

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Petition of Indiana Bell Telephone Co., Inc.)	WCB/Pricing 07-07
(Ameritech Indiana) and The Ohio Bell)	
Telephone Company (Ameritech Ohio))	
For Pricing Flexibility Under Section 69.727))	
Of the Commission's Rules for the)	
Specific MSAs)	

COMMENTS OF SPRINT NEXTEL CORPORATION

Sprint Nextel Corporation, pursuant to the Public Notice released on January 29, 2007 (DA 07-278), hereby respectfully submits its comments on the Indiana Bell and Ohio Bell (collectively, "Ameritech") petitions for Phase I and II pricing flexibility for certain special access and dedicated transport services in the Kokomo, IN and Youngstown-Warren, OH Metropolitan Statistical Areas (MSAs). While Ameritech may technically have satisfied the triggers that allow pricing flexibility, the record is clear that these triggers fail to accurately measure the true state of competition in the special access and dedicated transport markets. To grant the instant petitions based on these flawed triggers would only exacerbate an already problematic situation, and cause further pricing anomalies in these markets. Therefore, Ameritech's petitions for pricing flexibility should be denied pending adoption by the Federal Communications Commission

(“FCC”) of new pricing flexibility triggers which better reflect competitive conditions in the special access and dedicated transport markets.¹

When the currently effective pricing flexibility triggers were adopted in 1999, the Commission anticipated that the presence of alternative providers (as measured by independent competitors collocated in a certain percentage of the ILEC’s wire centers in a MSA) would “ensure that rates [for the special access and dedicated transport services at issue] are just and reasonable.”² Unfortunately, reality has not lived up to these expectations.³ Ameritech, like the other BOCs, has retained its market power in the provision of special access and dedicated transport services, as evidenced by its supracompetitive returns and excessively priced interstate rates. As seen from Attachment 1, in MSAs where it already has been given pricing flexibility, Ameritech charges rates for DS1 and DS3 services that exceed price capped rates by up to 93% and 37%, respectively.⁴ These rates helped Ameritech–Indiana earn 97%, and Ameritech–Ohio earn 98%, on their interstate special access services in 2005.⁵ These results are hardly typical of an effectively competitive market.

¹ This issue is squarely before the Commission in WC Docket No. 05-25, *Special Access Rates for Price Cap Local Exchange Carriers*. The pleading cycle in this proceeding was completed in July 2005.

² *Access Charge Reform*, 14 FCC Rcd 14221, 14258 (para. 69) (1999) (*Pricing Flexibility Order*).

³ See, e.g., Government Accountability Office, “FCC Needs to Improve Its Ability to Monitor and Determine the Extent of Competition in Dedicated Access Services,” GAO-07-80, released November 2006.

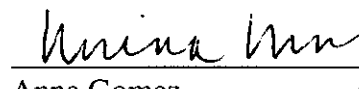
⁴ For channel mileage termination, 60 month term plan, for Ohio Bell. The percentage difference between price flex and price cap rates for other DS1 and DS3 rate elements, for both Indiana Bell and Ohio Bell, is reflected in Attachment 1.

⁵ See Indiana Bell and Ohio Bell ARMIS Report 43-01 (total special access category). Indiana Bell’s and Ohio Bell’s earned rate of return for the interstate special access

Given such pricing and rate of return results, one must conclude that the interstate special access and dedicated transport markets in Indiana Bell and Ohio Bell territory are not yet competitive, irrespective of whether some arbitrary pricing flexibility trigger has been met. To ensure that rates for such services are truly just and reasonable, a decision on Ameritech's request for pricing flexibility should be deferred until such time as the Commission has adopted triggers which more accurately reflect the state of competition, and Ameritech has demonstrated that it has met such revised triggers.

Respectfully submitted,

SPRINT NEXTEL CORPORATION

A handwritten signature in dark ink, appearing to read "Anna Gomez", is written over a horizontal line.

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February 13, 2007

category has not dipped below 57% for any of the last 5 years. (2006 results are not yet publicly available.)

