

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05=337
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC	)	

**COMMENTS OF SPRINT NEXTEL CORPORATION**

Sprint Nextel Corporation (“Sprint”), pursuant to the Public Notice released on October 12, 2010 (DA 10-1955), submits its comments in the above-captioned proceedings on the petitions for reconsideration (“PFR”) of the *Corr Wireless Order*<sup>1</sup> filed by SouthernLINC<sup>2</sup> and Allied.<sup>3</sup> As discussed briefly below, these PFRs should be denied because interested parties had adequate notice of the likelihood that some or all of the relinquished high-cost USF support would be removed from the CETC (competitive

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<sup>1</sup> *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC, Order and Notice of Proposed Rulemaking*, FCC 10-155, released September 3, 2010.

<sup>2</sup> Petition for Partial Reconsideration filed by SouthernLINC Wireless and the Universal Service for America Coalition (collectively, “SouthernLINC”) on September 29, 2010.

<sup>3</sup> Joint Petition for Reconsideration filed on October 4, 2010 by Allied Wireless Communications Corp.; Cellular South Licenses, Inc.; Commnet Wireless, LLC; Corr Wireless Communications, LLC; East Kentucky Network, LLC; Leaco Rural Telephone Cooperative, Inc.; MTPCS, LLC; N.E. Colorado Cellular, Inc.; PR Wireless, Inc.; Union Telephone Company; and United States Cellular Corp. (collectively, “Allied”).

Eligible Telecommunications Carrier) pool in some fashion, rather than redistributed to other CETCs.

In the *Corr Wireless Order*, the Commission provided instructions for implementing Sprint Nextel's and Verizon Wireless' obligations to phase out their federal high-cost USF support. The Commission held that if Sprint or Verizon Wireless retained their ETC designations in a jurisdiction, any high-cost USF support associated with that jurisdiction that was surrendered would not be redistributed to other CETCs, but instead would be put aside as a "down payment on proposed broadband universal service reforms."<sup>4</sup> However, if Sprint or Verizon Wireless relinquished their ETC designations as a means of meeting their phase-out obligations, the surrendered support for that jurisdiction would be re-distributed to other CETCs pursuant to the interim cap rules.<sup>5</sup>

Petitioners SouthernLINC and Allied are CETCs that could increase their high-cost USF receipts if Sprint's and Verizon Wireless' relinquished support dollars were redistributed in their entirety to other CETCs. While their motivation for filing the PFRs is understandable, Petitioners are mistaken in their assertion that the *Corr Wireless Order* "constitutes an abrupt change from past universal service rules and policies without adequate notice and comment opportunity."<sup>6</sup> In fact, the record is replete with notices about the likelihood that some or all of the relinquished funds would be removed from the CETC pool rather than automatically re-distributed to other CETCs.

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<sup>4</sup> *Corr Wireless Order*, ¶¶ 10 and 20.

<sup>5</sup> *Id.*, ¶ 11.

<sup>6</sup> SouthernLINC PFR, p. 11; *see also*, Allied PFR, p. 15.

The FCC's primary justification for requiring the phase-out of Sprint's and Verizon Wireless' high-cost support was to control the growth of the CETC high-cost fund – an outcome that is possible only if the relinquished support is removed from the CETC pool.<sup>7</sup> In an *ex parte* letter dated December 23, 2008, Sprint also described its plan for implementing the phase-out of its support, noting specifically that its relinquished support would 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.”<sup>8</sup> And, in the pleading cycle initiated in response to Corr Wireless' appeal, Sprint reiterated the problems with the “transfer of wealth” approach espoused by Corr and certain other CETCs, and explained why redistribution of foregone support to other CETCs would be contrary to the public interest.<sup>9</sup> Thus, it is simply not the case that the *Corr Wireless Order* unexpectedly and without adequate notice reduced the high-cost USF dollars potentially available to CETCs other than Sprint and Verizon Wireless.<sup>10</sup>

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<sup>7</sup> See *Sprint Nextel Corp. and Clearwire Corp., Applications For Consent to Transfer Control of Licenses, Leases, and Authorizations*, 23 FCC Rcd 17570, ¶108 (2008); *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements*, 23 FCC Rcd 17444, ¶196 (2008).

<sup>8</sup> See Sprint *ex parte* letter submitted to Marlene Dortch, FCC, in WT Docket No. 08-94.

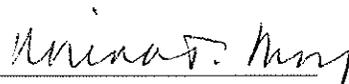
<sup>9</sup> See, e.g., Sprint's filings in WT Docket No. 08-94, CC Docket No. 96-45 and WC Docket No. 05-337: Sprint opposition to Corr appeal filed May 11, 2009; Sprint reply to comments on Corr appeal filed May 26, 2009; Sprint *ex parte* letter on Corr appeal filed May 21, 2010.

<sup>10</sup> Allied also asserts that use of Option B as the baseline against which the phase-out is computed is arbitrary and capricious (Allied PFR, p. 8). Because Sprint selected Option A, Sprint does not address the merits of Option B.

The SouthernLINC and Allied Petitions for Reconsideration also should be denied because they ignore the need to balance competing public interest considerations. In this case, the Commission evaluated the need and right of certain CETCs for high-cost support, the need to preserve the viability of the USF, and the desire to promote broadband deployment through endowment of a new broadband fund(s). After soliciting and considering comments on the matter, the Commission split the baby, in certain circumstances requiring redistribution of relinquished funds to other CETCs, in other circumstances removing the relinquished funds from the CETC pool. While affected carriers may quarrel over the balance of equities, the Commission's decision to remove the relinquished funds from the CETC pool was reasonable.

Respectfully submitted,

**SPRINT NEXTEL CORPORATION**

  
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