

Decision 89 02 027 FEB 8 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of US Sprint
Communications Company (U-5112-C)
for a Certificate of Public
Convenience and Necessity for
Authority to Provide an IntraLATA
High Speed Digital Private Line
Service in California.

Mailed

FEB 9 1989

Application 88-11-009
(Filed November 4, 1988)

OPINION

Summary

This decision grants applicant, US Sprint Communications Company, Limited Partnership (US Sprint) ¹ a certificate of public convenience and necessity (CPCN) to provide intraLATA 1.544 mbps high speed digital private line service in accordance with the rates and charges and special conditions set forth in its proposed advice letter and associated tariff sheets in Appendix A hereto. These tariff provisions are to become effective five days after filing, but not earlier than February 15, 1989.

Background

On October 31, 1988, US Sprint filed Application (A.) 88-10-053 in which it seeks a CPCN to provide intraLATA high speed digital private line service at 1.544 mbps or higher in accordance with the modified settlement adopted by this Commission in Decision (D.) 88-09-059, dated September 28, 1988, which

1 Formerly known as US Sprint Communications Company prior to January 3, 1989.

approved with certain modifications a settlement reached by many of the parties in Phase I of Investigation (I.) 87-11-033.²

Appendix A of D.88-09-059 prescribes the following conditions for competition for intraLATA high speed digital private line services:

"Competitive providers in high speed digital markets may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.

"For purposes of this document, digital private line services at 1.544 megabits per second (mbps) or above are considered to be 'high speed digital private line' service. As used herein, 'intraLATA high speed digital private line' service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services. Competitive carriers may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 mbps or above.

"This document does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 mbps." (D.88-09-059, Appendix A, mimeo. p. 8.)

In D.88-09-059 we also concluded that authorizations granted for provision of competitive intraLATA high speed digital private line services should be coincident with the effectiveness of local exchange carrier pricing flexibility for such services (D.88-09-059, mimeo. p. 8). Since that time, Pacific Bell (Pacific) and GTE California, Incorporated (GTEC) have requested

² I.87-11-033 is the Commission's investigation of alternative regulatory frameworks for local exchange telephone companies.

pricing flexibility for these services in A.88-10-012 and A.88-10-017, respectively. Workshops were held in those matters and they are scheduled for Commission consideration at today's meeting as well. The parties appearing at the recent Pacific and GTEC workshops, including representatives of US Sprint, agreed that it would be most desirable if all of the current applications for authority to provide competitive intraLATA high speed digital private line services were approved with the same effective date for commencing service.

Description of Applicant

US Sprint is a Delaware limited partnership whose majority owner effective January 3, 1989 is United Telecom (Telecom) with 80.1% ownership interest. Its only other (minority) owner is GTE Corporation (GTE) with 19.9% ownership interest. GTE retains its 19.9% interest as a limited partnership interest. Telecom, on January 3, 1989, purchased the 30.1% of GTE's interest in the predecessor, US Sprint Communications Company, at book value, as authorized by D.88-11-064 dated November 23, 1988.

US Sprint's principal place of business is 8140 Ward Parkway, Kansas City, Missouri 64114. US Sprint is also a telecommunications company in good standing doing business in California through its West Coast headquarters at 700 Airport Boulevard, B3-1, Burlingame, California 94010.

US Sprint has supplied annual reports of GTE and Telecom for calendar year 1987 that set forth revenues of \$2.6 billion and substantial pre-tax losses of \$577 million for the operations of US Sprint. However, GTE maintained profitable operations in 1987 and demonstrated the ability to absorb US Sprint's losses while the latter was expanding its fiber optic network. Telecom's operations were profitable prior to the writedown of its affiliated losses, principally those of US Sprint.

Based on the data supplied with and referenced in the application, US Sprint possesses the financial resources to carry

out this additional service offering. In addition, it has confirmed thereby that it is currently authorized to provide intrastate service in 40 states, and it has the broad communications knowledge and technical expertise to effectively undertake this new communications business activity in California.

