

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

In the Matter of a Repository File in Which)
to Gather Information and Assess the)
Availability of Broadband Services in the) File No. TW-2010-0362
State of Missouri)

SPRINT'S COMMENTS

Sprint Communications Company L.P., Sprint Spectrum L.P., and Nextel West Corp. (collectively, "Sprint") submits the following short comments in response to the Commission's request for comments to inform its report and recommendation to the Missouri General Assembly regarding the availability of broadband in Missouri. Sprint is available to discuss these matters in further detail upon request.

- 1) Overall, the General Assembly can promote the availability of broadband services and the deployment of additional broadband services by adopting and enforcing policies that promote competition in the provision of telecommunications and broadband services. Pro-competitive policies will incent carriers to deploy more broadband and make it available in new areas of the state. Pro-competitive policies incent investment. There are a number of policies that can be adopted to promote competition resulting in more broadband availability in Missouri. Sprint will focus herein on access charges and universal service policies, interconnection of IP networks, and policies that make it easier to place broadband facilities on buildings, towers and utility assets.
- 2) **Access Charges and Universal Service** - The FCC adopted an Order and Further Proposed Rulemaking related to the Connect America Fund and Intercarrier Compensation Reform in WC Docket No. 10-90 et al. on October 27, 2011 (the "CAF and Compensation Reform Order"). The full text of the CAF and Compensation Reform Order has not been released but

the executive summary released by the FCC provides an outline of the reform.¹ Notably, the FCC will undertake comprehensive intercarrier compensation reform for interstate and intrastate access charges requiring carriers to reduce intrastate rates to interstate levels in two steps by July, 2013 and to reduce rates to bill-and-keep within six years for price cap carriers and nine years for rate-of-return carriers. First and foremost, Missouri policy should focus on not allowing carriers to delay or forestall this needed and critical reform of interstate and intrastate carrier rates. The PSC must oversee and enforce the required access reductions. Missouri is in the top 5 nationwide for highest intrastate access rates. High carrier to carrier termination rates is one of the primary reasons preventing competitive carriers from investing in more broadband infrastructure in the state. Rather than investing in network and on providing value for customers, carriers like Sprint transfer enormous amounts of money to other carriers currently in the form of access charges and universal service fund payments. The FCC's reform is critical and must not be delayed in any way. If the State is interested in getting broadband even faster it should adopt policies to speed up the intrastate access reductions and to ensure that bill-and-keep applies for all portions of the call, including transport and termination.

- 3) With respect to universal service, the FCC's Connect America Fund is focused on providing funds for the deployment of broadband in unserved areas. To promote further broadband deployment, Missouri must not implement a separate state universal service fund or other fund where carriers are assessed fees to provide funds for incumbent telephone companies. Missouri's incumbent local exchange companies have been claiming for years that they

¹ See, http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1027/DOC-310692A1.pdf


operate in a competitive environment. To encourage competition, Missouri policy should not be focused on creating funds where money is transferred from competitive and wireless companies' customers to the coffers of the incumbent telephone companies. If there is a need for broadband deployment in unserved areas, the Connect America Fund is set up to address that need. No duplicative and wasteful state funds should be established in addition to the Connect America Fund. Broadband development is maximized when carriers are focused on investing in their own networks and selling broadband services to customers rather than obtaining funds from other carriers.

- 4) **Interconnection of IP Networks** - The CAF and Compensation Reform Order recognizes the importance of interconnection to the promotion of competition and acknowledges that the reforms to intercarrier compensation will further promote the deployment and use of Internet Protocol (IP) networks. The FCC's further notice of proposed rulemaking will address issues related to IP to IP interconnection. In the meantime, the FCC expects carriers to negotiate on a good faith basis regarding IP to IP interconnection. Broadband networks typically use the Internet Protocol to transmit information. Missouri can further promote broadband and broadband networks by adopting policies that promote efficient interconnection of IP networks and require incumbent carriers to negotiate in good faith to quickly implement interconnection of broadband networks. Broadband costs and prices increase when carriers must pay extra to convert traffic between IP and other formats. Missouri should implement policies to ensure that incumbents do not force inefficient interconnection upon competitive and wireless carriers in order to exchange traffic.
- 5) **Tower Siting and Rights of Way** - Broadband can be deployed by wireless carriers in a much more cost-effective manner in various locations around the state. Wireless carriers

though are subject to barriers at the local and county level in placing their facilities on a timely and cost-efficient basis. They also face high costs from utilities in placing facilities on poles in the public rights of way. To promote broadband deployment, Missouri must help wireless carriers by eliminating the roadblocks and barriers presented by utilities and local and county rules and regulations. Policymakers should ensure that utilities and localities do not place unreasonable costs, barriers and delays in permitting for wireless towers and other facilities.

- 6) Public funds and wealth transfers are not the way to promote broadband deployment and availability in Missouri. Instead, policies that take money out of the intercarrier compensation and universal service fund system will promote competition and allow a carrier to win customers on the merits of the carrier's service offering and not on its ability to obtain funds from the government or other carriers. The FCC's CAF and Compensation Reform Order requires that and Missouri must adopt policies to best implement the FCC's Order. Broadband deployment and availability will increase as a result. In addition, action must be taken to eliminate local barriers to the efficient placement of broadband capable wireless facilities.

Respectfully submitted on November 4, 2011.


Kenneth A. Schiffman Mo. #42287
Director and Senior Counsel, State
Regulatory Affairs
Mailstop: KSOPHN0314-3A753
6450 Sprint Parkway
Overland Park, KS 66251
Voice: 913-315-9783
Fax: 913-523-9827
Email: kenneth.schifman@sprint.com

SPRINT COMMUNICATIONS
COMPANY L.P.
SPRINT SPECTRUM L.P.
NEXTEL WEST CORP.