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EX PARTE OR LATE FILED

July 18, 1996

**EX PARTE**

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

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RE: **Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers (CC Docket No. 95-185)**  
Commission Initiates Proceeding to Implement Interconnection Provisions of Telecommunications Act of 1996 (CC Docket No. 96-98)

Dear Mr. Caton:

The attached material was distributed to Commissioner Chong. 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

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DATE



Sam Ginn  
Chairman and  
Chief Executive Officer

AirTouch Communications  
One California Street  
San Francisco, CA 94111

Telephone: 415 658-2020

July 15, 1996

Commissioner Rachelle Chong  
Federal Communications Commission  
1919 M Street, N.W. - Room 844  
Washington, D. C. 20554

Dear Commissioner Chong:

I am writing you because you and this Commission have been a good friend of the wireless industry and we need your help again.

As you and your colleagues grapple with the many complicated issues raised by the passage of the 1996 Telecommunications Act (1996 Act), it is imperative that you continue to maintain a primary role in the regulation of the wireless industry. As you know, in 1993 Congress decided to give the FCC regulatory authority over commercial mobile radio service providers (CMRS) because the service is nationwide in scope and operates without regard to state boundaries. The FCC responded by creating the Wireless Bureau to oversee the industry and encourage its growth. There is nothing in the 1996 Act that changes this regulatory scheme.

One of the implementation issues raised by the passage of the 1996 Act, however, involves how to regulate LEC/CMRS interconnection negotiations. Even if the FCC decides to rely on Sections 251 and 252 of the 1996 Act to resolve interconnection disputes, it is critical the FCC not give up its Section 332 CMRS jurisdiction. The wireless industry must not find itself back under the scrutiny of state regulators without specific guidance from the FCC.

The need for FCC regulatory oversight is evident when looking at the record developed in CC Docket No. 95-185. Rates charged by the local exchange carriers (LECs) to CMRS providers for interconnection are well in excess of costs, sometimes as high as a thousand percent above incremental costs. In addition, the concept of mutual compensation, as required by Section 20.11(b)(1) of the FCC's rules, has been ignored. It is time to right that wrong, particularly if the FCC wants to encourage broadly based competition.

The CMRS industry needs immediate, interim relief today; not at the end of a nine month negotiation period. This means the FCC must immediately force down rates because the LECs have no incentive to disrupt an existing, albeit unjustified, revenue stream. One way to do this is to simply suspend all LEC/CMRS interconnection rates during the interconnection negotiation period and provide for a true-up mechanism that kicks in once a final rate is negotiated. This proposal is fair to both parties and provides an incentive for the LECs to negotiate in good faith.

I will be calling you next week to see if you would like to discuss this matter further and to answer any questions you may have about this proposal. I appreciate the time and attention you have given to this issue and I look forward to talking to you.

Sincerely,



Sam Ginn