interconnectors are entitled to the same type, nature and scope of interconnection as similarly situated interconnectors, and that all interconnectors should have the same access as PBMS.[16] Sprint states that there will be inherent non-pricing benefits if there is physical collocation of facilities and maintenance crews. Sprint also argues that PacTel has not explained how it will comply with network disclosure obligations.[17] Nextel claims that the interconnection options referenced in PacTel's Plan may not be responsive to the needs of individual CMRS providers. Nextel states that the Commission should require complete equality between LEC-affiliate and other CMRS provides for all aspects of interconnection. In order to ensure compliance with this standard, Nextel urges the Commission to require LECs to file full reports on all affiliate interconnection arrangements on a periodic basis.[18]

PacTel asserts that the commenters have not shown that any of the interconnection policies contained in its Plan violate federal policy[19] or are discriminatory.[20] In addition, PacTel states that the commenters have not offered any detail on how its Plan fails to meet their interconnection needs.[21] According to PacTel, the only pending issue is whether the Commission is going to retain its good faith negotiation standard or require LECs to provide interconnection to CMRS providers under a tariff.[22] PacTel responds to Cox's argument regarding the use of state interconnection tariffs by stating that it is not improper to use a tariff provided good faith negotiations have taken place prior to the filing of the tariff.[23] PacTel asserts that it cannot shift interconnection costs to its PCS competitors because when it negotiates with a wireless interconnector, it provides cost data for its interconnection rates to the interconnector under a non-disclosure agreement. PacTel also asserts that Cox's concerns about discounts are unfounded because Pacific Bell's discounts are not based on total volume but on the length of the contract and on an individual carrier's projected minutes of use growth. With respect to mutual compensation, PacTel notes that this issue is pending

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[16] Cox Comments at 49; Nextel Comments at 7; Sprint Comments at 7-8.

[17] Sprint Comments at 8, 13-14.

[18] Nextel Comments at 6-8.

[19] PacTel Reply Comments at 31.

[20] *Id.* at 41.

[21] *Id.* at 33.

[22] *Id.* at 11 (citing *Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services*, CC Docket No. 94-54, *Notice of Proposed Rule Making and Notice of Inquiry*, 9 FCC Rcd 5408 (1994)).

[23] *Id.* at 32 (citing *The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services (Cellular Interconnection Proceeding)*, Report No. CL-379, *Memorandum Opinion and Order on Reconsideration*, 4 FCC Rcd 2369 at paras. 10-15 (1989)).

before the Commission in a separate docket, and that states that once the Commission reaches a decision on this issue it will comply with that decision. [24]

With respect to the collocation argument, PacTel states that to the extent that any PCS provider wants to place transmission facilities and equipment to interconnect with switched or special access equipment, it can order expanded interconnection service from Pacific Bell's tariff. It argues that there is no basis for the Commission to order the physical collocation of PCS equipment on LEC property, and states that real estate is readily available in the market place and that commenters, such as Cox and Sprint, will probably collocate their PCS equipment with their own facilities. PacTel asserts that the benefit of collocating its equipment is a "benefit of integration" and represents "an economy of scope." PacTel also argues that there is no pricing advantage to the collocation of equipment because there is no distance sensitivity in the rates for interconnection between the switch of the CMRS provider and its serving wire center.[25] Finally, PacTel responds that it will follow network disclosure rules already in effect regarding public notification and public disclosure of technical information. In order to alleviate concerns about PBMS acquiring more favorable interconnection arrangements than other PCS providers, PacTel states that it will make PBMS's contract with Pacific Bell available to a third party upon request under a non-disclosure agreement.[26]

4. Joint Marketing/CPNI

Sprint expresses concern with PacTel's joint marketing plans, and argues that the Commission has not expressly authorized the joint marketing of local exchange services and PCS and urges the Commission to impose structural safeguards to prohibit this practice. Sprint avers that a telephone company service representative taking orders (receiving incoming calls) for monopoly local service should not be permitted to prefer, in any way, its affiliated wireless company over competitive wireless companies and should not be allowed to jointly market monopoly and competitive services.[27]

In response, PacTel argues that the joint use of marketing forces is exactly the type of economy of scope that the Commission felt would benefit the public when it decided that LECs could provide PCS on an integrated basis with its wireline services. However, in order to alleviate possible joint marketing concerns, PacTel states in its reply comments that it will comply with the Commission's Customer Proprietary Network Information ("CPNI")

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[24] *Id.* at 38-42.

[25] *Id.* at 35-37.

[26] *Id.* at 27-34 (citing *The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services*, 59 Rad. Reg. 2d 1275 (1986); Report No. CL-379, *Declaratory Ruling*, 2 FCC Rcd 2910 (1987); *Memorandum Opinion and Order on Reconsideration*, 4 FCC Rcd 2369 (1989)).

[27] Sprint Comments at 9-12 (citing *U. S. v. Western Electric Co., Inc.*, 1995-1 Trade Cases ¶ 70,973 (D.D.C. 1995)).

requirements in its provision of PCS. PacTel observes that the Commission has imposed CPNI requirements as a way to allow BOCs to engage in integrated marketing and sales of regulated and nonregulated services.[28]

[28] PacTel at 29-30 (citing Computer III Remand Proceedings: Bell Operating Company Safeguards and Tier 1 Local Exchange Company Safeguards, 6 FCC Rcd 7571, 7571 (1991)).

APPENDIX C

CMRS SAFEGUARDS COMPARISON

	Broadband PCS Order Non-Structural Safeguards	Current BOC Cellular Structural Separation (§22.903)	Proposed BOC Cellular Streamlined Structural Separation (Proposed Revisions to §22.903 under Option 1)	Proposed Non-Separated Affiliate Safeguards for Tier 1 LEC PCS (Applicable to BOC Cellular under Option 2)
Independent operation/ separate officers, separate personnel?	No requirements	Full independence, separate officers and personnel for cellular subsidiary	Full independence, separate officers and personnel for cellular subsidiary	Separate corporate structure; independence, separate officers and personnel not required
Separate capitalization?	No requirements	No requirements	No requirements	No requirements
Part 64/Part 32 cost rules apply?	Yes	Yes; few joint costs - primarily affiliate transactions	Yes; few joint costs anticipated - primarily affiliate transactions	Yes; few joint costs anticipated - primarily affiliate transactions
Joint/common computer and transmission facilities?	No requirements	No; must utilize separate facilities for provision of cellular service	Out-of-region: yes; In-region: no, if facility used for incumbent local exchange service	Out-of-region: yes; In-region: no, if facility used for incumbent local exchange service
Joint marketing?	No requirements	Yes, as permitted by §601(d) of 1996 Telecommunications Act	Yes, as permitted by §601(d) of 1996 Telecommunications Act	Yes, as permitted by §601(d) of 1996 Telecommunications Act)
Joint research and development?	No requirements	Yes, but must be on arms-length, compensatory basis	Yes, but must be on arms-length, compensatory basis	No requirements (Part 64 rules apply)
CPNI requirements?	No requirements	No access to LEC CPNI unless publicly available	Implement 1996 Act provisions requiring prior written customer authorization for disclosure	Implement 1996 Act provisions requiring prior written customer authorization for disclosure
Network information disclosure?	No requirements	No requirements	Implement 1996 Act provisions requiring public notice of network changes	Implement 1996 Act provisions requiring public notice of network changes