US Sprint also asserts that it has virtually completed construction of the nation's first all-digital, 100% fiber optic network at a cost of \$3 billion. This 23,000 mile network will ultimately have a point of presence in each of the 186 LATAs and will provide access to US Sprint from every telephone in the continental United States, according to applicant.

Description of Proposed Service

IntraLATA 1.544 mbps high speed digital private line service³ is a dedicated full period data communications service.

US Sprint proposes to use its own existing facilities and special access services of the local exchange telephone companies to provide these intraLATA high speed digital private line services. All services furnished by US Sprint will be provided by dedicated, nonswitched facilities.

US Sprint is not seeking authority for construction of facilities in this application, therefore, granting this application would not likely have a significant adverse impact on the environment.

US Sprint made no estimates of the potential numbers of customers it is likely to serve during the first and fifth full year of operation of this competitive service. It does, however,

³ US Sprint refers to this service as Clearline 1.5 Service in its private line tariff schedule.

plan to immediately offer this service in the following California cities:

Anaheim	Rialto
Bakersfield	Sacramento
Burlingame	San Bruno
Fresno	San Diego
Los Angeles	San Francisco
Mission Viejo	San Jose
Oroville	Solana Beach
Palm Springs	Stockton
Palo Alto	

US Sprint believes that its proposed service will benefit customers by providing high quality, high speed dedicated circuits, which allow transmission of voice and data over the same circuit between distant locations on the US Sprint network. US Sprint will also offer facilities to meet the particular transmission needs of the individual subscriber. US Sprint claims that approval of its application will serve the public interest by enhancing consumers' service choices, including choice of price, service, and quality.

Notice of Application and Comments Received

US Sprint is likely to compete with existing carriers and prospectively with other telecommunications providers when it offers this new service. Therefore, in accordance with Rule 18(b) of the Commission's Rules of Practice and Procedure, it has served copies of this application on known potential competitors and interested parties and on the current list of interested parties to I.87-11-033.

On December 2, 1988, DRA protested this application raising concerns that US Sprint proposed below-cost rates for this new intraLATA service. DRA also requests that US Sprint be required to furnish a rate comparison exhibit to compare its rates with those proposed by Pacific Bell and GTEC. In addition, DRA

recommends that we institute reporting requirements for US Sprint when we authorize this new service as follows:

- "1) Quarterly reports for a two year period beginning with the effective date of Sprint's rates and charges, to be filed with the Commission's Advisory and Compliance Division (CACD) with a copy to DRA - Telecommunications Rate Design Branch which provide data for Sprint's Hicap service:
 - "i. monthly in-service volumes.
 - "ii. monthly inward movement volumes.
 - "iii. monthly recurring billing by tariff rate item.
 - "iv. monthly nonrecurring billings by tariff rate item.
 - "v. monthly costs by rate element for recurring costs.
 - "vi. monthly costs by rate element for nonrecurring charges on a work function by work function basis.
- "2) The format of these quarterly reports should be determined in consultation with CACD.
- "3) Sprint should file quarterly reports 45 days after the end of the respective quarter for which the report applies."

DRA asserts that the Commission will need this information to keep abreast of developments in the intraLATA Hicap⁴ market and to determine whether or not intraLATA Hicap service is competitive. Additionally, this information is needed

⁴ Hicap is still another name being used to refer to high speed digital private line service.

by the Commission to protect competitors against anticompetitive behavior, e.g. below cost pricing.

Lastly DRA requests that any advice letter and associated tariff revisions filed by US Sprint for this new offering be made effective on not less than five (5) days' notice of the filing. DRA contends that such filings should include a supporting rate comparison exhibit as well.

On December 12, 1988, US Sprint wrote to the ALJ regarding DRA's protest stating that it had scheduled a meeting with DRA on Tuesday, December 13, 1988, in hopes of resolving DRA's concerns.

