

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

In the Matter of)	
)	
2000 Biennial Regulatory Review)	
)	IB Docket No. 00-202
Policy and Rules Concerning the International)	
Interexchange Marketplace)	

COMMENTS OF VERIZON WIRELESS

Verizon Wireless hereby submits its comments in response to the Notice of Proposed Rulemaking (“NPRM”) issued by the Federal Communications Commission (“FCC” or “Commission”) on October 18, 2000 in the above-captioned proceeding.

Verizon Wireless supports the Commission’s proposal to completely detariff the international services of CMRS providers, including international services provided by CMRS providers on affiliated routes. Verizon Wireless also urges the Commission to eliminate the requirement that international CMRS resellers file the Section 43.61 report.¹

I. DISCUSSION

A. Verizon Wireless supports detariffing all of the international services of CMRS providers on unaffiliated routes.

In the NPRM, the Commission proposes to modify its rule allowing permissive detariffing of CMRS providers for international services on unaffiliated routes. In stead,

the Commission proposes to require complete detariffing of CMRS providers' international services. The Commission notes that when it initially adopted permissive detariffing for CMRS providers' international service on unaffiliated routes in the *CMRS Forbearance Order*,² it was concerned that complete detariffing would increase the transactional and administrative burden on carriers by forcing them to contact and negotiate individual contracts with customers rather than filing tariffs. In the NPRM, however, the Commission tentatively concludes that the alternatives to tariffs, namely individual and form contracts, impose only minimal burdens on carriers. Moreover, the Commission states its belief that application of the filed rate doctrine associated with tariffs can be harmful to consumers, and that tariffs do not allow carriers to respond quickly to changes in the marketplace.³

Verizon Wireless supports the Commission's proposal to adopt complete detariffing of the international services of CMRS providers on unaffiliated routes. Where allowed under FCC rules, Verizon Wireless chooses to do business with customers both domestically and internationally by contract. As a result, it sees no need to maintain the ability to file tariffs for CMRS providers.

¹ Verizon Wireless takes no position on the Commission's proposals for non-CMRS international interexchange carriers.

² Personal Communications Industry Association's Broadband Personal Communications Services Alliance's Petition for Forbearance for Broadband Personal Communications Services, *Memorandum Opinion and Order and Notice of Proposed Rulemaking*, 13 FCC Rcd 16, 857 (1998).

³ NPRM, at 18-19.

B. Verizon Wireless supports detariffing all of the international services of CMRS providers on affiliated routes.

The Commission also proposes to detariff the international services of CMRS providers on affiliated routes. Currently, the Commission requires tariffs on such routes as a means of ensuring that the U.S. affiliate of a foreign carrier with market power does not engage in price squeezing – the setting of rates by the U.S. affiliate so close to the settlement rate that other U.S. carriers cannot compete on the route without losing money. However, in the NPRM, the Commission reasons that it can guard against price squeezing by requiring affiliated U.S. carriers to maintain price and service information for two and one half years after the date on which the U.S. affiliate ceases to provide international services on the affiliated routes at those rates, terms, and conditions.⁴

Verizon Wireless wholeheartedly supports the staff recommendation to detariff international interexchange services for CMRS providers on affiliated routes. As noted above, since most CMRS services have been detariffed by the Commission, Verizon Wireless has elected to provide services to customers pursuant to contract wherever possible. Verizon Wireless does not have employees that prepare and file tariffs in the regular course of business. Therefore, complying with tariff filing requirements and modifying existing tariffs is a much more difficult and burdensome task for Verizon Wireless than for carriers that regularly file and maintain FCC tariffs. As a result, Verizon Wireless agrees with the Commission that imposing a tariff filing requirement

⁴ *Id.*, at ¶ 31.

on CMRS providers hinders carriers' ability to respond to changes in market conditions.⁵

Verizon Wireless also agrees with the Commission that tariffs are not necessary to ensure that CMRS providers price international services at reasonable and nondiscriminatory rates. As the Commission has noted, greatly improved competitive conditions in the international marketplace will ensure that carriers cannot behave in an anticompetitive manner.⁶ Moreover, the Commission's proposal to require CMRS providers to maintain price and service information for affiliated routes will serve as an additional means for the Commission to check against price squeeze strategies or other anticompetitive behavior.

