



*[Faint handwritten notes]*

January 24, 1995

**Michael W. Bennett**  
Director  
Federal Regulatory

Ex Parte

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, DC 20554

Re: CC Docket No. 94-54

Dear Mr. Caton:

*[Handwritten notes]*

In accordance with Commission rules, please be advised that today Wayne Watts, Vice President and General Counsel for Southwestern Bell Mobile Systems and the undersigned representing Southwestern Bell met with Judy Argentieri, Nancy Boocker, Barbara Esbin, Pat Donovan, Greg Rosston, Amy Lesch and Kalpak Gude regarding the proceeding listed above. Attached are handouts provided in the meeting.

If you have any questions, please let me know.

Sincerely,

Attachments

- cc: Judy Argentieri
- Nancy Boocker
- Barbara Esbin
- Pat Donovan
- Greg Rooston
- Amy Lesch
- Kalpak Gude

1401 I Street, N.W.  
Suite 1100  
Washington, DC 20005

Phone 202 326-8890

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**EX PARTE PRESENTATION OF  
SBC COMMUNICATIONS INC.**

**and**

**SOUTHWESTERN BELL MOBILE SYSTEMS, INC.**

**FCC DOCKET 94-54**

**INTERCONNECTION**

**January 24, 1995**

**CMRS INTERCONNECTION WITH LOCAL EXCHANGE CARRIERS (LECs)**

- **Negotiated interconnection arrangements will not result in discrimination**
  - **Has worked to this point.**
  - **SBMS has more POPS/Customers out of SWBT territory than in.**
  - **SBMS has been able to obtain satisfactory interconnection with Illinois Bell, C&P and New England Telephone through negotiations.**
  - **Negotiation allows CMRS providers flexibility.**
- **Wireless providers have sufficient bargaining power to obtain appropriate interconnection.**
  - **Wireless providers are among the LEC's largest customers.**

- **As reciprocal access charges evolve, customers who generate a high volume of calls terminating to the LEC network will be even more valuable LEC customers.**
- **Wireless carriers can, and do, utilize multiple points of interconnection to minimize their access charges. SBMS' Dallas system interconnection is shown on Attachment A.**
- **In many markets, there are multiple access tandems available to which CMRS calls may be terminated.**
  - **This enhances the bargaining power of CMRS providers.**
  - **There are alternative access tandems in most markets where both SBMS and SWBT operate. See Affidavit of Gary Mann-Attachment B, which shows**
    - . **Most LECs with alternative tandems provide service under contract.**
    - . **Any minutes received from a CMRS provider will be incremental.**

- . Both the LEC and the CMRS provider can benefit from negotiated access charges.**
- SBMS sends traffic to both SWBT and GTE access tandem in the Dallas/Ft. Worth MSA.**
- In addition, traffic can be sent directly to a LEC end office.**
- SBMS' Boston system has Type 2 connections to six NET access tandems and Type 1 connections to 48 different end offices to minimize its access charges.**
- The Commission proposed Negotiation Safeguards will prevent unreasonable discrimination.**
  - Most favorable terms, conditions and rates provided by a LEC to one carrier must be provided to all carriers.**
  - All interconnection agreements must be available for public inspection so that terms and conditions may be compared.**

- **The combination of the Commission's safeguards, the relative size of wireless providers (as customers of LECs), and the availability of alternative points of interconnection with the LEC provide ample assurance of nondiscrimination.**

## **INTERCONNECTION BETWEEN CMRS PROVIDERS**

- **LECs must allow CMRS providers to interconnect to the Public Switched Telephone Network (PSTN).**
  - **This ensures that calls can be completed between all networks.**
  
- **Interconnection between CMRS providers should be allowed, not mandated.**
  - **CMRS providers do not control a bottleneck.**
  
  - **As Commissioner Barrett noted in his separate statement, "where there is no issue of interconnection to bottleneck facilities", there should be "a higher burden to meet to justify such regulatory requirements between CMRS providers".**

- **As Attachments C and D depict, as the number of CMRS providers increases, mandated interconnection would result in complex and inefficient network arrangements.**
- **Where CMRS to CMRS interconnection makes sense, it will be implemented without FCC mandate.**
  - . **SBMS has attempted to negotiate a direct connect between its Dallas MTSO and MetroCel's Dallas MTSO.**
  - . **At the current volume of calls and LEC switched access charges, the savings which would have been recognized were too small to justify the direct connection.**
    - **Trunk charges.**
    - **Administrative expense.**

