

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

In the Matter of)
)
Structure and Practices of the Video Relay) CG Docket No. 10-51
Service Program)
_____)

COMMENTS OF SPRINT NEXTEL

Charles W. McKee
Michael B. Fingerhut
900 7th Street NW Suite 700
Washington, DC 20001
(703) 592-5112

Its Attorneys

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Sprint Nextel Corporation (“Sprint”), on behalf of the Telecommunications Relay Service (“TRS”) operations of its subsidiary, Sprint Communications Company L.P., hereby respectfully submits comments on the *Notice of Inquiry*, FCC 10-111 dated June 28, 2010 (“*NOI*”) issued by the Federal Communications Commission (“Commission” or “FCC”) in the above-captioned proceeding.

I. INTRODUCTION AND SUMMARY

The Commission explains that it issued the *NOI* to take “a fresh look” at its video relay service (“VRS”) rules in order to “ensure that this vital program is effective, efficient, and sustainable in the future.” *NOI* at ¶ 1. The Commission’s stated aim is “to improve the program to ensure that it is available to and used by the full spectrum of eligible users, encourages innovation, and is provided efficiently so as to be less susceptible to the waste, fraud, and abuse that plague the current program and threaten its long-term viability.” *Id.* Thus the purpose of the *NOI* “is to solicit a wide range of thoughts and proposals for making the program work better for those who could benefit from it and those who pay into it.” *Id.*

Sprint is unlike the other VRS providers. It is the only VRS provider to offer the full complement of TRS services which include TTY-based TRS service and Captel service provided over the public switched telephone network as well as the other Internet-based relay services,

i.e., Internet Relay; Captel IP. In fact, VRS constitutes a minor portion of Sprint's total TRS business. That said, Sprint still has a keen interest in this proceeding and particularly in the Commission stated goals to ensure that VRS is provided as efficiently as possible and that the rates and rate structure do not provide an incentive to defraud the TRS Fund (hereinafter referred to as "the Fund"). This is so because Sprint is one of just two VRS providers whose customers of its wireline and wireless businesses must support the Fund through the charges they pay for their services. Thus, Sprint applauds the Commission efforts here and hopes that the outcome of this proceeding will be the adoption of rules that will significantly curtail if not totally eliminate the types of abuses which have occurred in the recent past by the likes of Viable and which if not stopped will put enormous pressure on the Commission to remove VRS from the list of compensable TRS services.

At the same time, Sprint recognizes that because its comments (and those of other interested parties) are being submitted in response to an NOI, this is but the first round in the process of addressing and correcting the abuses that have characterized the provision of VRS until now. The Commission will undoubtedly rely on the record developed in this initial round to propose the changes in the VRS ratemaking structure and rules governing the provision of VRS that it believes will be necessary to achieve its stated goals. The next round – the issuance of a Notice of Proposed Rulemaking ("NPRM") – setting forth the Commission's proposed changes – will give interested parties another opportunity to submit comments on the issues involved in the provision of VRS, albeit such comments will discuss specifically the merits of the Commission's proposals. For this reason, Sprint's comments will focus on what it believes are the issues that, at a minimum, should inform the Commission's proposed changes.

Specifically, as set forth in detail below, the Commission, in the upcoming NPRM, should at a minimum:

- propose retaining the tiered rate structure but reduce the cap on the second tier from 500,000 minutes per month to 250,000 minutes per month;
- propose giving an allowance to Craig providers to recover both their outreach and marketing costs, although such allowance must be limited and based on an objective standard;
- continue its policy of excluding the costs of videophone equipment from the types of costs providers are allowed to recover from the Fund;
- propose that all providers obtain certification from the FCC before being allowed to offer VRS services to the public;
- not require a common set of standards for providers offering VRS services through wireless devices;
- propose that each stand-alone VRS provider contribute to the Fund and authorize the providers to recover their contributions from their users; and,
- propose adopting a competitive bidding process to drive the rate to paid for VRS toward costs but structured in a way that would help ensure that VRS would continue to be available from multiple providers.