Attachment 1

**Comparison of Channel Termination Service Prices
for Price Cap (Section 7) and Price Flexibility (Section 21) Regulated Special Access Prices for DS1s
For Ameritech
2-12-07**

	12 MO.		%	24 MO.		%	36 MO.		%	48 MO.		%	60 MO.		%
	Price Cap	Price Flex		Price Cap	Price Flex		Price Cap	Price Flex		Price Cap	Price Flex		Price Cap	Price Flex	
Indiana	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>
	Zone 1	\$ 212.00	0%	\$ 147.50	\$ 168.00	14%	\$ 113.00	\$ 113.00	0%	\$ 113.00	\$ 113.00	0%	\$ 102.00	\$ 102.00	0%
	Zone 2	\$ 230.00	0%	\$ 157.50	\$ 181.00	15%	\$ 122.00	\$ 122.00	0%	\$ 122.00	\$ 122.00	0%	\$ 110.00	\$ 110.00	0%
	Zone 3	\$ 249.00	1%	\$ 175.00	\$ 199.00	14%	\$ 134.00	\$ 134.00	0%	\$ 134.00	\$ 134.00	0%	\$ 120.00	\$ 120.00	0%
	Zone 4	\$ 275.00	9%	\$ 185.00	\$ 238.00	29%	\$ 138.00	\$ 144.00	4%	\$ 138.00	\$ 144.00	4%	\$ 124.00	\$ 130.00	5%
	Zone 5	\$ 300.00	6%	\$ 200.00	\$ 251.00	26%	\$ 141.00	\$ 152.00	8%	\$ 141.00	\$ 152.00	8%	\$ 126.50	\$ 137.00	8%
Ohio	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>	<u>Chan Term</u>	<u>Chan Term</u>	<u>Dif</u>
	Zone 1	\$ 200.00	2%	\$ 140.00	\$ 161.00	15%	\$ 108.00	\$ 108.00	0%	\$ 108.00	\$ 108.00	0%	\$ 98.00	\$ 98.00	0%
	Zone 2	\$ 210.00	6%	\$ 150.00	\$ 173.00	15%	\$ 117.00	\$ 117.00	0%	\$ 117.00	\$ 117.00	0%	\$ 106.00	\$ 106.00	0%
	Zone 3	\$ 235.00	3%	\$ 165.00	\$ 190.00	15%	\$ 129.00	\$ 129.00	0%	\$ 129.00	\$ 129.00	0%	\$ 115.00	\$ 115.00	0%
	Zone 4	\$ 265.00	10%	\$ 175.00	\$ 228.00	30%	\$ 132.00	\$ 138.00	5%	\$ 132.00	\$ 138.00	5%	\$ 118.00	\$ 125.00	6%
	Zone 5	\$ 275.00	12%	\$ 190.00	\$ 240.00	26%	\$ 135.00	\$ 146.00	8%	\$ 135.00	\$ 146.00	8%	\$ 121.00	\$ 132.00	9%

**Comparison of Channel Mileage Termination Service Prices
for Price Cap (Section 7) and Price Flexibility (Section 21) Regulated Special Access Prices for DS1s
For Ameritech
2-12-07**

