing conference in December 2008.<sup>2</sup>

4. Sprint doubts the FCC's expected November 5, 2008 order will encompass comprehensive intercarrier compensation reform to such a degree that it will render moot the issues raised by Sprint's Petition. That being the case, Sprint would prefer that the Commission proceed with a prehearing conference on Sprint's Petition as soon as possible.

5. Nonetheless, should the Commission decide to defer any action until after November 5, 2008, Sprint requests that the prehearing conference be held as soon as possible after that date, but in no event later than the end of November 2008. The substantive content of the FCC order should not impact the primarily procedural and ministerial nature of the prehearing conference; accordingly, there is no reason to delay the prehearing conference for over a month after the FCC order comes out.

6. Staff also opines that "while the Commission may have found parity between intrastate and interstate access charges to be a priority in 2001, the factors that drove that policy may no longer be the appropriate balance of competing objectives in 2008."<sup>3</sup> For reasons that are well-documented in Sprint's Petition and Sprint's Response to Motion to Dismiss, which Sprint will not reiterate here, as well as in AT&T's Comments in Support of Sprint's Petition,

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<sup>1</sup> Staff Comments at 2.

<sup>2</sup> *Id.*

<sup>3</sup> Staff Comments at 3.

Sprint wholeheartedly disagrees. As AT&T stated in its comments, “reduction of intrastate access rates is a positive step towards leveling the playing field. Consumers will benefit from this pro-competition solution.”<sup>4</sup>

7. In any event, interstate/intrastate parity is a mandatory, not a discretionary, policy objective as determined by the Kansas legislature. The Kansas statute is clear that Embarq’s intrastate switched access rates “shall be reduced over a three-year period *with the objective of equalizing interstate and intrastate rates* in a revenue neutral, specific and predictable manner.”<sup>5</sup> While the statute assigns the Commission the authority to oversee and approve reductions, the legislature did not leave open for debate whether intrastate/interstate parity should be an ongoing policy objective.

8. Furthermore, Staff opines that “an access charge reduction in Kansas is unlikely to lead to significant rate changes in either wireless or long distance charges for Kansas . . . .” It is both premature and inappropriate for Staff to presuppose the outcome of a proceeding that has not yet taken place, without the benefit of any record whatsoever to support such a conclusion. In addition, this unsupported conclusion disregards the well-reasoned and well-documented statements of both Sprint and AT&T regarding the consumer benefits of reduced access charges. Indeed, in the 01-GIMT-082-GIT docket, the Commission itself expressly recognized the consumer benefits of moving interstate and intrastate access rates closer to parity, stating that the multi-party Stipulation “promotes fair competition and protects universal service,” reflecting a “balanced policy approach to access charge reform, consistent with the Kansas legislature’s directive.”<sup>6</sup> To the extent Staff has concerns about balancing competing objectives,<sup>7</sup> this is

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<sup>4</sup> AT&T’s Comments In Support of Sprint’s Petition at 3.

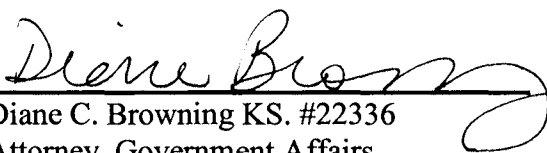
<sup>5</sup> K.S.A. 66-2005(c) (emphasis added).

<sup>6</sup> Docket No. 01-GIMT-082-GIT, Order Approving Stipulation and Agreement, Sept. 25, 2001 at 15.

precisely the reason to go forward promptly with a full evidentiary proceeding, not an excuse to delay or avoid taking action.

9. WHEREFORE, Sprint respectfully requests the Commission to move forward with Sprint's Petition, including setting a prehearing conference as soon as possible, but in no event later than November 30, 2008.

Respectfully submitted,



Diane C. Browning KS. #22336  
Attorney, Government Affairs  
6450 Sprint Parkway  
Overland Park, Kansas 66251  
Mailstop: KSOPHN0212-2A411  
(913)315-9284 (voice)  
(913)523-0571 (facsimile)  
diane.c.browning@sprint.com

Kenneth A. Schifman KS. # 15354  
Director, Government Affairs  
6450 Sprint Parkway  
Overland Park, Kansas 66251  
Mailstop: KSOPHN0212-2A303  
(913)315-9783 (voice)  
(913)523-9827 (facsimile)  
kenneth.schifman@sprint.com

ATTORNEYS FOR  
SPRINT COMMUNICATIONS COMPANY L.P.  
SPRINT SPECTRUM L.P.  
NEXTEL WEST CORP.

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<sup>7</sup> Staff Comments at 3.

**VERIFICATION**

I, Diane C. Browning, being of lawful age duly sworn, state that I have read the above and foregoing Reply to Staff Comments of Sprint Communications Company, L.P., Sprint Spectrum, L.P., and Nextel West Corp. and verify the statements contained herein to be true and correct to the best of my knowledge and belief.

*Diane Browning*

Subscribed and sworn to before me this 15<sup>th</sup> day of September, 2008.



*Adrienne Hoffhines*  
Notary Public

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 15th day of September, 2008, a copy of the foregoing Sprint's Reply to Staff Comment was served via U.S. Mail, postage prepaid, on each of the following:

Torry R. Somers  
Embarq  
330 S. Valley View Blvd.  
Las Vegas, NV 89107

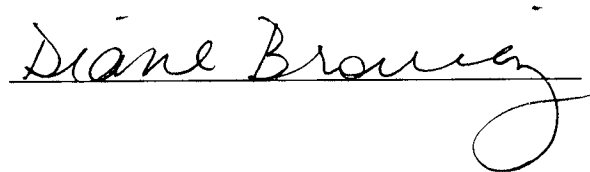
Janet Buchanan  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604

Robert Lehr, Litigation Counsel  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604

Melissa Hunsicker Walburn  
Litigation Counsel  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604

Colleen Harrell  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604

Bruce A. Ney, Attorney  
Southwestern Bell Telephone Co.  
220 East Sixth Street  
Topeka, KS 66603

  
Diane Brown