

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

In the Matter of)	
)	
Technology Transitions)	GN Docket No. 13-5
)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition)	GN Docket No. 12-353
)	

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation (“Sprint”) submits these reply comments on the service-based experiment proposal submitted by AT&T on February 27, 2014,¹ and in response to the Public Notice released by the Federal Communications Commission (“FCC” or “Commission”) seeking comment on AT&T’s Proposal.² As Sprint explained in its initial comments, Sprint supports AT&T’s TDM-to-IP migration efforts to the extent that they allow customers—including wholesale customers that use AT&T last-mile connections to compete with AT&T’s retail products across a broad range of telecommunications and information services—to enjoy the full benefits of the IP transition, including lower rates and more innovative offerings.³

Sprint agrees with commenters who urge the Commission to ensure that AT&T’s conversion plan for the two relevant wire centers, and its larger plan to replace its current DSn

¹ AT&T Proposal for Wire Center Trials, GN Docket. Nos. 13-5 & 12-353 (filed Feb. 27, 2014) (“AT&T Proposal”).

² *Commission Seeks Comment on AT&T’s Proposal for Service-Based Technology Transitions Experiments*, Public Notice, DA 14-285, GN Docket Nos. 13-5 & 12-353 (rel. Feb. 28, 2014).

³ Comments of Sprint Corporation at 2, 6, GN Docket No. 13-5 (filed Mar. 31, 2014) (“Sprint Comments”).

services,⁴ clearly describes how wholesale customers can obtain the critical interconnection and last-mile inputs they need to provide uninterrupted service to customers, allowing the telecommunications market to remain competitive. The Commission should also impose specific data gathering and reporting requirements on AT&T's experiment that can be used to support the Commission's statutory goals, including the broader goal of ensuring the Technology Transition is "fact-based and data-driven."⁵ The information collected must prove that all customers benefit from the AT&T Proposal and the larger IP transition.

I. The Commission Must Ensure that All Customers Benefit from the AT&T TDM-to-IP Experiment and the IP Transition

The transition to a lower-cost platform that enables services such as Ethernet has the potential to provide valuable benefits to many consumers. If accomplished improperly, however, this transition could have a negative impact on competitive consumer services and undermine competition. Though AT&T states its intent "to work aggressively to retain [its wholesale customers'] business as the entire industry undergoes the transition to an all-IP ecosystem,"⁶ AT&T fails to provide sufficient details to enable those customers to evaluate their available IP options, both during the trial and after AT&T withdraws its legacy TDM services.⁷ At this point, competitors that purchase wholesale services from AT&T cannot determine whether the post-

⁴ See Letter from Robert C. Barber, General Attorney, AT&T Services, Inc. to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 13-5 & 12-353 (filed Mar. 27, 2014) (discussing "the current status of, and expectations for further development and deployment of, replacements for AT&T's current DS_n services, including switched and dedicated Ethernet service. . . .").

⁵ See *Technology Transitions, et al.*, Order, Report and Order and Further Notice of Proposed Rulemaking, *et al.*, FCC 14-5, GN Docket Nos. 13-5 & 12-353, *et al.*, ¶ 73 (rel. Jan. 31, 2014) ("Technology Transition FNPRM").

⁶ AT&T Wire Center Trial Operating Plan at 46 (Feb. 27, 2014) ("AT&T Plan") (attached to AT&T Proposal).

⁷ AT&T Proposal at 28-29. See also AT&T Plan at 45-50.

transition services will be functionally equivalent to those they can purchase now, or whether they will face worse prices, rates, and terms after the transition.

The Technology Transition FNPRM instructed all service-based experiment proposals to “provide sufficiently detailed information about how the experiments will be designed to allow meaningful public comment and thorough Commission evaluation of the proposed experiment.”⁸ To maintain wholesale access during the experiments, the Commission explained that comparable services must be available during the experiment at “equivalent prices, terms, and conditions.”⁹ The applicant’s plan must “ensure that the prices or costs of such access do not increase as a result of the experiment.”¹⁰

AT&T asserts that it is “working diligently to develop IP replacement services . . . for resale to wholesale customers,” but “it is likely” that these services will not be available “until the trials already are underway.”¹¹ AT&T also fails to include any information on the functionality of this service, or whether the unidentified service will be offered to wholesale customers with “equivalent prices, terms and conditions” to its current services—and it certainly does not provide evidence that allows the Commission to find that competitors will benefit from the lower prices and better terms and conditions that the FCC expects from the TDM-to-IP transition.¹² Before permitting AT&T to proceed with its experiment—or at least before the experiment can be considered complete—the Commission must require AT&T to deliver

⁸ Technology Transition FNPRM ¶ 34.

⁹ *Id.* ¶ 59.

¹⁰ *Id.* at Appendix B ¶ 35.

¹¹ AT&T Plan at 46.

¹² Technology Transition FNPRM ¶ 2.

additional details regarding wholesale access capability and ensure that such service meets all criteria the Commission set forth in the Technology Transition FNPRM.

The Commission's experiment conditions correctly recognize that the technology upgrade from TDM to IP does not eliminate the need for oversight of carrier-to-carrier issues. Critically, once the TDM-to-IP experiments are underway, the important competition issues that the FCC is in the process of resolving in other dockets will not simply disappear as a result of a technology transition.¹³ The Commission, therefore, must proceed with caution here, and ensure that the trials contribute to a resolution of pending competitive concerns. Furthermore, the Commission has clearly recognized that replacing the current TDM regulatory system with a regime that has no regulatory oversight is not in the public interest. Accordingly, starting with the trial, the FCC should work to design a transition that not only guarantees that it has a regulatory regime for IP services in place, but that this regime addresses the significant competitive infirmities that characterize today's TDM regulatory approach.

