

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Section XV, Reducing Inefficiencies and Waste by Curbing Arbitrage Opportunities	)	

**REPLY COMMENTS OF SPRINT NEXTEL CORPORATION**

Charles W. McKee  
Vice President, Government Affairs  
Federal and State Regulatory

Michael B. Fingerhut  
Director, Government Affairs

Norina T. Moy  
Director, Government Affairs

900 Seventh Street NW, Suite 700  
Washington DC 20001  
703-592-5112

April 18, 2011

## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION AND SUMMARY.....	1
II. THE RECORD JUSTIFIES IMMEDIATE COMMISSION ACTION TO PREVENT TRAFFIC PUMPING.....	2
A. The Commission’s Anti-Traffic Pumping Trigger and Remedy Should Be Effective and Administratively Simple.....	3
B. Commission Intervention Is Warranted To Prevent Traffic Pumping.....	6
C. Traffic Pumping Is Not a Form of Universal Service.....	10
III. CONCLUSION.....	12

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Section XV, Reducing Inefficiencies and Waste by Curbing Arbitrage Opportunities	)	

**REPLY COMMENTS OF SPRINT NEXTEL CORPORATION**

Sprint Nextel Corporation (“Sprint”) hereby respectfully submits its reply to the comments on Section XV of the *Notice of Proposed Rulemaking* (“NPRM”) issued in the above-captioned proceedings on February 9, 2011.

**I. INTRODUCTION AND SUMMARY.**

There can no longer be any debate that the Commission must end, as soon as possible, the practice of traffic pumping. The record in this proceeding demonstrates that traffic pumping schemes manipulate the current intercarrier compensation rules and are not in the public interest. The inappropriate transfer of wealth from the customers of wireline and wireless carriers to these relatively few LECs and their “free” service provider (FSP) partners undermines the entire system of intercarrier compensation and drains money away from network investment.

The record also establishes that the Commission's solution to the traffic pumping problem needs to be simple to administer and not dependent upon discovery and interpretation of the agreements between the traffic pumping LECs and their FSPs partners. Sprint's proposed solution, which is based on a 3:1 terminating-to-originating call volume ratio trigger, accomplishes these objectives. Moreover, Sprint's proposed \$0.0007 rate for terminating access – if the Commission does not move to a bill and keep regime immediately, which Sprint believes appropriate – is fully compensatory.

The Commission should reject the arguments of the traffic pumpers and their FSP partners as undermining the public interest. For example, the traffic pumpers suggest that IXCs and wireless carriers would not be harmed by these traffic pumping schemes if they ended their offerings of unlimited calling plans. Elimination of flat rated calling plans, one of the most popular rte innovations of the last decade, would hardly serve the public interest. Similarly, the notion that traffic pumping is needed to bring broadband service to rural areas is absurd.

Sprint commends the Commission for recognizing that these traffic pumping schemes are so harmful they must be ended immediately, even as the Commission deals with the larger issues of intercarrier compensation. As established by the record in this proceeding, such immediate action is necessary and in the public interest.

## **II. THE RECORD JUSTIFIES IMMEDIATE COMMISSION ACTION TO PREVENT TRAFFIC PUMPING.**

The record in this proceeding evidences an urgent need for immediate Commission action to effectively bring an end to traffic pumping. Sprint recommends the adoption of a traffic volume ratio trigger which would change the compensation for terminating traffic either to a fixed rate of \$.0007 or bill-and-keep. This combination of trigger and remedy would be easy to administer, be fair to all parties involved and, most importantly, effectively control the harms of

traffic pumping. In light of the record evidence of abuse, the Commission should reject claims that traffic pumping is not a problem or, worse, that it is socially valuable and therefore does not warrant Commission intervention.

Commenters are in substantial agreement on the need for the Commission to address the traffic pumping problem and to do so immediately. For example, CenturyLink describes traffic pumping as “an unlawful practice . . . that presents significant dangers to the public and the public interest and . . . must be terminated immediately.”<sup>1</sup> ZipDX similarly emphasizes the need for prompt Commission action. It characterizes access stimulation as “finding the path that will incur the greatest access expense, and thus maximize compensation for the collector of access charges.”<sup>2</sup> CTIA correctly points out that traffic pumping disputes are diverting substantial resources across the country, identifying over 60 such disputes involving wireless carriers alone.<sup>3</sup> Verizon urges the Commission to act now to stop the access pumping problem that has been “fester[ing] for . . . years.”<sup>4</sup> NARUC encourages the Commission to “immediately issue a declaratory ruling on traffic pumping and consider further efforts to limit or prohibit similar schemes of intercarrier compensation arbitration . . . .”<sup>5</sup> The message is crystal clear – the Commission must take immediate action to stop the harmful practice of traffic pumping.

