

Initial Information And Document Request
Appendix
April 29, 2005

I. Definitions

1. The term "Nextel" means Nextel Communications, Inc., its subsidiaries, and its affiliates as defined in the February 8, 2005 Public Interest Statement.
2. The term "Sprint" means Sprint Corporation, its subsidiaries, and its affiliates as defined in the February 8, 2005 Public Interest Statement.
3. The term "BTA" means Basic Trading Area.
4. The term "BRS" means Broadband Radio Service.
5. The term "EBS" means Educational Broadband Service.
6. The term "2.5 GHz band" means the spectrum located in the 2496-2690 MHz band.
7. The term "WIMS" means Wireless Interactive Multimedia Services as discussed in the Rowley & Finch Declaration.
8. The term "PTT" means Push-To-Talk, which includes relevant services such as Direct Connect for Nextel, and Ready Link for Sprint.
9. The term "analyses" includes all reports, studies (including marketing and market studies), forecasts, presentations, surveys, product development, and laboratory or field trials (whether prepared internally or by outside advisors, and including, but not limited to, management consultants, marketing consultants, investment advisors, bankers, standards entities, technical consultants, vendors, operators, and partners).

II. Instructions

Responses to this Initial Information and Document Request shall be submitted in the following manner:

1. Sprint and Nextel should prepare and send their responses to the Commission separately. To the extent either applicant believes a particular question should be answered by the other, that applicant may so indicate in response to that question.

2. Responses shall be complete and, unless privileged, unredacted. Documents shall be submitted as found in the company's files. Only the final version of documents, or the last draft if unfinalized, shall be provided. Individual documents shall be separated from one another by a divider (such as a colored sheet of paper).
3. Nextel should submit photocopies (with color photocopies where necessary to interpret the document), in lieu of original hardcopy responses.
4. Nextel should submit electronic copies in lieu of original electronic responses. For responses requiring the submission of data or spreadsheets, contact the Wireless Telecommunications Bureau representatives to discuss appropriate formatting. Other electronic responses shall be submitted in a searchable manner, formatted in Microsoft Word or such other format as may be approved by the Wireless Telecommunications Bureau.
5. Each page of the responses shall be marked with a corporate identification and consecutive document control numbers.
6. Responses to interrogatories and data requests shall be grouped based on the particular request to which they are responsive. For example, all responses to request 2 shall be so marked and separated from the responses to other requests. If responses to one request also are responsive to one or more other requests, duplicates need not be provided so long as the response to each request identifies the particular documents (corporate identification and consecutive document control numbers) that are responsive to that request.
7. Provide a master index listing, with respect to each information request, the corresponding consecutive document control number(s) and the name of the individual(s) from whom the responsive documents are most likely to be submitted.
8. Unless otherwise specified, each request for documents is limited to documents created from January 1, 2004, to the present.

III. Initial Information and Document Request

1. Paragraphs 6, 68, 69, 73, and 134 of the Charles River Associates Declaration argue that independent wireless carriers such as Sprint and Nextel have stronger incentives to lower wireless prices, invest in wireless innovations, and deploy new services than ILEC-affiliated carriers. Provide empirical evidence to substantiate this statement. For example, given that Verizon Wireless was the first CDMA carrier

in the United States to invest in the deployment of a high-speed wireless data network based on 1x EV-DO technology, is there any evidence that independent wireless carriers have invested in wireless innovations and deployed new mobile wireless services more rapidly than ILEC-affiliated wireless carriers?

2. Describe and document efforts by Nextel to collect and analyze information on their competitors, including in the following areas: (a) pricing plans and other terms of mobile wireless service offered to the general public; (b) special promotions; and (c) prices, volume discounts, and other terms of mobile wireless service for contracts negotiated with large business customers. Identify the sources from which such information is collected. Identify any limits and constraints on the ability of Nextel to collect information in the above areas. Describe and document how Nextel uses such information to design their own pricing plans, other terms of mobile wireless service, promotions, and more generally to develop strategies for attracting and retaining customers.
3. Identify and document all material instances, from January 1, 2001 to the present, in which Nextel was the first carrier to introduce an innovative mobile wireless pricing plan or mobile wireless service offering that other carriers subsequently copied or for which they introduced competing versions.
4. Paragraph 31 of the Charles River Associates Declaration indicates that the merger would reduce the need for Sprint and Nextel to rely on roaming agreements to provide mobile wireless service in areas with small numbers of subscribers. Provide a list of the markets for which the merged firm would not need roaming agreements. Provide an estimate, and substantiation, for the aggregate amount the merged entity would save by reducing the number of roaming agreements nationwide. Distinguish between agreements with affiliates and agreements with others.
5. Paragraph 88 of the Charles River Associates Declaration briefly discusses Nextel's and Sprint's customer focus. Elaborate on this analysis by discussing the similarities and differences, and consumer perceptions of similarities and differences, among the products and mobile wireless services offered by Nextel, Sprint, and their competitors. In addition, provide documents that discuss:
 - a. The relative positioning of Sprint, Nextel, and their competitors with regard to mobile wireless coverage, service quality, and handset offerings.