- . As mobile-to-mobile call volume increase, these types of arrangements will arise where it makes sense economically.**
- . In an environment of mandated access, uneconomic connections could occur.**

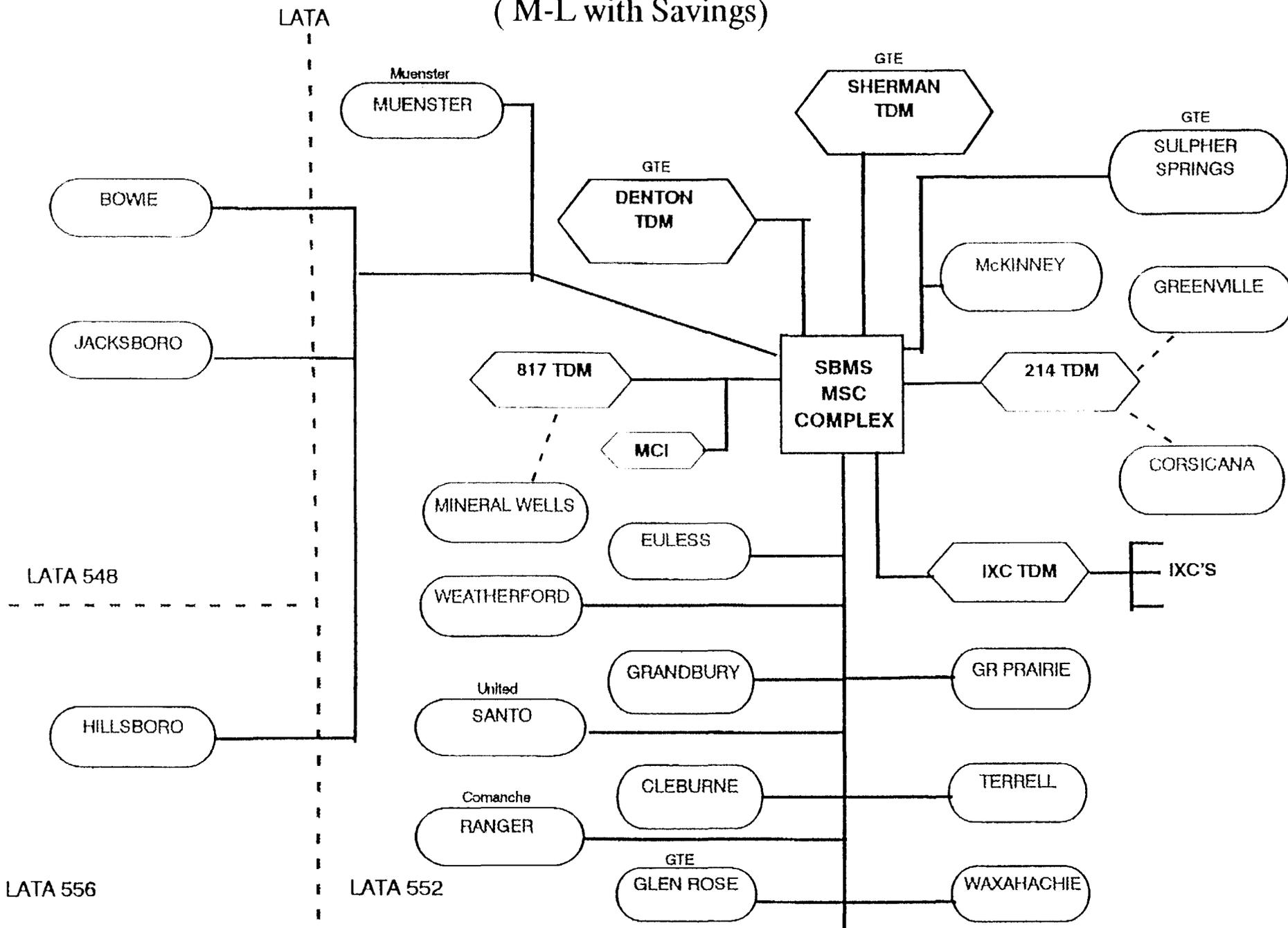
## WHAT DOES CMRS TO CMRS INTERCONNECTION REALLY MEAN?

