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PUBLIC VERSION

REDACTED FOR PUBLIC INSPECTION – SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT

September 21, 2018

Via Electronic Submission

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

ATTN: Thomas Sullivan, Chief, International Bureau

**Re: Notification of Acceptance of Terms and Conditions for Waiver of the
Benchmark Rate for Cuba, IB Docket No. 10-95;
Sprint Communications Company L.P., ITC-214-20100623-00263**

Dear Ms. Dortch,

Sprint Communications Company L.P. (“Sprint”)¹ hereby submits for Federal Communications Commission (“Commission”) review Sprint’s Public Version of its request to extend the previously granted waiver of the benchmark policy applicable to U.S. carriers seeking to provide telecommunication services on a direct basis to Cuba as specified in the Commission’s April 8, 2011 *TeleCuba Waiver Order*,² and as revised by the Commission’s *International Settlements Policy Reform Order*.³

Pursuant to Exemption 4 of the *Freedom of Information Act* (“FOIA”)⁴ and the Commission’s rules,⁵ Sprint respectfully requests confidential treatment for the information that

¹ Sprint is authorized to provide direct service to Cuba pursuant to ITC-214-20100623-00263 (effective Aug. 11, 2010).

² *ICConnect Wholesale, Inc. d/b/a TeleCuba, Petition for Waiver of the International Settlements Policy and Benchmark Rate for Facilities-Based Telecommunications Services with Cuba*, IB Docket No. 10-95, FCC File No. ISP-WAV-20100412-00007, Memorandum Opinion and Order, 26 FCC Rcd 5217 at ¶ 31 (2011) (“*TeleCuba Waiver Order*”). See also *International Authorizations Granted*, Report No. TEL-01750, Public Notice (DA No. 15-924) (Aug. 20, 2015).

³ *International Settlements Policy Reform*, IB Docket Nos. 11-80, 05-254, 09-10, RM 11322, Report and Order, 27 FCC Rcd 15521 (2012) (eliminating the International Settlements Policy and applying a modified version to Cuba) (“*International Settlements Policy Reform Order*”).

⁴ 5 U.S.C. § 552(b)(4).

⁵ 47 C.F.R. §§ 0.457 and 0.459.

Commission's rules,⁵ Sprint respectfully requests confidential treatment for the information that has been redacted from the waiver extension request ("Information").⁶ The Sprint Information contains company-specific, confidential commercial and financial information, including information protected by FOIA Exemption 4 and the Commission's rules protecting data that is not routinely available for public inspection and customarily guarded from competitors.

Sprint is simultaneously submitting, under separate cover, a non-redacted version of the waiver extension request for Commission review marked "CONFIDENTIAL."

As required by Section 0.459(b) of the Commission's rules⁷ and in support of its request, Sprint provides the following information:

1. Identification of the specific information for which confidential treatment is sought.

Sprint requests that the Information be treated as confidential pursuant to Exemption 4 of FOIA and Sections 0.457(d) and 0.459 of the Commission's rules, which protect confidential commercial and other information not routinely available for public inspection. The Information includes competitively sensitive, business confidential and proprietary commercial information that would not routinely be made available to the public and has been carefully guarded from Sprint's competitors. If the Information were disclosed, Sprint's competitors could use it to determine information relative to Sprint's business plans, operations and performance.

2. Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.

The Information is submitted in connection with the *TeleCuba Waiver Order* as revised by the Commission's *International Settlements Policy Reform Order*.

3. Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged.

The Information contains competitively sensitive, business confidential and proprietary commercial information. The Information could be used to determine information about Sprint's operations, which is sensitive for competitive and other reasons. The Information would not customarily be made available to the public and would be guarded from all others, especially potential competitors that could use the information to enhance their market position at Sprint's expense.

4. Explanation of the degree to which the information concerns a service that is subject to competition.

The Information contains information about Sprint's commercial operations in connection with the routing of international calls. If the Information is not protected, competitors and potential competitors could use the Information to their competitive advantage.

5. Explanation of how disclosure of the information could result in substantial

⁵ 47 C.F.R. §§ 0.457 and 0.459.

⁶ Sprint understands that the Commission will coordinate its review of the waiver extension request with the State Department, as appropriate.

⁷ 47 C.F.R. § 0.459(b).

competitive harm.

