

Sprint Local Telephone Companies

Transmittal No. 250

First Quarter 2005 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 2005 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 2005 USF contribution factor of 0.107² 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 04-3902), released December 13, 2004.

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 2005 contribution factor of 0.107 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 0.107 first quarter 2005 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 2005 contribution factor of 0.107 stipulated in the Commission's December 13, 2004 Public Notice.

Sprint LTC - 1/1/2005 Federal USF End User Surcharge Rates
(1st Qtr 2005 USF Contribution Factor 0.107 - DA 04-3902)
Transmittal No. 250

Exhibit 1
Page 1 of 2

	Subscriber Line Charge - SLC Rates					Proposed 1st Qtr 2005 USF Contribution Factor	Federal End User USF Surcharge						
	Residential	Residential		Single Line	Multi-Line Business &		Residential	Residential		Single Line	Multi-Line Business *		
	Primary	Non-Primary	ISDN BRI	Business	ISDN-PRI & Centrex		Primary	Non-Primary	ISDN BRI	Business	& ISDN-PRI	Centrex *	
	TL #242	TL #242	TL #242	TL #242	TL #242		TL #250	TL #250	TL #250	TL #250	TL #250	TL #250	
	7/1/2004	7/1/2004	7/1/2004	7/1/2004	7/1/2004		1/1/2005	1/1/2005	1/1/2005	1/1/2005	1/1/2005	1/1/2005	
Florida	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 7.39	.107	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.88	\$ 0.50	
Indiana#	\$ 6.23	\$ 6.23	\$ 6.23	\$ 6.23	\$ 9.20	.107	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.67	\$ 1.07	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.75	\$ 0.75	\$ 0.70	\$ 1.00	\$ 0.50	
Minnesota	\$ 5.33	\$ 5.33	\$ 5.33	\$ 5.33	\$ 8.81	.107	\$ 0.57	\$ 0.57	\$ 0.57	\$ 0.57	\$ 1.02	\$ 0.50	
Missouri#	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.75	\$ 0.75	\$ 0.70	\$ 1.30	\$ 0.50	
Nebraska	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	\$ 7.36	.107	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.94	\$ 0.50	
Nevada	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80	\$ 4.30	.107	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.46	\$ 0.46	
New Jersey	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 7.95	.107	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.88	\$ 0.50	
North Carolina	\$ 5.66	\$ 5.66	\$ 5.66	\$ 5.66	\$ 6.08	.107	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.68	\$ 0.50	
Ohio	\$ 5.73	\$ 5.73	\$ 5.73	\$ 5.73	\$ 6.95	.107	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.80	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.75	\$ 0.75	\$ 0.70	\$ 1.03	\$ 0.50	
Pennsylvania	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 7.24	.107	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.79	\$ 0.50	
South Carolina	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.59	.107	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.61	\$ 0.50	
Tennessee	\$ 5.07	\$ 5.07	\$ 5.07	\$ 5.07	\$ 5.46	.107	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.62	\$ 0.50	
Texas	\$ 6.50	\$ 6.71	\$ 6.71	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.72	\$ 0.72	\$ 0.70	\$ 1.01	\$ 0.50	
Virginia	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 5.27	.107	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.57	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.75	\$ 0.75	\$ 0.70	\$ 1.29	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	.107	\$ 0.70	\$ 0.75	\$ 0.75	\$ 0.70	\$ 1.03	\$ 0.50	

* - Rates are developed on Exhibit 1 Page 2 of 2.

