

EMBARQ COMMENTS

**WC Docket 05-25
RM-10593**

August 8, 2007

Attachment 1

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the matter of)	
)	
Special Access Rates for Price Cap Local Exchange Carriers)	WT Docket No. 05-25
)	
AT&T Corp. Petition for Rulemaking To Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services)	RM-10593

DECLARATION OF DR. BRIAN K. STAIHR

I. Introduction/Statement of Qualifications/Purpose

I am Dr. Brian K. Staihr, Regulatory Economist for Embarq. My business address is 5454 W. 110th Street, Overland Park, Kansas, 66211. I began working as an economist for Embarq (or its predecessor company Sprint) in 1994. I hold a Ph.D. in Economics from Washington University in St. Louis, MO. My field of specialization is Industrial Organization, which includes the field of Regulation. I also hold a B.A. and M.A. in Economics from the University of Missouri. Since the passage of the 1996 Telecom Act I have provided expert testimony on economic issues relating to the telecommunications industry before approximately two dozen state public utility commissions as well as before the U.S. Congress. I have presented original research to the FCC and my research has been used in Congressional oversight hearings. In addition to my work in the industry I serve as Adjunct Professor of Economics at Avila University, Kansas City, Missouri. The purpose of this declaration is to put forth an

economic explanation as to why there is no justification for the re-imposition of a productivity factor on special access services.

II. Summary/Findings

The only way in which the re-imposition of a productivity offset on special access services is justifiable, in an economic sense, is if there is clear evidence that productivity gains associated with the provision of special access have exceeded and are expected to continue to exceed nationwide productivity gains. As discussed in the paragraphs below, the record contains no such evidence. It is technically impossible to accurately calculate productivity gains specific to special access services, given the non-separable nature of the LEC production function. And any attempts to produce such a measure would quickly devolve into guesswork due to the arbitrary nature of allocations of shared, joint and common inputs that such a calculation would require. Furthermore, broader measures of productivity that are available from public sources demonstrate that LEC productivity has not exceeded nationwide productivity in recent years. Accordingly, there is no empirical support for the notion that re-imposing a productivity offset is justified on economic terms.

III. Discussion-The Role of Price Cap Regulation

To understand the function that a productivity factor (or productivity offset) performs in any price cap formula it is first necessary to address the role that any price cap regime plays in the greater scope of regulation in general. Historically, regulation has served as a substitute for the controlling effects of competition. For many years, regulation attempted to control prices *not* by controlling the actual price but by limiting what a firm was allowed to earn as a return. In retrospect, it is now generally

acknowledged that regulatory regimes based on controlling a firm's allowed return contain fundamental flaws in their ability to meet the objective stated above: Specifically, although the allowed return might have emulated a competitive return, the costs incurred by the firm (which ultimately determined the actual dollar amount of the return and the price) did not necessarily emulate the costs incurred in a competitive regime. The result was a rather awkward situation in which *inefficiency*, rather than *efficiency*, might actually have been rewarded.¹ Rewarding inefficiency is antithetical both to sound economics and to the attempted emulation of competitive market outcomes as described in the objective above. This is why we have witnessed the gradual but systematic replacement of rate of return regulation with price cap regulation for many telecommunications services in many markets nationwide.

The goal of any price cap formula is to reproduce, to the farthest extent possible, the movement of prices and the incentives found in a competitive market. In a competitive market the prices of goods and services may change as the costs of producing them change. These production costs may increase, due to overall price level changes and increases in the costs of inputs. Alternately, production costs may decrease in situations where the firm finds a way to increase productivity and (all else held equal) produce relatively more output with relatively fewer inputs. In a competitive market the firm has an incentive to increase efficiency or productivity, because the firm may reap the benefits of its productivity or efficiency gains. In some cases those gains may be

¹ See, for example, Bernstein and Sappington, *Setting the X Factor in Price Cap Regulation Plans*, Journal of Regulatory Economics, July 1999.

replicated by the firm's competitors, at which point they may be passed through to consumers in the form of price reductions or smaller price increases.²

In general, price cap formulas often contain a term for inflation, which is designed to capture the overall price level changes described above. Some price cap formulas also contain a productivity offset which enters the formula with a negative sign, designed to represent the "passing through" of productivity gains to end users. Some price cap formulas contain no productivity offset.

