

Before the  
Federal Communications Commission  
Washington, D.C. 20554

DA 96-1702

In the Matter of )  
)  
GTE Mobilnet Incorporated, on Behalf of )  
Itself and Certain of its Corporate Affiliates )  
)  
Application for Authorization Pursuant to ) ITC-95-561  
Section 214 of the Communications Act of )  
1934, as amended, to Operate as an )  
International Resale Carrier for International )  
Switched Voice Services )

**ORDER, AUTHORIZATION AND CERTIFICATE**

Adopted: October 10, 1996

Released: October 11, 1996

By the Chief, International Bureau

**I. Introduction**

1. GTE Mobilnet Incorporated (GTE Mobilnet) and certain of its corporate affiliates and partnerships jointly request authority pursuant to Section 214 of the Communications Act, as amended (Act), to resell on a non-dominant carrier basis international switched voice services of unaffiliated U.S. carriers. The joint applicants are all wholly-owned by GTE Corporation (GTE), a New York corporation whose operating companies comprise the largest affiliation of independent local exchange carriers (LEC) in the United States.<sup>1</sup>

2. We find that a partial grant of the joint applicants' application subject to certain conditions that we impose on an interim basis will serve the public interest under Section 214 of the Act by facilitating the efficient and rapid provision of international services, while protecting ratepayers and competition in the U.S. international services market. We also find that the joint applicants' provision of resold international switched services should be subject to non-dominant carrier regulation on all routes for which we grant them authority to provide such services. In addition, we defer a decision whether to grant the joint applicants' request to resell international switched services to the Dominican Republic and Venezuela and whether to classify them as dominant or non-dominant carriers on these routes.

<sup>1</sup> By independent LECs, we refer to exchange telephone companies, including GTE, other than the Bell Operating Companies (BOCs).

## II. Background

### A. Application

3. The joint applicants<sup>2</sup> request Section 214 authority to resell on a non-dominant carrier basis international switched voice services of unaffiliated U.S. carriers.<sup>3</sup> The joint applicants seek authority to resell such services to customers other than their commercial mobile radio services (CMRS) customers.<sup>4</sup> GTEMI proposes to resell international switched service originating from both "out-of-region" and "in-region" points in the United States.<sup>5</sup> GTEMI asserts that a grant of its Section 214 application is in the public interest because the Commission has found that the "introduction of new entrants into the marketplace fosters competition in the rates charged and service provided by carriers."<sup>6</sup> The joint applicants, as

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<sup>2</sup> We refer to GTE Mobilnet and the corporate affiliates and partnerships with which GTE Mobilnet jointly filed the instant Section 214 application as "the joint applicants" and as "GTEMI." We identify these corporations and partnerships in Appendix A of this order. The corporate affiliates identified in Appendix A are subsidiaries of GTE. GTEMI Application at 2 (filed Oct. 6, 1995). The partnerships identified in Appendix A are those "in which a GTE affiliate is the general or managing partner." See Letter from F. Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to George Li, Deputy Chief, Operations, Telecommunications Division, International Bureau, at 1 (dated Oct. 17, 1995) (GTE Oct. 17, 1995 Letter) (amending Exhibit A of GTEMI's application to include the partnerships in which an affiliate of GTE is the general or managing partner); see also Letter from Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to William F. Caton, Acting Secretary, FCC, at 1 (dated June 5, 1996) (GTE June 5, 1996 *Ex Parte* Letter) (certifying that the "affiliates listed on Exhibit A to [its] . . . Section 214 application are [commercial mobile radio services] . . . carriers and not local exchange carriers"). Since the filing of the original Section 214 application by the joint applicants, the "Contel cellular companies . . . under[went] name changes." *Ex parte* Letter from F. Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to William F. Caton, Acting Secretary, F.C.C., at 1 (dated Sept. 19, 1996) (GTE Sept. 19, 1996 *Ex Parte* Letter). Appendix A of this order identifies the old and new names of these companies. We identify both names because market share information data correspond with the old names of these companies. See *infra* Section III. A.

<sup>3</sup> GTEMI Application at 1, 6 and Exhibit A.

<sup>4</sup> Most of the joint applicants hold Section 214 authority to resell international switched services as part of their mobile communications service. The instant application would authorize the joint applicants to provide international services to their non-mobile communications service customers. See Letter from Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to William F. Caton, Acting Secretary, FCC, at 1 (dated Sept. 24, 1996) (GTE Sept. 24, 1996 *Ex Parte* Letter).

<sup>5</sup> For purposes of the *In-Region* proceeding, the Commission has defined an independent LEC's "in-region services" as telecommunications services originating in the independent LEC's local exchange areas or 800 service, private line service, or their equivalents that: (1) terminate in the independent LEC's local exchange areas and (2) allow the called party to determine the interexchange carrier, even if the service originates outside the independent LEC's local exchange areas. Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area, *Notice of Proposed Rulemaking*, CC Docket No. 96-149, FCC 96-308 (released July 18, 1996) (*In-Region NPRM* or *In-Region* proceeding). We apply the same definition of an independent LEC's "in-region services" for purposes of this proceeding.