- b. Specific mobile wireless customer segments or groups and the characteristics of customers in each segment, and the relative positioning of Nextel, Sprint, and their competitors with respect to these customer segments.
 - c. Virgin Mobile and Boost Mobile and other prepaid services in competition with these mobile wireless products.
 - d. The relative strengths and weaknesses of Nextel's iDEN Direct Connect, Sprint's Ready Link, Verizon Wireless's Push to Talk, QChat, Alltel's Touch2Talk, Southern LINC's InstantLINC mobile-to-mobile service, and any other competitor (including regional mobile wireless services and providers who offer dispatch services) of Nextel's and Sprint's PTT services.
 - e. Market share information for PTT services and/or prepaid services.
6. Paragraphs 89 through 106 of the Charles River Associates Declaration argue that Sprint and Nextel are not each other's closest substitutes. Provide all Nextel exit surveys, including the actual survey questions and survey methodology, relied upon in this analysis. Table 10 of the Charles Rivers Associates Declaration provides information about exiting Sprint subscribers for which price was a main reason for leaving. Provide comparable Nextel surveys that ask subscribers the main reasons they are choosing to switch mobile wireless providers and the providers they are switching to and from.
7. Provide, with regard to Nextel, the following:
- a. Best estimates of fixed and variable operating costs, the average cost per subscriber, the average cost of acquiring a mobile wireless customer, and the average cost of serving a customer.
 - b. Documents which discuss marginal (or incremental) costs per user and marginal (or incremental) costs per minute.
 - c. Documents that discuss in-network pricing strategies (e.g. free mobile-to-mobile minutes), and any responses to rivals' in-network pricing strategies. Documents should include those which discuss competitive strategies, marketing strategies, and/or advertising strategies with respect to in-network pricing structures.
8. Does Nextel offer the same mobile wireless service plans (including all options and promotions) at the same price in each market where that company offers mobile wireless service? If not, identify the major differences among regions and why these differences exist. Discuss

national, regional, and local plans separately. If differences exist, provide all documents that discuss pricing policies with regard to these differences.

9. Provide documents that discuss Nextel's marginal (or incremental) revenue per user and marginal (or incremental) revenue per minute.
10. Provide all analyses, from January 1, 2003 to the present, in Nextel's possession that address elasticities of demand, including own-price elasticities and cross-price elasticities for any mobile wireless or wireline carrier, and the elasticity of demand for the mobile wireless industry as a whole (aggregate elasticity of demand).
11. Translate the \$12.1 billion estimate of synergies created by the merger, presented in the Montagner & Nielsen Declaration, into an estimate of the expected reduction (or reasonable range of estimated reduction) in unit cost. That is, translate the \$12.1 billion net present value estimate into a cost reduction that could be employed in a merger simulation or similar analysis to quantify the expected unilateral impact of the merger on price in the mobile telephony market.
12. Provide, using available estimates for the values of key inputs, a merger simulation, or similar analysis or set of analyses, that have been undertaken to support quantitatively the claim that the merger would not enable the merged entity to unilaterally increase mobile telephony prices.
13. Paragraph 12 of the Montagner & Nielsen Declaration claims that the merged entity would be able to provide consumers significantly improved network coverage by making use of sites from both carriers. Since Nextel's current network is in the 800 and 900 MHz bands, while Sprint uses 1.9 GHz where more cell sites are generally needed because of the propagation characteristics of this higher frequency band, elaborate on how the merged entity would plan to improve overall network coverage while collocating 80% of its planned CDMA sites onto existing Nextel cell sites.
14. Paragraph 8 of the Valente & West Declaration states: "Developing technologies for seamless interoperability between the iDEN and CDMA technologies will be paramount. Integrating these networks will allow the combined company to achieve significant technology synergies and capabilities." Exactly what technologies for interoperability does this quote reference? Exactly what kinds of integration does the quote reference?