When a price cap formula includes a productivity offset it is intended to represent the amount by which a firm's productivity growth is expected to exceed nationwide productivity growth from year to year. As stated in the Commission's 2001 CALLS Plan: "The X-factor [productivity offset] represents the amount by which LECs can be expected to outperform economy-wide productivity gains."³ Generally, if a company's productivity gains are approximately equal to economy-wide productivity gains, the productivity offset should equal zero. Given these facts, the question currently before the Commission is straightforward: Is there clear evidence that the productivity gains

² A standard, simplifying assumption in the economic modeling of competitive markets is that all firms in a market operate with essentially the same technology, the same "production function," and therefore the same cost characteristics. Another simplifying assumption is that information is virtually free, available, and complete. (See, for example, Browning and Zupan, *Microeconomic Theory and Application*, Addison Wesley, 1999.) Together, these two assumptions suggest that any productivity gains that one firm realizes will be quickly replicated by competing firms, and subsequently competed away. Although this holds in theory, and has applicability in some industries, it is much more often the case that the competing firms require a certain amount of *time* to replicate the gain, and therefore there is a period of time during which the first firm does indeed reap the benefit of its increased efficiency. Intuitively this must be so because if all efficiency gains were immediately passed through to competitors, and then to consumers, no firm would ever have an incentive to increase its productivity except in response to another firm doing so, and likewise no firm would ever have incentive to act as "first-mover".

³ *CALLS Plan* at 13018, ¶ 135.

associated with the provision of special access services exceed and will continue to exceed the productivity gains realized by the economy as a whole? If there is no clear evidence then there is no economic justification for the re-imposition of a productivity factor.

IV. Measuring Special Access Productivity

In its most basic textbook form, productivity is simply a measure of changes in how much output is produced with a given amount of input. If more output is produced with the same amount of input, or if the same amount of output is produced with fewer inputs, productivity has increased. Conversely, if less output is produced with the same amount of input, or if producing the same amount of output requires more inputs, productivity has decreased. But while it is a simple task to describe productivity conceptually, a major difficulty lies in actually *measuring* the changes in productivity associated with a single class of service when it is provided by a multi-service firm. To accurately measure the changes in productivity associated with a single service or class or service—such as special access—it would be necessary to measure changes in the uses of the inputs required for that class of service but no other services. In economic terms, it requires that the production function (and associated cost function) for this firm be “separable”.⁴ That is, the combination of inputs and the quantities of inputs that are used to produce one service must be unaffected by changes in the demand for another service. Obviously in telecommunications this condition does not hold. Consider a simple

⁴ In technical terms, “separability” in a production function exists when the ratio of marginal products of any two inputs from any two partitions is independent of the use of any input from any other partition. In other words, where

$$\frac{\partial}{\partial x_k} \left[\frac{\partial f / \partial x_i}{\partial f / \partial x_j} \right] = 0 \text{ where } i, j, k \text{ are inputs.}$$

illustrative example where an unexpected but significant increase in the demand for local service causes a firm to acquire a large amount of copper (or fiber) in bulk. The size of the bulk purchase justifies a discount from the vendor, which reduces the material cost of copper (or fiber) on a per-foot basis. The new lower cost of copper (or fiber) changes the relative economics of the trade-off between copper and fiber DS1s, affecting the amount of copper or fiber that is used in the provision of DS1s going forward. Hence, a change in the demand for local service affected the relative combination and quantities of inputs used in the provision of DS1 service. The production function is not “separable.” And when a production function is not separable it is impossible to calculate productivity changes for a single service or class of service such as special access.