<sup>6</sup> GTEMI Application at 1 (*citing* TMC Communications, Inc., 5 FCC Rcd 2466, n.9 (1990)).

wholly-owned subsidiaries of GTE, are "affiliates" of the GTE local exchange telephone companies.<sup>7</sup>

4. The joint applicants certify that through their parent, GTE, they have affiliations with British Columbia Telephone Company (BC Tel) in the Province of British Columbia, Quebec Telephone in the Province of Quebec, Compania Dominicana de Telefonos, C. Por A. (Codetel) in the Dominican Republic, and Compania Anonima Nacional Telefonos de Venezuela (CANTV) in Venezuela.<sup>8</sup> The joint applicants assert that, as resellers of switched services provided by unaffiliated U.S. international facilities-based carriers, they are entitled to non-dominant carrier treatment under Section 63.10(a)(4) of the rules.<sup>9</sup> We address GTEMI's foreign carrier affiliations in Section III. B. *infra*.

B. Interexchange and In-Region Proceedings

5. The Commission has raised issues relating to the regulatory treatment of the independent LECs in their provision of interstate, domestic interexchange services and international services in two pending proceedings. Specifically, in the *Interexchange NPRM*, the Commission has sought comment on whether it should modify or eliminate the separation requirements that apply as a condition of non-dominant treatment of independent LEC provision of out-of-region, domestic interstate, interexchange services.<sup>10</sup>

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<sup>7</sup> See Policy & Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor, CC Docket No. 79-252 (*Competitive Carrier*), *Fifth Report & Order*, 98 FCC 2d 1191, 1198 (1984) (an "affiliate" of an independent LEC is "a carrier that is owned (in whole or in part) or controlled by, or under common ownership (in whole or in part) or control with, an exchange telephone company").

<sup>8</sup> GTEMI Application at 5, 6, and 8 (GTE owns 100 percent of the common stock of Anglo-Canadian Telephone Company (ACTel), which owns 50.38 percent of BC Tel, which provides telecommunications services within its certificated territory in the Province of British Columbia; ACTel also owns 50.63 percent of Quebec Telephone, which provides telecommunications service within its certificated territory in the Province of Quebec; GTE indirectly owns 100 percent of Codetel which provides domestic and international telecommunications service in the Dominican Republic; GTE owns 100 percent of GTE Venezuelan Telephone Incorporated, which owns 51 percent of VenWorld Telecom, C.A., a consortium which owns 40 percent of CANTV, which provides domestic and international telecommunications services in Venezuela; GTE is also in operational control of CANTV).

<sup>9</sup> GTEMI Application at 2.

<sup>10</sup> Policy and Rules Concerning the Interstate, Interexchange Marketplace and Implementation of Section 254(g) of the Communications Act of 1934, *Notice of Proposed Rulemaking*, 11 FCC Rcd 7141, at ¶ 61 (1996) (*Interexchange NPRM* or *Interexchange* proceeding); *Interexchange NPRM* at ¶ 61; see also Bell Operating Company Provision of Out-of-Region Interstate, Interexchange Services, *Report and Order*, CC Docket No. 96-21, FCC 96-288 at n. 5 (released July 1, 1996) (*Interim BOC Domestic Out-of-Region Order*) (the *Interexchange* "proceeding does not include international, interexchange services"); see also *id.* at ¶ 2 (concluding that, on an interim basis pending the outcome of the *Interexchange* proceeding, it would remove dominant carrier regulation for BOC out-of-region, interstate, domestic, interexchange services when offered through an affiliate that meets

(continued...)

6. In the *In-Region NPRM*, the Commission has requested comment on whether it should "modify our existing rules that require independent LECs (exchange companies other than the BOCs) to comply with [the] . . . separation requirements [as set forth in the *Competitive Carrier Fifth Report and Order*] in order to qualify for non-dominant regulatory treatment in the provision of in-region, interstate, domestic, interexchange services."<sup>11</sup> The Commission also is "consider[ing] whether to apply the same regulatory classification to the independent LECs' provision of in-region, international services as we adopt in this proceeding for their provision of in-region, interstate, domestic, interexchange services."<sup>12</sup>

7. The *In-Region* proceeding does not modify the Commission's separate framework, adopted in the *International Services Order*<sup>13</sup> for regulating U.S. international carriers (including BOC affiliates or independent LECs ultimately authorized to provide in-region international services) as dominant on routes where an affiliated foreign carrier has the ability to discriminate in favor of its U.S. affiliate through control of bottleneck services or facilities in the foreign destination market.<sup>14</sup>

### III. Discussion

8. GTEMI's entrance into the international services market is not prohibited by the Act, judicial decree, or the Commission's rules. We find that, with the exception of GTEMI's request to resell international switched services on the U.S.-Dominican Republic

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<sup>10</sup>(...continued)

the *Competitive Carrier Fifth Report and Order* separation requirements and that is treated as a nonregulated affiliate for purposes of BOC accounting under the Commission's joint cost and affiliate transactions rules); see also NYNEX Long Distance Co. Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, to Provide International Services from Certain Parts of the United States to International Points through Resale of International Switched Services, ITC-96-125, Ameritech Communications Application for Authority Pursuant to Section 214 of the Communications Act, as amended to Provide International Services from the United States to International Points through Resale of International Switched Services, ITC-96-272, Bell Atlantic Communications, Inc. Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, to Resell Service of Other Common Carriers to Provide Switched Service from the United States to International Points through Resale of International Switched Services, ITC-96-181, *Order, Authorization and Certificate*, DA 96-1169 at ¶¶ 1-2 and 17-21 (International Bur., released July 24, 1996) (*NYNEX et. al Order*).

