

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Amendment of Part 2, Subpart K of) CI Docket No. 98-69
the Commission's Rules Regarding the)
Importation of Radio Frequency Devices)
Capable of Causing Harmful)
Interference)

COMMENTS OF GTE

GTE Service Corporation and its affiliated domestic telephone operating, wireless, and long distance companies¹ (collectively, "GTE") hereby responds to the Federal Communications Commission's ("FCC" or "Commission") *Notice of Proposed Rulemaking* ("*Notice*") in the above-captioned proceeding. In the *Notice*, the Commission, *inter alia*, proposes to amend Part 2, Subpart K of the Commission's Rules to prohibit the sale in this country of radio frequency devices capable of causing harmful interference that are imported for export. As discussed below, GTE opposes the proposed amendment.

¹ These comments are filed on behalf of GTE's affiliated domestic telephone operating companies, GTE Wireless Incorporated, and GTE Communications Corporation, Long Distance Division. GTE's domestic telephone operating companies are: GTE Alaska Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., and Contel of the South, Inc.

I. BACKGROUND

GTE is a leading provider of wireless telecommunications services primarily through its subsidiary, GTE Wireless. GTE Wireless provides products and services in 73 metropolitan areas, 53 rural statistical areas and three major trading areas. More than 61 million people live in GTE's licensed areas, 4.5 million of whom are GTE Wireless customers.

Among the many services GTE Wireless provides to its customers is GTE's GlobalRoam® service. GlobalRoam® service allows customers to easily roam when traveling overseas. GlobalRoam® allows a customer roaming internationally and using a foreign-standard telephone to enjoy the benefits of their full cellular service, including the ability to receive incoming calls made to their home cellular number. GlobalRoam® customers can arrange for service in English that is billed in US dollars at a flat per minute rate. Moreover, GlobalRoam® allows customers the convenience of having their charges placed on their GTE bill, thus eliminating the need for international credit, billing and payment arrangements.

Currently, GlobalRoam® service is available in over 65 countries. GTE markets this service to its own customers and to customers of other North American wireless carriers. GTE's GlobalRoam® customers include the United States Air Force, Army, Marine Corps, and Navy and NASA.

II. DISCUSSION

GTE opposes the proposed rule change. Removing the words "for use", as proposed, will prevent GTE from offering GlobalRoam® service in its present form.

Currently, in order to provide GlobalRoam® customers with a source for the required

foreign-standard equipment, GTE imports such equipment and resells it to GTE affiliates, other cellular carriers, and GTE distributors. These firms subsequently rent or sell the handsets to subscribers in advance of their traveling abroad.

GTE believes the FCC's proposal will cause harm and inconvenience to its customers, encourage the use of equipment and services from foreign companies, and hinder the ability of US businesses to communicate when conducting business in overseas markets. Moreover, GTE does not believe its sale of foreign-standard equipment in the United States presents a risk of the kinds of activity the Commission's proposed rule change was designed to address.

If equipment intended for foreign use cannot be sold in the United States, cellular carriers will lose the ability to provide customers a convenient way to procure the necessary foreign-standard cellular handset. As a result, customers will either have to obtain equipment from a foreign vendor for use with GlobalRoam® service or arrange for wireless service from an international vendor when overseas. GTE believes that either alternative would be very costly and inconvenient for cellular customers.²

GTE also believes that the proposed rule change will put United States businesses at a disadvantage when conducting business internationally. Communications needs are essential in conducting all types of business. GTE believes that GlobalRoam® service helps facilitate international business conducted by United

² GTE also notes that implementation of GlobalRoam® service has been instrumental in encouraging the growth of international roaming agreements. Thus, any rule change that diminishes this service will likely impede the future proliferation of such agreements.

States companies by allowing businesses to enjoy wireless communications abroad just as easily as they do at home. If forced by the Commission's proposed rule change to forego using GlobalRoam® service, United States cellular customers' ability to conduct business internationally will suffer. GTE believes that FCC rules should facilitate rather than hinder the ability of United States citizens to conduct international commerce.

Finally, GTE does not believe that the Commission's concerns with respect to the current rule apply to the sale of foreign-standard cellular phones in conjunction with GlobalRoam® service. In proposing to modify the current rule, the FCC is concerned that the rule creates a loophole by which persons can purchase imported equipment for use domestically. In particular, the FCC states that because there are economic incentives for sellers of imported equipment not to inquire as to whether the device will be used in the United States, with minimal collusion between buyer and seller, imported devices that may cause harmful interference can be purchased and used domestically.

The same risk, however, is not present in phones purchased by GTE for sale to affiliates, carriers or authorized distributors for use with GlobalRoam® service. Rather than the "don't ask, don't tell" tactics allegedly employed by some sellers, in the case of GlobalRoam®, the importer/seller (GTE) knows exactly to whom it is selling the imported devices and the purpose for which the phones will be used. GTE therefore sees no reason why the FCC's proposed solution to the perceived problem should prohibit the sale of imported phones for use in the international roaming context. Accordingly, GTE urges the Commission either to abandon the proposed rule change entirely, or amend the rule in a manner that will allow GTE and others to continue to import and sell foreign-standard phones intended for use in foreign countries.

III. CONCLUSION

GTE opposes the FCC's proposal to amend its rules to prohibit the sale within the United States of radio frequency devices capable of causing harmful interference that are imported for export. The proposed rule change will prevent GTE from importing foreign-standard cellular phones for the sole purpose of supplying domestic cellular customers with phones that can be used by such customers when roaming abroad.

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Respectfully submitted,

GTE Service Corporation and its affiliated
domestic telephone operating, wireless and
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