Given the impossibility of accurately measuring single-product productivity in the case of a multi-product firm with a non-separable production function, any attempt to calculate such a number would quickly devolve into guesswork. This is because any such calculation would require that year-over-year changes to shared, joint, and common inputs be allocated among different services, and any such allocation would by definition be arbitrary. In fact, the Commission in the past has expressed concern regarding the creation of a productivity factor unique to a single service because of the arbitrary nature of such a calculation.⁵

Considering the above-mentioned difficulty of arbitrary input allocations, it is not surprising that there are no readily-available productivity measures for special access services. The Bureau of Labor Statistics (“BLS”) produces various productivity measures for wired telecommunications services, but in every case it is a composite

⁵ Fourth Further Notice of Proposed Rulemaking, Price Cap Performance Review for Local Exchange Carriers, 10 FCC Rcd 13659, 13670 ¶¶ 69 (1995).

measure.⁶ The changes in productivity that are measured represent a combination of services, including local and long distance service. Furthermore, these measures reflect only labor productivity, and ignore the impacts of changes to capital. In sum, there is no generally accepted, publicly-available, multi-factor measure of changes to productivity regarding special access services and there is no accurate way to calculate such a measure.

V. Using a Broader Measure of Productivity

In the absence of an accurate productivity measure for special access services it might be argued that a broader measure of productivity could be used as a reasonable proxy to answer the question before the Commission (whether or not there is clear evidence that the productivity gains associated with special access services exceed and will continue to exceed the productivity gains realized by the economy as a whole.) The argument supporting such an approach could be as follows: Acknowledging the fact that special access services are no less competitive than any other services offered by LECs, it could be reasonable to assume that there is just as much incentive for a LEC to increase productivity for special access services as there is for any of its other services. Hence, a firm-wide productivity measure could be a reasonable proxy for special access productivity.

Clearly there are two obvious flaws in this argument. The first is the assumption that a LEC's *incentive* to increase productivity is the actual source of its productivity

⁶ Examples of this composite measure include what are identified as either Wired Telecommunications Output Per Hour (BLS Series IPUJN5171_L001) or Wired Telecommunications Output Per Worker (BLS Series IPUJN5171_W001), and both are available at www.bls.gov.

gains, or that productivity gains are under the control of, or at the discretion of, the firm.⁷

The second flaw is that regardless of a firm's incentives, firm-wide measures of productivity cannot be relied on to represent service-specific productivity because, depending on how productivity is measured, it is possible to change firm-wide productivity without changing any service-specific productivity simply by changing the amount of relative output the firm produces (for example, by increasing output of the more-productive service and decreasing output of the less-productive service.)

Setting these points aside, for the sake of argument we can use the BLS measures identified above (in footnote 6) to examine whether gains in special access productivity (as represented by firm-wide or industry-wide productivity) have exceeded economy-wide productivity gains in the recent past.

The BLS does not produce a single measure for economy-wide productivity. Rather, it produces four measures that are considered "Major Sector" measures; these include Manufacturing (Series 3000), Business (Series 8400), Non-farm Business (Series 8500) and Non-financial Corporations (Series 8800). Of these four, the broadest available measure is Business which represents roughly 78% of the value of gross domestic product.⁸ Each of these series can be compared to the BLS wired telecommunications series mentioned above (Wired Telecommunications Output Per Hour (BLS Series IPUJN5171_L001) or Wired Telecommunications Output Per Worker

⁷ In Further Notice of Proposed Rulemaking in CC Docket Nos. 94-1 and 96-262 released November 15, 1999, the Commission has explicitly acknowledged that "One of the main sources of measured productivity growth [for LECs] is simply the growth in demand, since the production technologies of regulated firms frequently exhibit economies of scale." And in the presence of economies of scale, increases in output translate to decreases in per unit costs and increases in productivity. Demand growth is clearly not under the control of, or at the discretion of, the firm.

