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October 11, 1995

EX PARTE

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

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OCT 11 1995

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

RE: Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services (CC Docket No. 94-54).

Dear Mr. Caton:

On Wednesday, October 11, 1995, Roger Pettey and I, on behalf of AirTouch Communications, met with David Sieradzki, Mark Nadel, and Kathleen Franco of the Common Carrier Bureau, Policy & Program Planning Division, and Jay Atkinson and William Sharkey of the Office of Plans & Policy. The attached material was distributed. Please associate this material with the above-referenced proceeding.

Two copies of this notice are being submitted to the Secretary in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 202-293-4960 should you have any questions or require additional information concerning this matter.

Sincerely,

Kathleen Q. Abernathy

Attachment

- cc: Jay Atkinson
- Kathleen Franco
- Mark Nadel
- William Sharkey
- David Sieradzki

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AirTouch Communications

CMRS Interconnection Issues

October 11, 1995

Interconnection

Purpose: to interconnect calls between AirTouch switching equipment and the Public Switched Network

Interconnection Types:

Type 1: Connects Mobile Telecommunications Switching Office (MTSO) with a LEC end office.

- Connects to LEC local network, directory assistance, operator assistance, IXCs, and other carriers
- Access to 911, 800, 900 numbers

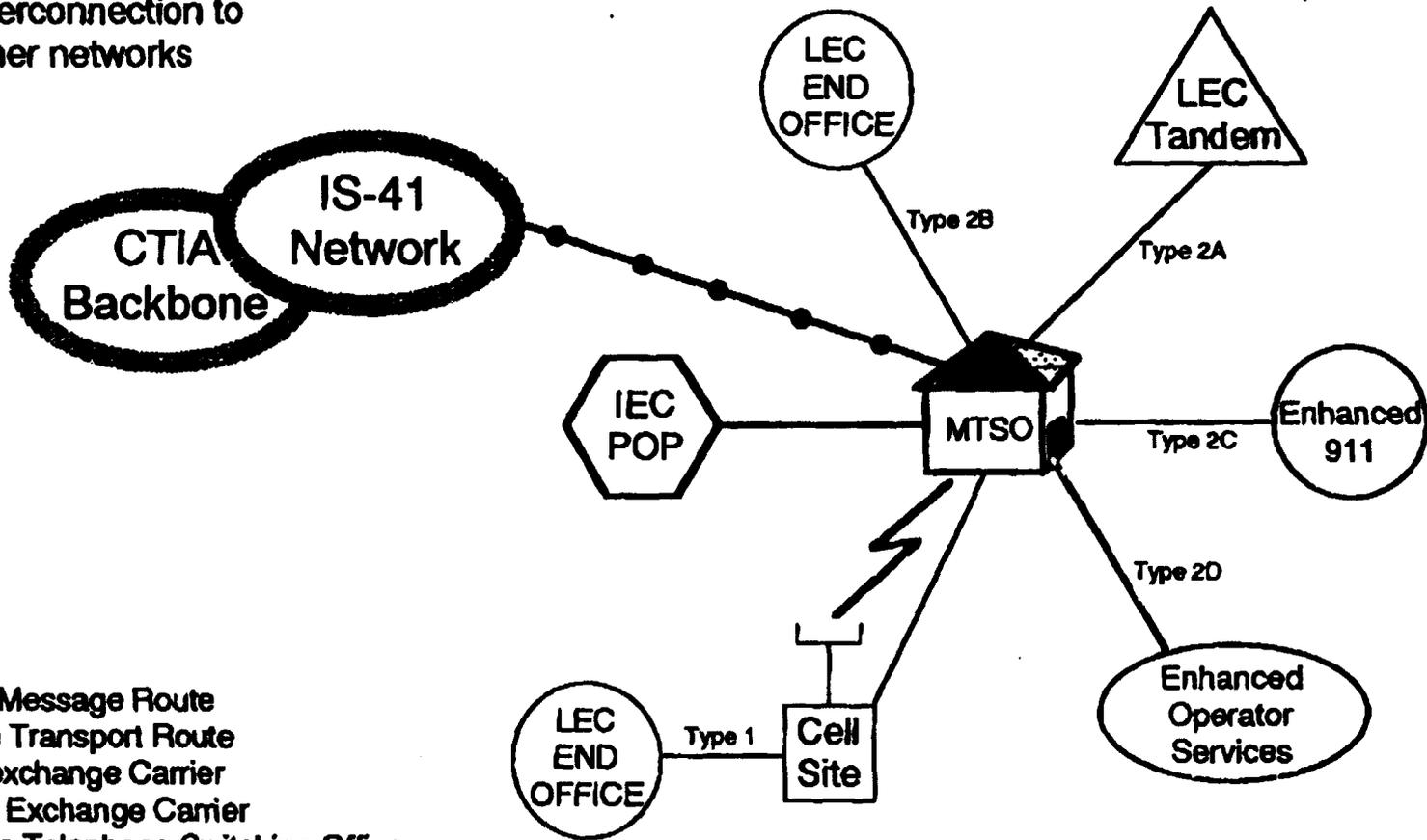
Type 2A: Connection directly to LEC tandem office

