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August 7, 2006

HAND DELIVERY

Honorable Sara Kyle, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: RULEMAKING TO ESTABLISH CRITERIA FOR DESIGNATING
ELIGIBLE TELECOMMUNICATIONS CARRIERS (ETCs) IN
TENNESSEE, TRA Docket No. 05-00284**

Dear Chairman Kyle:

Enclosed are the original and fourteen (14) copies of the Comments of Sprint Nextel Corporation (formerly Sprint Corp.) and its subsidiary, NPCR Inc. ("Nextel Partners"), (collectively "Sprint Nextel") on the draft rules in the above-captioned docket. If you have any questions or require additional information, please let me know.

Sincerely,

Melvin Malone

A handwritten signature in black ink, appearing to read 'Melvin Malone', written over the printed name.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: RULEMAKING TO ESTABLISH CRITERIA FOR DESIGNATING
ELIGIBLE TELECOMMUNICATIONS CARRIERS (ETCs) IN
TENNESSEE

Docket 05-00284

Comments of Sprint Nextel on Proposed Rules

Sprint Nextel Corporation (formerly Sprint Corp.) and its subsidiary NPCR, Inc. (“Nextel Partners”) (collectively “Sprint Nextel”) respectfully provide the following comments on the Draft Rules of the Tennessee Regulatory Authority Division of Public Utilities, Chapter 1220-4-14, Regulations for Eligible Telecommunications Carriers.

I. Introduction

Sprint Nextel Corporation, formerly Sprint Corporation, and its subsidiary NPCR, Inc. (“Nextel Partners”) are Commercial Mobile Radio Service (“CMRS”) providers that have been designated as eligible telecommunications carriers (“ETCs”) in portions of Tennessee by the Federal Communication Commission (“FCC”). Overall, Sprint believes the draft rules are constructive and consistent with the FCC regulations governing Sprint Nextel entities as ETCs, including the requirements for Lifeline and Linkup service offerings. Sprint Nextel reads the draft rules to further memorialize the Authority’s practice of referring CMRS providers seeking ETC designation to the FCC based on Tenn. Code Ann. 65-4-104.¹ If we have misinterpreted the draft rules and the

¹ See Order In Re: Application of Advantage Cellular Systems, Inc. to Be Designated as an Eligible Telecommunications Carrier, Docket No. 02-01245, April 11, 2003.

Authority does intend to change course and seek to assert jurisdiction over CMRS providers' application for ETC designation, we oppose the change and respectfully urge that further proceedings are needed to consider the Authority's jurisdiction before such a rule is implemented.

Although the Authority lacks direct jurisdiction over CMRS providers, the FCC may require entities it designates as ETCs to comply with requirements set by the states for Lifeline and Link Up services and annual ETC certification requirements. Therefore, Sprint Nextel appreciates the opportunity to provide comments on the Authority's draft rules.

II. Draft Rule 1220-4-14-.01, Application and Purpose

To ensure this section is consistent with the Tennessee Code definition it cites, "CMRS" should be stricken from the second line of paragraph (1). As drafted, the rule would apply to "public utilities providing ...CMRS telecommunications service as defined in Tennessee Code Annotated 65-4-101." That code section explicitly excludes CMRS carriers from the definition of "public utility." By striking "CMRS," the section is consistent with the statutory definition of "public utility."

II. Draft Rule 1220-4-14-.03, Requirements for Initial Designation as an Eligible Telecommunications Carrier

To clarify that CMRS providers may be designated as ETCs for portions of Tennessee by the Federal Communications Commission in accordance with 47 USC

214(e)(6)², Sprint Nextel suggests the following new paragraph be added to the end of this rule section:

“(5) Because the Authority does not have jurisdiction over CMRS telecommunications service, CMRS providers may be designated as ETCs for portions of Tennessee by the Federal Communications Commission in accordance with 47 USC § 214(e)(6).”