<sup>11</sup> *In-Region NPRM* at ¶ 153; see also *id.* at ¶¶ 4, 108, and 113; see also *id.* at ¶ 153 (proposing to limit application of separate affiliation requirements to incumbent independent LECs).

<sup>12</sup> *In-Region NPRM* at ¶ 153; see also *id.* at ¶ 18 ("[t]he issue we address in this NPRM is whether a BOC affiliate or independent LEC should be regulated as dominant in the provision of in-region, international services because of the BOC or independent LEC's current retention of bottleneck facilities on the U.S. end of an international link").

<sup>13</sup> Regulation of International Common Carrier Services, 7 FCC Rcd 7331 (1992) (*International Services*).

<sup>14</sup> *In-Region NPRM* at n.191.

and U.S.-Venezuela routes, a grant of GTEMI's application subject to the conditions detailed below will serve the public interest under Section 214 of the Act by facilitating the efficient and rapid provision of international services, and by benefiting competition in the U.S. international services market and U.S. consumers. In addition, we find that GTEMI's application to resell international switched services to the Dominican Republic and Venezuela raises issues that we must resolve to determine whether the public interest would be well-served by authorizing GTEMI to resell switched services on these routes. To permit the parties additional opportunity to address these outstanding issues, we defer a decision whether to grant GTEMI's application to resell international switched services to the Dominican Republic and Venezuela and whether to classify the joint applicants as non-dominant carriers on these routes.

A. Regulation of GTEMI as Dominant or Non-Dominant under Competitive Carrier Proceeding

9. Although we find that, with the exception of the Dominican Republic and Venezuela routes, GTEMI's entrance into the international services market is in the public interest, we must also determine the appropriate regulatory treatment of GTEMI's provision of resold international switched services. Since 1980, the Commission has distinguished between carriers with market power (dominant carriers) and those without market power (non-dominant carriers) for purposes of Title II rate and entry regulation.<sup>15</sup> If a common carrier is determined to be "non-dominant," Title II regulatory requirements are "streamlined." The Commission has applied standard principles of antitrust analysis to determine whether a carrier possesses market power in the provision of the relevant service in the relevant geographic market.<sup>16</sup> This analysis includes a focus on: (1) market share, (2) the demand

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<sup>15</sup> See Policy & Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor, CC Docket No. 79-252 (*Competitive Carrier*), *First Report & Order*, 85 FCC 2d 1 (1980); *Second Report & Order*, 91 FCC 2d 59 (1982); *recon.*, 93 FCC 2d 54 (1983); *Third Report & Order*, 48 Fed. Reg. 46,791 (1983); *Fourth Report & Order*, 95 FCC 2d 554 (1983), *vacated*, AT&T v. FCC, 978 F.2d 727 (1992), *cert. denied*, MCI Telecommunications Corp. v. AT&T, 113 S.Ct. 3020 (1993); *Fifth Report & Order*, 98 FCC 2d 1191 (1984); *Sixth Report & Order*, 99 FCC 2d 1020 (1985), *rev'd*, MCI Telecommunications Corp. v. FCC, 765 F.2d 1186 (D.C. Cir. 1985); see 47 C.F.R. § 61.3(o) (dominant carrier is defined as "[a] carrier found by the Commission to have market power (i.e., power to control prices)").

<sup>16</sup> Motion of AT&T Corp. to be Declared Non-Dominant for International Service, *Order*, FCC 96-209 (released May 14, 1996) (*AT&T International Non-Dominance Order*); *Competitive Carrier, First Report and Order*, 85 FCC 2d at 21; Motion of AT&T to be Reclassified as a Non-Dominant Carrier, 11 FCC Rcd 3271, 3293-94 (1995); Revisions to Price Cap Rules for AT&T Corp., 10 FCC Rcd 3009, 3016 (1995) (*Commercial Services Order*); Competition in the Interstate Interexchange Marketplace, CC Docket No. 90-132, *Report and Order*, 6 FCC Rcd 5880, 5888 (1991) (*First Interexchange Competition Order*), *recon.*, 6 FCC Rcd 7569 (1991), *further recon.*, 7 FCC Rcd 2677 (1992).

elasticity of a carrier's customers, (3) the supply elasticity of the market, and (4) a carrier's cost structure, size and resources.<sup>17</sup>

10. The Commission first applied its dominant/non-dominant regulatory scheme to U.S. international carriers in 1985.<sup>18</sup> The Commission held that international message telephone service (IMTS) (including international switched services) is a separate product market. The Commission also held that, in applying the dominant/non-dominant regulatory scheme for international services, every destination country constituted a separate geographic market.<sup>19</sup> The Commission did not distinguish among different regions of the continental United States in defining the relevant geographic market.<sup>20</sup>

11. With the exception of the Dominican Republic, Venezuela and Canada routes where GTEMI is affiliated with incumbent foreign carriers, we believe that there are no critical distinctions on the basis of the joint applicants' market shares, size and resources, demand and supply elasticities, or conditions of entry from one destination country to another which would require a route-by-route analysis of the joint applicants' market positions for international switched services.<sup>21</sup> There is nothing in the record to indicate that the joint applicants' market positions vary substantially from one geographic market to the next. We therefore conclude that the joint applicants' market positions for international switched services do not differ among routes and that we need not generally make specific route-by-route findings with the exception of the affiliated routes identified above.