II. DISCUSSION

A. Compensation Issues

Establishing a rate structure and setting the rate or rates for the provision of VRS is perhaps the most vexing – and certainly the most controversial – issue confronting the Commission as it attempts to meet its statutory responsibilities under Section 225 of the Act. It must balance the need to compensate VRS providers for the reasonable costs they incur in the provision of VRS, *see* 47 C.F.R. § 64.604(c)(5)(iii)(E), and at the same time ensure that

consumers of wireline and wireless services who finance the Fund are not being overcharged.¹

The Commission's task here is made difficult by the unique nature of the VRS market. Although there are several entities currently offering VRS service and there appear to be relatively few but easily surmountable entry barriers into the VRS market, the Commission cannot rely on competition to establish the cost-based "market" price. This is so because VRS users, *i.e.*, the cost causers, are not charged for the service.² VRS providers must compete for users solely on the basis of the quality of the VRS service they offer rather than on the basis of price/quality tradeoffs. Stated differently, VRS providers are not subject to the pricing discipline of a competitive market.

Thus, it is the Commission's responsibility to instill that discipline and establish the cost-based market price to be paid by the Fund to VRS providers. But, given the particularities of the VRS marketplace, it is difficult for the Commission to meet its responsibility here. For example, the VRS market is characterized by one provider with an overwhelming market share and a host of smaller providers scrambling for the remaining share. A rate based on a weighted average of the costs of all providers will be skewed by the dominant provider's costs regardless of whether

¹ In a Report issued December 9, 2008, entitled "Deception and Distrust: The Federal Communications Commission Under Chairman Martin" concluded that the Commission had failed to achieve the proper balance. *See NOI* at ¶ 30 and fn. 33 citing the Report and setting forth the Report's finding that "[t]here is substantial evidence that the FCC has failed to set reasonable rates for the compensation of TRS providers. As a result, consumers are being significantly overcharged to finance the TRS Fund and TRS providers are being significantly overcompensated." Report at 7.

² Because VRS users must have a broadband connection in order to make and receive VRS calls, they must subscribe to broadband Internet access services offered by an entity providing such service, usually a local exchange carrier or a cable company serving the communities in which they live and work. However, VRS users usually obtain the necessary videophone equipment from the VRS provider. It is Sprint's understanding that many, if not all, of the VRS providers furnishing videophones do not require the VRS user to pay for the equipment.

the dominant provider's operations are efficient. Moreover, several providers argue that because the Commission has determined that certain categories of expenses such as research and development, marketing and video equipment are not reimbursable from the Fund, any rate established by Commission will be below costs and will inevitably lead to an inferior VRS service, if the service is offered at all.³ Upon learning of such arguments, deaf and hard-of-hearing users understandably become increasingly concerned that they will lose a service that "has dramatically enhanced [their] personal and professional lives by allowing [them] to engage in more natural conversation both with each other and with hearing individuals." *NOI* at ¶ 6.

To its credit the Commission has taken a number of steps to deal with the "vicious circle" that characterizes the VRS segment of the TRS market,⁴ including the establishment of a three-tiered price-cap like rate structure "designed to reflect the economies of scale of larger providers." *NOI* at ¶ 8. Unfortunately, such steps appear not to have been sufficient to produce reasonable cost-based rates. *See NOI* at ¶ 30. Hopefully the policies and rules that the Commission proposes in the NPRM and perhaps ultimately adopts in a Memorandum Decision

³ As the Commission points out in the *NOI* (at ¶ 30), independent auditors have been unable to validate whether the cost submissions of certain providers included only allowable costs. *See also Structure and Practices of the Video Relay Service Program, Declaratory Ruling, Order and Notice of Proposed Rulemaking*, FCC 10-88 (released May 27, 2010) at ¶ 10. Thus, despite their claims to the contrary, some of these providers may well be recovering some or all of the excluded costs, albeit through other expense categories.

