



Patrick R. Fucik
Director – West Region
Sprint State Government Affairs
913-687-5548

6450 Sprint Parkway
KSOPHN0314-3B221
Overland Park, KS 66251
Patrick.r.fucik@sprint.com

**Testimony of Patrick Fucik on HB 2326
Submitted to the Kansas Senate Committee on Commerce
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Thank you Madame Chair and Members of the Committee. My name is Patrick Fucik and I am the Director of State Government Affairs for Sprint in our West Region. Thank you for the opportunity to present Sprint's comments on HB 2326. As passed the House, Sprint is taking a neutral position on HB 2326.

Background

Late in 2011, the Federal Communications Commission (FCC) began implementation of the National Broadband Plan with the release of a comprehensive Universal Service reform order which outlines steps to advance broadband and move away from outdated telephone subsidy systems.

As a part of the Broadband Plan, the FCC issued a Further Notice of Proposed Rulemaking to receive industry input on a variety of issues designed to keep the federal regulatory scheme in pace with marketplace advancements.

One of the items the FCC is currently seeking input on is its goal of facilitating industry progression on all Internet Protocol (IP) networks and ensuring the transition to IP-to-IP interconnection is an important part of that goal.

In order to effectively compete, Sprint and other competitive providers require efficient, cost-minimizing interconnection with Incumbent Local Exchange Carriers (ILECs) like AT&T and Verizon. Interconnection is the process of connecting service provider networks for the exchange of end user voice traffic. In spite of seeking additional input on the issue of IP-to-IP interconnection, the FCC's order requires ILECs to "negotiate in good faith" with regard to IP-to-IP interconnection and expects carriers to interconnect in this manner.

The entire industry is transitioning from "circuit" to "packet" technology because packet switching is a far more efficient means of delivery of voice, data, and video (i.e. multi-media) services. Packet transmission uses IP and is replacing Time Division Multiplexing (TDM) protocol traditionally used to deliver voice traffic. IP interconnection, a far more efficient form of interconnection than TDM, should go hand-in-hand with this industry transition.

Voice over Internet Protocol (VoIP) is one of the service applications provided on packet-based networks. AT&T and Verizon are positioning this technology transition to IP as a basis to gain

relief from regulation, including fundamental competition safeguards – access and interconnection.

To exchange voice traffic with other carriers, Sprint is forced to pay for connections to about 15,000 telephone company switches. In contrast, for the exchange of email (data), Sprint connects at a dozen or so regional locations (e.g. “carrier hotels”). Sprint currently exchanges voice traffic with multiple national non-incumbents using IP interconnections typically at no more than two to four locations across the country.

Sprint Position

Sprint appreciates the cooperation of AT&T and the other carriers to reach an agreement on HB 2326 before it passed the House. As outlined above, Sprint believes that continued oversight of the Kansas Corporation Commission (KCC) over interconnection agreements between competitive carriers and ILECs is necessary for all types of traffic.

Robust competition among carriers in the retail markets requires just and reasonable access and interconnection among the carriers. In order for competition at the retail level to thrive under the deregulation envisioned in HB 2201, there must be oversight of carrier-to-carrier matters. Carriers like Sprint have to rely on ILECs like AT&T and Verizon to interconnect our network to theirs in order to complete calls.

As passed by the House, it is Sprint’s position that HB 2326 will preserve the rights of all parties to pursue their position as to the regulatory status of IP interconnection and allow the KCC to determine enforcement of interconnection agreement disputes between carriers regardless of the technology used for such interconnection. Maintaining the KCC’s oversight over carrier-to-carrier interconnection agreements is essential to the ensuring a competitive retail market.

Thank you for your consideration of Sprint’s position on HB 2326.