- Connects to LEC end office and other carriers through a tandem switch.
- No direct access to directory assistance, operator assistance.

Type 2B: Connection to specific directory numbers from a specific end office

WIRELESS INTERCONNECTION

Interconnection to other networks



- Data Message Route
- Voice Transport Route
- IEC - Interexchange Carrier
- LEC - Local Exchange Carrier
- MTSO- Mobile Telephone Switching Office
- POP - Point of Presence

Interconnection

Billing: Typically for: Call set-up, Call duration (MOU), Call transport (per minute/per mile)

Negotiations verses Tariff

Key Difference:

- Tariffs define business between a carrier and an end user by taking orders.
- Contracts recognize dynamic business opportunities.

AirTouch's experience in last interconnect negotiations proved the following:

- Negotiated contracts, rather than tariffs, allow for the differences between individual carriers in switch technology, network architecture, competitive strategy and traffic patterns.
- Individual negotiation provides incentives for cellular carriers to route call efficiently for more efficient call completion.
- Tariffs give the LEC the exclusive power to decide what services are available on the "menu".
- Discussions and negotiations created new, mutually beneficial business opportunities.

Interconnection

Conclusions from Negotiation Experience

- Carriers can be a value-added service provider.
- The competitive, dynamic needs of wireless providers can not be defined by "cookie cutter" tariffs.
- Contracts lead to service provisioning:
 - SS7
 - Information services
 - Manage convergence better with flexible interconnection contracts

Interconnection

Problems with Existing Interconnection Arrangements

- Despite ability to negotiate interconnection contracts, cellular carriers have never been able to negotiate compensation for terminating land line traffic on the cellular network.
- The CMRS Regulatory Parity proceeding requires LECs to compensate CMRS providers for terminating traffic that originates on LEC networks.
- A mutual compensation arrangement is one alternative that may achieve reasonable interconnection rates so long as the LEC is forced to negotiate in good faith to reach a mutually acceptable accounting rate.
 - This approach may not be effective when one of the parties has significantly more market power or monopoly power.
 - Mutual compensation also may not work if one party originates more traffic than it terminates because then a high compensation rate favors the party with greater market power.

Interconnection

Problems with Existing Interconnection Arrangements (Cont'd)

- An alternative approach is to adopt a mutual compensation scheme known as “sender keep all” which provides for zero prices for terminating service.
- The “sender keep all” approach can prevent the LECs from setting interconnection rates so high as to inhibit or preclude competition.

Roaming

How does it work?

- Customer of a foreign cellular provider attempts to place call on AirTouch network (Los Angeles, for example)
- AirTouch system "reads" MIN/ESN; recognizes user as a roamer
- Network identifies user's home carrier (Chicago); converts information from a proprietary switch protocol (Motorola) to IS-41 protocol
- Query is sent over the Independent Telephone Network (ITN) with an SS7 format containing the IS-41 information to the foreign carrier
- Foreign carrier confirms customer information as well as any other special services
- AirTouch completes the call for the roamer and bills the foreign carrier

Roaming

Validation

- Los Angeles, using the IS-41 protocol, has pre-call validation
 - Virtually instantaneous
 - Useful in fraud control
- Carriers having low roamer traffic use post-call validation
 - Uses a central clearing house to validate user
 - May take several minutes for return information