**A. The Commission’s Anti-Traffic Pumping Trigger and Remedy Should Be Effective and Administratively Simple.**

Although the comments show broad support for the overriding goal of deterring access pumping, parties differ in their approach to the appropriate safeguards and remedies. Sprint

---

<sup>1</sup> CenturyLink Comments at 32. *See also* AT&T Comments at 3, 7 (characterizing traffic pumping as “an arbitrage scheme that harms consumers, competition in long distance and other services, and the public interest” and strongly advocating new rules to restrict it).

<sup>2</sup> ZipDX Comments at 4-5.

<sup>3</sup> CTIA Comments at 5.

<sup>4</sup> Verizon Comments at 34.

<sup>5</sup> NARUC Comments at 4.

continues to favor a solution incorporating a 3:1 terminating-to-originating call volume ratio trigger over a revenue sharing agreement trigger. As discussed more fully in Sprint’s initial comments,<sup>6</sup> it is unclear how the Commission or interested parties would learn, or prove the existence of, a revenue sharing agreement between the LEC and the Free Service Provider (“FSP”) or, even more difficult, how they could identify a revenue sharing arrangement within the same company (where an explicit agreement may not exist). In addition, the revenue sharing trigger as proposed would allow traffic pumping to continue for the term of a sharing agreement (a necessary predicate to determining the existence of a “net payment”<sup>7</sup> by the LEC to its partner). Finally, the revenue sharing trigger would not discipline intermediate LECs, such as tandem providers who often are involved in the routing of pumped traffic.

By contrast, a traffic volume ratio trigger would be easier to administer and audit because it would not rely on self-reporting by those engaged in traffic pumping. Rather, identifying when the trigger has been met can be done by third parties, such as terminating IXCs, that have an interest in stopping traffic pumping schemes. Any IXC would be able to determine, based on its own traffic studies and on bills it has received from the LEC, its ratio of terminating to originating traffic and could use that ratio as a reasonable proxy for the LEC’s overall traffic ratio. The prescribed remedy would automatically execute upon reaching the trigger. The use of a traffic volume ratio to identify traffic pumping arrangements finds considerable support in the record.<sup>8</sup>

The commenting parties – again, almost uniformly supportive of implementing measures to prevent access stimulation – recommend different remedies in the event that a trigger is

---

<sup>6</sup> Sprint Comments at 13-17.

<sup>7</sup> See Notice at ¶ 659.

<sup>8</sup> See, e.g., CTIA Comments at 8-9; T-Mobile Comments at 7; see also Verizon Comments at 44-45 (advocating traffic volume ratio trigger in the context of reciprocal compensation).

reached. Sprint supports applying a rate cap no higher than the ceiling for ISP-bound traffic over a benchmark approach because the latter would be ineffective in deterring traffic pumping.<sup>9</sup> Sprint remains skeptical that LEC access charges developed under Section 61.38<sup>10</sup> would be just and reasonable both because those rates would be based on forecasted costs and demand and because the fully-distributed cost standard underlying that rule does not reflect true economic costs. Consequently, terminating access charges computed pursuant to Section 61.38 are likely to be excessive. Moreover, benchmarking to the rates of the RBOC/largest independent LEC rates would retain an incentive to stimulate access traffic: BOC terminating access rates in the range of \$0.0055 per minute exceed the economic cost of terminating traffic and, therefore, would continue to deliver a hefty profit margin to traffic pumpers.

Applying a rate of no more than \$.0007 to a LEC's terminating switched traffic upon reaching the trigger also would be simpler to administer than benchmarking.<sup>11</sup> A fixed rate cap approach avoids the need to compute and evaluate rates calculated under Section 61.38 and to true up results in the event that the LEC exceeds its authorized rate of return. Moreover, as demonstrated in the context of ISP-bound traffic, a fixed rate cap approach eliminates the need for complex rules, minimizes opportunities for arbitrage, and requires very little administrative oversight. There is ample evidence in the record that a \$.0007 rate is fully compensatory.<sup>12</sup> In fact, Sprint supports implementation of bill-and-keep when a LEC exceeds the established call volume ratio. Bill-and-keep would be even simpler to implement and administer, and would

---

<sup>9</sup> See Sprint Comments at 18-19.

