

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

In the Matter of	)	
	)	
Assessment and Collection of	)	MD Docket No. 08-65
Regulatory Fees for Fiscal Year 2008	)	RM-11312

**REPLY COMMENTS OF  
SPRINT NEXTEL CORPORATION**

Sprint Nextel Corporation (“Sprint Nextel”) hereby respectfully submits its reply to comments on issues raised in the Further Notice of Proposed Rulemaking (“FNPRM”) in the above-captioned docket concerning the methodology for assessing regulatory fees.<sup>1</sup>

Sprint Nextel supports the Commission’s initiative to revamp the methodology it uses to assess regulatory fees. The current structure, which has remained unchanged since it was implemented in 1994 to recover the Commission’s costs associated with “enforcement activities, policy and rulemaking activities, user information services, and international activities,”<sup>2</sup> does not reflect the significant changes that the Commission and the industry it regulates have undergone since that time. Sprint Nextel agrees with the general consensus of commenting parties that the current assessment methodology based on full-time employee equivalents (“FTEs”) in the Commission’s offices in 1994 should be updated to apportion the Commission’s costs more equitably.

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<sup>1</sup> See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, MD Docket No. 08-65; RM-11312, Report and Order and Further Notice of Proposed Rulemaking, FCC 08-182 (rel. Aug. 8, 2008).

<sup>2</sup> 47 U.S.C. § 159(a).

To that end, the Commission should base the allocation of costs on the Commission's current organizational structure and the number of FTEs now performing the duties covered by section 9(a) of the Act, as identified by the Commission's Office of Managing Director in its September 3, 2008 Public Notice.<sup>3</sup> The basis of the allocation of the Commission's costs associated with its support Bureaus would be the number of FTEs in the four core Bureaus. This straightforward approach could and should be updated annually to ensure that assessment of regulatory fees remains in sync with the Commission's regulatory activities.<sup>4</sup>

Sprint Nextel urges the Commission to allocate fees based on the four core Bureaus without any overlay or adjustment based on the Commission's six strategic goals presented in the Public Notice. The Commission should reject any process that would overlay strategic goals because the process undoubtedly will be complicated, controversial and challenged and will delay implementation of updates to the methodology. Furthermore, it is entirely reasonable to assume that some strategic goals may impact multiple services and Bureaus. If this is the case, then it is also reasonable to assume that each Bureau will have employees assigned to achieve such overlapping goals, even if a docket associated with the goal is assigned to a single Bureau. Thus, the number of FTEs in the office inherently will reflect the Commission's strategic goals. Yearly updates to the number of FTEs in each office will ensure that the allocation of

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<sup>3</sup> *The Office of Managing Director Releases Data to Assist the Commenters on Issues Presented in Further Notice of Proposed Rulemaking Adopted on August 1, 2008*, MD Docket No. 08-65, Public Notice, DA 08-2033, rel. September 3, 2008.

<sup>4</sup> *See also* Comments of AT&T, Inc., p.3 and Comments of the United States Telecom Association (USTelecom), p.4.

FCC costs will continue to reflect employees newly assigned to work on current goals, as well as employees who have been moved off of goals that are no longer high priority.<sup>5</sup>

Sprint Nextel also recommends that the Commission maintain its current contribution structure for regulatory fees, pursuant to which wireline carriers contribute based on revenues and wireless carriers based on subscriber lines, until such time as the Commission revises the methodology for assessing contributions to the Universal Service Fund.<sup>6</sup> Any change to the methodology for wireline and wireless services prior to that time, such as that proposed by ITTA,<sup>7</sup> would be unnecessarily disruptive and costly to implement, and therefore should not be undertaken.

If the Commission adopts a new structure for Universal Service Fund contributions, Sprint Nextel urges the Commission to consider adopting the new structure for both wireline and wireless services.<sup>8</sup> Sprint Nextel agrees with NCTA that this approach would “promot[e] regulatory parity among similarly situated companies.”<sup>9</sup> Having the same methodology for both the regulatory fees and Universal Service Fund contributions likely may help ensure that changes in the industry will be reflected in both.

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<sup>5</sup> See Comments of USTelecom, p. 4.

<sup>6</sup> See Comments of Verizon, p. 2.

<sup>7</sup> See Comments of the Independent Telephone & Telecommunications Alliance (ITTA), pp. 9-10 (proposing to include “wireless voice services in the revenue-based Interstate Telecommunications Service Provider fee category” (fn. omitted).

<sup>8</sup> The deficiencies associated with the current USF methodology should not be continued or transferred to the regulatory fee collection process. If the Commission adopts another methodology for USF contributions that is not revenue-based, it should not require carriers to continue to submit the Form 499 for revenue-based services because the Form 499 is extremely burdensome to prepare and it necessarily requires carriers to separate revenues into categories that require subjective determinations of the appropriate allocations.

<sup>9</sup> See Comments of the National Cable & Telecommunications Association (NTCA), p. 5.

However, a final determination concerning such change to the regulatory fee methodology cannot be made until changes to the USF methodology have been made.

In conclusion, Sprint Nextel urges the Commission to revamp the regulatory fee collection structure as soon as practical.

Respectfully submitted,

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