⁴ Other segments of the TRS market such as TTY-based TRS, STS, Captel and IP Captel do not raise the same concerns since the interstate rates paid by the TRS Fund to the providers of these services are based on an average of the TRS-TTY, STS and Captel rates established by the States through competitive bidding. Although Sprint suggests that the Commission consider utilizing a competitive bidding mechanism in order to establish a reasonable VRS rate (*see infra* at 15-16), adopting a "winner-take-all" competitive bidding process for VRS may not be feasible given the fact that users like the fact that they currently have a choice of VRS providers. Of equal importance is the fact that while there is likely to be several bidders for the initial contract, there may not be any competitive bids for subsequent contracts enabling the winner of the initial contract to bid higher than competitive rates when it comes time to renew the contract.

and Order will at the very least mitigate the effects of, if not totally break, this vicious circle.

Below Sprint suggests the issues that it believes need to be addressed in the NPRM in order to achieve this goal.

1. The Tiered Rate Structure Should be Retained

The Commission last considered establishing a new rate structure for TRS services in general in a *Further Notice of Proposed Ruling* issued in July 2006 in CG Docket No. 03-123 (*Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*), 21 FCC Rcd 8379). In that proceeding, Sprint (along with Sorenson and Snap) argued that the FCC should establish a price-cap structure to govern the rates to be paid VRS providers. The rate structure would be in place for a three-year period. Moreover, the capped price would not be increased to reflect any increases in the consumer price index during the three-year period. In fact the capped rate would be reduced by 0.5 percent per year regardless of any inflation in the general economy.

The Commission ultimately adopted a price-cap regime; however instead of one rate based on the average cost of all VRS providers, the Commission established a three-tiered pricing regime. *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 22 FCC Rcd 20140 (2007). It did so because, although there were a number of VRS providers, the market was dominated by one provider whose per minute costs would “largely determine the rate.” *Id.* at 20163. This provider’s costs, however, were lower than those of the other smaller providers especially those of new entrants. The Commission found that a tiered structure would “best reflect[] the financial situation of all providers. *Id.* at 20162.

In the *NOI* (at ¶ 13), the Commission asks commenting parties for their views on “whether the tiered system should continue as is, be discontinued or be modified.” As stated, the Commission adopted the tiered system based on the finding that providers would realize greater economies of scale as their volume of reportable VRS minutes increased. Thus, in order to (1) ensure that those economies would redound to the benefit of wireline and wireless customers who were (and are) paying for the provision of VRS through the rates they are charged by their chosen carriers and (2) set rates that approximated providers’ costs, the Commission determined that those providers generating higher volumes of traffic should receive lower rates than the providers generating a smaller volume of minutes.

Sprint was at first skeptical that providers would realize any meaningful scale economies as their volumes increased for the simple reason that the provision of VRS is labor intensive. Sprint now realizes that its skepticism may have been unwarranted. Although the Commission’s observation in the *NOI* (at ¶ 11) that “VRS providers, despite the differences in size, should theoretically all be incurring the same types of compensable costs” is correct, the differences in the volumes of minutes being generated by these various providers over which to spread their costs necessarily means that each provider are at a different point on the average cost curve. For example, even if a video interpreter (VI) employed by an established provider and a new entrant have comparable salaries, the per minute cost of the video interpreter working for the established provider will likely be lower than the per minute cost of the VI working for a new entrant for the simple reason the established provider’s VI is likely handling a greater volume of traffic than the new entrant’s VI. Of course, as the entrant’s traffic volumes grows, its VIs will begin to handle more traffic and the its per minute VI costs should begin to approximate the per

minute VI costs of the other providers generating similar traffic volumes, *i.e.*, it moves further down the average cost curve.

The difficulty in establishing a tiered rate structure, however, is determining the volume points at which the cost curve of the providers moves to a lower point on the cost curve.

