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May 27, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-A325
Washington, D.C. 20554

Re: CC Docket No. 96-61
Comments of AT&T WIRELESS SERVICES, INC.

Dear Ms. Salas:

Enclosed for filing on behalf of the AT&T WIRELESS SERVICES, INC. ("AT&T") are an original and (4) copies of AT&T's Comments on the Further Notice of Proposed Rulemaking in the above-captioned proceeding, as well as a copy on diskette. We have also enclosed a copy to be date-stamped and returned. Thanks in advance for your assistance.

Sincerely,


Amy Bushyeager

Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
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MAY 27 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Policy and Rules Concerning the)
Interstate Interexchange Marketplace)
)
Implementation of Section 254(g))
of the Communications Act of 1934,)
As Amended)

CC Docket No. 96-61

COMMENTS OF AT&T WIRELESS SERVICES, INC.

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May 27, 1999

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

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| |) | |
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| Interstate Interexchange Marketplace |) | CC Docket No. 96-61 |
| |) | |
| Implementation of Section 254(g) |) | |
| of the Communications Act of 1934, |) | |
| As Amended |) | |

COMMENTS OF AT&T WIRELESS SERVICES, INC.

Pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, AT&T Wireless Services, Inc. ("AT&T") hereby submits its comments on the Further Notice issued in the above-captioned proceeding in which the Commission seeks comment on the potential application of the rate integration provisions of Section 254(g) of the Communications Act to commercial mobile radio service ("CMRS") providers.^{1/} AT&T urges the Commission to forbear from applying rate integration requirements to CMRS providers because such regulation has not traditionally been applied in this context, and is not necessary to protect CMRS subscribers nor to ensure that rates are reasonable and nondiscriminatory. Should the Commission decide to apply rate integration to CMRS providers, it should apply only to separately-stated charges for interstate, interexchange services.

INTRODUCTION AND SUMMARY

In the Further Notice, the Commission seeks comment on various issues associated with the application of rate integration requirements under Section 254(g) to interstate, interexchange services offered by CMRS carriers. Rather than demonstrate how wireless rate integration would

^{1/} Policy and Rules Concerning the Interstate Interexchange Marketplace Implementation of Section 254(g) of the Communications Act of 1934, Further Notice of Proposed Rulemaking, FCC 99-43, (rel. Apr. 21, 1999) ("Further Notice").

be practicable, however, the questions set forth by the Commission underscore just how difficult it is to apply old-style regulation designed for traditional wireline interexchange carriers to a new generation of wireless providers.

Instead of attempting to draw lines where lines should not be drawn, or figure out the appropriate definition of “interexchange” for an industry to which the term “exchange” is meaningless, the Commission should forbear from applying rate integration to CMRS. Vigorous competition in the wireless services market and existing FCC rules already ensure that no single carrier could impose unreasonable or discriminatory rates or otherwise harm consumers. To the contrary, in the wireless context, rate integration could affirmatively harm consumers by preventing carriers from offering competitive regional and national rates. Similarly, if, despite the lack of any evidence of harm to residents of non-contiguous states and off-shore territories absent wireless rate integration, the Commission is concerned about these areas, it should tailor its rules to address this narrow problem.

Should the Commission decline to forbear from enforcing rate integration with regard to CMRS, it should apply the policy only when providers have serving arrangements that include calls that terminate outside the carriers’ designated local calling area. Any other interpretation would extend the rate integration rules to “local” wireless rates and would prevent wireless carriers from offering service packages tailored to the demands of consumers in specific areas. The Commission should also decline to require integration of rates across CMRS affiliates. Given the overlapping ownership structures in the wireless industry, applying the rate integration rules across affiliates would be virtually impossible without causing severe disruption in business operations and other anti-competitive effects. Finally, the Commission should not integrate the rates of digital and analog services. The Commission has long recognized that rates for different landline interexchange services should not be integrated. Like WATS and message telephone

service, consumers perceive analog and digital technologies differently thus, the Commission should forbear from integrating rates across these services.

AT&T believes that the public interest would be better served if the Commission were to decline to expand its rate integration policy to CMRS providers, and submits that there is ample legal basis for an interpretation of Section 254(g) that permits this exemption. In the alternative, however, AT&T respectfully requests that the Commission consider carefully the lack of consumer harm to date absent wireless rate integration, and the serious impediments to competition a strict application of the policy could pose. Forbearance, in whole or in part, as discussed below is plainly justified.