- In light of evolving nature of CMRS service, providers and technology, any attempted mandate would fail due to its complexity.
  - Would new standards need to be developed to allow PCS provider to deliver traffic directly to a cellular provider?
  - Would mandatory interconnection be to all points in a network?
    - . SBMS' Chicago system has seven MTSOs located in five different buildings.
    - . Would a CMRS provider have to connect to all five locations or just one?
    - . If only connects to one MTSO, who pays for the trunks to carry traffic between MTSOs?

- . How many ports and trunks would be needed if all CMRS providers (Cellular, PCS, ESMR, Paging, etc.) want to connect to each switch? Who would be responsible for the cost of adding ports?**
  
- If the Commission attempts to mandate CMRS to CMRS interconnection, it must establish rules to deal with these and many other issues which are better handled by carrier to carrier negotiation.**
  
- . The Commission should pre-empt state mandated CMRS to CMRS interconnection to avoid inconsistent rules and the potential for variant technical standards.**

# PSTN INTERFACE WITH LEAST COST ROUTING

( M-L with Savings)



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

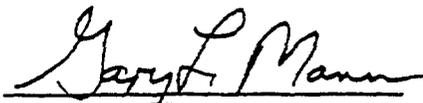
In the Matter of American Telephone )  
and Telegraph Company and Craig O. )  
McCaw. Applications to Transfer ) File No. ENF 93-44  
Control of Licenses Held by )  
Subsidiaries and Affiliates of McCaw )  
Cellular Communications, Inc. )

AFFIDAVIT OF GARY L. MANN

1. My name is Gary L. Mann. I am an Attorney at Law in private practice. My business address is 5905 Rickerhill Lane, Post Office Box 90367, Austin, Texas 78709-0367. Prior to entering private law practice I was employed by Southwestern Bell Telephone Company as District Manager-Rate Administration in Austin, Texas. I worked for Southwestern Bell continuously for 25 years from June 1968 through October 1993, except for two periods of active duty with the United States Army.
2. While working for Southwestern Bell, I held positions in the engineering department related to the ordering and installation of central office switching machines and interoffice facilities; the transmission design of interoffice facilities; and, planning for equipment and facility growth. I have also held various positions in the Revenues and Public Affairs Department from 1975 to 1993 relating to rate development, cost development and tariff administration. As a District Manager for Southwestern Bell I testified before the Kansas, Oklahoma and Texas utility commissions as an expert on telecommunications costing, pricing and tariffs. I also testified in the civil courts as an expert witness on telecommunications tariffs. Attachment 1 is a summary of my education, work experience and witness appearances.
3. At the request of Southwestern Bell Mobile Systems, I studied the availability of tandem facilities in the Southwestern United States for cellular carriers to connect to the public switched network. Such connections are used for the completion of telephone calls between cellular mobile customers and landline customers.
4. My general approach was to first examine state maps showing the Southwestern Bell Mobile Systems' cellular geographic service areas for the Standard Metropolitan Statistical Areas (MSAs) in these states. Next, I identified the Southwestern Bell Telephone Company and the non-Bell exchange company tandems in these MSAs. I obtained copies of tariffs, and contracts, for

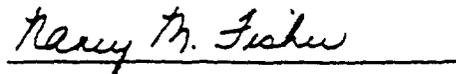
the connection of cellular services to local exchange access. I calculated (1) the rates to connect the mobile telephone switching office to the local exchange company tandem and (2) the rates to terminate mobile-to-landline calls on the local exchange network. I also examined the local calling scopes for the tandems.