Currently, the Commission has determined that the first point is 50,000 minutes per month and the second point is 500,000 minutes per month. Thus, the per-minute rate for the first 50,000 minutes is higher than the rate for paid for each minute between 50,001 and 500,000 and the rate paid for each minute in this second tier is higher still than the rate paid for each minute above 500,000.⁵

Given the fact that a tiered structure is designed, at least in theory, to better reflect the differences in costs among VRS providers, Sprint believes that the Commission should maintain the three-tiered rate structure for VRS. At the same time, Sprint suggests that the Commission reevaluate the volume ceilings established when the three-tiered system was adopted three years ago. Indeed, such reevaluation would appear to be necessary if the Commission is to establish the rates for each tier based on the average costs of the providers currently in such tier.

In this regard, Sprint recommends that the Commission retain the current 50,000 minute ceiling for the first tier. Sprint recommendation here is based on its view that the 50,000 minute level small enough that the difference in volumes/costs among the providers in the tier would not

⁵ Because the rates are cascading, all providers, regardless of where they are on the average cost curve, are paid the applicable Tier I rate for their first 50,000 minutes and the Tier II rate on all minutes from 50,001 and 500,000. If the Commission decides to based the rate for each tier on the basis of the costs of the providers in the tier, it may need to consider whether such “cascading” rate continues to be justified.

significantly affect the rate for the tier and thus the factor for determining the contribution by wireline and wireless carriers is unlikely to be significantly affected.

On the other hand Sprint recommends that the Commission strongly consider establishing a new lower ceiling for the second tier. Such ceiling could be based on the average number of minutes these middle-tier providers are generating. Sprint would not be surprised if such average is closer to the 250,000 level as opposed to the 500,000 level, especially given the fact that one of the largest, if not the largest, provider among these middle-tier providers apparently has been required by the Commission to end its practice of seeking compensation for deaf-to-deaf VRS calls and all providers can no longer seek compensation for their business-related (and perhaps other types of) VRS calls by their deaf and hard-of-hearing employees to hearing individuals.⁶ At the very least, in the upcoming NPRM, the Commission should specifically seek comments on what the ceiling should be established for the second tier.

2. VRS Compensation Rates Should Include an Allowance for Outreach and Marketing.

Perhaps one of the most problematic issues the Commission and the Fund Administrator have had to confront in determining cost-based VRS rates is how to ensure that costs which providers incur in conducting outreach and which providers are entitled to recover from the Fund do not also include the costs which providers incur for marketing their services and which are not recoverable from the Fund. As the Commission points out in the *NOI* (at ¶ 17), provider-

⁶ The Commission asks whether it would be fairer or more accurate “to establish company specific-specific compensation for each provider” rather than using an average or three-tiered system to establish such compensation. *NOI* at ¶13. In Sprint’s view the answer is no. While it is true that company specific rates may be “fairer” to the provider, it would decidedly unfair to the carriers and their customers who fund the provision of VRS service. This is so because if a provider understood that it would be able to recoup its allowable costs, it would have no incentive to take steps to lower its costs by providing service more efficiently.

sponsored outreach and marketing are very similar and as the Commission well knows the definitions of outreach and marketing set forth in the Fund Administrator's instructions for reporting costs are not models of clarity. For this reason the Commission seeks "comment on whether, and the extent to which, the Fund should compensate providers for outreach and marketing activities, including whether such funding should be capped for each provider." *NOI* at ¶ 17.

As stated, Sprint is concerned about the growth of the Fund since it is one of two VRS providers whose wireline and wireless customers must contribute to the Fund. Nonetheless, Sprint believes that the Commission should allow providers to recover their expenses, reasonably incurred, for all of the programs designed to explain and promote VRS services regardless of whether such programs fall in what appears to be the marketing "basket." Sprint's recommendation here is based on the fact that trying to determine whether a provider's claimed outreach expense is in reality a marketing expense needlessly wastes the resources of the Commission and the Fund Administrator. Indeed, it is the regulatory equivalent to trying to determine "how many angels can dance on the head of a pin."