After meeting with US Sprint and further reviewing the matter, DRA on December 23, 1988, withdrew its protest. DRA also determined that with the exception of one item, (a non-recurring charge for its end user to serving wire center rate element) its rates were not priced below those being offered by Pacific or GTEC.

On December 2, 1988, Pacific Bell wrote a letter to the assigned ALJ regarding this application. In that letter Pacific stated that it does not oppose US Sprint's application as long as US Sprint adheres to its agreement to only offer nonswitched service as full period dedicated connections of two or more end-user premises within a LATA.

In addition Pacific notes that multiplexing of this service may only occur at speeds of 1.544 mbps or above, under the provisions of Section IV of Appendix A to D.88-09-059.

Lastly Pacific asks that US Sprint's tariff not be approved prior to the revised tariffs for its own 1.544 mbps high speed digital private line services in A.88-10-012.

On January 13, 1989, US Sprint prepared and submitted to the ALJ and to the interested parties its final draft advice letter and associated tariff sheets for adoption in this proceeding.

Discussion

US Sprint currently provides interLATA high speed 1.544 mbps digital private line service in California. The additional authorization sought would allow US Sprint to compete in the intraLATA market throughout California as well. US Sprint will use its own existing facilities along with special access services of the local exchange telephone companies to provide these services. All services furnished by US Sprint under this proposal will be provided via full period, dedicated, nonswitched facilities, as contrasted to time sharing of a private line service, using switched satellite facilities, or traditional switched message toll telephone service.

In D.88-09-059 we concluded that competition to provide intraLATA high speed digital private line services according to the conditions in the adopted modified settlement is in the public interest, and accordingly we allowed potential competitors to request such authorization.

We concur with the comments received from Pacific that US Sprint's proposed service must be provided in compliance with the requirements of D.88-09-059 (Appendix A, Section IV. A.1.a.), and we limit the authority granted accordingly.

The reporting requirements suggested by DRA deserve careful review and consideration, and two points of view become apparent. On one hand, the Commission recognizes the presence of competitors in this marketplace and the need to address this presence with the proper regulatory framework, which we will adopt today. On the other hand, this market structure is in its embryonic stage. While we will allow market forces to take their effect, we nevertheless cannot abandon our responsibility for regulating this industry. In order to provide adequate oversight, some monitoring is in order. A recent example is the monitoring program we adopted for AT&T-C in D.88-12-091. While we agree with DRA's recommendation for reporting in concept, we find that its

specific recommendation may be burdensome, especially when we are moving toward an observation and monitoring approach. Therefore, we will adopt a more modest version of that recommendation, as follows:

1. US Sprint will be required to submit semiannual reports for a two-year period beginning with the effective date of US Sprint's rates and charges. The reports will be filed with the CACD with copies to the DRA - Telecommunications Rate Design Branch and will contain the following recorded data for US Sprint's intraLATA 1.544 mbps high speed digital private line service:
 - a. Monthly in-service volumes.
 - b. Monthly inward movement volumes.
 - c. Monthly recurring billings by tariff rate item, and,
 - d. Monthly nonrecurring billings by tariff rate item.
2. The format of these semiannual reports should be determined in consultation with CACD.

This reporting requirement will sunset with the submission of the report for the semiannual period ending December 31, 1990.

Finally, in D.88-09-059 we agreed to take action on all conforming requests for authority to provide competitive intraLATA high speed digital private line services which were filed no later than October 31, 1988, with any resulting authorizations to be effective coincident with the effectiveness of local exchange carrier pricing flexibility for these services. To that end, we will coordinate the effectiveness of US Sprint's expanded authority and the local exchange carriers' pricing flexibility to become effective at the same time, namely on February 15, 1989.

We conclude that the authority which US Sprint requests should be granted as provided by this order.

Since there is a need to make the tariffs for this service effective on the same date (February 15, 1989) as that for local exchange carrier pricing flexibility for these services, and there are no pending protests to this application, we will make this order effective today.