I. THE COMMISSION SHOULD FORBEAR FROM APPLYING RATE INTEGRATION TO WIRELESS SERVICES

A. Wireless Services Are Fundamentally Different from Wireline Services and Should Not Be Subject to Regulations Designed Specifically for Wireline Carriers

The questions the Commission poses in the Further Notice aptly highlight the problems inherent in trying to fit new technologies and services into “old traditional regulatory boxes.”^{2/} The Commission has determined that Section 254(g) of the Communications Act is applicable to CMRS but, at the same time, it recognizes that the landline model for rate integration cannot easily be adapted to the wireless world.^{3/} In the landline context, interexchange service is defined as “toll service”^{4/} and all interstate toll service is subject to rate integration. The Act defines toll

^{2/} 141 Cong. Rec. S7885-86 (daily ed. June 7, 1995) (statement of Sen. Pressler) (applying traditional regulations to new technologies may result in “unacceptable economic costs, competitiveness losses, and deny[ing] American consumers access to the latest products and services.”).

^{3/} Policy and Rules Concerning the Interstate Interexchange Marketplace Implementation of Section 254(g) of the Communications Act of 1934, Memorandum Opinion and Order, FCC 98-347, 6 ¶ 10 (rel. Dec. 31, 1998) (“Rate Integration Order”).

^{4/} See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, 11 FCC Rcd 15499, 15598 (1996).

service, in turn, as “telephone service between stations in different exchange areas for which there is a separate charge not included in contracts with subscribers for exchange service.”^{5/} If rate integration were applied to wireless carriers, the Commission would be forced to assume that CMRS providers offer interstate interexchange service in much the same manner as their landline counterparts. Wireless service, however, has never fit within this model.^{6/}

CMRS, even that which involves interstate, “long distance” calling, is fundamentally different from traditional landline interexchange service. Wireless service is an end-to-end service that operates without regard to local exchange carriers’ (“LECs”) exchange boundaries or state borders.^{7/} In fact, for wireless providers, “exchanges” are mere regulatory constructs that bear no relationship to their business or reality. For wireless subscribers, long distance often is not a distinct service as it is in the wireline arena. Wireless carriers must take into account the mobility of their customers and be prepared to serve them at any location in the country as well as provide them with a large local calling scope. Accordingly, CMRS subscribers today usually have the option of obtaining flat-rated wide-area calling plans that do not assess separately-stated charges for long distance or roaming services.

Recognizing the differences between wireless and other services, Congress and the Commission have declined to apply traditional regulatory models to wireless carriers in an number of contexts. Unlike incumbent wireline providers, CMRS carriers have no direct

^{5/} 47 U.S.C. § 3(48).

^{6/} The Commission acknowledged this in part by designating the “major trading area” as the local calling area for purposes of wireless reciprocal compensation. 47 C.F.R. §51.701(b)(2).

^{7/} Section 332(c)(3) of the Communications Act, added by the Budget Act of 1993, prohibits states and localities from regulating “the entry of or the rates charged by any commercial mobile service.” The legislative history of the 1993 Budget Act affirms the “borderless” nature of wireless communications. H.R. Rep. No. 103-111, at 260 (1993) (stating that mobile services, by their nature, operate without regard to state lines).

interconnection obligations,^{8/} and are exempted from the equal access provisions of the 1996 Act.^{9/} Likewise, the Commission has forbore from enforcing tariffing and rate hearing requirements with respect to CMRS providers.^{10/} These differences in regulatory treatment have caused no harm to wireless consumers or competition. Quite to the contrary, through forbearance, the Commission has helped create an environment that permits subscribers to benefit enormously through lower prices, exciting new services, and improved quality of wireless technology.

B. Forbearance from Enforcing the Act's Rate Integration Provisions for Wireless Services is Warranted

Section 10(a) of the Communications Act requires the Commission to forbear from applying any provision of the Act if it determines that: (1) enforcement is not necessary to ensure that rates are just and reasonable, and not unreasonably discriminatory; (2) enforcement is not necessary to protect consumers; and (3) forbearance is consistent with the public interest.^{11/} Wireless carriers have shown that forbearance from application of rate integration meets this three-part test.