15. Paragraph 7 of the Valente & West Declaration states: “Initially, the combined company will utilize over 43,000 cell sites. Over time, some of these existing sites will be consolidated where there are overlaps in coverage, and others will be added to enhance the coverage.”
- a. What criteria will be used to consolidate cell sites? Does eliminating overlap for both iDEN and CDMA cells cause reduced coverage or other effects?
 - b. Provide measured network performance data reports and associated maps provided by Telephia or by a similar service. Include relevant network performance parameters, such as but not limited to, coverage, capacity, and call quality for switched voice, packet data, Direct Connect, and Ready Link services. Provide performance comparisons among all CMRS wireless carriers providing similar services within a given market.
 - c. On a nationwide basis, provide a MapInfo compatible electronic file showing the currently available -95dBm coverage provided by Nextel. Distinguish affiliates’ coverage if included.
16. Paragraph 13 of the Valente & West Declaration lists examples of how the merger will lead to “Lower Cost Service.” With regard to “CDMA network evolution and migration to an IP-centric network,” provide transitional plans, key technology change outs, projected timetable, resources, and estimated cost. Also, provide key compatibility challenges with the radio access network (both iDEN and CDMA) and with the wireless networks’ core systems (circuit and packet switched).
17. Paragraphs 14 through 22 of the Valente & West Declaration claim that the merger would more quickly realize the applicants’ shared vision of an all IP network with highly efficient IP-aware Radio Access transports, and state: “IP transport will be used to link systems, and Voice over IP (“VoIP”) technology will provide common control and signaling for all services.”
- a. Explain how the current IP backbone network and the associated services (such as private IP, PIP) serves wireless operators (including Nextel).
 - b. Provide a succinct summary of any testing conducted for mobile wireless IP-based services, including VoIP, PTT and mobile data over 1xRTT, 1xEV-DO, or other technologies. Include test results, performance parameters, bench marks, and user satisfaction ratings.

- c. Based on the current cell site locations for both Sprint and Nextel, what is the expected success rate in achieving direct trunking? What are the cost savings attributed to using Sprint's IP transport network to backhaul Nextel's traffic? Provide supporting documents.
 - d. Would using the Sprint IP backbone (whether carried over fiber, SONET, or MAN-based networks) obviate the need, in whole or in part, for the Nextel nationwide IP and ATM networks? Provide a list of cities where Nextel operates IP and ATM networks. Provide a MapInfo compatible nationwide network diagram for Nextel.
18. Paragraphs 23 and 28 of the Valente & West Declaration discuss challenges to integrating the current cellular network architectures and how the merger will enable the companies to develop an Internet and Multi-Media Subsystem (IMS) architecture and "drive the development of these (international) standards to create innovative, efficient, access-agnostic services."
- a. What latest approved standards or hardware/software solutions will enable the integration of iDEN and CDMA mobile networks? Describe how the specific standards support the integration of both networks and facilitate supporting all current mobile wireless services, including Direct Connect, switched voice, and packet data applications, provided by each company.
 - b. What are the critical elements necessary to integrate the networks in a manner that will provide transparent mobile wireless services to subscribers of both networks collectively? Your explanation should discuss the following elements: transport, core, radio-access, and signaling. Describe the specific challenges the merged entity may face when integrating the networks. Your explanation should include factors such as, but not limited to, project planning, product availability, commercial viability, and operational constraints. Provide specific analyses that are relevant to the integration of iDEN and CDMA networks for packet data, PTT, and switched voice services.
19. Paragraph 38 of the Valente & West Declaration indicates that "after completion of the re-banding, the iDEN network will have extensive coverage." Post re-banding, will the iDEN system provide a larger coverage area than pre-banding? If so, explain how.
20. Paragraph 13 of Attachment 1 to the Valente & West Declaration states that "Sprint anticipates upgrading its Radio Access Network ("RAN") to 1xEV-DO Rev. A starting in late 2006." How does such an upgrade affect the 1xRTT RAN? How would 1xEV-DO interact

with 1xRTT? What would be the effect on subscribers' handsets, smart phones, or data cards?