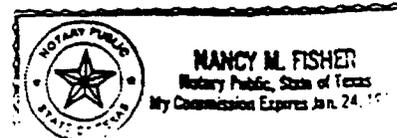
5. Attachment 2 is the results of my study which was prepared by me and is to the best of my knowledge true and correct. It contains a narrative description of the results of my study, a list of tandem serving options for the MSAs, charts comparing rates and calling scopes of Southwestern Bell Telephone Company and other local exchange telephone companies and supporting documentation.
6. From my analysis I conclude that most MSAs in Kansas, Missouri, Oklahoma and Texas have more than one option for originating and terminating cellular usage on the local exchange network. Non-Bell exchange companies typically provide these interconnections under contract. This gives them the flexibility to negotiate volume discounts and give the best deal to the cellular providers. Since the present rates are significantly above costs, the non-Bell exchange companies have room to negotiate lower access rates (including rates at least as low as those charged by Southwestern Bell Telephone Company). Accordingly, they could provide such services at rates below the Southwestern Bell Telephone Company tariffed rates while still making a profit. Where a company can provide a service at a rate above its incremental cost, it has the incentive to do so.

  
\_\_\_\_\_  
Gary L. Mann

STATE OF TEXAS  
COUNTY OF TRAVIS

Before me, the undersigned authority, on this Eleventh day of January, 1994, personally appeared Gary L. Mann, who being first duly sworn, avers that this affidavit is true and correct to the best of his knowledge.

  
\_\_\_\_\_  
Nancy M. Fisher



SUMMARY OF EDUCATION AND WORK EXPERIENCE

Education

B.S. in Applied Mathematics, University of Missouri-Rolla, 1968

Juris Doctor, Oklahoma City University, 1989

Work Experience

Continuously employed by Southwestern Bell Telephone Company (SWBT) from June 1968 to October 1993, except for the periods from December 1968 through August 1971 and January 1991 through March 1991 when on active duty with the U.S. Army. Held various positions in the engineering department related to the ordering and installation of central office switching machines and interoffice facilities; the transmission design of interoffice facilities; and, planning for equipment and facility growth. Held various positions in the Revenues and Public Affairs Department from 1975 up to my retirement from SWBT in 1993 relating to rate development, cost development and tariff administration.

Witness Appearances

- 1993      Harned v. Southwestern Bell Telephone Co., Cause No. 91-575982, County Court at Law No. 1, Lubbock County, Texas. Expert witness on tariff matters.
- 1993      Haiqler v. Southwestern Bell Telephone Co., Cause No. 19,326, District Court of Taylor County Texas, 104th Judicial District. Expert witness on tariff matters.
- 1992      Pankau v. Southwestern Bell Telephone Co., Civil Action No. H-91-1173, U.S. District Court, Southern District of Texas. Expert witness on tariff matters.
- 1991      Application of Southwestern Bell Telephone Company to Revise Tariff in Compliance with Substantive Rule §23.54, Texas Docket No. 10389. Testified on the blocking of international direct dialed calls from coin-operated customer owned pay telephones.

- 1991 Petition for Declaratory Judgment and Relief of AT&T Communications of the Southwest, Inc. Against Southwestern Bell Telephone Company and GTE Southwest, Texas Docket No. 8395. Testified on the application of Switched Access Service and Local Exchange Service and the relationship of those services to the TEX-AN Network.
- 1988 In the Matter of the Application of Southwestern Bell Telephone Company for an Order Approving Proposed Additions and Changes in Applicant's Access Service Tariff and Wide Area Telecommunications Service Plan Tariff, Oklahoma Cause PUD Nos. 237 and 254. Testified to proposals for Multijurisdictional 800 Service and OUTWATS.
- 1986 In re: Inquiry of the Oklahoma Corporation Commission Concerning the Development of Intrastate Access Charges, Oklahoma Cause No. 28309. Testified to restructure of the intrastate access service tariff.
- 1984 In re: Inquiry of the Oklahoma Corporation Commission Concerning the Development of Intrastate Access Charges, Oklahoma Cause No. 28309. Testified to changes in Foreign Exchange, Foreign Serving Office and Feature Group A Switched Access services.
- 1983 In re: Inquiry of the Oklahoma Corporation Commission Concerning the Development of Intrastate Access Charges, Oklahoma Cause No. 28309. Testified to the establishment of the intrastate access service tariff.
- 1983 In the Matter of the Application of Southwestern Bell Telephone Company for an Order Adjusting its Intrastate Rated, Charges, Services and Practices, Oklahoma Cause No. 28002. Testified to rate and tariff matters regarding Private Line Services and to changes in rates for those services.
- 1982 Permission and Authority to Establish New Intrastate Rates, Tolls and Charges Applicable to Communications Services Furnished in the State of Kansas, Kansas Docket No. 128-811U. Testified to rate, tariff and cost matters regarding Private Line Services and to change rates for those services.
- 1981 Application of Southwestern Bell Telephone Company for Authority to Increase Rates, Texas Docket 3920. Testified to rate and tariff matters regarding Private Line Service.