Findings of Fact

1. US Sprint is a nondominant carrier (telephone corporation) organized under California law and a regulated utility as defined under PU Code § 234.

2. US Sprint is requesting a CPCN to provide 1.544 mbps high speed digital private line service on an intraLATA basis in California, as a complement to its current interLATA service offerings.

3. All timely protests filed relative to this application have been withdrawn; therefore no hearing is necessary for processing this application.

4. US Sprint did not include in A.88-11-009, projected customer data for the first and fifth full year of operation, as required by Rule 18j of the Commission's Rules of Practice and Procedure. A.88-11-009 nonetheless is adequate, especially since no new facilities are necessary for rendering the proposed service, and US Sprint cannot accurately determine the market share of the emerging competitive business it will enjoy.

5. US Sprint has the technical ability to provide this proposed service on a safe, effective, reliable, and continuous basis.

6. US Sprint's application demonstrates that it has the financial integrity to effectively implement the proposed service without any significant impact on its other telephone utility operations.

7. It can be seen with certainty that granting this application may not have a significant adverse impact on the environment.

8. In D.88-09-059, we concluded that competition to provide intraLATA high speed digital private line services as provided in the adopted modified settlement in Phase I of I.87-11-033 is in the public interest and should be authorized.

9. US Sprint has agreed that it will not multiplex this service below 1.544 mbps.

10. US Sprint has also agreed not to switch intraLATA voice or data traffic pursuant to this application.

11. In D.88-09-059, we concluded that it is reasonable to coordinate the effectiveness of any authorization granted to interexchange carriers to provide intraLATA high speed digital private line services with the effectiveness of local exchange carrier pricing flexibility for such services.

12. There is no reason to treat US Sprint differently than other interexchange carriers regarding the granting of authority to provide intraLATA high speed digital private line services.

13. Public convenience and necessity require the granting of A.88-11-009 to the extent set forth in the Ordering Paragraphs which follow.

Conclusions of Law

1. US Sprint plans to use its existing facilities to furnish the proposed competitive service and therefore a waiver of the Rule 18j requirement of the Commission's Rules of Practice and Procedure to estimate first and fifth year customer potential for this service is appropriate and should be granted.

2. US Sprint's request for authority to provide intraLATA 1.544 mbps high speed digital private line service set forth in its A.88-11-009 is consistent with the provisions of D.88-09-059 and should be granted to the extent set forth in the Ordering Paragraphs hereof.

3. US Sprint should be prohibited from holding out the availability of other intraLATA services it is not authorized to

provide and should be required to advise its customers that intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

4. The effective date of US Sprint's statewide intraLATA high speed digital private line service authority should be coincident with the effective date of similar tariffs to be filed by Pacific and GTEC pursuant to decisions in A.88-10-012 and A.88-10-017, respectively.

5. In order to allow US Sprint to make these services available on February 15, 1989 this order should be effective today.

6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to applicant US Sprint Communications Company, Limited Partnership (US Sprint), to provide intraLATA high speed digital private line services at 1.544 mbps or higher within all LATAs in California subject to the following conditions:
 - a. US Sprint may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
 - b. Digital private line services at 1.544 megabits per second (mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.

- c. US Sprint may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 mbps or above.
- d. This authority does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 mbps.
- e. US Sprint must establish rates and charges for its intraLATA high speed digital private line service above its cost of providing such service.
- f. US Sprint shall refrain from holding out to the public the provision of any intraLATA services it is not authorized to provide.
- g. US Sprint shall advise its subscribers that intraLATA communications which US Sprint is not authorized to provide should be placed over the facilities of an authorized carrier.

2. US Sprint is hereby authorized to file an advice letter and associated tariff sheets identical to Appendix A to this order for its initial offering of intraLATA high speed 1.544 mbps digital private line service.

3. The advice letter and associated tariff sheets described in Ordering Paragraph 2, above, shall be filed in compliance with the provisions of General Order 96-A after the effective date of this order. The revised schedules shall apply only to service rendered after their effective date which shall be at least five days after filing, but not earlier than February 15, 1989.