<sup>10</sup> 47 C.F.R. § 61.38.

<sup>11</sup> The Commission should clarify that the fixed rate would not replace preexisting negotiated rates if those negotiated rates are lower than the fixed rate that would otherwise replace them.

<sup>12</sup> Sprint Comments at 18 and n.32 (explaining that the \$.0007 rate was established over a decade ago and the economic cost of a terminating minute is now lower).

avoid potential loopholes that would create or maintain harmful arbitrage opportunities. Moreover, a bill-and-keep approach is consistent with the Commission's objective of eliminating per-minute intercarrier compensation rates<sup>13</sup> and consistent with the incremental costs associated with voice traffic on modern broadband networks.<sup>14</sup>

The *Notice* seeks to avoid imposing unnecessary burdens on LECs or stifling non-stimulated competition.<sup>15</sup> Sprint's proposal would not impose any undue burden on LECs that are not engaged in traffic pumping as it would not require additional reporting or certification. It is conceivable, albeit unlikely, that a LEC may reach the traffic volume ratio or any other trigger that is adopted without involvement in a traffic pumping scheme. However, such LECs have the option of seeking a waiver of the fixed rate cap or bill-and-keep remedy. In these relatively uncommon instances, the Commission could investigate and analyze the petitioning LEC's traffic patterns and issue relief from the self-executing remedy in the event that the LEC is able to demonstrate special circumstances that warrant waiver from the application of the \$0.0007/bill-and-keep remedy. By providing an opportunity for a LEC to show that its traffic pattern is not attributable to unlawful traffic pumping when a trigger is reached, the Commission's rule would protect against the application of its trigger to legitimate traffic imbalances.<sup>16</sup>

#### **B. Commission Intervention Is Warranted To Prevent Traffic Pumping.**

Notwithstanding the overwhelming record evidence to the contrary, several commenters (including entities identified as having engaged in traffic pumping schemes) deny that there is a

---

<sup>13</sup> See CTIA Comments at 7.

<sup>14</sup> See *Notice* at A-114 to A-118.

<sup>15</sup> *Notice* at ¶ 658.

<sup>16</sup> The waiver option has been recommended in the context of other proposals. See AT&T Comments at n. 21 (proposing a waiver option for a rule prohibiting access revenue sharing agreements).

traffic pumping problem or dispute the need for Commission intervention. The Coalition for Rational Universal Service and Intercarrier Reform (CRUSIR) asserts that “access stimulation *per se* is not . . . necessarily a bad thing,” claiming that it facilitates an “economically efficient” method of providing low-cost enhanced services such as conference calling.<sup>17</sup> Bluegrass Telephone and Northern Valley Communications take the extraordinary position that the Commission “has failed to explain how the methodology . . . for CLEC access charges is . . . insufficient to produce rates that are just and reasonable.”<sup>18</sup> Some parties actually suggest that traffic pumping is only harmful because IXCs and CMRS providers offer unlimited calling plans, implying that the solution is a return to per-minute pricing and elimination of the unlimited calling packages that are so popular with American consumers.<sup>19</sup> The Commission should give no weight to these arguments.<sup>20</sup>

---

<sup>17</sup> CRUSIR Comments at 6. CRUSIR’s analysis is, of course, analogous to justifying theft on the basis that it makes consumer goods more affordable.

<sup>18</sup> Bluegrass/Northern Valley Comments at 6.

<sup>19</sup> Free Conferencing Comments at 20-21 (“As Drs. Pearce & Barrett put it: any increased calling resulting from free conference calling ‘only becomes a “problem” for the IXC if the IXC charges a flat monthly rate for unlimited long-distance and local calling.’”). If carriers reverted to a per-minute pricing model and eliminated unlimited calling plans (an industry change that would not be in the public interest), the per-minute rates still would be ineffective in deterring traffic pumping because IXCs are required to assess uniform rates that do not reflect the actual charge imposed by the terminating carrier for a particular call. Further, to the extent that an IXC’s per-minute rates were affected by the inflated charges of LECs engaged in traffic pumping, the impact also would be felt directly by consumers who did not utilize traffic pumping services.

