

Corrected Version

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May 25, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: Applications of Cellco Partnership d/b/a
Verizon Wireless, SpectrumCo LLC, and Cox
TMI Wireless, LLC For Consent To Assign
Licenses; WT Docket No. 12-4
Notice of *Ex Parte* Communications

Dear Ms. Dortch:

On May 23, 2012, representatives of Sprint Nextel Corporation ("Sprint") responded by telephone conference to questions raised by Commission Staff in their consideration of the above-cited applications. Sprint's responses included some of its most sensitive business information which would give unauthorized persons a significant advantage were they to have access to it. Accordingly, Sprint's notice of that conference is submitted under seal. The attached version of that notice has been redacted for public inspection.

Please let us know if you have any questions regarding this submission.

Sincerely,

/s/

David H. Pawlik
Counsel to Sprint Nextel Corporation

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Dear Ms. Dortch:

On May 23, 2012, Charles W. McKee, Vice President, Government Affairs; Trey Hanbury, Director, Government Affairs; Emer Marchetti, Vice President, Network Development & Engineering; and Paul Schieber, Vice President, Roaming & Access Planning; all of Sprint Nextel Corporation (“Sprint”); Antoinette Cook Bush and the undersigned of this firm, Outside Counsel to Sprint, conducted a telephone conference with Joel Rabinovitz of the Office of General Counsel; Joel D. Taubenblatt and Peter Trachtenberg of the Wireless Telecommunications Bureau; Marius Schwartz, Chief Economist, and Paul Lafontaine of the Office of Strategic Planning & Policy Analysis; and Eric Ralph of the Wireline Competition Bureau.

The Sprint representatives responded to specific questions regarding backhaul and WiFi that Commission Staff had posed. Sprint began by explaining how microcell WiFi infrastructure is becoming an essential tool to meet anticipated mobile broadband capacity requirements. Among other things, access to WiFi infrastructure allows for faster throughput, greatly enhanced network capacity, superior in-building penetration, and even extended battery life. Access to microcells and WiFi infrastructure allows carriers to boost broadband speed and

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capacity more quickly and – critically – more cost effectively than possible with macrocells alone. Microcell equipment is far less expensive to purchase, install, and operate than traditional macrocell infrastructure. Microcells are also typically “plug-and-play” infrastructure that do not require specialized setup, testing, and performance management from specially trained technicians. In addition, microcells do not ordinarily require special zoning or other municipal approvals, can often draw power from existing hybrid-fiber coax or Ethernet facilities, and do not ordinarily need special cooling, site conditioning, special security precautions, and other expenses associated with macrocell infrastructure.

Indeed, the enhanced performance and superior costs per megabit of microcells relative to macrocell architecture is so great that one of the principal goals of LTE Advanced (Rel. 10) is to address the support needs of heterogeneous networks that combine low power nodes (such as picocells, femtocells, repeaters, and other equipment) within a macrocell environment. Unfortunately, the essential facility to make use of immensely valuable microcell architecture is precisely the type of wireline connectivity or “backhaul” that is within the nearly exclusive control of parties to the Application: that is, either incumbent local exchange carriers (“ILECs”), such as Verizon, or the cable companies, such as Comcast, Time Warner, BrightHouse, and Cox.

The only likely providers of backhaul in areas where Sprint is considering microcell installation are the ILECs and the cable companies that have existing networks and rights of way. Generally, there is not sufficient financial incentive for a company other than the ILEC or the cable company to provide scalable, cost-effective backhaul for microcells. And to date, Sprint has not been able to identify, much less secure WiFi or microcell connectivity from providers willing to install and operate lower-capacity backhaul links at comparably lower costs.

Mr. Schieber stated that Sprint’s *current* cost of backhaul services averaged [Begin Highly Confidential Information] [Redacted] [End Highly Confidential Information] Sprint’s cost of services consists primarily of the costs to operate and maintain its networks, including, among other items, switching, rent, utilities, roaming fees paid to other carriers, maintenance, and regulatory fees. It does not include sales-related items such as advertising, handset subsidies, and retail operations. [Begin Highly Confidential Information] [Redacted]

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[REDACTED] **[End Highly Confidential Information]** These figures do not include amortization and depreciation. Mr. Schieber recommended Sprint's most recent SEC Form 10-Q as a source for more detail regarding items included in cost of service calculations.

The Sprint representatives discussed the growing use of WiFi offload by subscribers with heavy data usage. Most of this use takes place at home and in the office, two locations where WiFi is most often available. Sprint distinguished between the use of small cells and the use of WiFi, noting that both rely upon backhaul service, but that WiFi will be particularly critical to address immediate data demands.

In response to a question from Staff, **[Begin Highly Confidential Information]** [REDACTED]

[End Highly Confidential Information]

In response to a specific question from Commission Staff, the Sprint representatives noted that if cable companies provided Verizon Wireless with exclusive access to a ubiquitous WiFi network, it would provide Verizon with both the incentive and ability to discriminate against other operators by denying them access to WiFi offload and would give Verizon a tremendous competitive advantage.

Sincerely,

/s/

David H. Pawlik
Counsel to Sprint Nextel Corporation

cc: Joel Rabinovitch
Eric Ralph
Peter Trachtenberg
Marius Schwartz
Paul Lafontaine
Joel Taubenblatt