⁸ <http://www.bls.gov/lpc/peoplebox.htm#>

(BLS Series IPUJN5171_W001)) to determine whether there is any suggestion that LEC productivity gains (representing special access productivity gains in this scenario) have exceeded economy-wide productivity gains in recent years. The results are presented in two tables below.

The table below provides a comparison of output per worker.

Productivity Measure – Output Per Worker		
Category	BLS Series #	Average Annual Change in Productivity 2001-2005 ⁹
Business	PRS84006161	3.1%
Manufacturing	PRS30006161	4.3%
Nonfarm Business	PRS85006161	3.1%
Nonfinancial Corporations	PRS88003161	3.0%
Wired Telecommunications	IPUJN5171_W001	2.8%

The table below provides a comparison of output per hour.

Productivity Measure – Output Per Hour		
Category	BLS Series #	Average Annual Change in Productivity 2001-2005
Business	PRS84006091	2.7%
Manufacturing	PRS30006091	3.9%
Nonfarm Business	PRS85006091	2.6%
Nonfinancial Corporations	PRS88003091	2.5%
Wired Telecommunications	IPUJN5171_L001	2.4%

As each table shows, the annual average increase in LEC productivity is actually lower than any of the economy-wide measures, and specifically lower than the broadest measure, the Major Sector series for Business. This indicates that even if one were to accept the argument that firm-wide productivity is an acceptable proxy for special access

⁹ 2005 is the most recent year that the BLS provides productivity data on wired telecommunications. All data available at www.bls.gov

productivity—an assumption that is not supported by economics—the evidence available does not provide a justification for a re-imposition of a productivity offset.

VI. Conclusion

As stated above, the only economic justification for the re-imposition of a productivity offset on special access services is if there is clear evidence that productivity gains associated with the provision of special access have exceeded and are expected to continue to exceed nationwide productivity gains. The record contains no such evidence. There are no accurate measures of productivity gains specific to special access services, and any attempt to calculate such a measure would produce questionable results due to arbitrary allocations of shared, joint and common inputs. Furthermore, if we examine broader measures of productivity that are available from the BLS (acknowledging that they do not accurately represent service-specific productivity) we see that LEC productivity has not exceeded nationwide productivity in recent years. Accordingly, there is no empirical support for the notion that re-imposing a productivity offset is justified on economic terms.

I, Dr. Brian K. Staihr, hereby declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "B K Staihr", written in a cursive style.

Brian K. Staihr

Dated August 8, 2007

EMBARQ COMMENTS

**WC Docket 05-25
RM-10593**

August 8, 2007

Attachment 2

**Before the Federal Communications Commission
Washington, D.C. 20554**

In the matter of)	
)	
Special Access Rates for Price Cap)	WC Docket No. 05-25
Local Exchange Carriers)	
)	
AT&T Corp. Petition for Rulemaking)	RM-10593
To Reform Regulation of Incumbent)	
Local Exchange Carrier Rates for)	
Interstate Special Access Services)	

DECLARATION OF MICHAEL JEWELL

Comes now the declarant, and swears under oath as follows:

1. This Declaration is being filed to demonstrate the competitive challenges Embarq faces in its serving areas. Embarq is a communications company providing a suite of retail and wholesale communication services, including special access services, to its customers in its serving areas across 18 states. Embarq is headquartered in Overland Park, Kansas.

2. My career with Embarq began in 1985 with its predecessor companies United Telecommunications and Sprint. Since 2005, I have been the Director – Wholesale Sales responsible for sales to interexchange carriers such as AT&T. I also have responsibility for sales to wireless carriers and internet service providers. Listed below are the various positions I have held at EMBARQ and its predecessor companies:

Director – Wholesale Sales	2005 to Present
Director – Regional Sales	2004
Director – Carrier Sales	2001 to 2003
Director – Public Access	1999 to 2000

Director – Product Development	1998
Director – Competitive Markets	1996 to 1997
Manager – Strategic Planning	1995
Manager – Price / Cost Strategy	1992 to 1994
Other Regulatory Positions	1985 to 1991

3. Embarq’s Special Access Services are dedicated circuits connecting to customer premises and carrier points of presence. The vast majority of EMBARQ’s sales of dedicated access circuits are made through our interstate special access tariffs.