<sup>20</sup> In their comments (at ii), Omnitel Communications and Tekstar Communications, LECs engaged in traffic pumping point, out that they have entered into agreements with IXCs setting access rates lower than those set forth in their tariffs. They go on to characterize these agreements as establishing “market-based” rates upon which the Commission should rely. *Id.* at 10. The problem with this argument is that these “agreements” were likely entered into to settle litigation or avoid litigation. *See id.* at ii, pointing out the agreements were with IXCs that refused to pay the tariff rates of these LECs. Agreements to settle litigation or potential litigation simply cannot be viewed as market-based rates which are or should be based on the actual cost of service reasonably incurred. Rather rates established in settlements are based on different considerations such as the wish to cease incurring or to avoid entirely the costs and time of

The Commission repeatedly has characterized traffic termination service as a “monopoly,” the rates for which are not disciplined by market forces.<sup>21</sup> Nor is the monopoly benign. The record establishes that exploitation of this monopoly is a multi-billion dollar business<sup>22</sup> and the National Broadband Plan concludes that these schemes divert investment from more productive endeavors and ultimately cost consumers money.<sup>23</sup> Restraining abuses of monopoly pricing is a classic function of regulation.<sup>24</sup>

---

litigation. Moreover, it is likely that such settlements include “change of law” provisions so that any ruling by the FCC or a state regulatory commission establishing different rates to be charged by LECs engaged in access pumping would, if lower than the agreed upon rates, void the settlement agreement.

<sup>21</sup> See, e.g., *Notice* ¶ 524 (“The terminating access monopoly that exists today . . . allows LECs to recover revenues through charges that cannot be disciplined by competition.”); see also *Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Phoenix, Arizona Metropolitan Statistical Area*, Memorandum Opinion and Order, 25 FCC Rcd 8622 at ¶ 79 (2010) (“IXCs . . . face a bottleneck monopoly from the LECs--whether incumbent LEC or competitive LEC--that provide access to their end users. . . . [A]s long as switched access charges may be imposed by tariff, the market for these services is not structured in a way to allow competition to discipline rates for carriers' carrier charges.”); *Access Charge Reform; Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, Seventh Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923 at ¶ 30 (2001) (“Sprint and AT&T persuasively characterize both the terminating and the originating access markets as consisting of a series of bottleneck monopolies over access to each individual end user. Thus, once an end user decides to take service from a particular LEC, that LEC controls an essential component of the system that provides interexchange calls, and it becomes the bottleneck for IXCs wishing to complete calls to, or carry calls from, that end user.”).

<sup>22</sup> See, e.g., *Verizon Comments* at 35 (“The traffic pumping problem continues to grow and has cost consumers and the industry more than \$2 billion over the last five years, approximately \$400 million per year.”).

<sup>23</sup> National Broadband Plan at 142.

<sup>24</sup> Although state initiatives to combat traffic pumping are commendable, the nationwide scope of the Commission’s authority is necessary to combat a national – and portable -- problem. There is evidence that when access pumping schemes are foreclosed in one state, traffic pumpers relocate their operations to those states that have not addressed the issue. For example, Aventure, one of the more notorious traffic pumpers involved in the Iowa Utilities Board (“IUB”) traffic pumping case, recently filed an intrastate tariff in the adjacent state of South Dakota that is largely identical to the tariff suspended by the IUB – actions which appear designed to legitimize their traffic pumping model while avoiding the “inhospitable” environment in Iowa. See *South Dakota Telecommunications Access Services Tariff* of

Footnote continues on next page.

The *Notice* contains a detailed explanation of the problem, a lengthy history of battling arbitrage schemes, and repeatedly references a record that is overflowing with examples of the existing interstate access charge regime being exploited in a harmful manner.<sup>25</sup> Sprint submits the following additional examples to the record:

- The Blind Peak chat line advertises as a way to raise money to fund a miniature horse ranch for people who are blind and visually impaired. Its website claims that:

This chat line will help get Blind Peak to its final goal by raising money through the phone company that hosts it. When you call in it is a free call as long as you have unlimited long distance calling on your cell phone. **You can call in, mute your phone and let it sit there and still will not be charged anything.** By doing this you have chosen to donate to Blind Peak Just a Little Horse Ranch, and it doesn't even come up out of YOUR pocket.<sup>26</sup>

- The CEO of YouMail, a “free” voice mail service, was interviewed and claimed that the company’s business model is founded on making money from revenue sharing arrangements. He explained:

The active [voice mail] number is long distance, and the way it works in the U.S. is whoever terminates the call gets paid a fee for termination. The origin of the call is a person’s wireless cell phone company, and the deal we have is we share revenue which is generated from reciprocal compensation.<sup>27</sup>

- Some companies pay people to create party lines that will generate call volumes. One party line company, which requires a minimum call volume of 10,000 minutes in five

---

Aventure Communication Technology, L.L.C. d/b/a Aventure Communications, South Dakota Tariff No. 3 (proceeding available at <http://puc.sd.gov/Dockets/Telecom/2011/TC11-010.aspx>).

