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July 26, 1996

Karen Brinkmann
Wireless Telecommunications Bureau
Federal Communications Commission
Rm. 544
2025 M St., NW
Washington, D.C. 20544

RE: CC Docket 96-98

Dear Karen:

As you requested, enclosed is a summary of how imposition of a new access charge regime on CMRS providers would inadvertently raise interconnection rates for the industry and upset long-standing industry practices. Please let me know if I can be of further help with this matter.

Sincerely,

Cathy Massey

Cathleen A. Massey

cc: Secretary's Office
Michele Farquhar

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A NEW ACCESS CHARGE REGIME SHOULD NOT BE IMPOSED ON CMRS

Any proposal to impose an access charge regime on CMRS providers, even for an interim time period, is bad public policy. For the past 10 years, cellular carriers have successfully resisted repeated attempts by the LECs to rate CMRS calls for toll/local purposes from where the call originates. Instead, the standard practice in the industry is to rate CMRS calls from where the CMRS provider delivers the traffic to the LEC. Calls are rated from the point of delivery because 1) the various methods employed by the LECs for defining their local calling areas are inappropriate for CMRS; and 2) that is where the LEC's facilities begin to be utilized. The typical LEC local calling area is eight to 15 miles in scope, often barely matching up with city limits.[1] Any plan to subject CMRS calls to access charges based upon the location of the originating cell site would have the following presumably unintended effects:

- provide the LECs with a source of access revenue they have never enjoyed in the past;
- provide the LECs with access revenue even though the CMRS provider would be using its own facilities, not the LEC's transport facilities;
- subject an industry that has traditionally been free from access charges to an access charge regime on the eve of access charge reform;
- allow the LECs, through their unilateral imposition of local calling areas, to raise the interconnection costs of a potential local exchange competitor beyond what exist today;
- needlessly upset a standard industry practice;
- require CMRS providers to develop the technical capability to transmit the originating cell site information to the LEC for rating purposes; and
- defeat the FCC's development of a wide area licensing scheme for wireless that takes into account the fact that the community of interest for defining a wireless local calling area is much larger than the wireline model.

If the Commission is concerned CMRS facilities will be used by IXCs to reduce access charge payments while the Commission is considering access charge reform, there is a far less draconian method available to the Commission to prevent this practice. Siphoning IXC traffic through a CMRS network would be a practice that could be detected easily. Instead of imposing an access charge regime, the Commission could subject CMRS providers to periodic audits.

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[1]For example, in Chicago, where AT&T Wireless holds the A Block PCS license, Ameritech defines its local calling area as 0-15 miles from the serving tandem. If AT&T uses Ameritech's Wabash Street tandem, AT&T Wireless estimates that approximately 40 to 50 percent of its traffic originating just within the Chicago BTA would be subject to access charges. This does not even take into account the treatment of traffic in the remainder of the MTA.