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Federal Communications Commission
Office of Secretary

Regina M Keeney
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW - Room 500
Washington, DC 20554

Re: CC Docket No. 96-61 - Rate Integration for Pacific Islands

Dear Ms. Keeney:

Pursuant to the Commission's August 7, 1996, Order in the above docket ("Order") AT&T submits its final plan for integrating Guam and the Commonwealth of the Northern Mariana Islands (collectively the "Pacific Islands") into its domestic rate schedules.¹ The Order (§ 67) requires carriers to implement rate integration by establishing rates for services provided to the Pacific Islands "consistent with the rate methodology it employs for services it provides to other states."²

For all business and consumer switched services, AT&T will comply with this requirement by identifying each of the Pacific Islands as a termination point for the service and expanding the longest current mileage band so that it will include calls to (and in the case of inbound services, from) those locations. For example, AT&T will modify the definition of the longest mileage band for its Consumer Long Distance Services by extending the maximum mileage for that band; similar modifications will be made to the longest mileage bands for all other applicable

¹ AT&T's plan assumes, consistent with the express terms of the Order (§ 72) that the implementation of rate integration will not affect the classification or treatment of the underlying costs or facilities between these offshore points and other U.S. points for purposes of AT&T's interconnection arrangements with foreign carriers.

² Carriers are also directed to use the same ratemaking methodology and rate structure when offering services to subscribers in such areas. AT&T has not made any determination whether to expand (or contract) its very limited provision of services that originate in the Pacific Islands, and this letter is not a representation that AT&T intends to offer any specific services to subscribers in any of those places. However, to the extent AT&T provides services to subscribers in the Pacific Islands, AT&T's rates and rate structures for such services will be integrated with the rates charged to customers throughout the country.

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business and consumer switched services. For services that have rate bands composed of specific termination points, e.g. switched services originating in Puerto Rico and the US Virgin Islands, the Pacific Islands will be included in the most distant band. Calls to the Pacific Islands will be eligible for inclusion in all of AT&T's domestic optional calling plans and/or volume discount programs.

For private line services, AT&T is adopting the same ratemaking methodology for services to the Pacific Islands as for other domestic services. In addition, AT&T will book Tariff 12 and Contract Tariff service revenues for calls to those areas as domestic, rather than international, but will not change the terms of existing underlying contracts.

AT&T's ability to implement its rate integration plan is dependent upon, and directly tied to, the implementation of the North American Numbering Plan (NANP) in the Pacific Islands. Modifications are required in AT&T's network to accommodate both the NANP conversion and the implementation of the rate integration plan. Implementation of the rate integration plan can only be accomplished simultaneously with the NANP changes in the Pacific Islands. For that reason, AT&T currently plans to implement its integration plan on July 1, 1997, the presently scheduled date for inclusion of the Pacific Islands in the NANP. Should that schedule be modified, AT&T's conversion to domestic rating of these calls will be modified to coincide with the implementation of the NANP.³

Yours Truly,



³ As noted in my February 1, 1997 letter describing AT&T's preliminary rate integration plan, American Samoa has been invited to participate in the NANP but has declined to participate. For the reasons cited in my earlier letter, AT&T will be unable to integrate American Samoa into its domestic rating systems until it participates in the NANP.