

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Universal Service Contribution	)	WC Docket No. 06-122
Methodology	)	

**COMMENTS OF SPRINT CORPORATION**

Sprint Corporation (“Sprint”), pursuant to the Public Notice released on December 21, 2018 (DA 18-1298), hereby submits its comments on proposed changes to the annual and quarterly Telecommunications Reporting Worksheets, FCC Form 499-A and 499-Q, and the related filing instructions. Most, if not all, of the changes proposed by the Commission are ministerial in nature (*e.g.*, changing the dates from 2018 to 2019), which Sprint agrees are appropriate. In addition, Sprint proposes two clarifications, first, to the instructions relating to Lines 503-509 of Form 499, and second, to the proper reporting of SMS revenues.

**1. Lines 503-509 Instructions**

Lines 503-509 of Form 499 identify the percentage of carrier’s carrier (column a) and end user telecom (column b) revenues by geographic region. The instructions for populating these lines state (p. 45) that “Carriers do not need to complete column (a) if they have some end-user revenues in each of the regions in which they have carrier operations.” However, when submitting Form 499 via the E-file portal (as all carriers are now required to do), carriers must in fact enter non-zero data in column (a). The E-file portal will not allow the filer to enter a value of “zero” in column (a), or to leave column

(a) blank, even where there are data in column (b). Therefore, steps should be taken to ensure consistency between the instructions and the E-file system configuration requirements; the simplest fix would seem to be a clarification of the instructions. While this correction is relatively minor, auditors have raised this issue verbally with Sprint in multiple audit findings, and ensuring that the Form 499 instructions and the electronic filing system requirements are consistent will help avoid questions and negative audit findings in the future.

## **2. Clarification of SMS/MMS Revenue Reporting**

In December 2018, the Commission issued a Declaratory Ruling that two forms of wireless messaging, SMS and MMS, “are information services, not telecommunications services under the Communications Act, and that they are not commercial mobile services, or their functional equivalent.”<sup>1</sup> This order should remove any remaining doubt that SMS and MMS revenues, as information services revenues, are *not* contributory for federal USF purposes.

In order to be consistent with the *SMS Declaratory Ruling*, Form 499 and its accompanying instructions should be edited as follows:

- Form 499, Line 105 – For “telecommunications activities of the filer,” the box for “paging & messaging” should now be only “paging”;
- Form 499, Lines 309 and 410 – remove messaging from titles. Titles should now be “Mobile services (i.e., wireless telephony, paging, and other mobile services”);
- Instructions, page 6 – the definition of “interstate telecommunications” should exclude messaging services;
- Instructions, page 30 – description of Line 410, remove “including message charges”;
- Instructions, page 53 – explanation of categories listed in Line 105, remove all reference to messaging; thus, “Paging and Messaging” should now be:

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<sup>1</sup> *Petitions for Declaratory Ruling on Regulatory Status of Wireless Messaging Service*, WT Docket No. 08-7, *Declaratory Ruling* released Dec. 13, 2018 (FCC 18-178), para. 2.

Paging – Provides wireless paging. This category includes the provision of paging by resale.

These edits are for clarification purposes only, and should not be interpreted as either a change in Commission policy or as a suggestion that previous Form 499 reports should have treated SMS and MMS revenues as contributory for federal USF purposes.

Respectfully submitted,

**SPRINT CORPORATION**

*/s/ Charles W. McKee*

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