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June 30, 1997

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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

Re: CC Docket 96-61 - Rate Integration Plans for Guam and CNMI

Dear Mr. Caton:

On June 2, 1997, AT&T submitted its final plan for rate integration to Guam and The Commonwealth of the Northern Mariana Islands (CNMI). On June 16, 1997, Counsel for the CNMI filed comments on the plans submitted by AT&T and other Interexchange Carriers. In those Comments, CNMI alleges that AT&T's final plan is deficient because it does not address integration of rates to American Samoa, and urges the Commission to adopt measures ... "as may be necessary...."

In its final plan, AT&T in fact addressed American Samoa, stating, consistent with the position set forth in AT&T's preliminary plan filed with the Commission on January, 31, 1997, that it could not integrate rates to that U.S. Territory by August 1, 1997, because American Samoa had not sought to participate in the North American Numbering Plan (NANP). In connection with Guam and CNMI, the Commission acknowledged that this condition would facilitate rate integration. In developing a plan to comply with the Commission's order for those islands, AT&T and other carriers quickly realized that NANP conversion was in fact critical to achieve rate integration.

While this 'second phase' of rate integration is often viewed by many as a simple expansion of the Commission's original rate integration plan for Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands, integration of these distant Pacific territories presents many, and far more complex, implementation issues. For example, the States and Territories subject to the original integration orders were already in the NANP; only WATS and MTS, provided by AT&T alone, were subject to the orders; rate schedules were far simpler; and customer pricing packages such as Optional Calling Plans and Volume Discount Plans were not yet permitted by the FCC. Moreover, as the Commission is aware, AT&T has no

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Point of Presence (PoP) in American Samoa, (or, for that matter in Guam or CNMI) nor does it expect, at this time, to establish such a PoP. AT&T works with the Office of Communications of the American Samoa Government to provide service jointly between American Samoa and other domestic locations served by AT&T. Thus, AT&T can not act alone in implementing rate integration for American Samoa. Rather, all rate integration efforts have to be coordinated with the American Samoa Office of Communications.

In discussions with Mr. Aleki Sene, Director of Communications, American Samoa, representatives of AT&T's Sydney, Australia, International Business Relations Office were advised in 1996 that American Samoa believed it had been successful in its efforts to be excluded from NANP conversion and rate integration. Given this understanding of the public position of its correspondent in American Samoa, AT&T cannot develop a plan for integration of rates between American Samoa and AT&T-served domestic locations.

On June 9 and 10, 1997, the Guam/CNMI Working Group met in Washington, D.C. to review final preparations for rate integration for Guam and CNMI. (Ex Parte letter filed June 11, 1997; meeting minutes (minutes) filed June 19, 1997.) Attendees at the meeting included representatives of the Governments of Guam and CNMI, the involved carriers, the FCC, and, for the first time, representatives of American Samoa, who stressed, however, that they were attending as interested parties rather than official representatives of the Government of Samoa.

The status of rate integration to American Samoa was one of a number of issues discussed at that meeting. Both of the Samoan attendees, Susan Yakutis, Legislative Assistant to Congressman Eni Faleomavaega, American Samoa, and Janice Lipsen of the American Samoa Governor's Office, indicated that there may have been a change in the position of the Government of American Samoa regarding rate integration. This apparent change was also noted by William Baily of the FCC based on his conversation with the representatives of American Samoa (minutes, pg.4.). Nevertheless, although the minutes of the meeting do not recount the depth of the conversation surrounding these issues, they do reflect, albeit somewhat tersely, the conclusion reached: "All agreed that they plan to treat American Samoa the same as before."

It is clear that the situation regarding implementation of rate integration of American Samoa, far from being a simple matter, involves complex issues that deserve the same depth of study that has led up to the implementation of rate integration to Guam and CNMI by AT&T. The Commission should thus defer further action on rate integration for American Samoa so that it may obtain a more complete understanding of the realistic alternatives available to benefit the citizens of this Territory.

Yours Truly,

