

Sprint Local Telephone Companies

Transmittal No. 255

Second 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 second 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 second quarter 2005 USF contribution factor of 0.111² to

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 05-648), released March 10, 2005.

the 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 second quarter 2005 contribution factor of 0.111 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 0.111 second 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 second quarter 2005 contribution factor of 0.111 stipulated in the Commission's March 10, 2005 Public Notice.

Sprint LTC - 1/1/2005 Federal USF End User Surcharge Rates
(2nd Qtr 2005 USF Contribution Factor 0.111 - DA 05-648)
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Exhibit 1
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	Subscriber Line Charge - SLC Rates						Proposed 2nd 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 #255	TL #255	TL #255	TL #255	TL #255	TL #255
	<u>7/1/2004</u>	<u>7/1/2004</u>	<u>7/1/2004</u>	<u>7/1/2004</u>	<u>7/1/2004</u>			<u>4/1/2005</u>	<u>4/1/2005</u>	<u>4/1/2005</u>	<u>4/1/2005</u>	<u>4/1/2005</u>	<u>4/1/2005</u>
Florida	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 7.39	0.111	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.92	\$ 0.50	
Indiana#	\$ 6.23	\$ 6.23	\$ 6.23	\$ 6.23	\$ 9.20	0.111	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 1.11	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.78	\$ 0.78	\$ 0.72	\$ 1.04	\$ 0.50	
Minnesota	\$ 5.33	\$ 5.33	\$ 5.33	\$ 5.33	\$ 8.81	0.111	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.59	\$ 1.06	\$ 0.50	
Missouri#	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.78	\$ 0.78	\$ 0.72	\$ 1.35	\$ 0.50	
Nebraska	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	\$ 7.36	0.111	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.98	\$ 0.50	
Nevada	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80	\$ 4.30	0.111	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.48	\$ 0.48	
New Jersey	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 7.95	0.111	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.91	\$ 0.50	
North Carolina	\$ 5.66	\$ 5.66	\$ 5.66	\$ 5.66	\$ 6.08	0.111	\$ 0.63	\$ 0.63	\$ 0.63	\$ 0.63	\$ 0.71	\$ 0.50	
Ohio	\$ 5.73	\$ 5.73	\$ 5.73	\$ 5.73	\$ 6.95	0.111	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.84	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.78	\$ 0.78	\$ 0.72	\$ 1.07	\$ 0.50	
Pennsylvania	\$ 3.69	\$ 3.69	\$ 3.69	\$ 3.69	\$ 7.24	0.111	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.82	\$ 0.50	
South Carolina	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.59	0.111	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.64	\$ 0.50	
Tennessee	\$ 5.07	\$ 5.07	\$ 5.07	\$ 5.07	\$ 5.46	0.111	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.65	\$ 0.50	
Texas	\$ 6.50	\$ 6.71	\$ 6.71	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.74	\$ 0.74	\$ 0.72	\$ 1.05	\$ 0.50	
Virginia	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 5.27	0.111	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.60	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.78	\$ 0.78	\$ 0.72	\$ 1.36	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	0.111	\$ 0.72	\$ 0.78	\$ 0.78	\$ 0.72	\$ 1.07	\$ 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
(2nd Qtr 2005 USF Contribution Factor 0.111 - DA 05-648)
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**Exhibit 1
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	February 2005 Access Lines				Multi-Line Bus, ISDN-PRI & Centrex SLC Rate TL #242 7/1/2004	Proposed 2nd Qtr 2005 USF Contribution Factor	Initial USF Charge Calculation (G)=E*F	Proposed 1/1/2005 * MultiLine Business & ISDN-PRI USF Charge $H = \text{if}((D * G - C * 0.50) / (A + B) < \$0.50, F, (D * F - C * .50) / (A + B))$	Proposed 4/1/2005 * Centrex USF Charge $I = \text{Min}(\$0.50, G)$	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)	(E)	(F)	(G)=E*F				
Florida	344,360	13,060	113,401	470,821	\$ 7.39	0.111	\$ 0.82	\$ 0.92	\$ 0.50	\$ 386,210	\$ 386,210
Indiana#	36,580	4,850	6,970	48,400	\$ 9.20	0.111	\$ 1.02	\$ 1.11	\$ 0.50	\$ 49,426	\$ 49,426
Kansas	18,732	960	614	20,306	\$ 9.20	0.111	\$ 1.02	\$ 1.04	\$ 0.50	\$ 20,736	\$ 20,736
Minnesota	28,814	1,745	5,363	35,922	\$ 8.81	0.111	\$ 0.98	\$ 1.06	\$ 0.50	\$ 35,128	\$ 35,128
Missouri#	40,691	1,915	26,986	69,592	\$ 9.20	0.111	\$ 1.02	\$ 1.35	\$ 0.50	\$ 71,067	\$ 71,067
Nebraska	4,615	120	2,489	7,224	\$ 7.36	0.111	\$ 0.82	\$ 0.98	\$ 0.50	\$ 5,902	\$ 5,902
Nevada	129,248	8,605	78,422	216,275	\$ 4.30	0.111	\$ 0.48	\$ 0.48	\$ 0.48	\$ 103,228	\$ 103,228
New Jersey	46,402	1,145	3,399	50,946	\$ 7.95	0.111	\$ 0.88	\$ 0.91	\$ 0.50	\$ 44,957	\$ 44,957
North Carolina	188,515	8,655	44,442	241,612	\$ 6.08	0.111	\$ 0.67	\$ 0.71	\$ 0.50	\$ 163,059	\$ 163,059
Ohio	78,337	3,965	19,683	101,985	\$ 6.95	0.111	\$ 0.77	\$ 0.84	\$ 0.50	\$ 78,676	\$ 78,676
Oregon	13,717	400	1,324	15,441	\$ 9.20	0.111	\$ 1.02	\$ 1.07	\$ 0.50	\$ 15,768	\$ 15,768
Pennsylvania	59,582	2,810	4,273	66,665	\$ 7.24	0.111	\$ 0.80	\$ 0.82	\$ 0.50	\$ 53,575	\$ 53,575
South Carolina	14,757	1,330	2,352	18,439	\$ 5.59	0.111	\$ 0.62	\$ 0.64	\$ 0.50	\$ 11,441	\$ 11,441
Tennessee	30,627	1,520	14,464	46,611	\$ 5.46	0.111	\$ 0.61	\$ 0.65	\$ 0.50	\$ 28,249	\$ 28,249
Texas	61,293	2,060	3,203	66,556	\$ 9.20	0.111	\$ 1.02	\$ 1.05	\$ 0.50	\$ 67,967	\$ 67,967
Virginia	63,359	2,110	9,356	74,825	\$ 5.27	0.111	\$ 0.58	\$ 0.60	\$ 0.50	\$ 43,770	\$ 43,770
Washington	13,503	590	9,062	23,155	\$ 9.20	0.111	\$ 1.02	\$ 1.36	\$ 0.50	\$ 23,646	\$ 23,646
Wyoming	1,330	25	131	1,486	\$ 9.20	0.111	\$ 1.02	\$ 1.07	\$ 0.50	\$ 1,518	\$ 1,518
	1,174,462	55,865	345,934	1,576,261						\$ 1,204,325	\$ 1,204,325