

Sprint Local Telephone Companies

Transmittal No. 236

First Quarter 2004 Universal Service Support Filing

Description and Justification

The Sprint local telephone companies (Sprint LTCs) hereby submit the following information in support of the accompanying revisions to Sprint Local Telephone Companies Tariff F.C.C. No. 3.

This filing is being made on 15 days' notice under the Federal Communications Commission's streamlined filing procedures, and adjusts Sprint LTC's federal universal service fund (USF) end user charges to reflect its full contribution obligation, which is based on interstate end user revenues used by the Universal Service Administration Company (USAC) to calculate Sprint LTC's first quarter 2004 assessment.

Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,¹ Sprint LTC recovers its federal universal service contributions through per line monthly charges assessed to end users subscribing to local exchange service (i.e., primary residential, non-primary residential, ISDN-BRI, single-line business, multi-line business, ISDN-PRI, and Centrex). Contributions for end users being billed switched dedicated, special access, or other interstate access services (i.e., Digital Subscriber Line Services, Presubscribed Interexchange Carrier Charges or Presubscription Change Charges) are recovered by applying a surcharge equal to the first quarter 2004 USF contribution factor of 0.087² to the

¹ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order and Second Further Notice of Proposed Rulemaking (FCC 02-329), released December 13, 2002; Order and Second Order on Reconsideration (FCC 03-58), released March 14, 2003; and Public Notice (DA 03-1909) (Collectively *USF Interim Methodology Orders*).

² *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 03-3866), released December 4, 2003.

total of the end user customer's interstate access charges. Both the per line charge and percentage surcharge are reflected as a separate line item, clearly identified on the customer's bill.

As detailed on Exhibit 1, Page 1, the Federal USF end user charges for primary residential, non-primary residential, ISDN-BRI and single-line business are calculated by applying the first quarter 2004 contribution factor of 0.087 to the sum of the charges representing the interstate portion of the customer's bill (i.e., the customer's end user common line or subscriber line charges).

Page 2 of Exhibit 1 details the calculation of the Federal USF end user charges for Centrex, ISDN-PRI and multi-line business customers. The *USF Interim Methodology Orders* allow the Federal USF end user charges for Centrex customers to be recovered using an "equivalency ratio." Initially, the Federal USF charges for Centrex, ISDN-PRI and multi-line business customers are calculated by applying the 0.087 first quarter 2004 contribution to the sum of the charges representing the interstate portion of the customer's bill in the same manner as outlined above. For multi-line business and ISDN-PRI, the Federal USF charges are calculated by first determining the difference, on a per line basis, between assessing Centrex lines based on the equivalency ratio and applying the remaining USF recovery across multi-line business and ISDN-PRI lined on an averaged basis. Once the difference is determined, a portion (\$0.50) is allocated back to Centrex, and the remainder is added to the initial multi-line business Federal USF charge to produce the Federal USF end user charge for multi-line business customers. The Federal USF end user charge for ISDN-PRI customers is calculated by multiplying the multi-line business charge by 5.

The Sprint local telephone companies are submitting the accompanying information consistent with the requirements of the Commission's price cap regulations for local exchange carriers and in compliance with universal service decisions. The rate adjustments proposed herein are demonstrated to be just and reasonable, and are supported by detailed exhibits reflecting the calculation of the proposed USF end user charges using the first quarter 2004 contribution factor of 0.087 stipulated in the Commission's December 4, 2003 Public Notice.

Sprint LTC - 1/1/2004 Federal USF End User Surcharge Rates
(1st Qtr USF Contribution Factor 0.087)
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Exhibit 1
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	Subscriber Line Charge - SLC Rates						Proposed 1st Qtr 2004 USF Contribution Factor	Federal End User USF Surcharge					
	Residential	Residential	ISDN BRI	Single Line	Multi-Line Business			Residential	Residential	ISDN BRI	Single Line	Multi-Line Business *	
	Primary	Non-Primary		Business	ISDN-PRI and Centrex			Primary	Non-Primary		Business	& ISDN-PRI	
	TL #229	TL #229		TL #229	TL #229			TL #236	TL #236		TL #236	TL #236	
	<u>10/1/2003</u>	<u>10/1/2003</u>	<u>10/1/2003</u>	<u>10/1/2003</u>	<u>10/1/2003</u>			<u>1/1/2004</u>	<u>1/1/2004</u>	<u>1/1/2004</u>	<u>1/1/2004</u>	<u>1/1/2004</u>	<u>1/1/2004</u>
Florida	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 8.52	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.82	\$ 0.50	
Indiana#	\$ 6.41	\$ 6.41	\$ 6.41	\$ 6.41	\$ 9.20	.087	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.85	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.81	\$ 0.50	
Minnesota	\$ 5.56	\$ 5.56	\$ 5.56	\$ 5.56	\$ 9.03	.087	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.85	\$ 0.50	
Missouri#	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.99	\$ 0.50	
Nebraska	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76	\$ 7.82	.087	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.77	\$ 0.50	
Nevada	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29	\$ 5.24	.087	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.43	\$ 0.50	
New Jersey	\$ 5.63	\$ 5.63	\$ 5.63	\$ 5.63	\$ 8.39	.087	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.75	\$ 0.50	
North Carolina	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.76	.087	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.61	\$ 0.50	
Ohio	\$ 6.13	\$ 6.13	\$ 6.13	\$ 6.13	\$ 7.48	.087	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.69	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.84	\$ 0.50	
Pennsylvania	\$ 4.19	\$ 4.19	\$ 4.19	\$ 4.19	\$ 7.83	.087	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.69	\$ 0.50	
South Carolina	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 6.41	.087	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.57	\$ 0.50	
Tennessee	\$ 5.49	\$ 5.49	\$ 5.49	\$ 5.49	\$ 6.21	.087	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.56	\$ 0.50	
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.82	\$ 0.50	
Virginia	\$ 5.41	\$ 5.41	\$ 5.41	\$ 5.41	\$ 6.14	.087	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.54	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 1.00	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.087	\$ 0.57	\$ 0.61	\$ 0.61	\$ 0.57	\$ 0.83	\$ 0.50	

