

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

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

COMMENTS OF SPRINT NEXTEL CORPORATION

Sprint Nextel Corporation (“Sprint”), pursuant to the Public Notice released on March 9, 2012 (DA 12-387), hereby submits its comments on the Petition for Waiver and Clarification filed by USTelecom, ITTA, NTCA, OPASTCO, WTA and ERTA (collectively, “ILECs”) on March 9, 2012, in the above-captioned proceedings.

In their petition, the ILECs have asked that the Commission waive the effective date of the new rule implementing a flat \$9.25 Lifeline benefit (§54.403(a)) and of the scheduled elimination of the Link Up discount on non-Tribal Lands¹ until October 1, 2012, for post-paid eligible telecommunications carriers (“ETCs”). Sprint does not object to an extension of the effective date of the flat-rated Lifeline benefit, provided that the extension applies to all Lifeline service providers, not just to post-paid ETCs. Sprint

¹ *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Lifeline and Link Up*, WC Docket No. 03-109; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 12-23; *Report and Order and Further Notice of Proposed Rulemaking*, released Feb. 6, 2012, para. 245 (“*Lifeline Reform Order*”).

also believes that the ILECs' request regarding elimination of the Link Up discount is overbroad and must be narrowed substantially.

In support of their request to continue using the tiered Lifeline benefit structure until October 2012, the ILECs explain (Petition, p. 5) that they may not be able to meet an April 1 effective date because of various tariffing and back office requirements. Should the Commission extend the effective date of Rule 54.403(a) as requested by the ILECs, competitive parity requires that the new date should apply to *all* Lifeline service providers. A post-paid ETC will have a competitive advantage if it is able to offer a \$10 Lifeline benefit in a state in which a pre-paid ETC is only able to offer a \$9.25 benefit. The competitive disparity adds insult to injury to those pre-paid ETCs for which the \$9.25 flat rated Lifeline amount is less than their current support amount.

Waivers are intended to address unique circumstances where deviation from the general rule is in the public interest. Here, however, the proposed exceptions would swallow the rule. The vast majority of Lifeline service providers are post-paid carriers (only some of which file tariffs), and grant of the ILECs' petition would leave the "general rule" applicable to only a handful of carriers (none of them, insofar as Sprint is aware, an ILEC). Such an outcome makes little sense, is not competitively neutral, and may be confusing to Lifeline customers and applicants. It can easily be avoided by making the new rule effective on the same date for all Lifeline service providers. Because the flat-rated \$9.25 was a weighted average of the existing tiered discounts, maintaining the tiered structure for all ETCs through October 2012 should have little to no impact on USF fund size.

The Commission should, however, reject, or at least sharply circumscribe, the ILECs' request to defer the effective date by which Link Up support on non-Tribal Lands is to be eliminated. Because not all ETCs offer Lifeline service on Tribal Lands, only a relatively few carriers have any need to "develop the capability to identify eligible subscribers living on Tribal lands" (ILEC Petition, p. 7). If tariff noticing requirements are an issue for Link Up service, affected LECs should demonstrate their need for a waiver with specificity (*e.g.*, petitioners should provide a list of which ETCs need a waiver, in which states, and for how long).

Besides being unnecessary and overbroad, a blanket waiver of the elimination of Link Up support for all post-paid ETCs will have a negative impact on projected Low Income Fund savings, thereby changing the calculus on which the entire package of reform measures was balanced. As the Commission stated in the *Lifeline Reform Order* (para. 4), eliminating Link Up support to non-Tribal Lands is a key element of its "...savings target of \$200 million in 2012 versus the program's status quo path in the absence of reform." Deferring this reform measure as the ILECs have requested will negatively affect the Commission's determination of "the appropriate budget for Lifeline in early 2013 after monitoring the impact of today's fundamental overhaul of the program...." Because the ILECs' request to defer Link Up reforms will put the Commission's savings targets at risk, such request should be denied or at the very least sharply curtailed.

Respectfully submitted,

SPRINT NEXTEL CORPORATION

/s/ Charles W. McKee

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

Norina T. Moy
Director, Government Affairs

900 Seventh St. NW, Suite 700
Washington, DC 20001
(703) 433-4503

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Sprint Nextel Corporation was filed electronically or via US Mail on this 20th day of March, 2012 to the parties listed below.

/s/ Norina T. Moy

Norina T. Moy

Charles Tyler
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
Charles.Tyler@fcc.gov

Jonathan Lechter
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
Jonathan.Lechter@fcc.gov

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