	12 MO.		12 MO.		24 MO.		24 MO.		36 MO.		36 MO.		48 MO.		48 MO.		60 MO.		60 MO.	
	Price Cap	<u>CMT</u>	Price Flex	<u>CMT</u>	Price Cap	<u>CMT</u>	Price Flex	<u>CMT</u>	Price Cap	<u>CMT</u>	Price Flex	<u>CMT</u>	Price Cap	<u>CMT</u>	Price Flex	<u>CMT</u>	Price Cap	<u>CMT</u>	Price Flex	<u>CMT</u>
Indiana	Zone 1	\$ 70.00	\$ 81.00	16%	\$ 47.00	\$ 70.25	49%	\$ 37.00	\$ 39.40	6%	\$ 37.00	\$ 39.40	6%	\$ 23.00	\$ 25.80	12%	\$ 23.00	\$ 25.80	12%	\$ 23.00
	Zone 2	\$ 72.00	\$ 82.50	15%	\$ 49.00	\$ 71.50	46%	\$ 39.00	\$ 40.20	3%	\$ 39.00	\$ 40.20	3%	\$ 23.50	\$ 26.30	12%	\$ 23.50	\$ 26.30	12%	\$ 23.50
	Zone 3	\$ 74.00	\$ 82.50	11%	\$ 51.00	\$ 71.50	40%	\$ 41.00	\$ 48.30	18%	\$ 41.00	\$ 48.30	18%	\$ 25.00	\$ 31.60	26%	\$ 25.00	\$ 31.60	26%	\$ 25.00
	Zone 4	\$ 76.00	\$ 86.00	13%	\$ 53.00	\$ 74.50	41%	\$ 43.00	\$ 58.00	35%	\$ 43.00	\$ 58.00	35%	\$ 27.00	\$ 50.75	88%	\$ 27.00	\$ 50.75	88%	\$ 27.00
	Zone 5	\$ 78.00	\$ 89.00	14%	\$ 55.00	\$ 77.00	40%	\$ 45.00	\$ 60.25	34%	\$ 45.00	\$ 60.25	34%	\$ 29.00	\$ 52.50	81%	\$ 29.00	\$ 52.50	81%	\$ 29.00
Ohio	Zone 1	\$ 69.50	\$ 79.50	14%	\$ 49.00	\$ 68.75	40%	\$ 36.00	\$ 38.60	7%	\$ 36.00	\$ 38.60	7%	\$ 21.75	\$ 25.30	16%	\$ 21.75	\$ 25.30	16%	\$ 21.75
	Zone 2	\$ 71.50	\$ 81.00	13%	\$ 51.00	\$ 70.25	38%	\$ 38.00	\$ 39.40	4%	\$ 38.00	\$ 39.40	4%	\$ 22.25	\$ 25.80	16%	\$ 22.25	\$ 25.80	16%	\$ 22.25
	Zone 3	\$ 73.50	\$ 81.00	10%	\$ 53.00	\$ 70.25	33%	\$ 40.00	\$ 47.40	19%	\$ 40.00	\$ 47.40	19%	\$ 23.75	\$ 31.00	31%	\$ 23.75	\$ 31.00	31%	\$ 23.75
	Zone 4	\$ 75.50	\$ 84.50	12%	\$ 55.00	\$ 72.75	32%	\$ 42.00	\$ 57.00	36%	\$ 42.00	\$ 57.00	36%	\$ 25.75	\$ 49.70	93%	\$ 25.75	\$ 49.70	93%	\$ 25.75
	Zone 5	\$ 77.50	\$ 87.50	13%	\$ 57.00	\$ 75.50	32%	\$ 44.00	\$ 59.00	34%	\$ 44.00	\$ 59.00	34%	\$ 27.75	\$ 51.50	86%	\$ 27.75	\$ 51.50	86%	\$ 27.75

**Comparison of Channel Mileage Facility Service Prices
for Price Cap (Section 7) and Price Flexibility (Section 21) Regulated Special Access Prices for DS1s
For Ameritech
2-12-07**

	12 MO.			12 MO.			24 MO.			24 MO.			36 MO.			36 MO.			48 MO.			48 MO.			60 MO.			60 MO.		
	Price Cap			Price Flex			Price Cap			Price Flex			Price Cap			Price Flex			Price Cap			Price Flex			Price Cap			Price Flex		
	CMF			CMF			CMF			CMF			CMF			CMF			CMF			CMF			CMF			CMF		
	Diff			Diff			Diff			Diff			Diff			Diff			Diff			Diff			Diff			Diff		
Indiana	Zone 1	\$	24.25	\$	24.35	0%	\$	17.25	\$	21.95	27%	\$	13.50	\$	15.40	14%	\$	13.50	\$	15.40	14%	\$	11.25	\$	13.65	21%				
	Zone 2	\$	24.75	\$	25.60	3%	\$	18.25	\$	23.10	27%	\$	13.70	\$	15.90	16%	\$	13.70	\$	15.90	16%	\$	11.35	\$	13.75	21%				
	Zone 3	\$	25.25	\$	26.70	6%	\$	19.25	\$	24.05	25%	\$	13.90	\$	16.20	17%	\$	13.90	\$	16.20	17%	\$	11.45	\$	13.90	21%				
	Zone 4	\$	26.25	\$	27.70	6%	\$	20.25	\$	24.95	23%	\$	14.10	\$	16.70	18%	\$	14.10	\$	16.70	18%	\$	11.55	\$	14.05	22%				
	Zone 5	\$	29.25	\$	30.30	4%	\$	21.25	\$	27.30	28%	\$	14.30	\$	17.80	24%	\$	14.30	\$	17.80	24%	\$	11.65	\$	14.20	22%				
Ohio	Zone 1	\$	24.15	\$	24.25	0%	\$	17.15	\$	21.85	27%	\$	13.40	\$	15.35	15%	\$	13.40	\$	15.35	15%	\$	11.20	\$	13.55	21%				
	Zone 2	\$	24.65	\$	25.50	3%	\$	18.15	\$	23.00	27%	\$	13.60	\$	15.80	16%	\$	13.60	\$	15.80	16%	\$	11.30	\$	13.70	21%				
	Zone 3	\$	25.15	\$	26.60	6%	\$	19.15	\$	23.90	25%	\$	13.80	\$	16.15	17%	\$	13.80	\$	16.15	17%	\$	11.40	\$	13.85	21%				
	Zone 4	\$	26.15	\$	27.60	6%	\$	20.15	\$	24.85	23%	\$	14.00	\$	16.60	19%	\$	14.00	\$	16.60	19%	\$	11.50	\$	14.00	22%				
	Zone 5	\$	29.15	\$	30.10	3%	\$	21.15	\$	27.10	28%	\$	14.20	\$	17.70	25%	\$	14.20	\$	17.70	25%	\$	11.60	\$	14.10	22%				