C. The Commission should also eliminate the Section 43.61 reporting requirement for CMRS providers.

In the NPRM, the Commission invited interested parties to comment on any other relevant issues concerning the detariffing of international services provided by nondominant carriers.⁷ Consistent with that invitation, Verizon Wireless hereby renews comments it made initially in the context of the Staff Report on the Biennial Review 2000 urging the Commission to eliminate the requirement that CMRS carriers providing international interexchange service file the Section 43.61 annual report.⁸

⁵ See *id.*, at ¶ 30.

⁶ See *id.*, at ¶ 2.

⁷ *Id.*, at 7, ¶ 5.

⁸ Federal Communications Commission Biennial Review 2000, CC Docket No. 00-175, FCC 00-346, *Staff Report* (released September 19, 2000), Comments of Verizon Wireless filed on October 10, 2000, at 3-6.

In its Comments, Verizon Wireless argued that the reporting requirement should be eliminated because the Section 43.61 report is not necessary and does not justify the burden imposed. Preparing and filing the Section 43.61 report entails a significant administrative burden involving substantial man-hours. Especially for companies like Verizon Wireless with operations spread across the country, gathering and compiling the required data is an enormous undertaking.

Verizon Wireless does not believe the information collected in the Section 43.61 report provides any significant regulatory benefit. In its order applying the Section 43.61 annual report to carriers holding international Section 214 authorizations, the Commission did not discuss in any detail the rationale for requiring carriers to file the reports. Indeed, the reporting requirement is only mentioned in the context of expanding the authority of international resellers to resell international switched or private line services without prior authorization.⁹ In this context, the Commission stated that the data gathered in the Section 43.61 reports will allow it to track resellers' international activities without requiring resellers to seek a separate authorization for each activity. The Commission did not indicate, however, why it is necessary to track resellers' international activities.¹⁰

⁹ Streamlining the International Section 214 Authorization Process and Tariff Requirements, *Report and Order*, IB Docket No. 95-118, 11 FCC Rcd 12884, 12894 and 12889 (1996) ("Section 214 Streamlining Order").

¹⁰ *Id.*, at 12894.

Both the CMRS and the international market have seen a substantial increase in competition since the Section 43.61 reports were required in 1996.¹¹ In light of this increased competition, Verizon Wireless does not believe it is necessary for the Commission to monitor the flow of traffic from nondominant CMRS carriers into each country. Indeed, the Commission has already determined that non-dominant international carriers and resellers that resell services of a carrier that is regulated as non-dominant do not pose any threat of anticompetitive behavior.¹² It stands to reason, therefore, that if there is no threat to international competition, there is no need to collect and monitor international traffic data.

Likewise, given the level of competition, Verizon Wireless does not believe it is necessary for non-dominant CMRS carriers to report outbound minutes and revenues. Indeed, Verizon Wireless and other CMRS providers already report international revenues in the Telecommunications Reporting Worksheet, FCC Form 499A. Thus, to some extent, the information required in the Section 43.61 report is duplicative.

Therefore, in the spirit of detariffing international interexchange service for CMRS providers, the Commission should also eliminate the equally burdensome and unnecessary requirement that international CMRS resellers file the Section 43.61 report.

¹¹ See, e.g., Staff Report at 32 (“[s]ince these [cellular] rules were adopted, PCS and SMR providers have entered the mobile telephony market, significantly changing the competitive landscape”) and at 27 (“the international interexchange market has seen a substantial increase in the level of competition that has benefited consumers”).

¹² Section 214 Streamlining Order at 12895.

II. CONCLUSION

Verizon Wireless supports the Commission's proposals to completely detariff the international services of CMRS providers both on unaffiliated and affiliated routes. In addition, Verizon Wireless urges the Commission to eliminate the requirement that international CMRS resellers file the Section 43.61 report.

Dated: November 17, 2000

Respectfully submitted,

Verizon Wireless

John T. Scott, III
Vice President and Deputy General
Counsel - Regulatory Law
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2595
(202) 624-2582

By _____

Andre J. Lachance
Regulatory Counsel
1850 M Street, N.W.
Washington, DC 20036
(202) 463-5276

Its Attorneys