12. In applying the Commission's standard principles of antitrust analysis to determine whether a carrier possesses market power, we find that the joint applicants have a *de minimis* share of the market for international switched services. In 1994, the joint applicants' provision of resold international switched services offered in conjunction with their mobile communications services represented less than 0.016 percent of the total international

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<sup>17</sup> See *AT&T International Non-Dominance Order* at ¶ 36; see also *Commercial Services Order* at 3016 (describing demand elasticity); *First Interexchange Competition Order* at 5888 (describing supply elasticity).

<sup>18</sup> See *International Competitive Carrier Policies, Report & Order*, 102 FCC 2d 812 (1985) (*International Competitive Carrier*), recon. denied, 60 RR 2d 1435 (1986).

<sup>19</sup> *International Competitive Carrier* at ¶ 37. The Commission also found all foreign-owned carriers to be dominant for all services to all countries. *Id.* at ¶¶ 72-73, and 84; see *infra* Section III. B. The Commission recently further streamlined the Title II regulation of non-dominant international carriers. *Streamlining Order* at ¶¶ 77, and 80-81.

<sup>20</sup> The Commission did, however, separately analyze the market power of certain carriers providing international services for non-contiguous domestic points. *International Competitive Carrier* at ¶¶ 47-49; see also *In-Region NPRM* at ¶ 129 ("invit[ing] parties to discuss why they believe we should examine smaller areas for purposes of determining whether a BOC affiliate or independent LEC possesses market power in the provision of in-region, international services").

<sup>21</sup> See generally *AT&T International Non-Dominance Order* at ¶¶ 31-36.

switched service revenues reported by U.S. carriers.<sup>22</sup> We have previously found that customers in the international services market are highly demand-elastic and will switch carriers in order to obtain price reductions and desired services.<sup>23</sup> Also, elasticities of supply in the international services market are high.<sup>24</sup> Further, we do not envision that any of the applicants' cost structure, size, and resources, standing alone or in the aggregate, will allow any of these companies or partnerships, individually or jointly, to control prices or exclude competition insofar as only a handful of the applicants has even a *de minimis* share of the market for international switched services. The joint applicants, moreover, will face a number of large, well-financed competitors, including MCI, Sprint, and AT&T in the product and geographic service markets that they propose to serve.

13. The principal regulatory concern with GTEMI's application is whether the joint applicants may be able to leverage the market power of their LEC affiliates in the provision of local exchange and exchange access services to gain market power in the provision of international services. Specifically, we are concerned that GTE's control of local exchange and exchange access facilities potentially gives GTE an incentive and ability to disadvantage GTEMI's competitors through improper allocation of costs, discrimination, or other anticompetitive conduct.

14. The International Bureau (Bureau) recently addressed substantially the same concern in considering the appropriate treatment of GTE Telecom Incorporated's (GTE Telecom)<sup>25</sup> provision of resold international switched services and international facilities-based private line services, *i.e.*, that GTE's control of local exchange and exchange access facilities might enable it to engage in cost-shifting and other anticompetitive conduct.<sup>26</sup> To address this concern, the Bureau granted in part GTE Telecom's application to provide such services on a non-dominant basis subject to the same separation safeguards adopted in *Competitive Carrier, Fifth Report and Order* that apply to affiliates of independent LECs that are regulated as non-

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<sup>22</sup> See 1994 Section 43.61 International Telecommunications Data, January 1996, Figures 1 and 6, and Table D. As noted above in Section II. A., most of the joint applicants resell international switched services to their CMRS customers as part of their mobile communications service.

<sup>23</sup> *AT&T International Non-Dominance Order* at ¶ 47.

<sup>24</sup> *Id.* at ¶¶ 35, 48-65.

<sup>25</sup> GTE Telecom is a wholly-owned subsidiary of GTE.

<sup>26</sup> See GTE Telecom Incorporated, Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.01 of the Commission's Rules and Regulations for International Resale Switched Service and Facilities-based Service to Various Countries, ITC-95-443, Order, Authorization and Certificate, DA 96-1546, at ¶ 15 (International Bur., released Sept. 16, 1996) (*GTE Telecom Order*) ("we are concerned that GTE's control of local exchange and exchange access facilities potentially gives GTE an incentive and ability to disadvantage GTE Telecom's competitors through improper allocation of costs, discrimination, or other anticompetitive conduct").

dominant in their provision of interstate, domestic interexchange services.<sup>27</sup> The Bureau determined that these conditions will continue to apply to GTE Telecom's Section 214 authorization at least until the Commission has completed the *Interexchange* and *In-Region* proceedings.<sup>28</sup> The Bureau also required GTE Telecom to be treated as a nonregulated affiliate for purposes of its affiliated LECs' accounting under the Commission's joint cost and affiliate transactions rules.<sup>29</sup>

15. We find no material basis for distinguishing between GTEMI's and GTE Telecom's Section 214 applications with respect to the appropriate regulatory treatment to apply to their provision of international services. In both cases, we are concerned that GTE, the parent of GTE Telecom and the joint applicants, may engage in improper cost allocation and other anticompetitive conduct to gain market power in the provision of international services. We believe that the Bureau's reasons for applying interim safeguards as a condition of its partial grant of GTE Telecom's Section 214 application are equally relevant to our review of GTEMI's application.<sup>30</sup> We therefore grant in part GTEMI's application to provide international switched services on a non-dominant basis subject to the same safeguards that the Bureau applied on an interim basis as a condition to its partial grant of GTE Telecom's application and for the same reasons set forth in the *GTE Telecom Order*.