2-12-07

Ohio

**Comparison of Channel Mileage Termination Service Prices
for Price Cap (Section 7) and Price Flexibility (Section 21) Regulated Special Access Prices for DS3s
For Ameritech
2-12-07**


	12 MO.		12 MO.		24 MO.		24 MO.		36 MO.		36 MO.		48 MO.		48 MO.		60 MO.		60 MO.	
	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT	% Diff	Price Cap CMT	Price Flex CMT
Indiana	Zone 1	\$ 320.00	\$ 341.00	7%	\$ 295.00	\$ 341.00	16%	\$ 270.00	\$ 275.00	2%	\$ 270.00	\$ 275.00	2%	\$ 270.00	\$ 275.00	2%	\$ 220.00	\$ 250.00	14%	\$ 250.00
	Zone 2	\$ 335.00	\$ 348.00	4%	\$ 310.00	\$ 348.00	12%	\$ 280.00	\$ 281.00	0%	\$ 280.00	\$ 281.00	0%	\$ 280.00	\$ 281.00	0%	\$ 230.00	\$ 255.00	11%	\$ 255.00
	Zone 3	\$ 350.00	\$ 375.00	7%	\$ 325.00	\$ 375.00	15%	\$ 290.00	\$ 306.00	6%	\$ 290.00	\$ 306.00	6%	\$ 290.00	\$ 306.00	6%	\$ 240.00	\$ 281.00	17%	\$ 281.00
	Zone 4	\$ 365.00	\$ 432.00	18%	\$ 340.00	\$ 432.00	27%	\$ 300.00	\$ 361.00	20%	\$ 300.00	\$ 361.00	20%	\$ 300.00	\$ 361.00	20%	\$ 250.00	\$ 335.00	34%	\$ 335.00
	Zone 5	\$ 380.00	\$ 437.00	15%	\$ 355.00	\$ 437.00	23%	\$ 310.00	\$ 364.00	17%	\$ 310.00	\$ 364.00	17%	\$ 310.00	\$ 364.00	17%	\$ 260.00	\$ 338.00	30%	\$ 338.00
Ohio	Zone 1	\$ 310.00	\$ 334.00	8%	\$ 285.00	\$ 334.00	17%	\$ 260.00	\$ 275.00	4%	\$ 260.00	\$ 275.00	4%	\$ 260.00	\$ 275.00	4%	\$ 210.00	\$ 245.00	17%	\$ 245.00
	Zone 2	\$ 325.00	\$ 341.00	5%	\$ 300.00	\$ 341.00	14%	\$ 270.00	\$ 275.00	2%	\$ 270.00	\$ 275.00	2%	\$ 270.00	\$ 275.00	2%	\$ 220.00	\$ 250.00	14%	\$ 250.00
	Zone 3	\$ 340.00	\$ 368.00	8%	\$ 315.00	\$ 368.00	17%	\$ 280.00	\$ 300.00	7%	\$ 280.00	\$ 300.00	7%	\$ 280.00	\$ 300.00	7%	\$ 230.00	\$ 275.00	20%	\$ 275.00
	Zone 4	\$ 355.00	\$ 424.00	19%	\$ 330.00	\$ 424.00	28%	\$ 290.00	\$ 354.00	22%	\$ 290.00	\$ 354.00	22%	\$ 290.00	\$ 354.00	22%	\$ 240.00	\$ 328.00	37%	\$ 328.00
	Zone 5	\$ 370.00	\$ 428.00	16%	\$ 345.00	\$ 428.00	24%	\$ 300.00	\$ 357.00	19%	\$ 300.00	\$ 357.00	19%	\$ 300.00	\$ 357.00	19%	\$ 250.00	\$ 332.00	33%	\$ 332.00