Vigorous competition in the wireless services market ensures that no single carrier could impose rates that are unjust, unreasonable, or unreasonably discriminatory. In its most recent report to Congress, the FCC found that competition in a number of segments of the CMRS

^{8/} Compare 47 U.S.C. 251(b) with 251(c).

^{9/} 47 U.S.C. 251(g).

^{10/} Under Section 332 of the Act, the Commission has forbore from enforcing Sections 203, 204, 205, 211 and 214 with regard to wireless carriers. Implementation of Sections 3(n) and 332 of the Communications Act, Second Report and Order, 9 FCC Rcd 1411, 1478-1481 ¶¶ 173-82 (1994) ("Second CMRS Report and Order").

^{11/} 47 U.S.C. §160(a)(1)-(3). This standard is repeated in section 332(c)(1)(A) which grants the FCC the authority to forbear from imposing certain common carrier obligations on CMRS providers.

industry has grown more than ever before,^{12/} and as a result of that competition, consumers can choose from an increased number of services at lower prices.^{13/} Moreover, the FCC noted that the CMRS market is characterized by a large number of new entrants and a convergence of service offerings that allows competitors to compete across industry lines.^{14/} Given these circumstances, the Commission has explicitly found that regulation of CMRS rates is unnecessary to ensure just and reasonable rates.^{15/} No concrete justification for finding otherwise with respect to rate integration has been advanced by any party or the Commission.

Nor is application of rate integration to CMRS necessary to protect consumers. From the advent of mobile telecommunications services to the present day, wireless services have not been subject to rate integration. Despite the absence of this requirement, there is absolutely no evidence that CMRS providers have discriminated against customers or have otherwise engaged in unreasonable practices. Even though Hawaii and Alaska argue that rate integration should apply to wireless carriers, they fail to cite circumstances in which their residents have been treated in a less than equitable fashion. Indeed, their concerns seem contradicted by the fact that competition in the wireless market has spread to non-contiguous, insular points such as Hawaii, Alaska, Guam, and Puerto Rico.

^{12/} Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services, Third Report, 13 FCC Rcd 19746, 19749 (1998).

^{13/} Id. at 19816. The FCC relied on studies which found that prices for mobile telephone service have decreased over time, dropping as much as 25 percent between 1994 and 1997. Id. at 19769-70. Likewise, the competitive pricing plans offered by cellular and PCS providers have driven prices substantially downward. Id.

^{14/} Id. at 19749, 19754 (finding, for example, that mobile telephone providers now compete vigorously with paging services).

^{15/} See Second CMRS Report and Order at 1478-81 ¶¶ 173-82.

Pursuant to a congressional mandate, the Commission has found that CMRS regulation must be justified by the record, and must be narrowly tailored to solve a specific problem.^{16/} The speculative concerns raised by Hawaii and Alaska do not merit imposing additional regulation on wireless carriers.^{17/} To the contrary, their citizens will be best protected by a regulatory environment that fosters competition.

Rather than protect the public interest, rate integration in this context would be affirmatively detrimental to consumers. Wireless carriers provide a variety of rate and service plans, which differ from carrier to carrier as well as from location to location within a single carrier's service territory. These plans result from careful study of customer demands and costs unique to each region. For instance, market research may show that callers in New York appreciate inexpensive long distance calling in exchange for higher local airtime rates. Such a plan may not work in California, however, because of lack of consumer interest or the inability to offer the plan in a cost effective manner. Moreover, permitting carriers to respond quickly to competition on a local or regional basis without the need to make the service package available simultaneously across the nation will result in even greater savings for consumers.

As the FCC and Congress have acknowledged, flexible service plans at multiple pricing points evince robust competition and provide substantial consumer benefits.^{18/} Under rate integration, however, AT&T and other carriers might have to eliminate a number of existing

^{16/} See *id.* at 1418 ¶¶ 13-16 (stating that the congressional objectives behind section 332 form the basis for the policy against unwarranted regulatory burdens on CMRS providers).

^{17/} Despite the absence of evidence of discrimination, if the FCC is concerned about the treatment of residents of non-contiguous states and offshore territories, it should tailor a solution to that narrow problem.

^{18/} The legislative history of the Act reveals that one of its purposes was to permit CMRS carriers to offer end-to-end services that bundle long distance for the price of a local call. See e.g., 141 Cong. Rec. S8159 (daily e.d. June 12, 1995) (statement of Senator Ashcroft) ("The bill lifts all restrictions on the cellular industry and allows the cellular provider to say: Go ahead, make a long distance call for the same price as a local call.").

calling arrangements and forgo efforts to design new plans for specific regions or states if such plans do not contain identical charges for long distance service. Such a result would deny customers the benefits of calling plans tailored to their needs, as well as the benefits of a competitive marketplace.