III. Draft Rule 1220-4-14-.04, ETC Requirements for Lifeline and Link Up Service

Paragraph (1)(c): Sprint Nextel urges the Authority to make its rules consistent with FCC rules and require in paragraph (1)(c) of this rule section that ETCs verify once per year that Lifeline customers meet the program qualification instead of twice per year as presently drafted. Although states that have their own state-based Low Income programs may set their deadlines for reporting verification results, Sprint Nextel urges the Authority to make its rules as consistent with the FCC rules as possible, departing only when a specific need is identified for Tennessee-specific rules. Sprint Nextel is unaware of a compelling reason for requiring verification twice per year. The FCC recently issued a Public Notice creating an annual deadline of August 31st for ETCs to submit verification results for “federal default states” and certification of compliance with state-specific verification procedures to the Universal Service Administrative Company (“USAC”).³ Sprint Nextel is developing a standard once-per-year process for verifying continued qualification centered around the August 31st deadline. Recently the Alabama Public Service Commission issued an order coordinating its annual verification

² Ibid.

³ “Deadline for Annual Lifeline Verification Surveys,” DA 06-1391, July 3, 2006.

filing deadline with the August 31st date set forth in the FCC's Public Notice.⁴ We urge the Authority to do so as well in order to give ETCs consistent rules with respect to verification.

Paragraph (7): Sprint Nextel suggests the Authority add the parenthetical clause “(except for documents identifying an applicant's income)” in paragraph (7) as follows:

“(7) Eligible Telecommunications Carriers shall maintain all qualifying consumer documentation *(except for documents identifying an applicant's income)* presented by a consumer as qualification for receiving Lifeline and/or Link Up service for as long as the consumer receives the service, or until audited by the Universal Service Administrator.”

The FCC has required collection of information to certify and verify qualification for Lifeline and Link Up services and has required that ETCs retain certain records relating to qualification. However, the FCC has cautioned that “[p]ursuant to OMB guidance, we emphasize that while carriers are allowed to ask for information to verify eligibility, they are not allowed to keep records of the actual information contained in the documents that are presented to them. Rather, carriers may only keep a record that the appropriate documentation was presented and reviewed at the point of eligibility determination.”⁵ This suggested change addresses the prohibition on retaining the actual information provided by the subscriber to verify qualification under the income criterion.

IV. Lack of Rules on Subscriber Eligibility Criteria

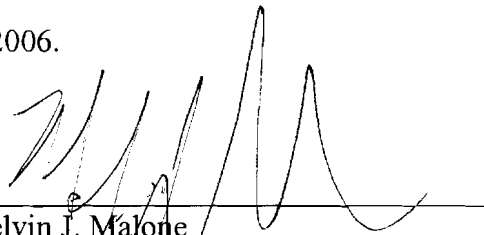
Sprint Nextel notes that the draft rules do not identify the eligibility criteria for participation in the Lifeline and Link Up programs, or the process for determining whether a new applicant meets those eligibility criteria. We believe the draft rules should

⁴ *Order Revising and Clarifying Eligibility Criteria and Verification Requirements*, Docket 25980, Alabama Public Service Commission, July 13, 2006.

⁵ *Public Information Collections Approved by Office of Management and Budget*, Federal Communications Commission, published in the Federal Register, May 25, 2005.

be amended to identify eligibility criteria specifically, or to make clear that the eligibility criteria previously adopted by the Authority continue to be in effect until amended. With regard to initial certification, it appears that the draft rules contemplate that an ETC will review documentation presented by an applicant to determine whether the applicant meets the eligibility criteria. This would be a change from prior Authority orders, which provided that the Authority would certify an applicant's eligibility. Thus, the draft rules should be amended to clearly identify the process for ETCs to follow in determining whether an applicant is eligible for participation in the Lifeline and Link Up programs.

Respectfully submitted this 7th day of August, 2006.

A handwritten signature in black ink, appearing to read 'Melvin J. Malone', is written over a horizontal line.

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