



Together with NEXTEL

Sprint Nextel
2001 Edmund Halley Drive
Reston, VA 20191

December 23, 2008

Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

**Re: Ex Parte Communication
Sprint Nextel Corporation and Clearwire Corporation, Applications
for Consent to Transfer Control of Licenses, Leases and
Authorizations, WT Docket No. 08-94**

Dear Ms. Dortch:

In approving the applications filed by Sprint Nextel Corporation (Sprint Nextel) and Clearwire Corporation in the above-referenced proceeding, the Commission accepted a voluntary commitment made by Sprint Nextel in a written *ex parte* communication dated November 3, 2008.¹ In that letter, Sprint Nextel, *inter alia*, agreed to reduce in five equal, annual steps the competitive eligible telecommunications carrier (CETC) high-cost universal service support that it currently receives, with the first 20% reduction to be implemented by December 31, 2008. In accordance with Sprint Nextel's commitment and the Commission's order, this transition plan will remain in effect unless, prior to its expiration, the Commission adopts a different phase-down plan or a successor mechanism to the current so-called "equal support" rule.²

Consistent with that voluntary commitment, Sprint Nextel intends to implement the phase-down of its federal high-cost CETC universal service support as follows:

¹ See Letter from Lawrence Krevor, Sprint Nextel Corporation to Marlene H. Dortch, Secretary, WC Docket No. 08-94 (Nov. 3, 2008).

² In the Matter of Sprint Nextel Corporation and Clearwire Corporation, WC Docket No. 08-94, Applications for Consent to Transfer Control of Licenses, Leases and Authorizations, File Nos. 0003462540 *et al.*, *Memorandum Opinion and Order* released November 7, 2008 (FCC 08-259); see ¶¶ 106-108.

- Sprint Nextel's January-October 2008 CETC receipts will be annualized, resulting in total annual support amount of \$92,535,482.³ That total support will be reduced by \$18,507,097 (\$92.5 m. x 20%) per year in five annual steps. In each of those years, Sprint Nextel will be paid the remaining share of its annualized 2008 USF support amount. Except for the 20% phase-down element, Sprint Nextel's federal CETC high-cost universal service support will be frozen (*i.e.*, will not increase or decrease during the transition period regardless of its actual CETC line counts).
- The USF support funds that are not paid to Sprint Nextel will be removed from the CETC pool for purposes of computing the interim CETC cap, so that Sprint Nextel's foregone support dollars will not be redistributed to other CETCs.
- For the first step of the phase-down, Sprint Nextel will forego CETC support in four jurisdictions: Florida, Mississippi, Kansas and West Virginia. Total support in 2008 (annualized) for these jurisdictions is \$18,793,728, slightly more than the \$18,507,097 Sprint Nextel has agreed to forego in each year of the phased reduction. The excess amount (\$286,631) will be applied to step 2 of the phase-down beginning in 2010. During each year of the phased reduction, Sprint Nextel no later than October 1 will provide USAC with a list of the jurisdictions for which it will forego CETC support in upcoming calendar year. Because Sprint Nextel will no longer be receiving any federal CETC support in the identified states, Sprint Nextel intends to file a petition with the relevant regulatory authorities to withdraw its ETC designations, beginning with Florida, Mississippi, Kansas and West Virginia early in 2009.
- As noted, Sprint Nextel will adhere to this implementation plan unless the Commission prior to the plan's expiration adopts a generally applicable phase-down mechanism or alternative to the "equal support" rule, in which case the generally applicable requirements would supersede Sprint Nextel's voluntary commitment.

³ On December 12, 2008, Sprint Nextel provided USAC, the administrator of the federal universal service funds, with a list of its actual receipts through October 2008, and the annualized amounts, in each state in which it is a designated CETC.

Sprint Nextel's implementation plan, thus, satisfies its voluntary commitment and the Commission's order by reducing the company's federal CETC high-cost universal service support by at least \$18,793,728 (20.2% of Sprint Nextel's annualized 2008 receipts) in the first step of the phase-down. Sprint Nextel intends to initiate this plan by year-end 2008. If you have any questions, please feel free to contact me at (703) 433-4503.

Respectfully submitted,



Norina Moy
Director, Government Affairs