II. IF THE COMMISSION DECIDES TO APPLY RATE INTEGRATION TO CMRS, IT SHOULD TAILOR THE OBLIGATION NARROWLY

As demonstrated amply in this proceeding, application of rate integration to wireless services will diminish competition and consumer choice and is unnecessary to prevent anticompetitive conduct. To the extent the Commission will not forbear entirely from applying Section 254(g) to CMRS, however, it should narrowly tailor the obligation to fit the competitive wireless environment that exists today. In particular, the Commission should adopt rate integration rules that take into account the unique aspects of CMRS, including plans that do not assess separate long distance charges, wide-area calling plans, overlapping affiliation, and the different types of services offered by PCS and cellular providers.

A. Rate Integration Should Apply, if at all, Only to Separately-Stated Charges for Calls That Terminate Outside a Carrier's Designated "Local" Calling Area.

If the Commission decides not to forbear completely, rate integration should apply only to serving arrangements that include separately-stated rates for interstate calls that terminate outside the "local" calling area established by the wireless carrier.^{19/} Over the past several years, wireless carriers have begun offering a multitude of service packages, many of which permit

^{19/} In its order staying rate integration as it applies to wide-area calling plans, the Commission acknowledged that application of rate integration to wireless services that bundle airtime and long distance services could be "disruptive to consumers." Policy and Rules Concerning the Interstate, Interexchange Marketplace Implementation of Section 254(g) of the Communications Act of 1934, Order, 12 FCC Rcd 15739, 15747 ¶ 15. Likewise, in the Rate Integration Order, the Commission stated that the case against forbearance from enforcing rate integration is especially compelling with respect to separately-stated long distance charges. Rate Integration Order at ¶ 32.

customers to pay flat monthly fees for a set number of airtime minutes without regard to whether those minutes are “local” or “long distance.”^{20/} Some of these plans have as the local calling area the entire nation; others designate various regional geographic areas as local; and still others may be state-specific. Since its launch in May 1998, AT&T’s “Digital One Rate” (“DOR”) has become one of AT&T’s most popular service offerings. DOR is an innovative service that allows subscribers to call anywhere in the United States – including Alaska and Hawaii – for a flat monthly rate. With DOR, there are no long distance or roaming fees because every call is considered a local call. DOR service is available in a number of different packages that balance the amount of airtime with the flat rate, allowing consumers to select the plan most suited to their calling needs. Market research shows that consumers like the ease of a flat rate and the ability to control how they use their minutes. They particularly appreciate the fact that there are no separate charges for long distance and roaming. For busy professionals who spend time on the road, DOR represents the most convenient and cost effective way to stay in touch with business contacts and family members.

The reasons that consumers demand DOR are the very reasons that make the application of rate integration so difficult. DOR, by design, does not have a long distance component because all calls, irrespective of distance or roaming, are one flat rate. With DOR, a customer can take advantage of cost savings on long distance and roaming without ever crossing a state line, or could use the service to make numerous interstate calls and while roaming in many states. If the Commission were to apply rate integration to DOR, it would either have to force AT&T to unbundle the offering to determine which minutes are “long distance,” or engage in rate regulation for the entire offering. The former would defeat the purpose of DOR and the latter would effectively regulate AT&T’s local rates for wireless service -- a result that runs contrary to

^{20/} These plans even include roaming minutes.

Congress's and the Commission's consistent decisions regarding both rate integration and wireless rate regulation.^{21/}

Under section 332(c)(1)(A), the FCC is required to forbear from imposing common carrier-like obligations, such as rate regulation, on wireless providers if it finds that (1) enforcement is not necessary to ensure that charges and practices are just, reasonable, and reasonably nondiscriminatory; (2) enforcement is not necessary to protect the public; and (3) that forbearance is in the public interest.^{22/} Applying this standard, the FCC forbore from regulating the rates of CMRS providers, including the requirement that they file tariffs.^{23/} In so doing, the Commission found that both existing and impending competition would ensure the lawfulness of wireless services' rate levels, rate structures, and terms and conditions, and that Sections 201 and 202 of the Communications Act would provide adequate consumer protection.^{24/} If these provisions adequately protect against discrimination in wireless rate levels, it is unclear why a specific rule is needed to ensure uniformity of rates. Like tariffing, rate integration is a form of rate regulation of CMRS, which should not be imposed absent strong evidence of its need. The case for forbearance from rate integration is especially compelling in the case of bundled service offerings in which long distance service rates are not broken out.^{25/}