<sup>25</sup> See, e.g., *Notice* at ¶¶ 655-659. The weaknesses contained in the arguments defending access pumping are not difficult to expose. The Commission, however, would be well-advised to consider the broader implication of their comments: these entities see nothing wrong with traffic pumping – some even portray it as a noble endeavor – and will go to great lengths to defend and maintain these schemes. It is for this reason that the Commission must promptly adopt safeguards that will effectively address access pumping arrangements.

<sup>26</sup> See <http://blindpeak.webs.com/thechatline.htm> (visited April 10, 2011) (emphasis added).

<sup>27</sup> See [http://www.socaltech.com/interview\\_with\\_alex\\_quilici\\_youmail/s-0011790.html#](http://www.socaltech.com/interview_with_alex_quilici_youmail/s-0011790.html#) (visited April 10, 2011). The YouMail interview demonstrates that traffic pumping activity is not limited to “free” conference calling and chat lines and that benchmarking to BOC access rates will be ineffective to combat traffic pumping as a business case can be made even at lower reciprocal compensation rates.

days, even posted a video explaining the need for completing W-9 forms and offering to assist people in setting up limited liability corporations to begin generating party line revenue.<sup>28</sup>

The implication that traffic pumping schemes do not warrant Commission intervention is belied by the facts: the business models that have developed around access stimulation are evidence in themselves that traffic termination charges of traffic pumping LECs are not just and reasonable. Until the Commission comprehensively reforms the intercarrier compensation regime to eliminate unhealthy incentives relating to terminating traffic charges, regulatory safeguards designed specifically to prevent traffic pumping will remain critical.<sup>29</sup>

### **C. Traffic Pumping Is Not a Form of Universal Service.**

Some access stimulation proponents seek to characterize traffic pumping arrangements as socially beneficial enterprises, lauding the practice as a source of funding for broadband deployment in rural areas.<sup>30</sup> For example, Free Conferencing states that through access stimulation, “many rural areas and Native American reservations have been able to bring broadband to their service areas and improve penetration of voice telephony, without any

---

<sup>28</sup> See <http://partylineadventures.com/forum/topics/uncensoredpartylinescom-is-the> (video available at <http://partylineadventures.com/video/the-w9-myth>) (visited April 10, 2011).

<sup>29</sup> Advocates of access stimulation decry the refusal of some IXC's to pay for unjust and unreasonable traffic termination charges, clinging to the discredited notion that interexchange carriers must pay to support unreasonable arbitrage schemes to avoid violating the Communications Act simply because traffic pumping LECs have filed tariffs. See, e.g., Pac-West Comments at 17; Tekstar Comments at 11. The Commission has been clear that “the provisions of the Act and our rules regarding access charges apply only to the provider of the service, not to the customer; and they govern only what the provider may charge, not what the customer must pay.” *All American Tel. Co. v. AT&T*, Memorandum Opinion and Order, 26 FCC Rcd 723, ¶ 18 (2011). This debate, however, is beside the point. Traffic pumping LECs are, themselves, engaged in “self-help” by trying to assess terminating access charges for traffic that is not legitimately access traffic. As Sprint has explained, providers of “free” conference calling and chat line services are not LEC end user customers and, thus, traffic terminated to these FSPs is not legitimately assessed access charges under the interstate access tariffs of traffic pumping LECs. See Sprint Comments at 9-11.

<sup>30</sup> See Notice at ¶ 676.

assistance from USF or government subsidies.”<sup>31</sup> Kentucky Telephone and Northern Valley claim that the loss of access pumping revenues has forced them to discontinue broadband expansion plans.<sup>32</sup> Core recommends that any carriers realizing savings from future anti-traffic pumping rules should “be required to direct those savings to broadband deployment in the hardest-to-serve areas.”<sup>33</sup> Notably, there is no credible record evidence that the ill-gotten gains of traffic pumping are actually being used to foster broadband deployment in rural areas.

