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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Petition for Rulemaking to Require)
that All Cellular Licensees)
Interconnect with Interexchange)
Carriers Via Uniform, Nationwide,)
Cellular Equal Access)
Policies and Procedures)

RM-8012

ORIGINAL
FILE

COMMENTS OF
AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Pursuant to Section 1.405 of the Commission's Rules, 47 C.F.R. § 1.405, American Telephone and Telegraph Company ("AT&T") submits these comments on the petition of MCI Telecommunications Corporation ("MCI"). In its petition (p. 1), MCI asks that the Commission initiate a rulemaking proceeding to "require all cellular licensees to interconnect with interexchange carriers (IXCs) via uniform, nationwide, cellular equal access policies and procedures."

AT&T has long supported equal access and competition in the telecommunications industry. Equal access lies at the heart of interexchange competition. It ensures that customers have the widest possible range of choice in selecting long distance carriers who depend entirely on local distribution facilities to make their services available, and thus permits IXCs to compete more effectively on the basis of the price and quality of their

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services, rather than on the type of connections a local carrier chooses to provide.

For these very reasons, the Modification of Final Judgment ("MFJ") and the GTE Final Judgment imposed equal access obligations on the Bell Operating Companies ("BOCs") and the GTE Operating Companies.¹ The Commission likewise adopted equal access requirements for all landline LECs in order to expand competition by affording all IXCs equal access to their customers "on a reasonably uniform basis nationwide."²

These same factors apply to the cellular business and to cellular carriers, which the Commission has consistently viewed as "generally engaged in the provision of local exchange telecommunications" services.³ As the number of cellular customers and their use of cellular service grow, the use of cellular facilities to originate

¹ See United States v. Western Electric Co., 552 F. Supp. 131, 195-96 (1982), aff'd, 460 U.S. 1001 (1983); United States v. GTE Corp., 603 F. Supp. 730, 743 (1984).

² MTS and WATS Market Structure, Phase III, 94 F.C.C.2d 292, 296-97 (1983). As the Commission explained, "in a more fragmented and competitive telecommunications industry the interconnection 'ground rules' must be set at the outset, particularly inasmuch as interconnection often represents the sole means for competitive carriers (and providers of equipment and facilities) to access their customers." Id., at 298.

³ The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services, 59 R.R.2d 1275, 1278 (1986); MTS and WATS Market Structure, 97 F.C.C.2d 834, 881-83 (1984).

and terminate interstate and international calls has also grown, and will continue to expand.

As required by the MFJ, BOC-affiliated cellular carriers provide their cellular customers with equal access to their preferred IXCs. At the same time, with one exception, AT&T knows of no non-BOC cellular carrier that provides equal access.⁴ As a result, many long distance customers who use cellular service are denied the same range of competitive choice they now enjoy in selecting IXCs from their landline local exchanges; likewise, IXCs' opportunities to compete on the basis of innovative features and services offered to those customers are diminished. Moreover, because some cellular carriers do provide equal access and others do not, IXCs and their customers are also denied the ability to plan and offer their services "on a reasonably uniform basis nationwide," contrary to the Commission's policy.⁵

⁴ Puerto Rico Telephone Company voluntarily provides equal access to its cellular subscribers. See Puerto Rico Telephone Company Equal Access Conversion Schedule, Memorandum Opinion and Order, ¶ 3, 1990 FCC LEXIS 5266 (Common Carrier Bureau Oct. 2, 1990).

⁵ MTS and WATS Market Structure, Phase III, 94 F.C.C.2d at 296-97. Indeed, even the BOC-affiliated cellular carriers do not uniformly implement equal access. For example, Cybertel refused to ballot its existing cellular customer base when it implemented equal access after being acquired by a BOC. See In the Matter of Cybertel Cellular Telephone Company Tariff F.C.C. No. 1, Trans. No. 1, DA 92-840, released June 23, 1992, ¶ 3.

In these circumstances, the Commission should act promptly to consider uniform equal access obligations for cellular carriers. Like landline customers, cellular customers who use long distance services could enjoy all the benefits of choice, quality and price that the intensely competitive interexchange market offers, provided IXCs are assured reasonable and nondiscriminatory access to those customers. The absence of equal access denies consumers the ability to access IXCs of their own choosing, and thus may prevent them from realizing the full value of the interexchange services otherwise available to them in a competitive marketplace.⁶ Denying competing IXCs equal access to their customers, and limiting or foreclosing customer choice of interexchange services, also run contrary to the pro-competitive history of the telecommunications industry and Commission regulation.⁷ Interexchange carriers should be free to compete for the business of mobile customers on the merits of their own interexchange services, just like they do in the landline context.