4. The requirements of G.O. 96-A relative to the effectiveness of tariffs after filing are waived in order that future tariff revisions for this competitive intraLATA service may become effective on five days' notice after filing.

5. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding; absent such filing, the authority granted by this certificate may be revoked.

6. Applicant shall notify the Commission Advisory and Compliance Division (CACD) Director in writing of the date service is first rendered to the public as authorized herein, within 5 days after service begins.

7. Applicant shall monitor the implementation of its intraLATA 1.544 mbps high speed digital private line service and shall submit semiannual reports for a two-year period beginning with the effective date of the rates and charges for this service as authorized herein. These reports shall be filed with the CACD with copies to the DRA-Telecommunications Rate Design Branch and shall include the following recorded data for applicant's intraLATA 1.544 mbps high speed digital service:

- a. Monthly in-service volumes.
- b. Monthly inward movement volumes.
- c. Monthly recurring billings by tariff rate item, and,
- d. Monthly nonrecurring billings by tariff rate item.

The format of these semiannual reports shall be determined in consultation with the CACD staff.

8. The reporting requirement of Ordering Paragraph 7 shall commence within 45 days after June 30, 1989, and shall terminate upon submission of the report for the semiannual period ending December 31, 1990, to be submitted on or before February 14, 1991.

9. Within 60 days after the effective date of this order, US Sprint shall prepare and issue to every employee who, in the course of his or her employment, has occasion to enter the premises of customers or subscribers of the corporation an identification card

in a distinctive format having a photograph of the employee. US Sprint shall require every employee to present the card upon requesting entry into any building or structure on the premises of a customer or subscriber, as set forth in P.U. Code § 708.

10. The certificate granted and the authority to render service under the rates, charges, and rules authorized herein will expire if not exercised within 12 months after the effective date of this order.

11. The corporate identification number currently assigned to US Sprint Communications Company, Limited Partnership, is U-5112-C, which should continue to be included in the caption of all original filings with this Commission, and in the title of other pleadings filed in existing cases.

12. IntraLATA 1.544 mbps high speed digital private line service is a utility service and is subject to the user fee as a percentage of gross intrastate revenue under PU Code §§ 431 through 435.

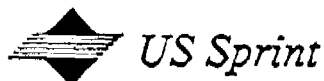
13. This proceeding is closed.
This order is effective today.

Dated FEB 8 1999, at San Francisco, California.

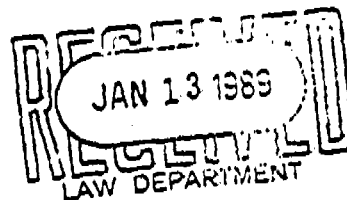
G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULENT
JOHN B. CHANTAN
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

[Signature]
Executive Director

DRAFT

January 13, 1988

Advice Letter No. 29

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: US Sprint Communications Company Limited Partnership
California Tariff Cal. P.U.C. No. 1

Dear Sir/Madam:

Enclosed for filing please find an original and four copies of revisions to US Sprint's California Tariff Cal. P.U.C. No. 1. The following pages are being issued:

27th Revised Page 2-T
5th Revised Page 7-T
1st Revised Page 9-T
5th Revised Page 17-T
3rd Revised Page 28.1-T
3rd Revised Page 28.2-T
3rd Revised Page 28.4-T
3rd Revised Page 43.1-T

The attached tariff revisions are submitted pursuant to Ordering Paragraph _____ of Decision No. _____ which permits US Sprint to provide CLEARLINE 1.5 Service both interLATA and intraLATA.

In accordance with Decision No. _____, US Sprint respectfully requests that this filing become effective on February 15, 1989. Acknowledgement and date of receipt are requested. A duplicate letter of transmittal is enclosed along with a self-addressed stamped envelope for this purpose.

Copies of this Advice Letter and revised tariff pages are being forwarded to all competing and adjacent utilities as prescribed in General Order No. 96-A, and is being served on all parties in Docket A.88-11-009.

