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Building The Wireless Future™

July 25, 1996

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SEP 6 - 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Reed E. Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, NW, Room 814  
Washington, DC 20554-0001

**Re: Ex Parte Presentation**  
**CC Docket No. 95-185** (Interconnection Between Local  
Exchange Carriers and Commercial Mobile Radio  
Service Providers) and **CC Docket No. 96-98**  
(Implementation of the Local Competition Provisions in  
the Telecommunications Act of 1996)

**Brian F. Fontes**  
Senior Vice President for  
Policy and Administration

Dear Mr. Chairman:

The Commercial Mobile Radio Service (CMRS) industry -- created as a competitive telecommunications marketplace, and bringing the benefits of competition to America's telecom consumers -- has spent more than \$20 billion in acquiring licenses from the FCC. Crucial to this investment was the belief that they would have a fair opportunity to compete. In fact, the FCC promised:

- reciprocal treatment of CMRS providers by LEC (pursuant to the FCC's Second Report and Order in the CMRS proceeding); and
- regulatory flexibility and forbearance (pursuant to the FCC's actions upholding Congress' preemption of state rate and entry regulation).

Any retreat from these promises would deeply disappoint:

1. the companies which invested in CMRS licenses;
2. the consumers of wireless services, and
3. the additional consumers who won't enjoy real competitive choices in the new telecommunications marketplace.

Congress intended -- and intends -- for consumers to enjoy a wide range of competitive choices for telecommunications providers and services.

To foster this aim, Congress preempted state entry regulations, and Congress and the FCC preempted state rate regulations after a demonstration that such regulations suppressed competition, and delayed the availability to consumers of innovative services and technologies.

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The FCC cannot adopt a policy which subjects CMRS carriers to the vagaries of state regulators who have explicitly stated (or implied) that they will deny equitable treatment of CMRS providers absent complete reinstatement of state rate and entry regulation, and still claim to comply with Congressional intent.

At the very least, to produce a result compatible with Congressional intent and consumer interest, the FCC must:

1. assert the continuing primacy of federal jurisdiction over CMRS-related issues, regardless of the extent of its current exercise of jurisdiction;
2. adopt a policy statement directing states to refrain from imposing under any guise barriers to CMRS entry into the marketplace and the provision of competitive services, including wireless local loop services;
3. enforce a policy of reciprocity of interconnection and compensation for CMRS-LEC traffic exchanges;
4. provide guidelines for CMRS-LEC traffic exchanges, including:
  - a reciprocity requirement;
  - definitions clarifying the distinction between such traffic exchange and local exchange access (insuring that LECs do not treat CMRS providers as customers, subject to the payment of excessive interconnection fees); and
  - affirmation of the co-carrier status of CMRS providers, entitled to equivalent treatment by LECs;
5. provide guidelines for the negotiation and mediation of interconnection agreements, and affirming that in the event of a failure to engage in good faith negotiations mediation will occur at the federal level; and
6. require renegotiation or a "fresh look" at CMRS-LEC interconnection agreements and relationships which violate the above-mentioned guidelines.

Only in this fashion can the FCC fulfill its earlier commitments to providers and consumers of wireless services, and keep faith with the Congressional mandate of full and fair competition.

Sincerely,



Brian F. Fontes