As noted previously, wireless carriers often establish regions much larger than landline calling areas in which no long distance charges are assessed to customers. Sometimes the "local" area encompasses the entire nation (as with AT&T's DOR plan) and in other cases, it is regional

^{21/} Rate Integration Order at ¶ 23 (concluding that intra-MTA calls are not subject to rate integration).

^{22/} 47 U.S.C. 332(c)(1)(A)(i)-(iii).

^{23/} Second CMRS Report and Order at 1478 ¶ 174.

^{24/} Id. at 1478 ¶ 173. Section 332(c) is identical to the standard for forbearance under section 10(a).

^{25/} Rate Integration Order at ¶ 32.

or statewide. Customers demand these plans because, in many markets, they travel regularly within the expanded local calling area. AT&T, for instance, has designated a number of cities and counties in its New York and New Jersey service areas as one “local” calling area for subscribers of some of its plans. Similarly, BellSouth finds that many of its customers regularly travel from Birmingham to Atlanta.^{26/} Thus, BellSouth designed a toll-free rate plan for calls between those two cities.

Imposing rate integration on CMRS carriers may require them to abandon these beneficial wide-area calling plans. A literal application of rate integration could require a wireless carrier to impose a charge for a call between Washington, D.C. and Philadelphia, for which there previously had been no separate toll charge, simply because in another market, it imposes a charge for a call of equal distance. In addition, application of rate integration would disadvantage wireless providers who operate in more than one market by precluding them from responding to local conditions unless they roll out the same offering nationwide. This is a cumbersome and wholly unnecessary impediment to the vigorous competition wireless consumers expect and deserve. Wireless carriers should have the flexibility to determine the “local” calling areas that suit their customers’ needs, and what balance of rates and airtime minutes make the plans the most cost-effective and attractive to consumers in each location. Requiring a CMRS carrier to unify its “long distance” rates based on an arbitrary definition of “interexchange” that has no relevance to the wireless business is not necessary to ensure just and reasonable rates or to protect consumers, and it surely is not in the public interest.

Finally, the limited application of rate integration to separately-stated long distance services should not be read to include separate long distance charges incurred while roaming. As an initial matter, roaming is distinct service from “home” service and, therefore, the long

^{26/} BellSouth’s Petition for Reconsideration and Forbearance, CC Docket No. 96-61, at 20 (filed Oct. 3, 1997).

distance charges assessed while a carrier is roaming should not have to be integrated with other long distance charges.^{27/} In addition, the long distance costs carriers incur when their subscribers place or receive calls while roaming clearly differ from the costs of providing in-network service. In this regard, wireless carriers never know where their subscribers will travel and, thus, have no control over the charges imposed by roamed-on carriers. Indeed, a cottage industry has long existed to “trap” roaming subscribers and, by implication their carriers, into paying exorbitant fees. Wireless carriers should have the flexibility to adjust their rates according to the market costs they incur.

B. Application of Rate Integration Across Affiliates Would Diminish Competition

The chain of ownership interests in the wireless market is quite complex. As the Commission acknowledges, a stringent affiliation rule would “be unworkable and would adversely effect [sic] pricing and customer choice.”^{28/} While the Commission proposes various options for when the “affiliation” rule would come into effect, the overlapping ownership structures in the wireless industry make it virtually impossible to draw the line without severe disruption in business operations.

Applying the current rate integration rule, AT&T, BellSouth, Bell Atlantic, PrimeCo, and U S WEST could be required to unify their rates.^{29/} Without even considering the antitrust implications of such a requirement, nationwide uniformity of rates would eliminate one of the FCC’s central objectives in introducing competition into the CMRS market -- price differentiation. Moreover, consumers would lose the benefits of having service plans tailored to

^{27/} See Further Notice at ¶ 32 (in the landline context, the Commission has not required integration of MTS, WATS, and private line services).

^{28/} Further Notice at ¶ 23.

