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April 2, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **Ex parte presentation, WT Docket No. 97-112/and CC Docket 90-6**

Dear Ms. Salas:

Verizon Wireless hereby respectfully submits *ex parte* comments regarding two aspects of the above-captioned proceeding dealing with commercial mobile radio services ("CMRS") in and around the Gulf of Mexico.

Cellular Coverage Issues

Verizon Wireless takes exception to claims made by PetroCom and Bachow/Coastel that land-based cellular carriers do not have difficulties serving customers in their markets.¹ Verizon Wireless is the B-side cellular provider adjacent to the Gulf of Mexico from the Houston/Galveston market north to the Louisiana border. Over the past four years, Verizon Wireless and its predecessor in interest, GTE Wireless, have made numerous written and oral presentations to Commission staff detailing the difficulties cellular providers have providing service in land markets adjacent to the Gulf of Mexico.²

¹ See, e.g., PetroCom *ex parte*, March 1, 2001; PetroCom *ex parte*, January 10, 2001.

² Indeed, PetroCom provided a summary of much of the evidence and arguments pertaining to poor land-based cellular coverage made by GTE and others throughout this proceeding in its January 10, 2001 *ex parte* presentation.

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List A B C D E

In pleadings filed in this proceeding, Verizon Wireless and GTE have submitted evidence pertaining to the Texas market. This evidence (1) shows that customer complaints regarding land-based cellular calls setting up on the Gulf providers' network required GTE to educate its customers to set phones to "home only";³ (2) demonstrates poor portable coverage on the Texas beaches;⁴ (3) details customer complaints about poor coverage on the Texas beaches;⁵ (4) demonstrates that 911 calls placed from the land market are being captured by Bachow/Coastel and routed to the Coast Guard rather than to the appropriate public safety answering point ("PSAP");⁶ (5) provides real world evidence of the subscriber capture problem in the form a bill from a customer who cancelled service from GTE after receiving over \$700 in roaming charges in one month although the customer never left the land;⁷ and (6) demonstrates the usurious charges assessed by Bachow/Coastel for roaming on their network.⁸

In the face of this evidence, it is astounding that PetroCom and Bachow/Coastel try to minimize the very real problems being experienced by land-based cellular providers and their customers. In particular, in its last two *ex parte* presentations, PetroCom has made a series of arguments that are either irrelevant or simply not true.

First, in its January 10 *ex parte*, Attachment 1, PetroCom tries to brush aside land-based cellular provider claims of coverage and subscriber capture problems as largely a B-side cellular problem. Because Verizon Wireless does not operate any A-side licenses adjacent to the Gulf, it is not in a position to comment on the nature of PetroCom's dealings with land-based cellular providers. However, Verizon Wireless can comment that the B-side carrier, Bachow/Coastel has aggressively policed the Gulf waters to eliminate any unauthorized extensions into the Gulf and has been unwilling, particularly over the last three years, to negotiate reasonable extension agreements with land-based cellular providers. As a result of Bachow/Coastel's dealings with adjacent land-based cellular providers, service to customers has diminished and agreements that would

³ GTE *ex parte*, August 4, 1997.

⁴ GTE *ex parte*, October 16, 1997.

⁵ GTE *ex parte*, November 17, 1997.

⁶ Supplemental Reply Comments of GTE Service Corporation and Texas RSA 20 B2 Limited Partnership, May 30, 2000, at 10-12.

⁷ *Id.*, at 9-10.

⁸ *Id.*

improve coverage for both land- and water-based carriers have not been reached.

Verizon Wireless believes that the current Gulf rules, which prevent land-based providers from improving their signal strength at the coastline and allow Gulf providers to capture highly profitable land-based traffic, particularly on parts of the shore that are shielded from land-based cell sites by buildings and other land-based obstacles, are the driving force behind Bachow/Coastel's operating methods. Because Gulf provider networks are built-out near the coastline in Texas, the current situation will not be improved under the Commission's proposed rules.

Thus, even assuming PetroCom is correct that the Gulf problems either do not exist or are not as severe on the A-side, that fact would be of very little solace to Verizon Wireless and other B-side carriers. So long as the B-side Gulf carrier is willing to take advantage of the Commission's rules in their negotiations with land-based cellular providers, the fact that the A-side carrier might be more reasonable is entirely irrelevant and should not form the basis for continuing the status quo.

Second, PetroCom claims that the problems faced by cellular providers adjacent to the Gulf either do not exist or are merely the result of an ongoing dispute between Bachow/Coastel and GTE's successor in interest in the Mobile, Alabama market, AllTel.⁹ However, the evidence submitted by GTE relative to subscriber capture and E911 problems in Texas demonstrate that the problem is not merely relegated to Mobile. Moreover, there is nothing to prevent Gulf-providers from replicating the troubles created in Mobile elsewhere in the Gulf of Mexico. Indeed, Verizon Wireless is concerned that after the Commission issues its order, one or both Gulf carriers will begin challenging other existing extensions into the Gulf.

Third, PetroCom argues that the evidence submitted by land-based cellular providers is theoretical and that real world data reveals that land-based cellular signal strength is sufficient to serve land-based subscribers. PetroCom claims that real world data collected at the Flagship Hotel by Bachow/Coastel and during a 1998 drive test in the Houston/Galveston market demonstrate the adequacy of cellular coverage on land.¹⁰

⁹ PetroCom *ex parte*, March 1, 2001, at 2, 4.