16. Specifically, we grant GTEMI's Section 214 application to resell international switched services on all international routes (with the exception of the U.S.-Dominican Republic and U.S.-Venezuela routes) on a non-dominant basis subject to the condition that each of the joint applicants complies with the *Fifth Report and Order* separation requirements. The joint applicants must: (1) maintain separate books of account from their affiliated LECs; (2) not jointly own transmission or switching facilities with their affiliated LECs; and (3) take any tariffed services from their affiliated LECs pursuant to the terms and conditions of the LECs' generally applicable tariff.<sup>31</sup> We believe that the application of the *Fifth Report and Order* safeguards will not impose an unreasonable burden on the joint applicants in their provision of international switched services or require extensive modifications to GTE's existing company procedures. GTEMI states that the joint applicants maintain separate books of account, do not jointly own switching or transport facilities with the GTE telephone operating companies (GTOCs), and acquire exchange access service from the GTOCs by

<sup>27</sup> *GTE Telecom Order* at ¶ 3.

<sup>28</sup> *GTE Telecom Order* at ¶ 3.

<sup>29</sup> *GTE Telecom Order* at ¶¶ 3, 22-23.

<sup>30</sup> See *GTE Telecom Order* at ¶¶ 16-26.

<sup>31</sup> See *GTE Telecom Order* at ¶¶ 16 and 21 (describing the *Fifth Report and Order* separation requirements in detail); see also GTE Sept. 19, 1996 *Ex Parte* Letter at 1.



access tariff in accordance with the *Fifth Report and Order*.<sup>32</sup> In addition, we will require the joint applicants to be treated as nonregulated affiliates for purposes of their affiliated LECs' accounting under the Commission's joint cost and affiliate transactions rules.<sup>33</sup> We believe that the application of these safeguards as a condition to our partial grant of GTEMI's application will be an effective complement to existing equal access and nondiscrimination safeguards established under the *GTE Consent Decree*<sup>34</sup> that continue to apply to GTEMI's affiliated local exchange carriers and that will govern the joint applicants' dealings with them in their provision of international service.<sup>35</sup>

17. The safeguards that we apply as a condition to our partial grant of GTEMI's application will remain in place at least until completion of the *Interexchange* and *In-Region* proceedings. We reserve the right to modify the conditions of GTEMI's authorization, as necessary, upon adoption of final rules for the independent LECs' provision of international and domestic interstate, interexchange services. In the meantime, it is our view that granting the instant Section 214 application, in part, subject to these safeguards, will serve the public interest by facilitating the efficient and rapid provision of international services, while protecting ratepayers and competition in the U.S. international services market.

#### B. Foreign Carrier Affiliations

18. In 1992, the Commission modified its 1985 policy that treated U.S. foreign-owned common carriers as dominant in their provision of all international services to all foreign markets. Specifically, the Commission adopted a framework for regulating U.S. international carriers as dominant on routes where an affiliated foreign carrier has the ability to discriminate in favor of its U.S. affiliate through control of bottleneck services or facilities in the destination market.<sup>36</sup> Under this framework, a U.S. international carrier that serves a

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<sup>32</sup> GTE September 24, 1996 *Ex Parte* Letter at 1; GTE September 19, 1996 *Ex Parte* Letter at 1; Letter from Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to Susan O'Connell, International Bureau, FCC, at 1 (dated May 9, 1996) (GTE May 9, 1996 Letter).

<sup>33</sup> See *GTE Telecom Order* at ¶ 22 (describing the Commission's joint cost and affiliate transactions rules).

<sup>34</sup> See *United States v. GTE Corporation*, 603 F.Supp. 730 (D.C. Cir. 1984) (accepting with modifications consent decree submitted by GTE Corporation and U.S. government (*GTE Consent Decree*)) (*U.S. v. GTE Corp.*).

<sup>35</sup> See *GTE Telecom Order* at ¶¶ 24-26 (describing in detail the equal access and nondiscrimination requirements established under the *Consent Decree* that continue to apply, and the customer proprietary network information (CPNI) requirements of the decree and new Section 222 of the Communications Act).

<sup>36</sup> *International Services* at 7334; see also *Market Entry and Regulation of Foreign-affiliated Entities, Report and Order*, IB Docket No. 95-22, 11 FCC Rcd 3873, at ¶¶ 245-55 (1995) (*Foreign Carrier Entry Order*) (reaffirming the basic framework for classifying and regulating a carrier as dominant based upon its foreign carrier affiliations as set forth in *International Services*). The Commission considers to be "foreign-affiliated"

(continued...)

destination market solely through the resale of the switched services of a U.S. facilities-based carrier with which the reseller is not affiliated is presumptively non-dominant for that route -- "regardless of any foreign affiliations[.]"<sup>37</sup>

19. Under the framework adopted in *International Services* and Section 63.10(a)(4) of the rules, we find that the joint applicants qualify as non-dominant resellers of international switched services on all routes for which we grant them Section 214 authorization, including the U.S.-Canada route where they are affiliated with BC Tel and Quebec Telephone within the meaning of Section 63.18(h)(1)(i) of the rules.<sup>38</sup> With regard to GTEMI's resale of switched services to countries other than the Dominican Republic and Venezuela, no party filed an opposition or requests that GTEMI be classified as dominant. We find that the joint applicants qualify as non-dominant resellers on all international routes, with the exception of the Dominican Republic and Venezuela routes.