If you have any questions, please contact me at (816) 276-6120 or Richard Purkey at (415) 375-5856.

Sincerely,

Lisa Kemna
State Tariff Analyst

Enclosure

CHECK SHEET

Current sheets in this tariff are as follows;

<u>PAGE</u>	<u>REVISION NUMBER</u>	<u>PAGE</u>	<u>REVISION NUMBER</u>	<u>PAGE</u>	<u>REVISION NUMBER</u>	<u>PAGE</u>	<u>REVISION NUMBER</u>
1-T	Original	24.3-T	4th	42.1-T	2nd	65-T	2nd
2-T	*27th	24.4-T	Original	43-T	1st	66-T	Original
3-T	Original	25-T	3rd	43.1-T	*3rd	67-T	Original
4-T	4th	25.1-T	1st	43.2 T	2nd	68-T	Original
5-T	2nd	26-T	Original	44-T	Original	69-T	Original
6-T	4th	27-T	1st	45 T	Original	70-T	3rd
7-T	*5th	28-T	Original	46-T	Original	71-T	2nd
8-T	Original	28.1-T	*3rd	47-T	Original	72-T	1st
9-T	*1st	28.2-T	*3rd	48-T	1st	73-T	Original
10-T	1st	28.3-T	2nd	49 T	Original	74-T	Original
11-T	2nd	28.4-T	*3rd	50-T	2nd	74.1-T	1st
12-T	2nd	28.5-T	2nd	51-T	2nd	74.2-T	1st
12.1-T	Original	28.6-T	2nd	51.1	1st	75-T	3rd
12.2-T	Original	28.7-T	Original	51.2	Original	76-T	Original
12.3-T	Original	28.8-T	Original	52-T	Original	77-T	1st
13-T	5th	28.9-T	1st	53-T	2nd	78-T	1st
14-T	4th	28.10-T	2nd	54-T	2nd	79-T	1st
15-T	5th	28.11-T	Original	55-T	2nd	80-T	Original
16-T	4th	29-T	Original	56-T	3rd	81-T	Original
17-T	*5th	30-T	2nd	56.1-T	Original	81.1-T	1st
18-T	3rd	31-T	Original	57-T	Original	81.2-T	1st
19-T	2nd	32-T	5th	58-T	3rd	81.3-T	1st
20-T	2nd	32.1-T	Original	59-T	Original	81.4 T	Original
21-T	2nd	33-T	4th	60-T	4th	81.5-T	Original
21.1-T	Original	34-T	2nd	61-T	Original	81.6-T	Original
22-T	1st	35-T	3rd	62-T	1st	82-T	Original
22.1-T	1st	36-T	4th	63 T	2nd	83-T	Original
23-T	1st	37-T	6th	64-T	2nd	84-T	Original
24-T	6th	38-T	Original				
24.1-T	4th	39 T	3rd				
24.2-T	4th	40-T	2nd				
		41-T	2nd				
		42-T	4th				

*Asterisk indicates changes in current tariff filing.

Inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Case Letter No. 29

US Sprint Communications Company
 John R. Hoffman

Date Filed _____

Decision No. _____

Senior Vice President - External Affairs
 8140 Ward Parkway, 5 East
 Kansas City, MO 64114-2006

Effective _____

Resolution No. _____

I. APPLICATION OF TARIFF

This tariff applies to intercity telecommunications services furnished by US Sprint Communications Company ("US Sprint") or ("Carrier") between and among points within the State of California in conjunction with US Sprint's interstate telecommunications services originating and terminating in California in accordance with the conditions which are set forth below. US Sprint provides both interLATA and intraLATA CLEARLINE 1.5 Service in the State of California. All other US Sprint services provided in the State of California are interLATA only services. These services are also provided in conjunction with services under US Sprint's federal tariffs.