- 1980 RE: Petition of Southwestern Bell Telephone Company for Authority to Change Rates Statewide, Texas Docket No. 3340. Testified to rate and tariff matters regarding Private Line Services and to changes in rates for those services.
- 1979 In the Matter of the Application of Southwestern Bell Telephone Company to Revise and Restructure According to Cost Causation the Rates and Charges Applicable to Certain Competitive and Nonbasic Intrastate and Exchange Telephone Communications Services Furnished Within Oklahoma, Oklahoma Cause No. 26755. Testified to the restructure of the Oklahoma Private Line Service Tariff.

AVAILABILITY of TANDEM FACILITIES  
for  
CELLULAR CARRIERS to CONNECT  
to the  
PUBLIC SWITCHED NETWORK

## ALTERNATIVES FOR CELLULAR CONNECTIONS

### PURPOSE

This study's purpose is to evaluate alternatives for Mobile Telephone Switching Office (MTSO) connections to local exchange company tandems for the interchange of mobile-to-landline and landline-to-mobile traffic. The study concentrates on the Standard Metropolitan Statistical Areas (MSAs) in Kansas, Missouri, Oklahoma and Texas.

### DISCUSSION

My general approach was to first examine state maps showing the Southwestern Bell Mobile Systems (SBMS) cellular geographic service areas for the MSAs in these states. Next I identified the Southwestern Bell Telephone Co. (Southwestern Bell) and the non-Bell exchange company (NBEC) tandems in these MSAs. I obtained copies of tariffs, and contracts, for the connection of cellular services to local exchange access. I calculated (1) the rates to connect the MTSO to the local exchange company tandem and (2) the rates to terminate mobile-to-landline calls on the local exchange network. I also examined the local calling scopes for the tandems.

The study is concerned with tandem alternatives, including connections for originating (landline-to-mobile) traffic and Type 2A terminating (mobile-to-landline) usage.<sup>1</sup> Only Pioneer Telephone Cooperative of Kingfisher, Oklahoma, and Southwestern Bell provide such connections under tariff. The remaining NBECs connect with cellular companies on a contract basis. Generally, a contract lists the rates for terminating usage, then references the company's access service tariff for dedicated connections.<sup>2</sup>

There are technical and economically feasible alternatives available in most MSAs. Contractual interconnections give the NBECs significant advantages over Southwestern Bell. For example, the NBEC can be more responsive to its customers. It can avoid tariffs and the lengthy hearing process required to change tariffs. The NBEC can negotiate rates with its customers. This gives the NBEC the ability to bargain for the increased network usage by lowering rates. Most economists agree that the relevant costs for pricing are marginal costs (sometimes called incremental costs). If the NBEC sets rates above its marginal costs, the NBEC will make money.

My Exhibit A lists certain Southwestern Bell tandems for each MSA and some of the NBEC options. An asterisk indicates those NBECs that have the same, or equivalent, local calling scope as the Southwestern Bell tandem. The list is not all-inclusive as other NBEC tandems exist in most of the MSAs. My Exhibit B shows the

rates for Southwestern Bell tandem connections and for NBEC tandem connections in each MSA.

#### BROWNSVILLE MSA

The Brownsville MSA includes three large exchanges: Brownsville, Harlingen and McAllen. The alternative tandem connection for this MSA is the Valley Telephone Co. switch in Raymondville, Texas.<sup>3</sup> The Valley Telephone Co. does not have cellular providers connecting to its tandem. However, it is willing to provide such connections on a contract basis; and, expects to do so when Southwestern Bell implements the area wide calling plan in the Rio Grande Valley.<sup>4</sup> Valley Telephone Company's offices are digital and connected with fiber optic cable.<sup>5</sup> Accordingly, it is prepared for area wide calling.

