

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

In the Matter of	)	
	)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	
Payment Formulas for the Interstate Telecommunications Relay Service Fund for the July 2011-June 2012 Fund Year	)	
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**COMMENTS OF SPRINT NEXTEL**

Sprint Nextel Corporation ("Sprint"), on behalf of the Telecommunications Relay Service ("TRS") operations of its subsidiary, Sprint Communications Company L.P., and pursuant to Public Notice DA 11-826 released May 4, 2011 by the FCC's Consumer and Government Affairs Bureau, hereby respectfully submits its comments on the payment formulas for the Interstate Telecommunications Relay Service ("TRS") for the July 2011/June 2012 fund year ("Proposal") submitted by the National Exchange Carrier Association ("NECA"). Sprint's comments here are limited to the proposed rate for traditional TRS service.

Under the Multi-state Average Rate Structure ("MARS) plan adopted by the Commission in its *2007 TRS Rate Methodology Order* issued in the above-captioned proceeding, 22 FCC Red 20140 (2007), the rate for interstate traditional TRS and Speech-to-Speech ("STS") is based upon the weighted average of the competitively-bid state rates for TRS and STS. Thus, the subjectivity that had characterized the setting of TRS and STS rates prior to MARS has been eliminated and the determination of such rates at least prior to this year has become a relatively straight forward and transparent exercise. Indeed, with the adoption of MARS-based rates,

Sprint has been able to use the rate information for its states that it had supplied to NECA together with the information in NECA's filing to verify that NECA's proposed TRS and STS rates had been calculated correctly.

Unfortunately, Sprint is unable to conclude that the traditional TRS rate proposed by NECA in its current filing has been accurately calculated. To the contrary, the available evidence suggests that NECA's proposed TRS rate is incorrect. NECA is proposing to reduce the current MARS TRS rate by approximately 8.7 percent, *i.e.*, from \$2.0226 per conversation minute to \$1.8502 per conversation minute. Such a reduction is highly suspect. This is so because:

- The information supplied by Sprint showed that 10 of its states had changed their TRS compensation rate payable to Sprint; that nine of these states increased their compensation rates and that only one state had decreased the rate it paid to Sprint. Overall, Sprint's average compensation rate increased by 5 percent year-over-year. Thus, in order to recommend an 8.7 percent reduction in the TRS rate for the upcoming year the average state rate paid to the other TRS providers would have had to decline by approximately 17 percent. Such a drastic reduction would appear to be unlikely.
- Although there can be no dispute that traditional TRS minutes are declining, the number of minutes used by NECA for determining the MARS rate suggests that the demand for TRS service in non-Sprint states declined by nearly 34 percent. Again such a precipitous decline in demand would appear to be unlikely especially given the fact that the decline in TRS usage in Sprint's states was more modest.
- With the decrease in usage, the revenues received by traditional TRS providers from their states also fell. However, the amount of revenues set forth in NECA's filing suggests that the revenues received by traditional TRS providers in non-Sprint states declined by 45 percent. Again the decline in revenues received by Sprint from the states in which it is the provider of traditional TRS/STS service was much more modest.

Sprint fully recognizes that because it does not have access to all the information in NECA's possession regarding TRS rates, TRS usage and TRS revenues in non-Sprint states, its analysis here may be flawed in some respect. Nonetheless, the Commission should require that

NECA provide a detailed explanation as to why based on the data it has received by Sprint and other providers of traditional TRS services it is recommending an 8.7 percent reduction in the rate for traditional TRS service.

Respectfully submitted,  
SPRINT NEXTEL CORPORATION

A handwritten signature in black ink, appearing to read "Charles W. McKee", written over a horizontal line.

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**CERTIFICATE OF SERVICE**

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

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