21. Paragraph 11 of Attachment 2 to the Valente & West Declaration indicates that Nextel is working to ensure that its existing iDEN voice and data services can be integrated with an IP-based application such as QChat.
 - a. Provide a summary of the key technologies tested and the test results which will "ensure that existing iDEN voice and data services and push-to-talk features can be easily integrated with future all IP-based services."
 - b. Provide a description of the QChat technology and its system requirements.
 - c. Provide the latest comparative analysis on technical performance metrics for all functionalities and features between Nextel's Direct Connect, QChat, and similar PTT products provided by Sprint PCS, Verizon Wireless, AllTel, and Southern Link Wireless, and other wireless telephony providers. Include core network and handset effects, assumptions, test condition, methodology, and final reports. Also, include, if available, any quality perception test results conducted by expert users. Include supporting documentation as appropriate.
 - d. Describe the specific network and handset features that are required to support the QChat product. What are the specific 1x EV-DO Rev. A attributes that support such features.
 - e. On what platform is Ready Link built?
22. The Montagner & Nielsen Declaration sets out the \$12.1 billion net present value synergy estimate using an initial breakdown into accounting categories: for example capital expenses; operating expenses; and selling, general and administrative expenses. Provide a summary breakdown of the \$12.1 billion estimate that is instead organized into the major steps that are contemplated upon merger that will enable cost savings or otherwise create value. These categories would include, for example: avoiding Nextel costs of developing and building a next generation system; savings resulting from the ability to share cell sites; value created by a interoperable and expanded PTT systems; and the synergies resulting from a broader deployment of 1xEV-DO Rev. A. Within each of these categories, combine the capital expense, operational expense, and other costs and offsets as appropriate.

23. Provide the following information and documents for each of the seventeen BTAs identified in Attachment 1 to Attachment E as having an incremental MHz Pops Differential of greater than 10 percentage points.
- a. A list containing the call sign, licensee name, transmitter location, and frequencies (by channel numbers) of each license that is considered either “Nextel Owned,” or “Nextel Leased” within the meaning of Attachment 1 to Attachment E.
 - b. For each “Nextel Leased” station, a copy of the lease that is currently in effect.
24. Paragraph 13 of the Rowley & Finch Declaration states “Sprint’s and Nextel’s combined spectrum portfolio provides the necessary scale to justify the substantial research, deployment, implementation, and operational costs required to make use of the band.”
- a. Given the deployments and technology trials described in Paragraphs 14 through 21 of the Rowley & Finch Declaration, explain why, in the absence of the merger, Nextel would not proceed with research and deployment of technology and services in the 2.5 GHz band.
 - b. Describe, as specifically as possible, how the merger would allow the merged entity to develop services using the 2.5 GHz band.
 - c. Provide the best available estimate as to when, if the merger takes place, the parties would anticipate offering their combined coverage area.
25. Using the BRS data summarized in Attachment 1 to Attachment E, compute for each BTA the following additional statistic, which may be viewed as the *Average Bandwidth* controlled by license or lease.
- Divide the merged entities *total MHz-pops* (licensed plus leased) by the *total population* covered by at least one license or lease in the BTA.
26. Page 6 of the Public Interest Statement states that “[i]n the near term, the company could work with its vendors to develop a multi-mode phone that will allow customers access to iDEN and CDMA networks of the merged company.” Is such development planned or in progress? If so, provide data on technical feasibility, time to market, size and weight, operating system, and possible applications of this dual-mode phone.

27. How would the merger affect the merged entity's ability to comply with the requirement that ninety-five percent of its wireless service subscribers have location-capable handsets by December 31, 2005 (*see* 47 C.F.R. Section 20.18(g)(1)(v)), particularly in light of representations by Nextel in its quarterly reports that it may not be able to meet the requirement? *See* Nextel Partners, Inc. Phase I and Phase II Quarterly Report, CC Docket No. 94-102, filed Feb. 1, 2005 at 5-6, 8.
28. Page 61 of the Public Interest Statement claims that the merger would not affect Sprint's and Nextel's compliance activities regarding E911 and CALEA obligations and may, in fact, further their efforts. Provide information to substantiate that claim.
29. Please explain how the asserted synergies resulting from the proposed merger would likely affect national security and homeland defense.