20. We find that GTEMI's application to resell international switched services to the Dominican Republic and Venezuela raises issues relating to the settlements process that we must resolve in order to determine the public interest merits of its application to serve these destination countries. The present record does not allow us to make that determination at this time. We therefore defer a decision whether to grant GTEMI's request to resell international switched services to the Dominican Republic and Venezuela and whether to classify the joint applicants as non-dominant carriers on these routes.<sup>39</sup>

21. In a petition substantively similar to the petition it filed against GTE Telecom's Section 214 application,<sup>40</sup> AT&T Corp. (AT&T) asserts that GTEMI's application should be denied with respect to the joint applicants' request for authority to resell switched services on the U.S.-Dominican Republic and the U.S.-Venezuela routes.<sup>41</sup> AT&T maintains that granting GTEMI authority to resell international switched services on these two routes would remove any incentive GTEMI's foreign affiliates (*i.e.*, Codetel in the Dominican Republic and

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<sup>36</sup>(...continued)  
those U.S. carriers with a greater than 25 percent interest or controlling interest at any level held by a foreign carrier, as well as those U.S. carriers with interests of more than 25 percent in, or control of, a foreign carrier. *Foreign Carrier Entry Order* at ¶¶ 78-92, and 245-51.

<sup>37</sup> *International Services* at 7335; 47 C.F.R. § 63.10(a)(4); *see also Streamlining Order* at ¶¶ 77, 80-81; *International Competitive Carrier* at ¶¶ 76-77.

<sup>38</sup> *See supra* n.36

<sup>39</sup> No party alleges, nor is there any evidence before us that suggests, that GTEMI's application to resell international switched services to Canada raises issues relating to the settlements process that would require us to defer a decision with respect to its request to provide such services on a non-dominant basis on that route.

<sup>40</sup> *See GTE Telecom Order* at ¶¶ 38-39.

<sup>41</sup> AT&T Petition to Deny in Part (filed Nov. 20, 1995) (AT&T Petition).

CANTV in Venezuela) may have to reduce "their above-cost accounting rates."<sup>42</sup> As a result, AT&T claims, U.S. consumers would continue to bear the burden of settlements subsidies to Codetel and CANTV caused by these carriers' above-cost rates. AT&T avers that GTEMI would have the incentive and ability to price resold international switched services to the Dominican Republic and Venezuela at or below its costs in order to generate significant profits through its affiliates' accounting rates.<sup>43</sup>

22. In response, GTEMI maintains that "the Commission's own reports establish that . . . [Codetel and CANTV] have been working for the last few years to decrease accounting rates."<sup>44</sup> GTEMI claims that these carriers "are regulated entities that use international settlements to subsidize local service and develop telecommunications infrastructure [and, as a result,] . . . have limited ability to lower international accounting rates."<sup>45</sup> GTEMI also asserts that "[t]he Commission has previously determined that resellers affiliated with foreign carriers present no substantial possibility of affecting the international service market in an anticompetitive manner."<sup>46</sup>

23. In the *GTE Telecom Order*, the Bureau deferred a decision with respect to GTE Telecom's request to resell international switched services to the Dominican Republic and Venezuela.<sup>47</sup> Noting that the record indicated that GTE controls both Codetel and CANTV, the Bureau expressed its concern that GTE Telecom, as a reseller of international switched services to the Dominican Republic and Venezuela, might "be able to use the market power of its foreign carrier affiliates in those countries in ways that directly undermine the public interest in an effectively competitive U.S. international services market."<sup>48</sup> Although the Bureau acknowledged that a U.S. international carrier that serves a destination market solely through the resale of the switched services of a U.S. facilities-based carrier with which the reseller is not affiliated is presumptively non-dominant for that route (regardless of any foreign affiliations), it decided that sufficient questions regarding GTE Telecom's affiliates' ability to harm competition had been raised that required further analysis.<sup>49</sup>

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<sup>42</sup> AT&T Petition at 2.

<sup>43</sup> AT&T Petition at 2-5.

<sup>44</sup> Opposition of GTEMI at 3 (filed Dec. 5, 1995) (GTEMI Opposition).

<sup>45</sup> GTEMI Opposition at 5.

<sup>46</sup> GTEMI Opposition at 5 (citing *International Services* at 7335).

<sup>47</sup> *GTE Telecom Order* at ¶ 43.

<sup>48</sup> *GTE Telecom Order* at ¶ 43.

<sup>49</sup> *GTE Telecom Order* at ¶ 44 (citing *International Services* at 7335; 47 C.F.R. § 63.10(a)(4)).