#### CORPUS CHRISTI MSA

GTE's terminating usage rates are similar to Southwestern Bell's rates within the local calling scope. The GTE tandem in Port Lavaca, Texas is not presently in the Corpus Christi local calling area. However, in the near future, Southwestern Bell and the NBECs will be filing a LATA-wide extended local calling plan with the Texas Public Utility Commission.<sup>6</sup> This plan will include the entire Rio Grande Valley.

Outside the local calling scope, GTE prefers to charge its tariffed long distance (toll) rates. Nonetheless, GTE will provide such connections at tariffed feature group A (FGA) switched access rates for the entire LATA.<sup>7</sup> The LATA-wide FGA rates are much cheaper than toll. GTE's FGA rates include \$.0709 per minute for carrier common line and Texas interexchange carrier charges. Neither of these rates are supported by costs; rather they are both pure subsidies to residential local exchange service. Even the remaining \$.0179356 per minute rate exceeds GTE's cost.

Since GTE's terminating usage rates are under contract, they are negotiable. Volume discounts would benefit both the cellular company and GTE.

#### DALLAS - FT WORTH MSA

To obtain the local calling scope of both Dallas and Ft. Worth a cellular company may connect to the Southwestern Bell tandems in both Dallas and Ft. Worth. The cellular carrier then hauls the traffic between those metropolitan areas on its own facilities or leases facilities from an interexchange carrier. Alternatively the cellular company may connect to the GTE of the Southwest tandem in Irving. The Irving tandem has access to both the Dallas and the Ft. Worth local calling areas.<sup>8</sup>

GTE's terminating usage rates are similar to Southwestern Bell's rates within the local calling scope.<sup>9</sup> Outside the local calling scope, GTE wants to charge its tariffed long distance (toll) rates. GTE will also provide such connections at tariffed FGA switched access rates for the entire LATA. The LATA-wide FGA rates are much cheaper than toll. Even so, GTE could lower the FGA rates in establishing volume discounts (such as for a cellular carrier), yet retain a profit.

Since GTE's terminating usage rates are under contract, they are negotiable. As long as GTE's rates exceed its costs, GTE has the incentive to lower those rates to attract more network usage. Volume discounts would benefit both the cellular company and GTE.

#### HOUSTON MSA<sup>10</sup>

As discussed above, GTE connects under contract for terminating usage within the local calling scope and using switched access LATA-wide FGA under tariff. Its rates for termination in the local calling scope are comparable to those of Southwestern Bell. GTE's Baytown and Dickinson tandems have the entire Houston metropolitan area as a part of their local calling scope.<sup>11</sup> Thus, GTE supplies two alternatives in the Houston MSA.

Sugar Land Telephone Co. also has a tandem in Sugar Land which is in the Houston metropolitan calling scope.<sup>12</sup> Although Sugar Land is not presently interchanging cellular traffic, it is willing to develop contract rates for this service.<sup>13</sup>

Ft. Bend Telephone Co. owns a tandem in Katy, Texas, within the Houston metropolitan calling scope.<sup>14</sup> Ft. Bend is not interchanging traffic with a cellular company; but, it may do so under contract or under its access service tariff.<sup>15</sup>

#### KANSAS CITY MSA

The Kansas City metropolitan calling scope encompasses parts of both Missouri and Kansas.<sup>16</sup> The United Telephone Company of Missouri's Harrisonville exchange is within the combined Kansas City, Kansas/Missouri metropolitan calling area.<sup>17</sup> Formerly a tandem, United downgraded the Harrisonville office to class five. Harrisonville now homes on United's Warrensburg tandem.<sup>18</sup> Although Warrensburg is not in the local calling scope for the Kansas City metropolitan area, a cellular carrier could connect to the Warrensburg tandem and benefit just the same. The connector could designate the Harrisonville office for determining its local calling scope, and as its rate center.<sup>19</sup> This alternative is just as cost effective as if the tandem itself were in the local calling scope.

### OKLAHOMA CITY MSA

In the Oklahoma City MSA the alternatives exist, but the NBEC's current rates are higher than Southwestern Bell's rates. The Pioneer Telephone Cooperative provides cellular interconnection under its Tariff O.C.C. No. 1. Pioneer patterned this tariff after the original access tariffs the Oklahoma Rural Telephone Coalition (ORTC) filed in the mid-1980s. The rates and structure are the same as for access services under the ORTC's Intrastate Access Service Tariff. The ORTC did not set rates based upon economic costs. Except for the carrier common line rate, access rates were filed equal to the then effective interstate access rates. The carrier common line rate was a make-whole rate for a revenue neutral filing. Only the carrier common line rate appears to have changed since 1987.