4. Increasingly, Embarq loses special access business to competing carriers that either own their own facilities or lease those facilities from some third party other than Embarq. Competitors rarely share their sales successes directly with Embarq, however based on information from customers, the following opportunities (spread across Embarq and consisting of both very large and very small opportunities) are some of the business that Embarq lost during the last two years:

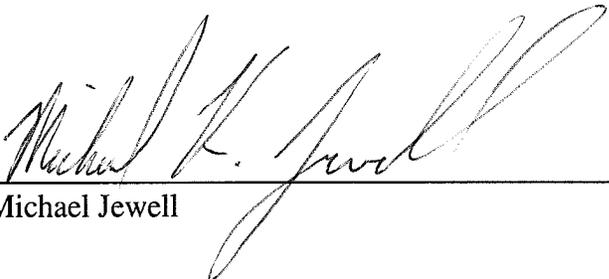
Carrier Embarq Proposed Opportunity To	Service	Carrier Lost Opportunity To	Date of Loss
Las Vegas			
Wireless Carrier	OC48	Cox	2006
Wireless Carrier	OC48	Cox	2006
Wireline Carrier	OC48 entrance facility	Built own facilities	2006
Wireline Carrier	OC48 and OC12	XO Communications	12/2006
Wireline Carrier	OC12	Cox	1/2007
Wireless Carrier	OC48	XO Communications	6/2007
Wireless Carrier	DS3s (2)	XO Communications	7/2007
Orlando, FL			
Wireless Carrier	OC12	Level 3	5/2007
Wireless Carrier	DS3s (4)	TimeWarner,	2006

Carrier Embargo Proposed Opportunity To	Service	Carrier Lost Opportunity To	Date of Loss
		Florida Power	
Wireless Carrier	OC48	Florida Power	5/2007
Fayetteville, NC			
Wireline Carrier	OC192	Time Warner	12/2006
Bristol, TN; Johnson City, TN; Kingsport, TN			
Wireless Carrier	DS3 hub	Level 3	6/2007
Wireline Carrier	DS3s (35)	Level 3	5/2007
Ohio			
Wireline Carrier	OC12	Citynet	2006
Wireline Carrier	OC12	Citynet	2006

5. Total monthly recurring revenue from these lost opportunities exceeds \$346,000.

6. This concludes my Declaration.

I, Michael Jewell, hereby declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.



 Michael Jewell

Dated: August 7, 2007

EMBARQ COMMENTS

**WC Docket 05-25
RM-10593**

August 8, 2007

Attachment 3



MEDIA CONTACT:

Patrick Mulcahy
Time Warner Telecom
(303) 566-1470
email: patrick.mulcahy@twtelecom.com

Time Warner Telecom Surpasses 10,000 Ethernet Ports in Service for Enterprise Customers

*-Metro Ethernet demand improves business metrics for enterprise customers--
-Highly scalable Ethernet capabilities favored over antiquated Frame Relay or ATM technologies-
-- Sets the foundation for true network convergence -*

LITTLETON, Colo. – August 1, 2007 - Time Warner Telecom Inc., (NASDAQ: TWTC), a leading provider of managed voice, Internet and data networking solutions for businesses, today announced that is delivering more than 10,000 retail Ethernet service ports to enterprise customers locally and nationally over its national backbone and metro fiber optic network. Time Warner Telecom has connected more enterprise buildings with fiber than any other competitive carrier in the U.S., and each customer in each building can have Ethernet connectivity to serve their mission critical business applications.