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24. Specifically, the Bureau determined that GTE Telecom's application to resell international switched services to the Dominican Republic and Venezuela "raises the question whether GTE Telecom has the ability and the incentive to manipulate the settlements process and its prices to U.S. consumers on these affiliated routes in a manner that increases U.S. carrier outpayments to Codetel and CANTV."<sup>50</sup> The Bureau decided that, in a petition filed against GTE Telecom's Section 214 application, AT&T had raised a "plausible scenario under which GTE could maximize its overall profits by pricing GTE Telecom's U.S. resold switched services at or even below cost in order to generate significant settlement payments to its foreign carrier affiliates."<sup>51</sup> The Bureau stated that such pricing behavior might cause an increase in U.S. facilities-based carrier costs as a result of an increase in their outpayments to Codetel and CANTV, which could negatively impact rates paid by U.S. consumers.<sup>52</sup> The Bureau also stated that the "profitability of such a scheme for GTE may decrease that carrier's incentive to encourage its affiliates to negotiate lower, cost-oriented accounting rates with U.S. carriers."<sup>53</sup>

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25. The Bureau stated that AT&T's alleged pricing scheme would not be of concern if it were confident that charges for terminating U.S. traffic to the Dominican Republic or Venezuela were the product of effectively competitive markets or otherwise established at nondiscriminatory, cost-oriented levels. The Bureau, however, determined that the record did not support such a conclusion.<sup>54</sup> The Bureau noted that in Venezuela, CANTV has engaged in discriminatory treatment of U.S. carriers in its accounting rate negotiations by refusing to offer the same terms and conditions to all U.S. carriers in violation of the Commission's International Settlements Policy (ISP).<sup>55</sup>

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26. In addition, the Bureau stated that the record in *Domtel Communications, Inc.* contains credible evidence that Tricom, Domtel's parent and a Dominican carrier, "encountered formidable obstacles in its dealings with Codetel, and has established and expanded its presence [in the Dominican Republic] only with difficulty."<sup>56</sup> The Bureau also expressed the view that Codetel "also appears to have used its accounting rate negotiations

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<sup>50</sup> *GTE Telecom Order* at ¶ 45.

<sup>51</sup> *GTE Telecom Order* at ¶ 45.

<sup>52</sup> *GTE Telecom Order* at ¶ 45.

<sup>53</sup> *GTE Telecom Order* at ¶ 45.

<sup>54</sup> *GTE Telecom Order* at ¶ 46; see also *id.* at ¶ 47.

<sup>55</sup> *GTE Telecom Order* at ¶¶ 48-49.

<sup>56</sup> *GTE Telecom Order* at ¶ 50 (*quoting Domtel Communications, Inc., Application for Authority to Provide Direct Service between the United States and the Dominican Republic, 10 FCC Red 12159 (1995) (Domtel Communications, Inc.)*).

with U.S. carriers as a vehicle to thwart competition in the Dominican Republic.<sup>57</sup> The Bureau stated that such moves to frustrate competition in the Dominican telecommunications market "undermine the Commission's efforts to encourage competition in foreign markets as a vehicle to drive accounting rates toward cost."<sup>58</sup>

27. The Bureau determined that the record did not allow it to determine "the degree to which GTE Telecom has the ability and incentive to exacerbate the already serious settlements imbalance on the U.S.-Dominican Republic and U.S.-Venezuela routes and the implications of such distortions for U.S. consumers."<sup>59</sup> The Bureau stated that it was necessary to resolve these issues in order to determine whether the public interest would be served by authorizing GTE Telecom to resell switched service on these routes. The Bureau therefore deferred a decision with respect to GTE Telecom's request for authorization on the Dominican Republic and Venezuela routes to permit the parties an additional opportunity to address these outstanding issues.<sup>60</sup>

28. The Bureau's reasons for deferring a decision regarding GTE Telecom's request to resell international switched services to the Dominican Republic and Venezuela routes are equally relevant to our consideration of GTEMI's application to resell international switched services to those two destinations. No party to this proceeding has raised any persuasive arguments that undercut the plausibility of the pricing scheme that AT&T alleged in the context of GTE Telecom's Section 214 application and reasserted with respect to GTEMI's Section 214 application. Further, there is no evidence on the record before us today that would lead us to conclude that charges for terminating U.S. traffic to the Dominican Republic or Venezuela are the product of effectively competitive markets or otherwise established at nondiscriminatory, cost-oriented levels.

29. We therefore believe that, given GTE's control of Contel and CANTV and these Dominican carriers' history of anti-competitive behavior,<sup>61</sup> we must consider whether the joint applicants, as resellers of international switched services to the Dominican Republic and Venezuela, might have the ability and the incentive to manipulate the settlements process and prices to U.S. consumers on these affiliated routes in a manner that increases U.S. carrier

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<sup>57</sup> *GTE Telecom Order* at ¶ 50 (citing American Telephone and Telegraph Company and MCI Telecommunications Corporation, Petitions for Waiver of the International Settlements Policy for a Change in the Accounting Rate with the Dominican Republic, *order on recon.*, 10 FCC Rcd 8264, ¶ 17 (International Bur. 1995) (*Codeltel Accounting Rates*) (approving growth-based accounting rates with AT&T and MCI and rejecting Tricom's claims of anticompetitive conduct as not subject to remedy in the proceeding)).

<sup>58</sup> *GTE Telecom Order* at ¶ 50.

<sup>59</sup> *GTE Telecom Order* at ¶ 51.

<sup>60</sup> *GTE Telecom Order* at ¶ 51.