However, the Commission must place limits on the amount of expenses providers should be allowed to recover for explaining and promoting VRS services. Otherwise, certain providers will likely claim that all sorts of suspect activities, including computer giveaways, free broadband service or even lotteries to win valuable prizes, *e.g.*, automobiles, constitute outreach/marketing for which they should be compensated from the Fund. There are many ways to limit such allowance. As the Commission suggests, it could furnish each provider "a specified sum of money to spend on outreach and marketing (*e.g.* based on cost per gross add)" or "[a]lternatively through per-minute compensation up to a certain percentage of the rate

established for each minute of use.” *NOI* at ¶ 19. Either of these approaches would be acceptable provided that the percentage used to determine the lump sum or the percentages used to mark up the compensation rate were reasonable. Another alternative would be for the Commission to increase the allowable rate of return by a few basis points or even by a percentage point or two in order to provide the outreach/marketing allowance. Since capital investment in what is primarily a labor intensive industry is, or should be, relatively small, increasing the rate of return to be paid on such investment would clearly limit the allowance to be made available to providers. But again it is imperative that the Commission place a strict “cap” on the amount of outreach/marketing expenses to be allowed and if necessary reduce the cap if the Commission determines that the allowance is too generous and leads to the types of suspect activities mentioned above.⁷

3. The Fund Should Not Pay For Videophone Equipment.

Yet another compensation-related issue being considered by the Commission involves the provision of the video-phone equipment currently necessary for VRS users to avail themselves of

⁷ The Commission also whether it “should revise its rules to explicitly permit compensation for research and development...” *NOI* at ¶ 20. Sprint agrees with the Commission’s observation that “newly emerging communication technologies could offer significant potential for achieving greater functional equivalency for VRS users, and we recognize that Congress has directed the Commission to ensure that our TRS regulations do not discourage or impair the development of improved technology.” *Id.* Nonetheless, Sprint is concerned that the lower costs that may result from such research and development may not redound to the benefit of wireline and wireless carriers and their customers in the form of lower payments despite the fact that they paid for such activities. Thus, unless the Commission can ensure that the cost savings that would likely result from the development of “newly emerging technologies” would be passed through to such consumers by lowering the contribution factor to be paid by wireline and wireless carriers and, that the expenses claimed were in fact used in research and development and not for any other purpose, Sprint believes that continue to disallow expenses associated by research and development. In any event, if the Commission does decide to allow such expenses for purposes of setting compensation rates, the Commission must strictly limit the amount of allowable expenses.

the service. In this regard, the Commission asks if it should “ensure [that] affordable videophone equipment is available to VRS users” by for example “creat[ing] a program to create direct user subsidies for the provision of videophones.” *NOI* at ¶ 21. The Commission does not set forth a funding source for such subsidies but presumably the money would come from the Fund. Thus, Sprint’s wireless and wireline consumers would be required to pay for this equipment.

Sprint believes should that its wireline and wireless consumers should not be called upon to subsidize or otherwise enable the free provision of videophone equipment to VRS users. Sprint’s consumers must obtain their wireline phones and wireless devices to utilize Sprint’s services and functional equivalency demands that VRS users do the same. Any subsidies for VRS users to obtain videophone equipment can be provided by the State through general funds as long as the VRS user meets the criteria established by the State for such subsidies.

4. Certification Issues

The Commission also seeks comments on whether the current certification process for VRS providers needs to be modified. *NOI* at ¶¶ 24-26. It points out that currently an entity is qualified to offer VRS and receive compensation from the Fund if it is providing other TRS services under a certified state program; if it “subcontract[s] for another entity eligible to provide TRS”; or if it receive[s] certification directly from the Commission.” *NOI* at ¶ 24. However such processes may be insufficient to provide “adequate oversight and assurance that certified VRS providers are offering satisfactory service and are only seeking reimbursement for authorized service.” *NOI* at ¶ 26.