II. SERVICES FURNISHED

- 1. SPRINT
- 2. US SPRINT WATS SERVICES
- 3. PRIVATE LINE SERVICE
- 4. US SPRINT 800 Services

III. OWNERSHIP OF FACILITIES

Title of all facilities provided by the Carrier in accordance with these regulations remains with the Carrier.

Continued

(To be inserted by utility)
Decision Letter No. 29
Decision No. _____

Issued by
US Sprint Communications Company
John R. Hoffman
Senior Vice President - External Affairs
8140 Ward Parkway, 5 East
Kansas City, MO 64114-2006

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

1st Revised Cal. P.U.C. Sheet No. 9-T

Canceling Original Cal. P.U.C. Sheet No. 9-T

SERVICE AREA SECTION

US Sprint provides specialized intrastate long distance telecommunications services within the State of California.

US Sprint has been granted authority by the C.P.U.C. to provide interLATA service within the State of California. Carrier does not hold itself out as offering intraLATA service for any service except CLEARLINE 1.5 Service which is provided both interLATA and intraLATA. IntraLATA communications, except as authorized by the C.P.U.C. should be placed over the facilities of the local exchange company. CLEARLINE 1.5 Service is an authorized intraLATA service.

(N)
|
|
|
(N)

(To be inserted by utility)
Case Letter No. 29
Decision No. _____

Issued by
US Sprint Communications Company
John R. Hoffman
Senior Vice President - External Affairs
8140 Ward Parkway, 5 East
Kansas City, MO 64114-2006

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

SERVICE AREA SECTION (Continued)

PRIVATE LINE Service (Continued)

CLEARLINE 1.5 Service

Clearline 1.5 Service is available both interLATA and intraLATA between the points of presence listed below.

(N)

LATA 722

Burlingame
Palo Alto
San Bruno
San Francisco
San Jose

LATA 730

Anaheim
Los Angeles
Mission Viejo
Rialto

LATA 734

Bakersfield

LATA 738

Stockton

LATA 726

LATA 724

Oroville

Sacramento

LATA 973

Palm Springs

LATA 728

Fresno

LATA 732

San Diego
Solana Beach

Continued

(To be inserted by utility)
Decision Letter No. 29
Decision No. _____

Issued by
US Sprint Communications Company
John R. Hoffman
Senior Vice President - External Affairs
8140 Ward Parkway, 5 East
Kansas City, MO 64114-2006

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

SCHEDULE NO. A-7

CLEARLINE 1.5 Service

APPLICABILITY

Applicable to Clearline 1.5 Service.

TERRITORY

Clearline 1.5 Service is available both interLATA and intraLATA between service locations below .

(N)

(See Service Area Section beginning Sheet 9-T.)

RATES

The following rates apply to Clearline 1.5 Service. This service will be provided via the digital fiber optic network, subject to network availability. The Clearline 1.5 Service is offered in the form of discrete intercity communications facilities which are dedicated to the use of a specific subscriber and are billed at predetermined fixed monthly rates plus a mileage sensitive charge. The Clearline 1.5 Service has three rate elements which are described below.

1. Base Interexchange Charges

The charge for this portion of the Clearline 1.5 Service is for transportation of traffic between Carrier's POPs and is provided under two pricing structures as described below. Charges are based on airline mileage as calculated using the formula presented on Sheet No. 71-T.

1. Base Service Pricing

Base Service Pricing is used at the customer's option if they elect not to make specific monthly volume commitment as with the Clearline Volume Pricing Plan.