**Sprint LTC - MultiLine Business, ISDN-PRI and Centrex
Federal USF End User Surcharge Rate Development
(1st Qtr 2005 USF Contribution Factor 0.107 - DA 04-3902)
Transmittal No. 250**

**Exhibit 1
Page 2 of 2**

	November 2004 Access Lines			Multi-Line Bus, ISDN-PRI & Centrex		Proposed 1st Qtr 2005 USF Contribution	Initial USF Charge Calculation	Proposed 1/1/2005 * MultiLine Business & ISDN-PRI USF Charge H=if((D*G-C*0.50)/(A+B) <\$0.50,F,(D*F-C*.50)/(A+B))	Proposed 1/1/2005 * Centrex USF Charge I=Min(\$0.50,G)	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue J=D*F	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue K=(A+B)*H+C*I
	MultiLine Business (A)	ISDN PRI (5 Times) (B)	Centrex (C)	Total Multi-Line Bus & ISDN PRI & Centrex Lines (D)	TL #242 7/1/2004 (E)	Factor (F)	(G)=E*F				
Florida	345,525	12,490	114,619	472,634	\$ 7.39	.107	\$ 0.79	\$ 0.88	\$ 0.50	\$ 373,726	\$ 373,726
Indiana#	36,594	4,830	7,111	48,535	\$ 9.20	.107	\$ 0.98	\$ 1.07	\$ 0.50	\$ 47,778	\$ 47,778
Kansas	19,040	980	708	20,728	\$ 9.20	.107	\$ 0.98	\$ 1.00	\$ 0.50	\$ 20,405	\$ 20,405
Minnesota	29,139	1,740	5,402	36,281	\$ 8.81	.107	\$ 0.94	\$ 1.02	\$ 0.50	\$ 34,201	\$ 34,201
Missouri#	40,978	1,950	27,596	70,524	\$ 9.20	.107	\$ 0.98	\$ 1.30	\$ 0.50	\$ 69,424	\$ 69,424
Nebraska	4,631	115	2,485	7,231	\$ 7.36	.107	\$ 0.79	\$ 0.94	\$ 0.50	\$ 5,695	\$ 5,695
Nevada	128,737	8,260	79,757	216,754	\$ 4.30	.107	\$ 0.46	\$ 0.46	\$ 0.46	\$ 99,729	\$ 99,729
New Jersey	46,836	1,160	3,424	51,420	\$ 7.95	.107	\$ 0.85	\$ 0.88	\$ 0.50	\$ 43,740	\$ 43,740
North Carolina	188,658	8,915	45,093	242,666	\$ 6.08	.107	\$ 0.65	\$ 0.68	\$ 0.50	\$ 157,869	\$ 157,869
Ohio	79,167	3,985	20,546	103,698	\$ 6.95	.107	\$ 0.74	\$ 0.80	\$ 0.50	\$ 77,115	\$ 77,115
Oregon	13,704	430	1,333	15,467	\$ 9.20	.107	\$ 0.98	\$ 1.03	\$ 0.50	\$ 15,226	\$ 15,226
Pennsylvania	59,810	2,935	4,484	67,229	\$ 7.24	.107	\$ 0.77	\$ 0.79	\$ 0.50	\$ 52,081	\$ 52,081
South Carolina	14,917	1,330	2,793	19,040	\$ 5.59	.107	\$ 0.60	\$ 0.61	\$ 0.50	\$ 11,388	\$ 11,388
Tennessee	30,797	1,465	14,602	46,864	\$ 5.46	.107	\$ 0.58	\$ 0.62	\$ 0.50	\$ 27,379	\$ 27,379
Texas	61,246	2,035	3,268	66,549	\$ 9.20	.107	\$ 0.98	\$ 1.01	\$ 0.50	\$ 65,511	\$ 65,511
Virginia	63,508	2,265	9,520	75,293	\$ 5.27	.107	\$ 0.56	\$ 0.57	\$ 0.50	\$ 42,457	\$ 42,457
Washington	13,529	595	9,032	23,156	\$ 9.20	.107	\$ 0.98	\$ 1.29	\$ 0.50	\$ 22,795	\$ 22,795
Wyoming	1,337	25	131	1,493	\$ 9.20	.107	\$ 0.98	\$ 1.03	\$ 0.50	\$ 1,470	\$ 1,470
	1,178,153	55,505	351,904	1,585,562						\$ 1,167,987	\$ 1,167,987