⁶ For example, a customer of AT&T's Software Defined Network Service ("SDN") can meet its interexchange needs utilizing SDN -- and benefit from the discounts and features available with SDN -- only when the customer utilizes the exchange access services of a landline carrier or a cellular carrier that provides access to AT&T.

⁷ See, e.g., Competition in the Interstate Interexchange Marketplace, 5 FCC Rcd. 2627, 2828-32 (1990) (discussing the history of competitive entry into the long-distance marketplace).

Initiating the rulemaking proceeding requested by MCI would give the Commission and interested parties the opportunity to consider, for example, whether cellular equal access would be in the public interest, and whether it should include all of the essential elements of landline equal access. The rulemaking proceeding thus should inquire specifically whether balloting, presubscription, allocation, and 10XXX unblocking requirements for all cellular carriers are needed to ensure that the benefits of equal access are made available to all cellular customers in a timely and reasonable manner, or whether some more limited process would suffice to allow customers access to their preferred IXCs from cellular systems.

The rulemaking proceeding should also examine the special billing issues that might arise in the cellular context.⁸ The Commission should consider, for example, whether cellular carriers must offer on reasonable terms and conditions all information needed by IXCs to bill their interexchange customers. The Commission might also consider requiring cellular carriers to provide billing and

⁸ The cellular carrier is the sole provider of billing-name-and-address information, and the only entity that can ensure a correct "match" between call data (such as mobile identification number and the date and time of a call) and the customer account. Billing-name-and-address information is quickly outdated for cellular customers because a shortage of mobile telephone numbers requires cellular carriers to reassign immediately numbers from former customers to new customers. This creates unique billing difficulties for IXCs.

collection services on a reasonable and nondiscriminatory basis until they make this information available, or until IXCs develop the systems needed to make use of cellular billing information.⁹

Notwithstanding the indisputable consumer and competitive benefits of equal access, AT&T recognizes that its implementation by cellular carriers could impose some additional costs on those carriers. This is so even though AT&T believes that the technology needed to provide equal access is readily available to cellular carriers at reasonable prices. AT&T thus proposes that the rulemaking proceeding also consider phasing in the equal access requirement, as was done in the landline context, to avoid imposing undue costs and burdens on cellular carriers. As in the landline context, for example, the Commission could consider requiring cellular carriers to implement equal access only in response to a bona fide request by an IXC. In addition, the Commission should consider the establishment of an appropriate transition period for implementing equal access, taking into account the size and

⁹ See Detariffing of Billing and Collection Services, 102 F.C.C.2d 1150, 1171 n.53 (1986), where, in detariffing billing and collection services, the Commission acknowledged that "[t]he only potential bottleneck in this respect is an IC's or billing vendor's inability to get customer name and address information from the LEC." The Commission made explicit its "expectation" that exchange carriers would make this information available or the Commission would "consider requiring LECs to fulfill IC requests for this information."

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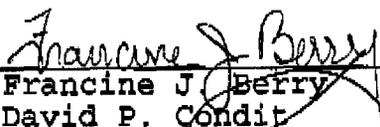
market area of various cellular carriers. Further, the Commission should consider the manner in which IXCs would bear their fair share of the costs of implementing equal access.¹⁰

WHEREFORE, for the reasons stated herein, MCI's Petition for Rulemaking should be granted.

Respectfully submitted,

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

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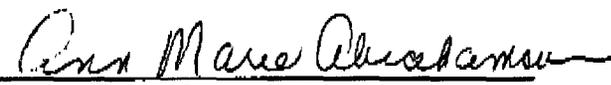
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Dated: September 2, 1992

¹⁰ In general, AT&T believes a tariffed, one-time conversion charge paid by all participating IXCs is the appropriate mechanism for defraying the cost of equal access. In itself, equal access should not affect the present practice whereby cellular carriers fully recover their costs through "airtime" charges to their mobile end users. Nonetheless, if the Commission tentatively concludes that recurring cellular access charges might be an appropriate way to compensate cellular carriers for use of their facilities, the rulemaking proceeding should address what rate and regulatory structure should be used to establish those charges.

CERTIFICATE OF SERVICE

I, Ann Marie Abrahamson, do hereby certify that on this 2nd of September, 1992, a copy of the foregoing "Comments of American Telephone and Telegraph Company" was mailed by U.S. first class mail, postage prepaid, to the parties listed on the attached service list.


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