TIME WARNER TELECOMMUNICATIONS

Interest: New provider of wireless services

CMRS Resale:

- **Switch Interconnection by Resellers**

  - A general interconnection obligation for all CMRS providers is not justified at the present time. A switch-based resale requirement for cellular carriers, however, is technically feasible, economically reasonable, and essential to the creation of a competitive marketplace. (1, 4, 8)

  - Rules governing resale would be easy to administer and implement. LEC interconnection rules have not been unduly burdensome for carriers, and the cellular industry has years of experience with roaming interconnections. (4-5)

  - Cellular switch manufacturers offer the capability for licensees in adjacent service areas to interconnect their switches. Thus, technology presently exists to allow customers to receive continuous service in neighboring systems. (5)

  - Resellers would assume many of the switching and administrative functions, reducing the burdens on cellular carriers. Resellers would process calls, maintain records, verify and record calls, and record billing information. (6)

  - Under TWT's plan, TWT would independently obtain blocks of telephone codes that would reside on the TWT switch. The underlying carrier would treat this group of subscribers as "roamers." Other entities have proposed similarly workable interconnection plans. (6-8)

  - Switch-based resellers would be able offer benefits such as limited calling areas, call screening, call signaling, call waiting, cellular extension, cellular PBX, and so forth. TWT in particular would be able to offer single number features for local services, routing of calls through the TWT switch, and AIN functionality. (8-9)

- Switch-based resale would provide new wireless carriers with quicker access to data and greater flexibility in tailoring services to customer needs. Such flexibility should promote effective competition in the marketplace. (9)

- Competition from new wireless providers such as PCS is still years away. Dominant cellular carriers still have enough market power to inhibit competition. Mandated switch-based resale obligations are therefore necessary in the short term to encourage additional innovative services. (2-3, 10-11, 13)

- The licensing of broadband PCS will have little short-term competitive impact on existing cellular carriers. Buildout of PCS systems will be slow, and licensees would only have to deploy service to one-third of the population by mid-year 2000. (11-12)

- Since PCS providers will not have a significant impact on prices in the relevant market, they should not be considered "actual potential competitors" for purposes of analyzing the value of switch-based resale. (13)

- All cellular carriers, whether affiliated with LECs or not, should be required to provide interconnection and unbundling to all other CMRS carriers. Such a requirement is warranted so long as the cellular carriers continue to have market power. (14)

- The Commission itself has concluded that the cellular segment of the market is a shared monopoly and not fully competitive. The Commission has consistently regulated carriers with market power differently than carriers without such market power. (15-16)

- Cellular carriers should be required to provide switch-based resellers and other competitors with the features and functions they need in order to compete on an unbundled basis at cost-based rates. (19)

- All CMRS providers need not unbundle their services. However, cellular carriers with market power should be subject to such a requirement. Cellular carriers would still be entitled to reasonable compensation for costs incurred in providing interconnection with resellers' switches. (20)

- Features and functions that can only be provided by cellular carriers by virtue of their duopoly status should be unbundled. The features include airtime and certain switching functions that will enable customers of other carriers to originate or terminate calls. (20-21)

- Since cellular carriers' unbundled services are not subject to tariffing, minimum regulatory requirements for negotiated interconnection agreements are essential. Such requirements will permit legal recourse against carriers who refuse to negotiate in good faith. (21)

- **Number Transferability/Portability**

  - All facilities-based CMRS carriers--particularly cellular carriers--should be required to allow resellers to administer the numbers assigned to end user customers and to allow the numbers administered by switch-based resellers to reside in the resellers' switches. (17-18)

  - A carrier's control over numbers permits it to create a bottleneck. Most customers will not change service providers if they must change telephone numbers. (18)

VANGUARD CELLULAR SYSTEMS, INC.

