Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter Of	)	
	)	
National Exchange Carrier Association, Inc.	)	Transmittal No. 952
Tariff FCC No. 5	)	
	)	

PETITION OF SPRINT TO REJECT
OR ALTERNATIVELY SUSPEND AND INVESTIGATE

Sprint Corporation ("Sprint"), pursuant to Section 1.773 of the Commission's Rules, hereby respectfully requests that the Commission reject, or alternatively suspend for the full five month period permitted under Section 204(a) of the Act and institute an investigation of, the tariff revisions filed by the National Exchange Carrier Association, Inc. ("NECA") on August 30, 2002 under the above-captioned transmittal.

According to its transmittal letter, NECA's proposed revisions seek to increase its switched and special access rates "to recover increases in the traffic sensitive revenue requirements caused by increases in uncollectible revenues being reported by traffic sensitive pool participants and by the current financial turmoil in the telecommunications industry." NECA claims that "[t]he WorldCom and Global Crossing bankruptcies alone have accounted for an estimated uncollectible revenues of over $70 million." Description and Justification at 2, footnote omitted. Having reassessed its uncollectible revenue forecast, NECA is proposing to increase its revenue requirement by $15 million, which translates into increases of approximately 2 percent for the traffic sensitive ("TS") switched and special access recurring rate elements. Because NECA's proposed rate increases have not been properly justified, in violation of the Commission's rules and regulations, they must be rejected, or alternatively suspended and set for investigation.

NECA offers no quantitative basis for a $15 million increase of its uncollectible reserve, in clear violation of Section 61.38 of the Commission's rules. The only information NECA provides is that its $70 million "shortfall is due to uncollectible revenue from both TS and Common Line (CL) access" and that "[t]he TS portion of this amount is approximately $40 million." Id., fn. 4. NECA makes absolutely no attempt to link these amounts to the proposed $15 million rate increase. It merely states that "[i]t is difficult to estimate the additional amount of uncollectible reserve necessary to protect traffic sensitive pool members for the remainder of the 2002/2003 test period." Id. at 2-3. Thus, the proposed rate increases based on the additional $15 million reserve are wholly unjustified.

Furthermore, NECA apparently has not considered that the actual losses incurred may be far less than those reported by its pool participants because it may receive payment for some or all of its pre-bankruptcy petition bills. A bankruptcy filing does not necessarily mean that the carrier involved will not pay its pre-petition debt.[1] Nor does NECA discuss whether the courts handling the bankruptcy proceedings have provided NECA with assurances of payment for access services provided post-petition. The risk

[1] When the CLEC Mpower filed for bankruptcy, it promised Sprint's incumbent local carrier ("Sprint LTD") subsidiary that it would pay the monies it owed Sprint LTD before the bankruptcy filing. It has fulfilled that promise.

of uncollectibles may be reduced by the bankruptcy court. Absent proper cost justification which provides a factual basis for the increased uncollectible reserve, the proposed rate increases must be rejected.

NECA recently proposed revisions which sought to expand significantly the bases on which it would be able to require security deposits from its customers and to institute a short ten-day period for service discontinuance based on the same concern over the bankruptcies of WorldCom and Global Crossings. Sprint and another carrier petitioned the Commission to reject, or alternatively suspend and investigate these proposed revisions because NECA had failed to justify them,[2] and the Pricing Policy Division of the Wireline Competition Bureau suspended and set them for investigation because "petitioners raise substantial questions regarding the lawfulness" of the proposed revisions.[3] Similarly, NECA's bare allegations of uncollectibles in this transmittal do not justify the proposed tariff revisions.

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[2] In the Matter of National Exchange Carrier Association, Inc. Transmittal No. 951, Petition of Sprint to Reject or Alternatively Suspend and Investigate NECA, filed August 28, 2002.

[3] National Exchange Carrier Association, Inc. Tariff FCC No. 5, Transmittal No. 951, Order (DA No. 02-2141), released September 4, 2002, para. 5.

For the above reasons, Sprint urges the Commission to reject, or alternatively suspend for the full statutory period and investigate, NECA's proposed rate increases.

Respectfully submitted,

SPRINT CORPORATION

Marybeth M Banks

Marybeth M. Banks
Michael B. Fingerhut
Richard Juhnke
401 9th Street, NW, Suite 400
Washington, D.C. 20004
(202) 585-1908
(202) 585-1897 (fax)

September 6, 2002

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition of Sprint to Reject or Alternatively Suspend and Investigate in the matter of National Exchange Carrier Association, Inc., Transmittal No. 952, was sent by United States First Class Mail, postage prepaid, or hand delivery on this 6th day of September, 2002, to the following parties.

Sharon L. Kirby

Sharon L. Kirby

VIA HAND DELIVERY

Tamara Preiss, Division Chief
Pricing Policy Division
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Judy Nitsche, Assistant Division Chief
Pricing Policy Division
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Julie Saulnier
Wireless Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

R.L. Smith
Wireless Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Qualex International
445 12th Street, SW
Room CY-B402
Washington, DC 20554

VIA FIRST CLASS MAIL
AND FACSIMILE

Bill Cook, Director
Access Tariffs & Planning
NECA
80 South Jefferson Road
Whippany, NJ 07981
Fax: 973-884-802