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April 2, 2004

Ms. Mary Jo Kunkle  
Executive Secretary  
Michigan Public Service Commission  
6545 Mercantile Way  
PO Box 30221  
Lansing, MI 48909

Re: The Commission's Own Motion, to Commence an Investigation  
into Voice Over Internet Protocol Issues in Michigan  
MPSC Case No. U-14073

Dear Ms. Kunkle:

Enclosed for filing please find the original and four copies of the Initial Comments of Sprint Communications Company, L.P. in the above captioned proceeding. These comments have been filed electronically with the Michigan Public Service Commission's Electronic Case Filings System.

Very truly yours,

CLARK HILL PLC

Haran C. Rashes

:hcr  
Enclosure

cc: Mr. Brett D. Leopold

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s Own )  
Motion, to Commence an Investigation into )  
Voice Over Internet Protocol Issues in )  
Michigan )

Case No. U-14073

**INITIAL COMMENTS OF SPRINT COMMUNICATIONS COMPANY, L.P.**

Sprint Communications Company, L.P. (“Sprint”), by and through its attorneys, Clark Hill PLC, hereby submits the Initial Comments of Sprint Communications Company, L.P. in response to the Michigan Public Service Commission’s (“MPSC” or “Commission”) March 16, 2004, *Order Commencing Investigation* in the above-captioned proceeding and states as follows:

**I. INTRODUCTION AND SUMMARY OF POSITION**

The MPSC has identified eight topics regarding Voice over Internet Protocol (“VoIP”) and asked that parties file comments in this proceeding to assist the MPSC in its study of the state and federal regulatory aspects of VoIP technology. Sprint responds to each of the eight items below, but at the outset, Sprint provides the following summary of its current policy position regarding VoIP.

As described more fully herein, Sprint favors limited, flexible regulation of VoIP providers. VoIP comes in many different varieties, both in terms of the technology and service offerings. Some varieties of VoIP operate much like traditional telephone service while other VoIP services are largely computer-based. Given the distinctions between VoIP services, Sprint believes that the public interest will not be served by “one-size-fits-all” regulation. Rather, the MPSC should gather information about the varieties of VoIP and consider the appropriate level of regulation for each type of VoIP service.

## **II. MPSC TOPICS FOR COMMENT**

**Topic A:** The number and type of VoIP providers that are providing service in Michigan, including incumbent local exchange carriers, competitive local exchange carriers, and unlicensed VoIP providers.

### **Sprint's Comments on Topic A:**

Sprint currently is not a provider of VoIP in Michigan.

**Topic B:** Estimations of the proper degree of regulation, based on transmission method, to ensure Michigan citizens are protected while using VoIP, while allowing VoIP services to avoid unnecessarily burdensome regulations.

### **Sprint's Comments on Topic B:**

VoIP services, to the extent they are substitutes for circuit switched local service, should comply with a subset of existing regulations dealing with public safety and disability access. The various forms of VoIP service should be examined on a case-by-case basis to determine the applicability of other regulations. In all cases, consideration should be given to the development of new applications from the perspective of timing, feasibility and necessity of compliance. A one-size-fits-all approach is probably not appropriate. That said, there must also be consideration given to potential competitive advantages afforded “less regulated” services that compete with traditional services. The goal should be a model of regulatory parity, albeit under a less regulated structure.

**Topic C:** Information regarding the effect of VoIP on telephone numbering resources, including non-licensed VoIP providers’ access to numbering resources through licensed telecommunication carriers and VoIP end users’ ability to port their current landline or wireless telephone number to their VoIP equipment.

### **Sprint's Comments on Topic C:**

The FCC has delegated certain number administration authority to the states. The MPSC and its Staff should be flexible in how they interpret and administer numbering resources, such

that end user services, including VoIP are not unnecessarily denied numbering resources. For example, the retail service provider may not be the entity requesting numbering resources. There may be an enabling partner that will be requesting numbering resources on behalf of the VoIP service provider.

**Topic D:** Access to emergency calling, including VoIP end users' unrestricted access to 9-1-1, non-carrier charges for 9-1-1 access, and public safety answering points costs to geographically locate VoIP callers and provide a call back number.

**Sprint's Comments on Topic D:**

*See Sprint's Comments to Topic B above.* In addition, it is appropriate for VoIP service providers that allow subscribers to dial 9-1-1 to collect and remit 9-1-1 surcharges, i.e., share the cost of the network and facilities being utilized.

Finally, Sprint believes that VoIP service providers should have access to 9-1-1 selective routers either directly or indirectly through other entities.

**Topic E:** Whether VoIP providers may participate in, and have access to, the federal Universal Service Fund ("USF") to provide service to rural areas, hospitals, and schools; the ability of VoIP carriers to provide low-cost service similar to Lifeline and Link-up for low-income end users; and the need for VoIP end-users to contribute to the federal USF.

**Sprint's Comments on Topic E:**

Today, telecommunications carriers contribute approximately 9% of their interstate and international revenue to the federal USF. If VoIP is classified as an information service and not required to contribute to USF, the result will be a shift in burden from all telecom providers that contribute today to only those not utilizing VoIP technology. There are other USF funding mechanism options that alleviate the strain that may be placed on the USF if VoIP revenues are not assessed. One such mechanism is basing contributions on telephone numbers, which would eliminate the technological loopholes.

**Topic F:** VoIP services' effect on the current access charge structure

**Sprint's Comments on Topic F:**

Based on the assumption that the current inter-carrier compensation structure will be replaced, Sprint believes that inter-carrier compensation is a short-term, but significant issue. The most reasonable solution is to require VoIP service providers to pay the same inter-carrier compensation as other voice service providers for calls that originate and/or terminate via the Public Switched Telephone Network ("PSTN"). Jurisdiction should be determined by the end points of the call and jurisdictionalized as local, intrastate or interstate, as appropriate. VoIP service providers should pass the appropriate records to interconnected carriers identifying the actual originating and terminating locations. That some VoIP services are or may be mobile fails to justify not sending the appropriate records and should not exempt them from paying inter-carrier compensation. CMRS providers have similar mobility issues, but that does not relieve them from the responsibility of paying inter-carrier compensation.

**Topic G:** The ability of VoIP services to provide abbreviated dialing (2-1-1, 3-1-1, 4-1-1, 7-1-1) programs and toll-free dialing (1+800) to end users.

**Sprint's Comments on Topic G:**

VoIP services should provide abbreviated dialing whenever technically feasible. If a VoIP service does not have the technical feasibility to provide abbreviated dialing, the Commission should address the issue on a case-by-case basis. It appears appropriate that VoIP services should be required to provide access to toll-free numbers.

**Topic H:** Other technical issues, such as Internet virus potential, power outage risks, consumer protections including privacy, quality of service, and accessibility by local, state and federal law enforcement.

**Sprint's Comments on Topic H:**

VoIP service providers should comply with consumer protections including privacy. Accessibility by local, state and federal law enforcement should be evaluated on a case-by-case basis. Market forces should drive quality of service levels and power outage solutions.

**III. CONCLUSION**

Sprint appreciates the opportunity to work with the MPSC in analyzing these critical issues.

Respectfully submitted,

CLARK HILL PLC

By: \_\_\_\_\_

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