Since this type of information generally would not be subject to public inspection and would customarily be guarded from competitors, the Commission's rules recognize that release of the Information to the public is likely to produce competitive harm. Disclosure could cause substantial competitive harm because Sprint's competitors could assess aspects of Sprint's commercial operations and could use that information to undermine Sprint's objectives and competitive position.

6. Identification of any measures taken by the submitting party to prevent unauthorized disclosure.

Sprint takes strict security precautions to ensure that this type of information is not released to the general public or obtained by its competitors and potential competitors through other means.

7. Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties.

The Information is not available to the public and has not previously been disclosed to third parties.

8. Justification of the period during which the submitting party asserts that material should not be available for public disclosure.

Sprint requests that the Information be treated as confidential indefinitely, because it is not possible at this time to determine any date certain by which the Information could be disclosed without risk of competitive harm to Sprint.

9. Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.

If publicly disclosed, the Information may be harmful to Sprint's plans to deploy direct telecommunications services to Cuba.

If a request for disclosure occurs, please provide sufficient advance notice to the undersigned prior to any such disclosure to allow Sprint to pursue appropriate remedies to preserve the confidentiality of the Information.

Please contact me if you have any questions regarding this filing or require additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gardner Foster', with a long horizontal line extending to the right.

/s/ Gardner Foster

Gardner Foster

Senior Counsel, Government Affairs

Enclosure

cc: (via email)
Denise Coca
David Krech
Jodi Cooper



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Via Electronic Submission

Mr. Thomas Sullivan
Chief, International Bureau
Federal Communications Commission
445 12th Street, N.W.
Washington, D.C. 20554

Re: Notification of Acceptance of Terms and Conditions for Waiver of the
Benchmark Rate for Cuba, IB Docket No. 10-95;
Sprint Communications Company L.P., ITC-214-20100623-00263

Dear Mr. Sullivan,

By letter dated August 7, 2015 Sprint Communications Company L.P.'s ("Sprint's") filed an Informative Notification¹ with the Federal Communications Commission ("Commission") to operate under a three-year waiver of the benchmark rate for telecommunications transmitted between the United States and Cuba. By this letter, and in accordance with paragraph 33 of the Commission's *TeleCuba Waiver Order*,² Sprint hereby reaffirms its acceptance of the terms and conditions of the Commission's waiver of the benchmark rate applicable to Cuba, as revised by the Commission's *International Settlements Policy Reform Order*.³

Sprint respectfully requests that the Commission extend its waiver for an additional three years consistent with the process set forth in Paragraph 32 of the *TeleCuba Waiver Order*.⁴ Should the Commission extend Sprint's waiver, Sprint's commercial relationship with Empresa de Telecomunicaciones de Cuba S.A. ("ETECSA") would continue under the Agreement presently on file with the Commission.

As detailed below, good cause exists to extend the waiver, as Sprint's provision of direct services to Cuba has served the public interest. In the *TeleCuba Waiver Order*, the Commission

¹ Sprint *Informative Notification of Acceptance of Terms and Conditions for Waiver of the Benchmark Rate for Cuba*, IB Docket No. 10-95 (August 7, 2015). Sprint is authorized to provide direct service to Cuba pursuant to ITC-214-20100623-00263 (effective Aug. 11, 2010) ("*Informative Notification*").

² *IConnect Wholesale, Inc. d/b/a TeleCuba, Petition for Waiver of the International Settlements Policy and Benchmark Rate for Facilities-Based Telecommunications Services with Cuba*, IB Docket No. 10-95, FCC File No. ISP-WAV-20100412-00007, Memorandum Opinion and Order, 26 FCC Red 5217 at 31 (2011) ("*TeleCuba Waiver Order*") generally and at 33.

³ *International Settlements Policy Reform*, IB Docket Nos. 11-80, 05-254, 09-10, RM 11322, Report and Order, 27 FCC Red 15521 (2012) (eliminating the International Settlements Policy and applying a modified version to Cuba) (*International Settlements Policy Reform Order*).

⁴ *TeleCuba Waiver Order* at 33.

stated that “re-establishing direct links should be done in a way that benefits consumers... [and][lower] international calling rates for services to Cuba.”⁵ Sprint’s experience affirms the Commission’s anticipated benefits (and support that its request to extend its waiver should be granted).