**Comparison of Channel Mileage Facility Service Prices
for Price Cap (Section 7) and Price Flexibility (Section 21) Regulated Special Access Prices for DS3s
For Ameritech
2-12-07**

	12 MO.		12 MO.		24 MO.		12 MO.		36 MO.		36 MO.		36 MO.		36 MO.		60 MO.		60 MO.	
	Price Cap		Price Flex		Price Cap		Price Flex		Price Cap		Price Flex		Price Cap		Price Flex		Price Cap		Price Flex	
	CMF		CMF		CMF		CMF		CMF		CMF		CMF		CMF		CMF		CMF	
	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%	Dif	%
Indiana	Zone 1	\$ 104.00	\$ 107.00	3%	\$ 94.00	\$ 107.00	14%	\$ 57.00	\$ 61.25	7%	\$ 57.00	\$ 61.25	7%	\$ 29.70	\$ 35.00	18%				
	Zone 2	\$ 109.00	\$ 111.00	2%	\$ 99.00	\$ 111.00	12%	\$ 59.50	\$ 63.75	7%	\$ 59.50	\$ 63.75	7%	\$ 31.70	\$ 36.40	15%				
	Zone 3	\$ 115.00	\$ 118.00	3%	\$ 105.00	\$ 118.00	12%	\$ 62.00	\$ 66.25	7%	\$ 62.00	\$ 66.25	7%	\$ 33.70	\$ 40.00	19%				
	Zone 4	\$ 119.00	\$ 128.00	8%	\$ 109.00	\$ 128.00	17%	\$ 64.50	\$ 76.50	19%	\$ 64.50	\$ 76.50	19%	\$ 37.70	\$ 50.00	33%				
	Zone 5	\$ 125.00	\$ 131.00	5%	\$ 115.00	\$ 131.00	14%	\$ 67.00	\$ 78.00	16%	\$ 67.00	\$ 78.00	16%	\$ 39.70	\$ 51.00	28%				
Ohio	Zone 1	\$ 102.00	\$ 105.00	3%	\$ 92.00	\$ 105.00	14%	\$ 56.00	\$ 60.00	7%	\$ 56.00	\$ 60.00	7%	\$ 28.70	\$ 34.30	20%				
	Zone 2	\$ 107.00	\$ 109.00	2%	\$ 97.00	\$ 109.00	12%	\$ 58.50	\$ 62.50	7%	\$ 58.50	\$ 62.50	7%	\$ 30.70	\$ 35.70	16%				
	Zone 3	\$ 113.00	\$ 116.00	3%	\$ 103.00	\$ 116.00	13%	\$ 61.00	\$ 65.00	7%	\$ 61.00	\$ 65.00	7%	\$ 32.70	\$ 39.20	20%				
	Zone 4	\$ 117.00	\$ 126.00	8%	\$ 107.00	\$ 126.00	18%	\$ 63.50	\$ 75.00	18%	\$ 63.50	\$ 75.00	18%	\$ 36.70	\$ 49.00	34%				
	Zone 5	\$ 123.00	\$ 129.00	5%	\$ 113.00	\$ 129.00	14%	\$ 66.00	\$ 76.50	16%	\$ 66.00	\$ 76.50	16%	\$ 38.70	\$ 50.00	29%				

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Comments of Sprint Nextel Corporation were delivered by electronic mail or first class mail, postage prepaid on this 13th day of February, 2007, to the parties listed below.


Barbara B. Nowlin

VIA ETFS

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