Although Sprint has been certified by several states to provide TRS services and therefore qualifies to provide VRS service, it recommends that any entity seeking to provide VRS service obtain certification from the Commission. Stated differently, the Commission

should no longer rely on the fact that an entity has obtained certification from a State to provide a TRS service or is obtaining compensation from the Fund through another certified TRS entity in order to be eligible to provide VRS service and be compensated by the Fund. Sprint's recommendation here is based on the fact that because the States do not pay for VRS service and, in fact do not have jurisdiction to regulate any IP-enabled service, they are unlikely to expend resources monitoring the performance of VRS providers to ensure that they are complying with the standards promulgated by the FCC for the service. Similarly, a certified entity has no incentive to ensure that its uncertified subcontractors are meeting the minimum standards since its contacts with these entities will likely include "hold-harmless" provisions. In any event, it is not the responsibility of the certified entity to enforce Commission rules.

Of course, once the Commission certifies an entity to provide VRS, it will have to monitor the performance of the entity to ensure that the such entity is providing service in accordance with the Act and the Commission's Rules. This may require the Commission to periodically examine the service being offered by the each provider – especially if the Commission is receiving a number of complaints about the provider's service as well as auditing the minutes and costs being submitted by each provider.

B. The Provision of VRS On A Going-Forward Basis.

In addition to the various compensation-related issues raised in the *NOI*, the Commission also asks commenters for their views on "whether we should consider fundamental changes to the delivery of VRS, including questions on the structure of the VRS market." Although the Commission asks a number of questions raised a number of issues in this regard, Sprint focuses its comments on (1) whether the Commission should require that videophone equipment and the VRS networks be subject to a common set of standards; (2) whether the Commission should

expand the group of entities required to contribute the Fund; and, (3) ways the Commission can use competition to reduce the VRS costs and therefore the contribution factor paid carriers and ultimately their customers.

1. The Commission Should Not Prescribe a Common Set of Standards

In its *NOI* (at ¶ 35), the Commission asks “whether videophone equipment supplied by VRS providers, and the networks on which they operate, be standardized so that they retain a mandatory minimum set of functionalities regardless of the provider selected by the VRS user.” The Commission suggests that by adopting a common set of technical standards it perhaps could “ensure the continuation of videophone equipment functionality after a consumer switches default providers.” *Id.*

Sprint takes no position on the feasibility or merits of adopting a common set of technical standards for the equipment and facilities currently being used to provide VRS, although Sprint would point out that a provider’s incentive to enhance the quality of its equipment/network may be dampened if the provider will be unable to enjoy the fruits of such any enhancements. It is concerned, however, about the implications the adoption of such standards would have for wireless providers. As Sprint’s 4G network and devices become more ubiquitous, a number of VRS users may purchase a 4G phone and use the device to make some or even most of their VRS calls. Sprint should not be required to utilize to a common set of standards for its wireless network or in its wireless devices so that a VRS user could change providers, especially given the fact that wide-spread adoption of such technology by VRS users has yet to materialize.

2. Stand-alone VRS Providers Should Be Required to Contribute to the TRS Fund.

The Commission seeks comments on the TRS compensation structure generally and in particular whether it needs to make any changes “VRS compensation scheme more effective,

more efficient, and sustainable in the long-term.” *NOI* at ¶ 58. One change that the Commission should consider is requiring that stand-alone VRS providers make a contribution to the Fund and authorize them to recover their contributions from their users.⁸ VRS providers such as Sprint and AT&T that already pay into the Fund would be exempt from this payment requirement. Sprint’s recommendation here is based on the simple principle that if an entity receives money from a fund, it should be required to contribute money into that fund regardless of whether the money it receives is less than its contributions. In any event, imposing a payment obligation on VRS providers would provide a new source of funding – currently only long distance wireline carriers, wireless carriers, and interconnected VoIP providers are required to contribute to the Fund – and therefore would help ensure the Fund’s sustainability. More importantly, a requirement that VRS providers contribute to the Fund might make them a bit more reasonable in their demands for increased compensation rates.