¹⁰ PetroCom *ex parte*, January 10, 2001, Attachment 3.

With respect to this “real world” evidence submitted in the PetroCom *ex parte*, Verizon Wireless agrees with AllTel that the evidence is completely unreliable.¹¹ As AllTel notes, the 1998 drive test fails to reveal that the test was conducted on an inland highway where the shielding effect of beachfront hotels and buildings would not diminish the land-based signal. Indeed, the location the test was conducted placed the beachfront hotels between the test equipment and the Gulf-based signal, thus ensuring the result desired by the Gulf-based providers: that the land-based signal would appear to be dominant. Moreover, the study relied upon by PetroCom fails to reveal that GTE (now Verizon Wireless) has some signal extensions into the Gulf in the area tested.¹² Finally, the Flagship Hotel measurements are not only unreliable, as argued by AllTel, but the results from the tests defy engineering logic. There simply is no way a cell site on land with the parameters purported to be tested would fail to be the best server on any part of the land.

Given the shortcomings of the data relied upon by PetroCom, the only reliable “real world” data submitted in this proceeding is evidence of customers’ experiences in Texas and Alabama. Verizon Wireless believes that the evidence of customers in Texas that receive huge roaming bills for calls placed on land; of 911 calls placed from Texas that set up on Bachow/Coastel’s system and get routed to the Coast Guard; and of customers in Alabama that no longer get any cellular service, is the only “real world” evidence that matters. This evidence shows undeniably that a problem exists and that the Commission’s rules for the Gulf of Mexico do not serve the public interest.

As discussed above and in many other instances in this proceeding, Verizon Wireless is certain that the problems cellular customers are having on land adjacent to the Gulf of Mexico will not be resolved by the Commission’s proposal in this proceeding. Rather, Verizon Wireless continues to believe that the proposal submitted by the coalition of land-based cellular providers and detailed in an *ex parte* presentation made by coalition members on December 7, 2000, is the best and fairest way to resolve the Gulf problems.

The proposal, would create a 10-mile “neutral zone” in the Gulf adjacent to the coastline where both land- and Gulf-based carriers could extend their contours. Under the proposal, Gulf-providers would be able to migrate from platform to platform without losing market territory or the ability to serve their water-based

¹¹ AllTel *ex parte*, February 28, 2001, at 10-12.

¹² Thus, at most, the drive test proves the point the land-based carriers have been making all along: that extensions into the Gulf are necessary under the Commission’s current rules to provide reliable service to coastline customers.

customers. Land-based carriers would be able to provide a strong enough signal to serve land-based subscribers. Verizon Wireless urges the Commission to adopt this neutral zone proposal and is available to discuss this matter further with the Commission upon request.

PCS Issues

Other than the Texas markets discussed above, the licenses held by Verizon Wireless along the Gulf of Mexico, from south Texas around the Gulf to Florida, are PCS licenses. It is therefore essential to Verizon Wireless and its customers that the Commission not replicate for PCS licensees the problems that currently exist in the cellular context.

To avoid recreating the cellular situation among PCS licensees, Verizon Wireless, like its PCS licensee predecessor in interest, PrimeCo Personal Communications, support two actions by the FCC in this proceeding.

First, the Commission should recognize that PCS licensees are currently authorized to provide service to market boundaries which include offshore Gulf territory. In particular, the PCS rules define market boundaries in terms of MTAs and BTAs which, in turn, are based on county lines. Under state law, the boundaries of counties adjacent to the Gulf of Mexico extend varying degrees into the Gulf. Nothing in the Commission's orders or operational or technical rules pertaining to PCS suggest an intent to restrict PCS service to land areas adjacent to the Gulf of Mexico or to license a separate PCS provider for the Gulf of Mexico.¹³

Second, as discussed previously by PrimeCo and Verizon Wireless, separately licensing a provider for the Gulf of Mexico would create significant risk of harmful interference to incumbent PCS licensees' systems.¹⁴ Because radio energy propagates differently over land than over water and because population centers on land occur at the coastline, drawing market boundaries at the coastline creates a host of technical and operational difficulties. As seen in cellular context, these problems are not easily overcome.

In order to avoid the problems that have long-plagued the cellular industry at the Gulf of Mexico coastline and to fulfill the expectations created by the Commission in licensing PCS along county lines, the Commission should affirm that PCS

¹³ See, PrimeCo Comments, filed July 2, 1997; PrimeCo Reply Comments, filed August 4, 1997; PrimeCo *ex parte*, February 4, 1998; PrimeCo *ex parte*, October 7, 1998; Verizon Wireless Comments, May 15, 2000.

¹⁴ *Id.*

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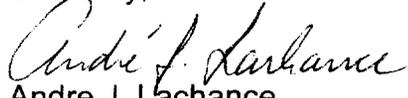
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licensees may provide service in the Gulf of Mexico and decline to separately license a PCS provider for the Gulf of Mexico.

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Please contact the undersigned if you have any further questions regarding this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andre J. Lachance".

Andre J. Lachance
Regulatory Counsel
202/589-3775

cc: David Furth, Room 4-B522
Lauren Kravetz, Room 4-A163