* - Rates are developed on Exhibit 2.

Sprint LTC - MultiLine Business, ISDN-PRI Centrex Federal USF End User Surcharge Rate Development

**Exhibit 1
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	November 2003 Access Lines			Multi-Line Business, ISDN-PRI and Centrex	Proposed 1st Qtr 2004	Initial	Proposed 1/1/2004 *	Proposed 1/1/2004 *	Allowable	PriceOut
	MultiLine Business	ISDN PRI (5 Times)	Centrex	SLC Rate TL # 229 10/1/2003	USF Contribution Factor	USF Charge Calculation (F)=D*E	MultiLine Business & ISDN-PRI USF Charge G=((A+B+C)*F-C*0.50)/(A+B)	Centrex USF Charge H=\$0.50	MultiLine Bus & Centrex & ISDN-PRI Revenue I=(A+B+C)*F	MultiLine Bus & Centrex & ISDN-PRI Revenue J=(A+B)*G+C*H
	(A)	(B)	(C)	(D)	(E)	(F)=D*E	G=((A+B+C)*F-C*0.50)/(A+B)	H=\$0.50	I=(A+B+C)*F	J=(A+B)*G+C*H
Florida	349,283	11,915	117,248	\$ 8.52	.087	\$ 0.74	\$ 0.82	\$ 0.50	\$ 354,643	\$ 354,643
Indiana#	39,371	5,645	7,658	\$ 9.20	.087	\$ 0.80	\$ 0.85	\$ 0.50	\$ 42,160	\$ 42,160
Kansas	19,570	1,210	907	\$ 9.20	.087	\$ 0.80	\$ 0.81	\$ 0.50	\$ 17,358	\$ 17,358
Minnesota	29,414	1,780	6,591	\$ 9.03	.087	\$ 0.79	\$ 0.85	\$ 0.50	\$ 29,684	\$ 29,684
Missouri#	42,096	2,475	27,768	\$ 9.20	.087	\$ 0.80	\$ 0.99	\$ 0.50	\$ 57,900	\$ 57,900
Nebraska	4,925	105	2,627	\$ 7.82	.087	\$ 0.68	\$ 0.77	\$ 0.50	\$ 5,209	\$ 5,209
Nevada	123,512	7,405	85,749	\$ 5.24	.087	\$ 0.46	\$ 0.43	\$ 0.50	\$ 98,774	\$ 98,774
New Jersey	47,792	1,560	3,657	\$ 8.39	.087	\$ 0.73	\$ 0.75	\$ 0.50	\$ 38,693	\$ 38,693
North Carolina	193,049	8,865	45,739	\$ 6.76	.087	\$ 0.59	\$ 0.61	\$ 0.50	\$ 145,650	\$ 145,650
Ohio	84,166	4,490	23,671	\$ 7.48	.087	\$ 0.65	\$ 0.69	\$ 0.50	\$ 73,098	\$ 73,098
Oregon	13,967	495	1,699	\$ 9.20	.087	\$ 0.80	\$ 0.84	\$ 0.50	\$ 12,935	\$ 12,935
Pennsylvania	61,613	3,105	4,813	\$ 7.83	.087	\$ 0.68	\$ 0.69	\$ 0.50	\$ 47,365	\$ 47,365
South Carolina	15,864	1,425	2,972	\$ 6.41	.087	\$ 0.56	\$ 0.57	\$ 0.50	\$ 11,299	\$ 11,299
Tennessee	31,780	1,260	16,419	\$ 6.21	.087	\$ 0.54	\$ 0.56	\$ 0.50	\$ 26,721	\$ 26,721
Texas	62,319	1,990	3,469	\$ 9.20	.087	\$ 0.80	\$ 0.82	\$ 0.50	\$ 54,250	\$ 54,250
Virginia	64,244	2,465	10,252	\$ 6.14	.087	\$ 0.53	\$ 0.54	\$ 0.50	\$ 41,111	\$ 41,111
Washington	13,482	785	9,493	\$ 9.20	.087	\$ 0.80	\$ 1.00	\$ 0.50	\$ 19,018	\$ 19,018
Wyoming	1,352	15	124	\$ 9.20	.087	\$ 0.80	\$ 0.83	\$ 0.50	\$ 1,193	\$ 1,193
	1,197,799	56,990	370,856						\$ 1,077,062	\$ 1,077,062