3. Using Competitive Bidding to Set the VRS Compensation Rate.

The Commission has asked for recommendations on how to use competition to reduce the costs of VRS. *NOI* at ¶ 63. One idea on which the Commission has asked for comment is establishing VRS rates through a competitive bidding process. *NOI* at ¶ 68. Sprint believes this idea deserves strong consideration. Asking entities to bid on contracts is a staple in competitive markets and is designed to ensure that the buyer of the goods or services is paying a reasonable price. Indeed, the Commission now determines the rates for interstate traditional TTY-based

⁸ With the advent of 10-digit dialing, each VRS provider should know the name and primary address of those individuals who have selected the provider as their VRS carrier. Alternatively, VRS providers could add the cost of their contributions to the costs of the videophone equipment they provide their users.

TRS, STS and Captel services on the intrastate rates for these services that are set using a competitive bidding process.

As noted above (fn 4), because of the need to ensure that consumers continue to have a choice of VRS providers and ensure that any future bidding process attracts bids from a number of providers, the Commission's bidding mechanism cannot lead to the award of an exclusive contract to the lowest bidder. At the same time the mechanism process must be designed to make certain that all providers are submitting bids that closely approximate their costs of offering VRS service.⁹ Sprint believes that there are a number of ways that the Commission could accomplish these seemingly contradictory goals. One possibility that suggests itself is that the winning bidder would be paid the rate it proposed for the service. Any losing bidder would still be able to offer VRS service as long as its initial bid came within a certain percentage of the winning bid. However, the rate paid to each such bidder would be less than the rate paid the winning bidder. In this way the lowest bidder is rewarded not with an exclusive contract but with a rate higher than what the other providers will receive.

As stated, there may be other ways for the Commission to structure the bidding process. But again the goals of the process must be to encourage "honest" bidding, *i.e.*, bids that approximate the provider's costs, and at the same time not lead to just one provider.

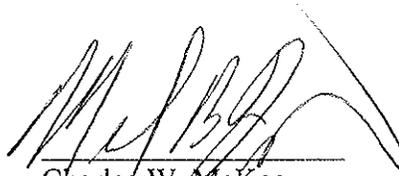
⁹ Providers would be instructed not to include the costs of the video equipment they furnish to the end user in their bids.

III. CONCLUSION

For the reasons set forth above, Sprint respectfully requests that the Commission's NPRM in this matter reflect Sprint's recommendations.

Respectfully submitted,

SPRINT NEXTEL CORPORATION

A handwritten signature in black ink, appearing to read 'M. B. Fingerhut', written over a horizontal line.

Charles W. McKee
Michael B. Fingerhut
900 7th Street NW Suite 700
Washington, DC 20001
(703) 592-5112
michael.b.fingerhut@sprint.com

Its Attorneys

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Sprint Nextel Corporation was served by electronic mail, on this 18th day of August, 2010 to the parties listed below:

Mark Stone
Consumer and Governmental Affairs Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
mark.stone@fcc.gov

Nicholas A. Degani
Wireline Competition Bureau
Federal Communication Commission
445 12th Street, SW
Washington, DC 20554
nicholas.degani@fcc.gov

Nicholas Alexander
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
nicholas.alexander@fcc.gov

Best Copy & Printing, Inc.
Portals II
445 12th Street, SW, Room CY-B402
Washington, DC 20554
fcc@bcpiweb.com

Diane Mason
Consumer and Governmental Affairs Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
diane.mason@fcc.gov

/s/ Jo-Ann Monroe

Jo-Ann Monroe