“Time Warner Telecom has long been a leader in the delivery of Ethernet services in the industry,” said Mike Rouleau, Senior Vice President of Strategy and Business Development for Time Warner Telecom. “We continue to lead this industry through product innovation and by delivering flexibility to our customers. Because we work directly with them to match the architecture and technology with the right application, we can better meet their budget and connectivity requirements. This is not a “one-size fits all” solution, but rather a collaborative approach to create a solution that truly benefits the customer’s individual needs.”

Ethernet technology has long been the standard for network connections within the building, at the desktop, in the wiring closet and in the data center. Now, Ethernet fundamentally changes the way businesses connect and communicate between locations by simply extending what the enterprise has within the building to other buildings, saving customers’ money and delivering far greater bandwidths than technologies like Frame Relay and ATM. These services enable new ways of delivering on mission critical business applications supporting storage networks, faster financial transactions and instant delivery of medical images.

-more-

Ethernet services have been key in fueling the growth of the enterprise business for the company. Time Warner Telecom has a broad service portfolio of local Ethernet services delivering Ethernet over wavelengths, switching infrastructure and SONET. In 2003, the company added a city-to-city Ethernet service using VPLS technology. And, in 2006, the company extended its portfolio to use copper facilities that enable connectivity to the branch office and remote medical clinics. About half of the company's enterprise customer Ethernet ports are at 100 Mbps, 1 Gbps and 10 Gbps port speeds.

“Business customers are using our metro and wide area Ethernet connections for easier to use and more scalable site-to-site communications, more reliable Internet access, MPLS VPN, medical imaging and data storage connectivity,” Rouleau said.

The next step in the company's Ethernet strategy is focused on convergence and the delivery of multiple services over an Ethernet backbone. “We've enabled our Ethernet service portfolio to support the delivery of applications like Voice over IP and MPLS VPNs in addition to Intranet and Internet connectivity all over a single Ethernet connection. No one else in the industry is delivering on this promise of network convergence, which delivers to the customer more bandwidth at a reduced overall monthly expense, like Time Warner Telecom does.” said Rouleau.

About Time Warner Telecom

Time Warner Telecom Inc., headquartered in Littleton, Colo., provides managed network services, specializing in Ethernet and transport data networking, Internet access, local and long distance voice, VoIP and security, to enterprise organizations and communications services companies throughout the U.S. As a leading provider of integrated and converged network solutions, Time Warner Telecom delivers customers overall economic value, quality, service, and improved business productivity. Please visit www.twtelecom.com for more information.

EMBARQ COMMENTS

**WC Docket 05-25
RM-10593**

August 8, 2007

Attachment 4



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COX NATIONAL IP BACKBONE MAP
 A network diagram showing connections between major cities like New York, Los Angeles, Chicago, Dallas, and Denver.

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Cox Converged AccessSM

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Cox Optical InternetSM

Cox Web Hosting and Packages

Private Line

Cox Transparent LAN

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VOICE PRODUCTS & SERVICES

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<p>Cox Digital Telephone® and Voice Mail</p>	<p>Cox Digital Telephone® is a business-grade local phone service designed to help you manage the full range of voice needs for your business, with flexible packaging options, a complete array of calling features, and optional Cox Voice Mail services.</p> <p> Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●</p> <p>Medium ●●●●●</p> <p>Large ●●●●●</p>
<p>Cox Long Distance and Toll Free</p>	<p>Cox Long Distance and Toll Free services provide your business clear connections with convenient</p>	<p>Relevance by business size</p> <p>Small ●●●●●</p>