Because the Oklahoma City metropolitan calling area is very large (encompassing over 40 exchanges), the Pioneer Telephone Cooperative is in a unique position to capture more cellular usage. The metropolitan calling area includes Pioneer's Calumet, Crescent, Kingfisher and Okarche exchanges. Pioneer could increase network usage by lowering its cellular connection rates. The current rates are significantly above the marginal costs of switched access. This is a significant incentive for Pioneer. Pioneer, if it chose to lower its rates for cellular connections, could profit from the added business as long as its rates exceed costs.

### ST. LOUIS MSA

A St. Louis MSA alternative is GTE's Wentzville, Missouri tandem, formerly owned by Contel of Missouri, Inc. GTE's current terminating usage rates greatly exceed costs. GTE's costs should be less than \$.03 per minute; but it charges more than \$.05 per minute.<sup>20</sup> Accordingly, GTE has the ability to significantly lower its rates and still make a profit. It is likely that GTE would, if approached by a cellular carrier, significantly lower its rates for cellular connections.

### SAN ANTONIO MSA

The alternative tandem connection for the San Antonio MSA is the Guadalupe Valley Telephone Cooperative switch in Bulverde, Texas. Guadalupe Valley Telephone Cooperative does not have cellular providers connecting to its tandem. It is technically capable of providing such connections if ordered by a cellular carrier, such as McCaw. This could be done under contract. Bulverde is in the San Antonio local calling scope.<sup>21</sup>

## TOPEKA MSA

The closest NBEC tandem to Topeka is the United Telephone Company of Kansas tandem in Holton, Kansas.<sup>22</sup> The United exchanges of Meriden and Perry are less than 15 miles from Topeka. A cellular company could designate one of these exchanges as the "end office to determine the tandem interconnection service's local calling scope and rate center."<sup>23</sup>

United's contract rates are currently higher than Southwestern Bell's rates. United could increase its revenues by lowering its cellular connection rates, if approached by a cellular provider such as McCaw, to interchange traffic with its tandems. United's current rates are significantly above the marginal costs of switched access. Like GTE, United has the negotiating room to significantly lower its rates and still make a profit.

The Southwestern Bell rates for terminating access are among the lowest in the Southwest. In January 1994 Southwestern Bell will reduce the FGA LATA-wide access rate to \$.0163833.<sup>24</sup> By January 1995 the total FGA LATA-wide access rate for cellular terminating usage will only be \$.010283 for a 25 mile call.<sup>25</sup> First assume these rates exceed costs, and second, they approximate the switched access costs in Kansas, Missouri, Oklahoma and Texas for Southwestern Bell and for the NBECs. If true, then it follows that the terminating usage rates are very profitable; accordingly, the NBECs have much negotiating room for their contract rates.

## CONCLUSION

Most MSAs in Kansas, Missouri, Oklahoma and Texas have more than one option for originating and terminating cellular usage on the local exchange network.<sup>26</sup> NBECs typically provide these interconnections under contract. This gives them the flexibility to negotiate the best deal with the cellular providers. Since the present rates are significantly above cost, the NBECs have room to negotiate.

There are other advantages for using NBEC tandems for interchanging traffic. For example, in Irving, Texas the local calling scopes for both the Dallas and the Ft. Worth metropolitan exchanges are available by connecting to the GTE tandem and subscribing to Ft. Worth Extended Metropolitan Service.

As LATA wide calling plans are implemented in Texas, then all Texas MSAs will have technical and economically viable options for interchanging traffic. Where a cellular provider owns network facilities, then that provider may furnish its own transport between the MTSO and a tandem at its marginal cost.

## NOTES

<sup>1</sup> A cellular provider can also order connections between the cellular company's MTSO and its radio-transmitters from the access service tariffs; however, the cellular company usually furnishes these connections itself. Consequently, I did not include radio-transmitter links in my inquiry.

<sup>2</sup> Cellular providers use dedicated connections for originating traffic.