Continued

(To be inserted by utility)
Decision Letter No. 29
Decision No. _____

Issued by
US Sprint Communications Company
John R. Hoffman
Senior Vice President - External Affairs
8140 Ward Parkway, 5 East
Kansas City, MO 64114-2006

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

CLEARLINE 1.5 Service (Continued)

RATES (Continued)

1. Base Interexchange Charges (Continued)

1. Base Service Pricing (Continued)

Each Clearline 1.5 Service circuit connected between two subscriber interface points will be construed as an individual circuit for rate compilation purposes. To calculate the charge for a Clearline 1.5 Service circuit under Base Service Pricing, add the fixed charge plus the charge per mile times the total number of V&H miles. (D)

	Fixed Charge <u>Month/Circuit</u>	Per Mile <u>Month/Circuit</u>
Monthly Contract	\$ 550.00	\$18.20 (R)
1 Year Contract	\$ 550.00	\$17.40
2 Year Contract	\$ 550.00	\$17.20
3 Year Contract	\$ 550.00	\$16.90 (R)
4 Year Contract	\$ 550.00	\$16.75
5 Year Contract	\$ 550.00	\$16.65 (R)

2. Clearline Volume Pricing Plan

The Clearline Volume Pricing Plan rewards customers for a monthly volume commitment, extended term, or both. Under this plan the customer commits to a minimum monthly Interoffice revenue obligation. There are a total of 25 plans available. For each month of the term of the plan, a customer is liable for the greater of the selected monthly plan minimum or the actual Interoffice charges resulting from calculation of the specific plan's charges.

Continued

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3rd Revised Cal. P.U.C. Sheet No. 28.4-T

Canceling 2nd Revised Cal. P.U.C. Sheet No. 28.4-T

SCHEDULE NO. A-7

Clearline 1.5 Service (Continued)

RATES (Continued)

- 1. Base Interexchange Charges (Continued)
- 2. Clearline Volume Pricing Plan (Continued)

Length of Commitment Discounts

US Sprint offers a discount based on length of commitment to subscribers who utilize Clearline 1.5 Service under the Clearline Volume Pricing Plan. The discount applies to the POP to POP portion of that service. It does not apply to the Local T-1 Access Facility. The discount schedule is as follows:

(D)

<u>Length of Contract</u>	<u>Percent Discount</u>
1 Year	0.0%
2 Year	2.0%
3 Year	4.5%
5 Year	9.0%

For Base Service Pricing, no discounts will apply beyond the reduced mileage rates for multi-year agreements.

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3rd Revised Cal. P.U.C. Sheet No. 43.1-T

Canceling 2nd Revised Cal. P.U.C. Sheet No. 43.1-T

RULE NO. 2 (Continued)

DESCRIPTION OF SERVICES (Continued)

3. PRIVATE LINE Service (Continued)

CLEARLINE 1.5 Service

Clearline 1.5 Service provides dedicated circuits which connect distant locations on the Carrier's network. This is a non-switched point-to-point service over fully dedicated lines at a fixed monthly rate. (Z)
(D)

These circuits are dedicated to a subscriber for his exclusive use 24 hours per day. Facilities are offered to meet the particular transmission needs of the subscriber.

Clearline 1.5 Service provides simultaneous transmission of isochronous digital signals at a speed of 1.544 mbps. Access from subscriber premises to Carrier's network is via T-1 access line, which provides a direct digital transmission connection at 1.544 mbps, or the equivalent of 24 voice channels. Charges for Clearline 1.5 Service are based on distance between the city-pair POPs, access arrangements, equipment, and length of customer commitment.

(To be inserted by utility)
Advice Letter No. 29
Decision No. _____

Issued by
US Sprint Communications Company
John R. Hoffman
Senior Vice President - External Affairs
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Kansas City, MO 64114-2006

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provide and should be required to advise its customers that intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

4. The effective date of US Sprint's statewide intraLATA high speed digital private line service authority should be coincident with the effective date of similar tariffs to be filed by Pacific and GTEC pursuant to decisions in A.88-10-012 and A.88-10-017, respectively.

5. In order to allow US Sprint to make these services available on February 15, 1989 this order should be effective today.

6. Absent a determination of original cost of plant for applicant, in an evidentiary hearing, only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to applicant US Sprint Communications Company, Limited Partnership (US Sprint), to provide intraLATA high speed digital private line services at 1.544 mbps or higher within all LATAs in California subject to the following conditions:

- a. US Sprint may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
- b. Digital private line services at 1.544 megabits per second (mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.