To accomplish this goal in the context of the AT&T experiment, the Commission should ensure that AT&T makes available to all competitive carriers sufficient detail of its replacement offerings before proceeding with the proposed experiment. This should include both the functional definition of the replacement service and the prices, terms, and conditions of such offerings. The Commission should also ensure that the offering and associated pricing and terms reflect the Commission's expectation that modernizing communications networks should lead to

¹³ See, e.g., *Special Access Rates for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Service*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-153, 27 FCC Rcd. 16,318, 16,340 ¶ 52 (2012).

“improved and innovative product offerings and lower prices.”¹⁴ Replacing a TDM wholesale input with an IP wholesale input that is priced significantly above cost does little to give customers—including wholesale customers—improved and innovative competitive alternatives, nor does it meet the Commission’s requirement that prices or costs not increase. In other words, as part of the larger transition, the Commission should enact a framework that ensures competitive IP-based offerings are available to all customers at *competitive* prices, terms and conditions.

In addition, as Sprint explained in its initial comments, many benefits of the IP transition will not be realized if carriers do not first migrate their wholesale and intercarrier interconnection to IP.¹⁵ IP interconnection based on just and reasonable terms is essential to foster competition in the telecommunications market. However, the AT&T Proposal fails to specify whether carriers that currently exchange traffic in TDM format with AT&T’s ILECs will be able to exchange traffic in IP format during and after the experiment. To make certain that the AT&T experiment provides a comprehensive study of broader IP transition issues, the Commission should clarify that all carriers will be able to exchange voice traffic in IP format with the two AT&T wire centers, which should enable the carriers to disconnect any existing TDM circuits to these wire centers. The Commission can then extrapolate this process for the larger IP transition process that will require the same IP interconnection ability in order to be successful.

¹⁴ Technology Transition FNPRM ¶ 2. *See also id.*, Statement of Chairman Thomas E. Wheeler (“IP networks are more efficient, which can enable better products, lower prices, and massive benefits for consumers”).

¹⁵ Sprint Comments at 2.

II. AT&T Should be Subject to Specific Data Collection and Reporting Obligations that Will Help Guide the Commission’s Broader Technology Transition Goals

Sprint agrees that data generated as part of the service-based experiments are crucial to providing a deeper understanding of the effects of the technology transition on the Commission’s core statutory values: public safety, ubiquitous and affordable access, competition, and consumer protection.¹⁶ As the Commission recognized, “The experiments and initiatives will collect data that will permit service providers and their customers, and independent analysts and commentators—as well as the federal, State, local, and Tribal officials charged with oversight—to make data-driven decisions about these technology transitions.”¹⁷ To achieve this fundamental goal and to ensure that the experiments are useful, the Commission should adopt data reporting obligations on AT&T’s experiment that allow all interested parties to make the necessary evaluations of the potential impact of the technology transition on wholesale service.

The Commission should require AT&T to gather and report specific data that will enable all parties to evaluate the impact of the AT&T experiment on wholesale competition. AT&T should also be required to make available data that will allow the Commission to extrapolate the results of the AT&T experiment on the broader market for the wholesale TDM-to-IP transition. This approach will ensure that the Commission has the best information available as it proceeds with its overall oversight framework for the IP technology transition.

Sprint suggests the Commission require AT&T to gather and report data, before the start of the experiment and periodically throughout the duration of the experiment, specific to business and wholesale offerings in both wire centers participating in the experiment. AT&T should gather and report the data suggested below prior to the initiation of the experiment and

¹⁶ Technology Transition FNPRM ¶¶ 1, 25.

¹⁷ *Id.* ¶ 1.

after the conclusion of the experiment in order to provide a snapshot of the impact of the experiment on competitive service offerings. The data should be comprehensive to show the complete competitive picture at each wire center, including the following:

- The number of business locations within each wire center that AT&T provides wholesale connections to;
- The location of the each business served by the wire center to which AT&T provides wholesale connections;
- The services that AT&T offers at each of those locations, including the general prices, terms and conditions;
- The facilities-based competitors that provision service to the AT&T business locations within each wire center;
- A detailed description of all AT&T wholesale service offerings in each wire center, including the general prices, terms and conditions of each of AT&T's wholesale TDM and IP-based services;
- The number of business locations associated with each wire center;
- The location of each business that AT&T connects to and the connections that are available at each location within each wire center;
- The facilities-based competitors that connect to each business location AT&T connects to within each wire center;
- The location of each cell-site (including macro-cells, small-cells, and distributed antenna systems (“DAS”)) employed to provide service within each wire center for which AT&T provides a connection to its affiliates and to unaffiliated providers within each wire center;

- The competitors with facilities connected to each cell-site within each wire center;
- The location of each WiFi access point at which AT&T provides the underlying broadband facility within each wire center;
- The location and competitor of each WiFi access point at which a competitor supplies the underlying broadband facility within each wire center;
- For voice calls originating or terminating in each wire center, the number of voice minutes exchanged in IP format with each AT&T affiliate and with each non-affiliated carrier;
- Collocation prices, terms, and conditions within each wire center; and
- Right-of-way access prices, terms, and conditions within each wire center.

With this data, the Commission and other interested parties will be in a better position to evaluate any regulatory reforms needed to assess the impact of the AT&T experiment on the Commission's statutory goal of competition. This will help ensure an efficient and effective technology transition with benefits accruing to all customers.

* * *

For the reasons stated herein, the Commission should take steps to ensure the AT&T Proposal benefits all consumers and result in useful information that will help the Commission make fact-based and data-driven decisions about the IP technology transition.

Respectfully submitted,

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