<sup>3</sup> The Raymondville Exchange is owned by GTE of the Southwest, Inc. The exchanges surrounding Raymondville are owned by Valley Telephone Co. which is headquartered in Raymondville. Valley Telephone Co. also has a tandem in Raymondville.

<sup>4</sup> Per December 8, 1993 telephone conversation with representatives of the Valley Telephone Company, a plan will be submitted to provide extended local area calling to the Rio Grande Valley. See *infra* note 6. Valley Telephone Co. has all digital switches connected with fiber optic cable. It is willing to provide cellular connections under contract.

<sup>5</sup> *Id.*

<sup>6</sup> Per telephone conversation on December 1, 1993 with a management representative, Southwestern Bell plans to file an area-wide extended local calling plan for the Rio Grande Valley in the not too distant future.

<sup>7</sup> Feature group A (FGA) switched access service is a line side connection to the central office switch for transmission within the voice frequency bandwidth. FGA is provided with a telephone number and appears to be like any other local exchange business or residence telephone number; however, for FGA, the entire LATA is available to terminate calls to the public switched network at a per minute rate.

<sup>8</sup> The GTE Southwest exchange of Irving is a part of the local calling scope of the Dallas Metropolitan Exchange. Irving customers may also subscribe to Ft. Worth Extended Metropolitan Service. See Southwestern Bell Texas Local Exchange Tariff at paragraphs 5.3 and 5.4. The Dallas and Ft. Worth tandems also have access to both local calling scopes via optional Extended Metropolitan Service, but cellular companies have typically chosen to terminate in them separately.

<sup>9</sup> Moreover, GTE will provide terminating usage at the lower (within the local calling scope) contracted rate for any subtending office of one of its tandems. For example, GTE rates terminating usage to all of the class five offices homing on the Sherman tandem at the local calling scope rate. This rating applies regardless of whether that end office is in the Sherman

extended calling area. Avoiding the higher toll and switched access charges is a distinct advantage.

<sup>12</sup> Even though SBMS does not provide cellular service in Houston, I was asked to study the existence of alternative access arrangements in this market due to the size of the market.

<sup>13</sup> See Southwestern Bell Texas Local Exchange Tariff at paragraph 5.5 which provides the local calling area of the Houston Metropolitan Exchange. Sugar Land is in the local calling area of the Houston Metropolitan Exchange. Baytown, Katy and Dickinson may be included in the local calling area by subscribing to Extended Metropolitan Service.

<sup>14</sup> See Southwestern Bell Texas Local Exchange Tariff at paragraph 5.5 which provides the local calling area of the Houston Metropolitan Exchange.

<sup>15</sup> Per letter dated December 7, 1993, [correct date should be December 9, 1993] from Alltel Service Corporation, it will develop contract rates for dedicated connecting circuits and for terminating usage for the Sugar Land tandem.

<sup>16</sup> See Southwestern Bell Texas Local Exchange Tariff at paragraph 5.5 which provides the local calling area of the Houston Metropolitan Exchange. Katy customers may be included in the local calling scope of the Houston Metropolitan Exchange by subscribing to Extended Metropolitan Service.

<sup>17</sup> Per telephone conversations with representatives of Ft. Bend Telephone Co. on December 8, 1993. Ft. Bend Telephone Co. concurs in the Texas Statewide Telephone Cooperative, Inc. tariffs.

<sup>18</sup> See Southwestern Bell Local Exchange Tariff at paragraph 1.8.3 A.2. which lists the exchanges in the Kansas City local calling scope.

<sup>19</sup> See Southwestern Bell Local Exchange Tariff at paragraph 1.8.3 A.2.

<sup>20</sup> Per telephone conversation on December 10, 1993, with Product Manager for United Telephone Company, Inc.

<sup>21</sup> See Southwestern Bell's Missouri Cellular Mobile Telephone Interconnection Tariff at paragraph 4.2 B which states "[t]andem (Type 2A) interconnections require the carrier to designate an end office to determine the tandem interconnection service's local calling scope and rate center." See also Pioneer Telephone Cooperative's Oklahoma Tariff O.C.C. No. 1 which contains similar wording.

<sup>22</sup> Consider GTE's switched access rates: \$.0852720 per minute is for carrier common line access. Since the carrier common line rate element is a pure subsidy to residential local exchange