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June 20, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

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

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

Dear Mr. Caton:

On Tuesday, June 18, 1996, Brian Kidney and I, on behalf of AirTouch Communications, Inc. met with Michele Farquhar, Chief of the Wireless Bureau, and staff to discuss the above proceeding. Please associate the attached 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: Michele Farquhar

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AirTouch Communications, Inc.

Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services

CC Docket No. 94-54

June 18, 1996

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The Marketplace Will Satisfy PCS Roaming Needs

- Historically roaming permitted cellular customers to use their phones outside the licensed serving area of their service provider.
- Cellular operators that do not directly compete in the same geography have an incentive to offer roaming service to customers of other operators.
- Cellular and PCS providers have an incentive to negotiate voluntary contracts for out-of-system roaming because cellular licensees want the additional roaming revenues from PCS subscribers.
- Roaming was never intended to address competitive issues within licensed geographic areas.
- Short-term resale requirements are an effective way to deal with so-called “head start” issues within each operator’s licensed service territory.

The Marketplace Will Satisfy PCS Roaming Needs (cont'd)

- Cellular carriers have no incentive to limit the roaming revenues they collect by refusing to enter into agreements with PCS licensees from other markets. With more facilities-based cellular and PCS carriers competing for roaming revenues, it should be even easier for PCS licensees to negotiate reasonable roaming deals.
- Important to remember that the roaming agreements that exist today developed in response to customer demand without FCC imposed rules.
- Independent database management companies serve as clearinghouse vendors for the carriers; this allows for the exchange and update of subscriber data and ensures an accurate validation and billing process.
 - This same process will work for PCS providers in instances where dual-mode phones are utilized by PCS customers.

Competition is Best Served By a Market Driven Solution to Roaming

- One significant method by which cellular carriers compete is on the basis of coverage.
- By allowing PCS and cellular carriers to voluntarily negotiate roaming agreements each licensee can construct service areas that respond to competitive demands.
 - Some carriers will design regional systems, others may opt for nationwide and others may put together more of a “local” calling area.
 - In all instances customers benefit from increased options with regard to service and price.
 - In the CMRS marketplace mandatory roaming regulations will only serve to impede competition by preventing licensees from differentiating themselves in the market.

Technical and Fraud Issues Associated with Roaming

- PCS roaming will become widely available on cellular networks as long as PCS subscribers have dual-mode handsets that can receive cellular signals.
- The cost and demand for such dual-mode handsets is unknown at present and therefore it is premature to adopt roaming rules that may not accurately reflect how the market will develop.
- It is also necessary to allow PCS and cellular providers to negotiate roaming contracts that vary from carrier-to-carrier depending on:
 1. the rates to be charged,
 2. the method by which the subscriber data will be exchanged, and
 3. the safeguards required to protect the data from improper use.

Technical and Fraud Issues Associated with Roaming (cont'd)

- Cellular fraud, which varies dramatically from market to market, also supports market driven solutions to roaming issues.
- Fraud exposure is significant in roaming situations because carriers are currently unable to detect unusual calling patterns from roaming subscribers.
 - In some instances cellular fraud has required carriers to adjust roaming agreements to temporarily suspend roaming contracts with carriers in certain markets, such as Washington, D.C. and New York.
- FCC mandated roaming rules are likely to impede the ability of cellular and PCS carriers to respond to fraud concerns.