^{29/} PrimeCo is jointly owned by AirTouch, U S WEST and Bell Atlantic. Bell Atlantic is engaged in partnerships with Frontier. AT&T and AirTouch jointly own a number of systems. AT&T and BellSouth also jointly own systems in the Los Angeles and Houston area.

their specific needs. This would likely be the case even if the Commission adopted a greater than 51 percent control standard for determining affiliation. For instance, a wireless company with two parents could be forced to adopt the rate structure of its controlling parent, which is located in a distant city, despite the fact that its day-to-day operations are managed by its other parent, which is located in the same market, or the fact that its competitor is offering entirely different price plans. The inability to base decisions on local circumstances or business considerations may also detract from the success of the partnership, thereby exposing the managing partner to claims of breach of fiduciary duty.

Because drawing the line in the wireless services market is so difficult, AT&T suggests that the Commission decline to adopt an affiliation threshold, and assess the effect of that decision in the future. Even in the absence of an affiliation requirement, Sections 201(b) and 202(a) will prevent carriers from adopting discriminatory or unreasonable rates or service offerings.

C. Rates Should Not Necessarily Be Integrated Across PCS and Cellular Services.

The Commission seeks comment on whether the rates for PCS and cellular services should be integrated and asks whether there are similarities or differences between the two services that would warrant either decision. While cellular and PCS are becoming more substitutable each year, AT&T agrees with BellSouth that integration across the two services could restrain the development of PCS. As new entrants to the wireless marketplace, PCS providers have had to differentiate themselves from incumbent cellular carriers on the basis of both service and price. Requiring a PCS provider to unify its separately-stated interstate toll charges with a cellular affiliate could hamper the PCS provider's ability to respond to existing conditions within its own market.

In no event, however, should the Commission require integration of “long distance” rates across digital and analog services.^{30/} Digital and analog services are quite different from the perspective of both carriers and customers. Digital technology is perceived by some consumers to be superior to analog services because it is the next generation wireless technology, and provides enhanced features such as voice mail, memory indicators, Caller ID, and enhanced security. In addition, because digital technology is more efficient than analog technology (which requires substantially more bandwidth per customer), carriers have priced their digital services in a manner that encourages migration to digital. For example, AT&T Wireless charges its analog customers \$0.25 per minute for long distance calls, while digital customers enjoy a \$0.15 rate.

The Commission has long recognized that rates for different services should not be integrated. In the landline context, the Commission has made clear that different long distance services, such as WATS, message telephone service, and private line services must be internally integrated, but that they do not have to be integrated with each other.^{31/} Similarly, the Commission has held that a company need not integrate its interexchange rates for CMRS and landline services.^{32/} If CMRS becomes subject to rate integration, the Commission should not require integration across analog and digital services.

CONCLUSION

For the foregoing reasons, the Commission should forbear from applying rate integration to CMRS. Rate integration is not necessary to protect consumers nor to ensure that rates are reasonable and nondiscriminatory. To the contrary, applying rate integration would harm

^{30/} PCS is a digital service and, while many cellular carriers are converting their networks to digital technology, all use at least some analog technology today.

^{31/} Further Notice at ¶ 32.

^{32/} Policy and Rules Concerning the Interstate Interexchange Marketplace Implementation of Section 254(g) of the Communications Act of 1934, First Memorandum Opinion and Order on Reconsideration, 12 FCC Rcd 11812, 11821 ¶ 18.

consumers by preventing CMRS providers from offering competitive national and regional calling plans. Should the Commission decide to apply rate integration to CMRS, however, it should do so narrowly. Rate integration should apply only when the provider charges a separately-stated toll rate for interstate calls that terminate outside the provider's designated local calling area. The Commission should likewise decline to apply rate integration across digital and analog services.

Respectfully submitted,

AT&T WIRELESS SERVICES, INC.

Handwritten signature of Douglas I. Brandon in black ink, with the initials 'bn ALB' written to the right of the signature.

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Of Counsel

May 27, 1999

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CERTIFICATE OF SERVICE

I, Teresa S. Kadlub, hereby certify that on this 27th day of May 1999, caused copies of the foregoing "Comments of the Cellular Telecommunications Industry Association" to be sent to the following by either first class mail, postage prepaid, or hand delivery (*):

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A handwritten signature in cursive script, reading "Teresa S. Kadlub", written in black ink. The signature is positioned above a horizontal line.

Teresa S. Kadlub