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Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

One Financial Center
Boston, Massachusetts 02111
Telephone: 617/542-6000
Fax: 617/542-2241

Telephone: 202/434-7300
Fax: 202/434-7400
www.mintz.com

Amy Bushyeager

Direct Dial Number
202/434-7479
Internet Address
abushyeager@mintz.com

June 28, 1999

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

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JUN 28 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 96-61
Reply Comments of Cellular Telecommunications Industry Association

Dear Ms. Salas:

Enclosed for filing on behalf of the Cellular Telecommunications Industry Association are an original and (4) copies of CTIA's Reply 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

DCDOCS: 152646.1 (39s6011.doc)

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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Policy and Rules Concerning the)	
Interstate, Interexchange)	
Marketplace)	CC Docket No. 96-61
)	
Implementation of Section 254(g))	
of the Communications Act)	
as amended)	

**REPLY COMMENTS OF
THE CELLULAR TELECOMMUNICATIONS INDUSTRY ASSOCIATION**

The Cellular Telecommunications Industry Association (“CTIA”),^{1/} by its attorneys, hereby replies to the comments submitted in response to the Further Notice in the above-captioned proceeding.^{2/}

In near unanimity, the commenting parties agree that attempting to apply rate integration requirements developed for interstate wireline carriers to the vibrant and competitive wireless marketplace is unnecessary. Even Alaska and Hawaii, the only two commenters that support wireless rate integration, recognize the unique difficulties inherent in applying rate integration to wireless carriers, especially with respect to services offered through affiliates, and the need for

^{1/} CTIA is the international organization of the wireless communications industry for both wireless carriers and manufacturers. Membership in the association covers all Commercial Mobile Radio Service (“CMRS”) providers and manufacturers, and includes 48 of the 50 largest cellular and broadband PCS providers. CTIA represents more broadband PCS carriers and more cellular carriers than any other trade association.

^{2/} 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, Further Notice of Proposed Rulemaking, FCC 99-43 (rel. April 21, 1999) (“Further Notice”).

rules that recognize these differences.^{3/} The failure of Alaska and Hawaii to offer any specific proposals, however, underscores the infeasibility of applying rate integration to wireless services.

Apart from the practical difficulties, the Commission should forbear from imposing rate integration on wireless carriers because the vigorous competition in the CMRS marketplace will ensure that wireless rates are just and reasonable, and that consumers are protected from unreasonable discrimination. As the comments amply demonstrate, the proliferation of wireless providers in every market, including Alaska and Hawaii, prevents carriers from charging unjust or discriminatory rates. Competition has also motivated carriers to develop innovative calling plans that eliminate long distance and roaming charges for calls within large regions and, in some cases, across the country. With the variety of calling plans available, consumers can choose an option best suited to their lifestyle and calling patterns.

Absent forbearance, consumers will lose this wide range of service and pricing options. The vast majority of commenters agree that the business models and service offerings that characterize the wireless market would make enforcement of the rate integration requirements a hopelessly frustrating task for regulators and service providers. Wide-area calling plans, for instance, are not interexchange services and, by design, do not contain a “toll” element. Applying rate integration to these services would force carriers to significantly modify network and billing systems in order to comply with a regulatory scheme based on artificial boundaries. Wireless carriers have also forged joint ventures and partnerships to obtain the investment necessary to bring innovative services to market. Application of rate integration to these

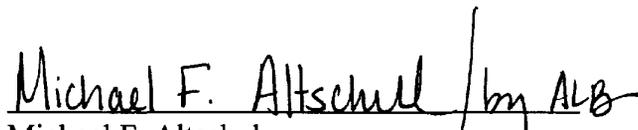
^{3/} Comments of the State of Hawaii, CC Docket No. 96-61 at 7, filed May 27, 1999 (stating that Hawaii supports modifying the definition of “affiliate” for wireless rate integration); Comments of the State of Alaska, CC Docket No. 96-61 at 2-3, filed May 26, 1999 (stating that Alaska supports simplifying rate integration rules for wireless providers).

complex ownership structures would disrupt the ability of these carriers to respond to consumer demand with new and competitively-priced services.

CONCLUSION

For the foregoing reasons and as set forth in its initial comments, CTIA respectfully urges the Commission to forbear from applying its rate integration requirements to CMRS providers. Attempting to force wireless carriers into a regulatory mold designed for interstate telephone companies will reduce competition and create regulatory uncertainty. Under the statutory standards of sections 10 and 332(c), forbearance is clearly justified.

Respectfully submitted,


Michael F. Altschul
Vice President, General Counsel

Randall S. Coleman
Vice President,
Regulatory Policy and Law

CELLULAR TELECOMMUNICATIONS
INDUSTRY ASSOCIATION
1250 Connecticut Avenue, N.W.
Washington, D.C. 20036
202/785-0081

June 28, 1999

CERTIFICATE OF SERVICE

I, Teresa S. Kadlub, hereby certify that on this 28th day of June, 1999, I caused copies of the foregoing "Reply Comments of the Cellular Telecommunications Industry Association" to be sent to the following by either first class mail, postage prepaid, or hand delivery (*):

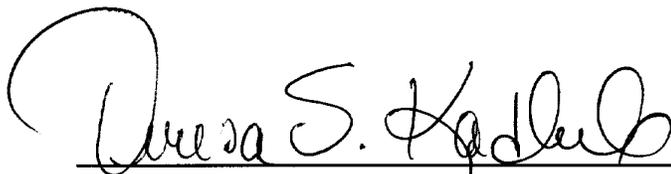
James Schlichting*
Deputy Chief
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., Room 3C224
Washington, D.C. 20554

Jeannine Poltronieri*
Senior Counsel
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., Room 3C254
Washington, D.C. 20554

Herbert E. Marks
Squire, Sanders & Dempsey L.L.P.
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044

John W. Katz
Director, State-Federal Relations
444 North Capitol Street, Suite 336
Washington, D.C. 20001

ITS*
1231 20th Street, N.W.
Washington, D.C. 20554



Teresa S. Kadlub