<p>Cox Virtual Private Network</p> <p>VIDEO PRODUCTS</p>		<p>options and cost-effective plans to meet your long distance needs and budget.</p> <p>>> View Details  Product Data Sheet</p>	<p>Medium ●●●●○ Large ●●●●○</p>
<p>Cox Business Video</p> <p>OTHER PRODUCTS</p> <p>Cox Carrier Access Service</p> <p>Cox Enterprise Connectivity</p> <p>Cox SmartBill®</p> <p>CoxSmart Commercial Building Program</p>	<p>Cox Converged AccessSM</p>	<p>Cox Converged AccessSM service is an advanced, next-generation solution from Cox Business Services that maximizes both your budget and your bandwidth utilization. This technology allows the bandwidth that is normally reserved for your voice services to be dynamically allocated for additional data capacity when one or more voice lines are inactive. In effect, it gives you additional Internet bandwidth without additional cost.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●○○○○○ Medium ●●●●○ Large ●●●●○</p>
<p>Additional Resources</p> <ul style="list-style-type: none"> >> Cox Digital Telephone Service Now Available! >> Local Cable Television Advertising >> Refer a Business for \$100! >> Referral Agent Program >> Good Deeds Referral Program >> Hy-Life From Cox (VPN) >> Critical Security 	<p>Cox Private LineSM</p>	<p>Cox Private LineSM service is a SONET-based, point-to-point private line network service that provides a clear, reliable high-speed connection for stand-alone or integrated voice, data, and video communications between locations.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●○○○○○ Medium ●●●●○ Large ●●●●○</p>
<p>DATA PRODUCTS & SERVICES</p>		<p>>> Contact Sales</p>	
	<p>Cox Business InternetSM</p>	<p>Cox Business InternetSM is a cost-effective and reliable broadband data solution that provides scalable, flexible options designed to meet the specific demands of your business.</p> <p>768 Kbps ↓ 256 Kbps ↑ 1.5 Mbps ↓ 384 Kbps ↑ 3.0 Mbps ↓ 512 Kbps ↑ 6.0 Mbps ↓ 1.0 Mbps ↑ 10.0 Mbps ↓ 1.0 Mbps ↑ 2.0 Mbps ↓ 2.0 Mbps ↑</p> <p>Home Office Preferred 6.0 Mbps ↓ 512 Kbps ↑</p> <p>Home Office Premier 10.0 Mbps ↓ 1.0 Mbps ↑</p> <p>>> View Details  Product Data Sheet</p> <p>>> Frequently Asked Questions</p>	<p>Relevance by business size</p> <p>Small ●●●●○ Medium ●●●●○ Large ●○○○○○</p>
	<p>Cox Optical InternetSM</p>	<p>Cox Optical InternetSM is the reliable and scalable high-speed Internet service that gives your business dedicated access to our network with flexible tiered bandwidth options scalable to OC-12 or higher.*</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●○○○○○ Medium ●●●●○ Large ●●●●○</p>

<p>Cox Web Hosting and Packages</p>	<p>Cox Web Hosting and Cox Web Hosting Packages allow your business to establish and maintain a professional and functional Web presence that is cost-effective and easily upgradable.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
<p>Cox Private LineSM</p>	<p>Cox Private LineSM service is a SONET-based, point-to-point private line network service that provides a clear, reliable high-speed connection for stand-alone or integrated voice, data, and video communications between locations.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
<p>Cox Transparent LAN</p>	<p>Cox Transparent LAN Service (TLS) will interconnect your LANs over our all-optical metro networks, giving your enterprise point-to-point connections between remote sites in a framework that's scalable, cost-effective and reliable.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
<p>Cox Virtual Private Network</p>	<p>Cox Virtual Private Network service is a fully managed, turnkey solution that gives employees in any location fast, secure access to your network and connects remote offices to a central network.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>

 **VIDEO PRODUCTS & SERVICES:**

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<p>Cox Business Video</p>	<p>Cox Business Video service provides more than 100 channels of consistent, crystal clear digital cable television and Music Choice options for businesses of all types and sizes.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
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<p>Cox Carrier Access Service</p>	<p>Cox Carrier Access service is the ideal solution for secure and reliable connections to your stand-alone or integrated voice and data customers.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
<p>Cox Enterprise Connectivity</p>	<p>Cox Enterprise Connectivity is a robust, efficient and cost-effective communications solution for enterprises seeking to connect remote workers, customers and suppliers across the country.</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p> <p>Medium ●●●●●●</p> <p>Large ●●●●●●</p>
<p>Cox SmartBill®</p>	<p>Cox SmartBill® is an invoice analysis tool that conveniently tracks the details of your company's</p>	<p>Relevance by business size</p> <p>Small ●●●●●●</p>