Interest: Vanguard is a cellular provider based in Greensboro, North Carolina.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
  - The Commission's conclusion that imposition of a general interstate interconnection obligation is premature and unwarranted is correct. (3)
  - Given the uncertainty about the technical nature of interconnection, the costs involved, or the rules that would best ensure its implementation, the Commission has wisely chosen not to impose regulatory interconnection constraints on an industry exploding with competition. (1, 4)
  - The Commission is correct that mandatory interconnection is unnecessary because all CMRS providers can currently interconnect through the LEC network. Carriers will negotiate direct interconnection as mobile traffic and usage require. (4)
  - A market power analysis should be the key component in a section 201(a) public interest analysis. Under this view, there is no evidence that any class of providers currently exercises market power in the relevant product market for CMRS services. (5)
- **Preemption of state requirements**
  - The FCC should preempt states' ability to undercut the Commission's analysis and policy decision and should therefore preempt their authority to regulate CMRS interconnection. (6)
  - State regulation of CMRS interconnection is fundamentally inconsistent with the goal of a seamless national wireless infrastructure. (7 n.17)

Roaming:

- Given recent marketplace developments, there is no need for the Commission to take regulatory action with respect to roaming at this time. (8-9)

- It is very important that the Commission monitor potential discrimination with respect to roaming. For example, where a broadband PCS provider also holds cellular properties in another cellular provider's markets, the PCS provider may be tempted to develop PCS/cellular roaming capability across its own systems and therefore less inclined to enter into or maintain a reciprocal roaming agreement with the cellular provider. (9-10)

CMRS Resale:

- **Applicability of requirement; excluded services**

  - A requirement that CMRS licensees provide resale could, if properly implemented, have an overall effect of promoting competition in the CMRS marketplace, but there should be reasonable limitations on any resale obligation in order to prevent distortion of what is generally a pro-competitive policy. (10)

  - The Commission should acknowledge that implicit in any mandatory resale obligation is the corollary that cellular carriers will not be compelled to expend significant capital resources to expand their networks merely to accommodate unreasonable reseller demands for CMRS capacity. (11)

- **Resale by facilities-based competitors**

  - The concept of "facilities-based competitor" in the resale context should conform to those services that are currently subject to the CMRS spectrum cap--cellular, broadband PCS, and ESMR/SMR. (12)

  - There should be no mandatory resale to facilities-based competitors after five years. This window worked well in the cellular context. (11)

- **Switch interconnection by resellers**

  - The Commission should continue to reject proposals by those entities that would require cellular providers to allow resellers to install switching equipment between a cellular network's MTSO and the facilities of local or long distance carriers. (2, 13)

- The influx of new wireless facilities-based competition shows that the need for resellers to physically attach to cellular networks is utterly unnecessary. (14)

- Switch-based resale would wreak technical havoc, increase costs, and degrade the quality of cellular services. (14)

- A rule that would permit a reseller to "free-ride" on the sacrifices and innovation of others, and to pick apart the networks that facilities-based CMRS providers have worked diligently to construct, would lead to a decrease in investment in new facilities in the long term. (14-15)

- **Number transferability**

  - While the issue of number transferability is important, it is more appropriately addressed in a general proceeding on number portability once the CMRS market becomes more mature. (12)

WESTERN WIRELESS CORPORATION

Interest: Provider of cellular service; expectant provider of PCS.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
  - Wireless calls interconnected through the LEC are currently the most efficient method for obtaining interconnection. No demand for direct CMRS-to-CMRS interconnection now exists. (2-3)
  - No regulation should be adopted until there is evidence of widespread problems. (3)
  - The competitive market will achieve the greatest benefits. (3)

Roaming:

- Regulations governing CMRS roaming requirements are not needed. The market will force the development of inter-system roaming. (6)
- PCS subscribers will have access to cellular systems through the use of dual mode 800 MHz/2 GHz phones. Contractual arrangements between PCS and cellular licensees will allow both to benefit from use of these phones. (6)
- Additional technological advances will further increase competition. (7)

CMRS Resale:

- **Applicability of requirement; excluded services**
  - Unrestricted resale obligations should not be imposed on any class of CMRS provider. (4)
  - The market is currently competitive and will be more so with the introduction of new facilities-based providers. (4)
  - Requiring CMRS providers to allow resale in thinly populated areas may even diminish the availability of service. (5)

- If such obligations were imposed, they should be applied evenly to all CMRS providers. (5)

- **Resale by facilities-based competitors**

  - Licensees should be allowed to restrict resale by facilities-based competitors three to five years after they are issued a license. (5-6)

WJG MARITEL CORP.