These “public interest benefits,” even if they could be documented, would nevertheless be illegitimate. There is no reasonable justification to allow any carrier to impose on one segment of the communications industry the obligation to fund its alleged rural broadband deployment.<sup>34</sup> Even if the LECs engaged in traffic pumping has any authority to implement any sort of “tax” to fund their alleged broadband deployment activities (which, obviously, they do not), Congress has decreed that “all providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service,”<sup>35</sup> and that universal service support be “explicit,” rather than buried in traffic termination charges.<sup>36</sup> However laudable the goal of rural broadband development is, the means for achieving that goal must be legitimate. An explicit, transparent, targeted, fully auditable, fully accountable support mechanism, not traffic pumping, is the appropriate means for attaining universal service objectives where the competitive market does not do the job.<sup>37</sup>

---

<sup>31</sup> Free Conferencing Comments at 4.

<sup>32</sup> Bluegrass Telephone/Northern Valley Comments at 4-5.

<sup>33</sup> Core Comments at 7.

<sup>34</sup> The financial consequences ultimately harm consumers of interexchange services, including those who do not use traffic pumper services. *See Notice* at ¶ 637.

<sup>35</sup> 47 U.S.C. § 254(b)(4); *see also* 47 U.S.C. § 254(d).

<sup>36</sup> 47 U.S.C. § 254(e).

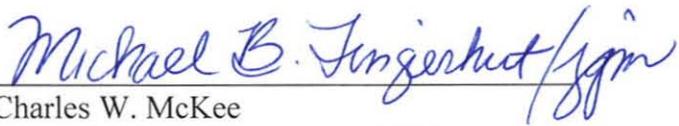
<sup>37</sup> Long-term reform of the intercarrier compensation may, itself, promote broadband deployment. Per-minute charges are incompatible with broadband technology and the current

### III. CONCLUSION.

Sprint is encouraged by the Commission's recognition of the traffic pumping problem and the focused and specific proposals set forth in the *Notice*. The record contains more than ample support for the Commission to promptly adopt and implement effective and easy-to-administer rules to prevent traffic pumping consistent with the recommendations herein.

Respectfully submitted,

#### SPRINT NEXTEL CORPORATION



Charles W. McKee  
Vice President, Government Affairs  
Federal and State Regulatory

Michael B. Fingerhut  
Director, Government Affairs

Norina T. Moy  
Director, Government Affairs

900 Seventh Street NW, Suite 700  
Washington DC 20001  
703-592-5112

April 18, 2011

---

intercarrier compensation regime, founded as it is on a circuit-switched model, may actually create disincentives for carriers to migrate from circuit-switched technology to more efficient packetized broadband networks. *See* National Broadband Plan at 142 (“[T]he current [intercarrier compensation] system creates disincentives to migrate to all IP-based networks.”).

**CERTIFICATE OF SERVICE**

I, Jo-Ann Monroe, do hereby certify that on this 18<sup>th</sup> day of April, 2011, I caused copies of the foregoing "Reply Comments of Sprint Nextel Corporation" to be served by electronic mail, to the following:

Victoria Goldberg  
Pricing Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Victoria.Goldberg@fcc.gov](mailto:Victoria.Goldberg@fcc.gov)

Al Lewis, Chief  
Pricing Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Albert.Lewis@fcc.gov](mailto:Albert.Lewis@fcc.gov)

Joseph Cavender  
Telecommunications Access Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Joseph.Cavender@fcc.gov](mailto:Joseph.Cavender@fcc.gov)

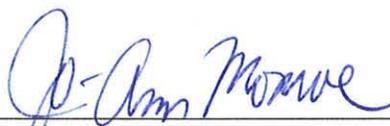
John Hunter, Deputy Chief  
Pricing Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[John.Hunter@fcc.gov](mailto:John.Hunter@fcc.gov)

Best Copy and Printing, Inc.  
Portals II  
445 12<sup>th</sup> Street, SW, Room CY-B402  
Washington, DC 20554  
[fcc@bcpweb.com](mailto:fcc@bcpweb.com)

Deena Shetler, Deputy Chief  
Pricing Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Deena.Shetler@fcc.gov](mailto:Deena.Shetler@fcc.gov)

Sharon Gillett, Chief  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Sharon.Gillett@fcc.gov](mailto:Sharon.Gillett@fcc.gov)

Pam Arluk, Assistant Chief  
Pricing Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554  
[Pamela.Arluk@fcc.gov](mailto:Pamela.Arluk@fcc.gov)

  
\_\_\_\_\_  
Jo-Ann Monroe