	<p>telecommunications usage.</p> <p>>> View Details  Product Data Sheet</p>	<p>Medium ●●●●○</p> <p>Large ●●●●○</p>
<p>CoxSmart Commercial Building Program</p>	<p>If you're a commercial builder, developer or property manager, you can't get more advanced technology than in a CoxSmart Commercial Building. To find out how our robust communications network gives you a clear advantage in the marketplace, click here:</p> <p>>> View Details  Product Data Sheet</p>	<p>Relevance by business size</p> <p>Small ●●○○○</p> <p>Medium ●●●●●</p> <p>Large ●●●●●</p>

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EMBARQ COMMENTS

**WC Docket 05-25
RM-10593**

August 8, 2007

Attachment 5



COMPANY

SOLUTIONS

NEWSROOM

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CUSTOMER PORTAL

NEWSROOM

Press Releases

August 1, 2007**FiberTower Announces Backhaul Agreement with Sprint Nextel for WiMax Buildout**

San Francisco, CA., August 1, 2007 -- FiberTower Corporation (NASDAQ: FTWR), a wireless backhaul services provider, today announced that it had entered into an agreement with Sprint Nextel (NYSE: S) to provide backhaul services in seven of the wireless carrier's initial WiMax launch markets. FiberTower is unable to disclose terms of the agreement as it is subject to confidentiality agreements. However, the Company can disclose that Sprint Nextel's deployment is based on providing Ethernet-based backhaul, a first for any mobile backhaul provider.

Earlier in the year, Sprint announced its intention to launch its Mobile WiMax broadband services in initial markets by year-end 2007. This initial deployment will be followed by a larger roll-out approaching 100 million people by year-end 2008.

FiberTower's unique hybrid network architecture, consisting of microwave and fiber technologies, provides backhaul transport that is highly reliable, cost-effective and scalable as Sprint Nextel continues its deployment of next-generation wireless services.

"We are extremely pleased and excited to have been selected by Sprint Nextel to be the first backhaul provider to deploy commercial Ethernet services," said Michael Gallagher, FiberTower's President and CEO. "We place significant value in our relationship with Sprint Nextel and believe that this historic agreement represents the first step in the carrier's commitment to deploying cutting-edge broadband applications with broad appeal to consumers and the enterprise."

"Sprint Nextel continues to build-out the largest and most technologically advanced mobile broadband network in the U.S.," said Barry West, CTO and President of Sprint Nextel's 4G Mobile Broadband division. "We aim to maintain our position as the leader in broadband mobility and believe that our relationship with FiberTower will support that goal. FiberTower's superior service quality, flexibility and scalability are a perfect fit for our next-generation network plans and we look forward to dramatically expanding this relationship going forward."

About FiberTower Corporation

FiberTower is a backhaul and access services provider focused primarily on the wireless carrier market. With its extensive spectrum footprint in 24 GHz and 39 GHz bands, carrier-class microwave and fiber networks in 12 major markets, customer commitments from six of the leading cellular carriers, and partnerships with the largest tower operators in the U.S, FiberTower is considered to be the leading alternative carrier for wireless backhaul. FiberTower also provides backhaul and access service to government and enterprise markets. For more information, please visit our website at <http://www.fibertower.com>.

Forward Looking Statements

Statements included in this news release which are not historical in nature are "forward-looking statements" within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. There are many risks, uncertainties and other factors that can prevent the achievement of goals or cause results to differ materially from those expressed or implied by these forward-looking statements including, without limitation, interest rates,

market prices for our securities, investors' assessment of our prospects, and those risk factors described in the Company's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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