Interest: Provider of public coast station services

CMRS-to-CMRS Interconnection:

- **Need for Regulatory Mandate**

  - Interconnection obligations are unnecessary and premature. The current CMRS marketplace tends to serve niche communities of customer need. The diversity of consumers served by CMRS eliminates the need for direct access across service areas. (2-3)

  - Public coast stations such as Maritel primarily facilitate ship-to-landline transmissions through the public switched telephone network (PSTN). Consequently, Maritel customers rarely require direct access to customers of specialized mobile radio (SMR) on land. If necessary, access can be adequately provided with interconnection through the PSTN. (3-4)

  - If warranted, more direct interconnection capabilities will develop as a result of market forces. The current CMRS market is sufficiently competitive that regulatory intervention would be purposeless. (4)

  - CMRS technology and system designs are still in developmental stages. At this point it is difficult to discern how best to achieve direct interconnection and whether such an obligation is technically or economically feasible. (4-5)

  - Imposing technical parameters for interconnection could actually stunt technical innovation and creativity. Any approach to ensuring compatibility should not impede the opportunity for marketplace advances in technology. (5)

CMRS Resale:

- **Applicability of Requirement; Excluded Services**

  - While the resale requirement may be appropriate in some segments of the CMRS market, the public coast station industry is uniquely situated and should be exempted from resale obligations. (6)

- Public coast station operators are required to incorporate certain operational measures to ensure the safety of the boating public. Since resellers would not be subject to such safety regulations, Maritel would face unfair competition and the public would be inadequately protected. (6)

- Much of Maritel's revenue is derived from yearly service fees. Extending the resale requirement would force Maritel to impose only one service fee and the bulk rate charged to other customers. (6-7)

- The market position of public coast stations has been substantially weakened by burgeoning cellular services; public coast stations are also inhibited by a serious scarcity of spectrum. Such stations are therefore incapable of anti-competitive behavior. (7-8)

WORLDCOM, INC. (d/b/a LDDS WORLDCOM)

Interest: Interexchange carrier.

CMRS Resale:

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- **Applicability of requirement; excluded services**

  - Supports requirement for all CMRS providers. (1-3)

  - Resale has made long distance interexchange market more competitive. (3-4)

  - Resale lets new entrants provide wide-area service while building out their networks, allowing them to bring service to market and build their networks faster. Wireless operators should not be required to own CMRS license and facilities. (4)

  - Resale helps drive rates to cost by letting resellers offer discounts that exploit underlying carrier's non-cost-based rates. Resale also protects against price discrimination. (4)

  - Resale lets more providers compete in providing full-service packages, thus increasing service options for users. (5)

  - Resale is low-cost, easy means for small businesses and new entrants to participate in telecommunications, and bring broader range of service offerings for different user needs. All carriers benefit from the increased demand, which increases network traffic and permits economies of scope and scale. (5-6)

  - All common carriers have §§ 201(b) and 202(a) duty to permit unlimited resale. (6-7)

  - Market forces alone will not ensure adequate resale opportunities. Facilities-based providers will often have incentives to discourage resale, even in competitive markets. (7-8)

  - Commission should monitor development of CMRS resale and use its tariffing authority and complaint process if facilities-based licensees effectively block resale competition. (8)

- **Resale by facilities-based competitors**
  - If Commission adopts time limit, should make clear is limited exception to general requirement necessary to ensure that license holders build out their facilities in timely fashion. (7)
- **Number transferability/portability**
  - Supports number transferability requirement. (8)