Sprint end user consumers have seen rate reductions: prior to the establishment of a direct route to Cuba, Sprint post-paid customers would pay on average [REDACTED] or more per minute. After the establishment of the direct route, Sprint was able to launch the “Cuba 20 plus” add-on allowing customers to effectively pay only \$0.50/ min for the first 20 minutes and \$0.70 for all minutes after that. Post-paid traffic to Cuba increased from an average of [REDACTED] before the promotion to an [REDACTED].

Sprint’s ability to offer lower rates is directly impacted by the return traffic it receives from ETECSA as a result of the two carriers’ direct commercial relationship. Given the differences in population and telecommunications density between the U.S. and Cuba, more minutes will naturally go to Cuba rather than from Cuba. Despite this, the high cost of Cuba-originated/US terminated traffic (which Sprint receives in accordance with its agreement with ETECSA) enables Sprint to reduce its retail rates to consumers. Without this return traffic, which Sprint only receives due to its Agreement with ETECSA, Sprint would be compelled to raise its rates to consumers.

The International Bureau (“Bureau”) also concluded that the public interest would be served by TeleCuba “establish[ing] a working relationship with ETECSA that would enable it to provide a direct ‘single path’ to Cuba in order to offer customers improved call quality (in terms of reduced latency and post-dial delay) and an alternative to currently available indirect services involving multiple hops at higher cost and lower quality.”⁶ Sprint’s experience in offering direct services to Cuba affirms the Bureau’s anticipated benefits.

Further, Sprint believes that the availability of its high-quality route has reduced the possibility for fraudulent behaviors that negatively impacted consumers. Because with a direct route it is easier to prevent revenue share schemes, consumers are less susceptible to this type of fraud.

Sprint end user customers have also received additional benefits: The direct interconnection with Cuba enabled Sprint to be the first US carrier to establish a direct roaming relationship with ETECSA. With this arrangement, Sprint consumer’s convenience is improved by allowing them to place calls directly from Cuba back to the US or internationally by using their own Sprint mobile device, as well as enabling them to send SMS messages and to access the Internet. Prior to the 2015 agreement, Sprint [REDACTED]. For the 12 months ended [REDACTED], Sprint had approximately [REDACTED] subscribers using the service and [REDACTED].

Perhaps notable by its absence from the benefits listed above is the fact that Sprint has not yet been able to secure a reduction in termination rates paid to ETECSA. However, we respectfully note that the condition of paragraph 32 is not that a reduction in rates has been secured, but rather, that the Commission be confident that “progress is being made toward the reduction of termination rates.” Sprint takes this opportunity to assure the Commission that we have engaged ETECSA in good-faith negotiations and have made progress toward a mutual understanding of the need to reduce termination rates.

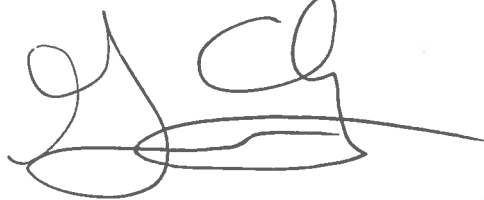
⁵ *TeleCuba Waiver Order* at 15.

⁶ *TeleCuba Waiver Order* at 21.

Thomas Sullivan
September 21, 2018

Should you have any questions with respect to this notification or require additional information, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Gardner Foster', with a long horizontal line extending to the right.

/s/ Gardner Foster
Gardner Foster
Senior Counsel, Government Affairs

Enclosure

cc: David Krech, Associate Division Chief Telecommunications and Analysis Division,
International Bureau (*via email*)
Jodi Cooper, Attorney, Telecommunications and Analysis Division, International Bureau
(*via email*)

CERTIFICATION

I, Bryan Fries, Vice President, Global Carrier Services, hereby certify that Sprint Communications Company L.P. accepts the terms and conditions for a waiver of the benchmark rate applicable to Cuba for U.S. carriers seeking to provide direct services between the United States and Cuba as set forth in Paragraph 31 of the Federal Communications Commission's April 8, 2011 Memorandum Opinion and Order, IB Docket No. 10-95, 26 FCC Rcd 5217.



Bryan Fries
Vice President, Global Carrier Services
For Sprint Communications Company L.P.

Dated: 9/17/18