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August 29, 2007

Via Electronic Submission

Ms. Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, DC 20554

**Re: *Ex Parte Communication*
Qwest, AT&T, and BellSouth Petitions for Forbearance, WC Docket No. 06-125; Embarq, Frontier and Citizens Petitions for Forbearance, WC Docket No. 06-147; Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25**

Dear Ms. Dortch:

On August 29, 2007, Richard Engelman, Director, Government Affairs, Christopher Wright, Counsel for Sprint Nextel, and the undersigned, on behalf of Sprint Nextel Corporation, met with Ian Dillner, Legal Advisor to Chairman Kevin J. Martin, and discussed issues related to the above dockets. Our discussion was consistent with Sprint Nextel's comments in the above records as well as the attached presentation.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed electronically in the above-referenced dockets.

Sincerely,

/s/ Anna M. Gomez
Anna M. Gomez

cc: Ian Dillner

**“Me Too” Petitions for Forbearance
August 2007**

- **The Commission must deny the upcoming petitions for forbearance from Title II and *Computer Inquiry* regulation**
 - The Verizon Forbearance result is not valid precedent
 - Petitioners failed to provide sufficient market-specific evidence
 - The Commission must not deregulate until it can determine that competition is sufficient to prevent the Petitioners’ current and future exploitation of their market power
 - August 23rd request for “local market” data is too late
 - Commission lacks the time to analyze and interpret the data
 - Interested parties will be unable to analyze and comment on the data

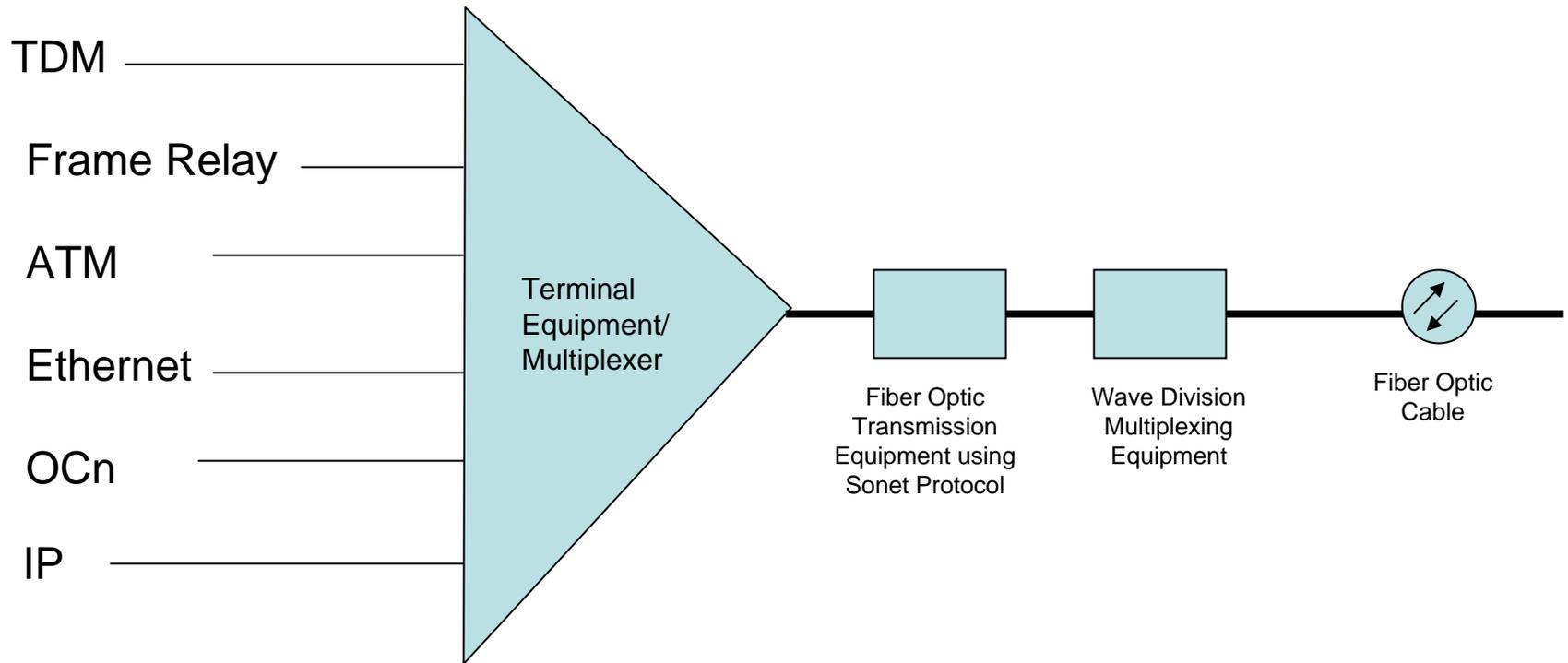
- **It is not appropriate to analyze the market on a national basis**
 - Services are not fungible from one location to another

- **The special access market is not competitive and competitive safeguards remain necessary.**
 - The “enterprise broadband” services listed in the petitions either are special access lines or include them as tariffed components
 - Competitors obtain special access inputs from the ILECs to provide “enterprise broadband services”
 - Competition in the retail market does not justify deregulating the wholesale market

- **The Commission should not grant the same or more forbearance than that in the ACS Forbearance Order**
 - Sections 201 and 202 alone are insufficient to prevent the ILECs from exploiting their market power
 - Grant of tariffing and cost support requirements will eviscerate ability to prove overcharges
 - Prohibition on nondiscrimination has little “real world” effect if no proof and overcharges are a mere accounting cost on the ILECs’ books, compared to a real cost to the purchasers.

- **The Commission should not adopt a TDM/non-TDM distinction**
 - It is inappropriate to base Commission policies on particular technologies
 - Use of TDM or packet technology over special access loops is irrelevant to whether competitors find it economic to build out alternative facilities
 - ILECs have the incentive and ability to manipulate the TDM/non-TDM distinction, and favor themselves by forcing carriers to purchase less efficient and less effective technologies
 - TDM-based special access circuits are not adequate substitutes for Ethernet and other packet-based special access technologies

- **Forbearance will hinder, not accelerate the deployment of broadband facilities**
 - The availability of wholesale inputs at reasonable prices is crucial
 - ILECs have the incentive and the ability to benefit themselves by imposing high prices, or by degrading the quality or delaying the provisioning of those inputs
 - In fact, as evidenced by the rising pricing flexibility tariffs, which are higher than fees in price cap areas, the ILECs are already manipulating special access prices.
 - Consumers benefit from new and innovative services, not from innovators diverting capital from deployment of services to build out costly last-mile facilities



Various protocols can ride over a fiber optic system that uses Sonet. The use of additional equipment sometimes enables different protocols to be “stacked” upon one another, e.g., IP over ATM. Stacking protocols results in increased costs due to the requirement to utilize additional equipment.