<sup>61</sup> See *GTE Telecom Order* at ¶¶ 46-50.

outpayments to Codetel and CANTV. We find, however, that the present record does not allow us to determine the degree to which the joint applicants have the ability and incentive to exacerbate the already serious settlements imbalance on the U.S.-Dominican Republic and U.S.-Venezuela routes and the implications of such distortions for U.S. consumers. It is necessary to resolve these issues to determine whether the public interest would be served by authorizing GTEMI to resell switched service on these routes. We therefore defer a decision with respect to the joint applicants' request for authorization on the Dominican Republic and Venezuela routes to permit the parties an additional opportunity to address these outstanding issues.

#### IV. Conclusion

30. We find that a partial grant of GTEMI's application, subject to the conditions that we impose on an interim basis as set forth above, will serve the public interest under Section 214 of the Act by increasing competition in international services, expanding the range of new and innovative services, and allowing for the more efficient use of existing international telecommunications facilities. In addition, we find that GTEMI's application to resell international switched services to two affiliated countries, the Dominican Republic and Venezuela, raises issues relating to the settlements process that cannot be resolved on the present record at this time. We therefore defer a decision with respect to GTEMI's application to resell international switched services to those two destinations to give the parties an additional opportunity to address these issues. We also find that the joint applicants qualify for non-dominant carrier regulation on the routes for which we authorize them to resell international switched service. We therefore grant in part GTEMI's application for authority to resell the switched services of other common carriers to provide international switched telecommunications services between the United States and all international points with the exception of the Dominican Republic and Venezuela. The conditions we attach to our partial grant of the instant Section 214 application will remain in place at least until the Commission completes the *Interexchange* and *In-Region* proceedings. Specifically, we reserve the right to modify the conditions of the authorization granted in this order, as necessary, upon the Commission's adoption of final rules for independent LECs' provision of international and domestic interstate, interexchange services.

31. As non-dominant providers of international resold switched services, the joint applicants will be allowed to file tariffs on no less than one days' notice, without economic or cost support, and the tariffs will be presumed lawful. The joint applicants also will be subject to the Section 214 requirements of non-dominant U.S. international carriers.

32. As non-dominant carriers, the joint applicants will be subject to regulation under Title II of the Act. Specifically, Title II requires carriers to offer international services under rates, terms and conditions that are just, reasonable and not unduly discriminatory (Sections 201 and 202), and Title II carriers are subject to the Commission's complaint process (Sections 206-209). Title II carriers also are required to file tariffs pursuant to our streamlined tariffing procedures (Sections 203 and 205). Non-dominant U.S. international

carriers, such as the joint applicants, also are subject to the requirements of Sections 43.51, 43.61, 63.14 and 63.19 of the Commission's rules.<sup>62</sup>

33. This order will be effective upon its adoption.

#### V. Ordering Clauses

34. Upon consideration of the application and in view of the foregoing, IT IS HEREBY CERTIFIED that the present and future public convenience and necessity require the provision of resold international switched services between the United States and all international points (with the exception of the Dominican Republic and Venezuela) by GTE Mobilnet Incorporated and its corporate affiliates and partnerships in which it is a general or managing partner as identified in Appendix A of this order (collectively, GTEMI or the joint applicants) subject to the conditions set forth below.

35. Accordingly, IT IS HEREBY ORDERED that application File No. ITC-95-561 filed by GTEMI IS GRANTED IN PART and GTEMI is authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.

36. IT IS FURTHER ORDERED that the joint applicants shall each: (1) maintain separate books of account from any affiliated local exchange carrier (LEC); (2) not jointly own transmission or switching facilities with any affiliated LEC; and (3) take any tariffed services from the affiliated LEC pursuant to the terms and conditions of the LEC's generally applicable tariff.

37. IT IS FURTHER ORDERED that this authorization is subject to the condition that the joint applicants be treated as nonregulated affiliates for purposes of local exchange carrier accounting under the Commission's joint cost and affiliate transactions rules as set forth in Parts 32 and 64 of the Commission's rules.

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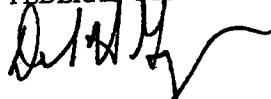
<sup>62</sup> See 47 C.F.R. § 43.51 (requiring common carriers engaged in foreign communications to file with the Commission certain contracts, agreements, concessions, licenses, authorizations, and other arrangements); 47 C.F.R. § 43.61 (requiring common carriers engaged in the provision of international telecommunications service between the U.S. and foreign destinations to file reports containing annual traffic and revenue data); 47 C.F.R. § 63.14 (prohibiting U.S. carriers authorized to provide international communications service from agreeing to accept special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the United States and any foreign country for which the U.S. carrier is authorized to provide service); 47 C.F.R. § 63.19 (requiring non-dominant international carriers to "notify all affected customers of the planned discontinuance, reduction or impairment [of service] at least 60 days prior to . . . [the] planned action[;]" notification of such action must be in writing to each affected customer, unless otherwise authorized in advance by the Commission, and a copy of such notification must be filed with the Commission).

38. IT IS FURTHER ORDERED that the conditions that attach to the grant of GTEMI's application as set forth in Section III. A. of this order will remain in place at least until the Commission has completed Policy and Rules Concerning the Interstate, Interexchange Marketplace and Implementation of Section 254(g) of the Communications Act of 1934, *Notice of Proposed Rulemaking*, CC Docket No. 96-61, FCC 96-123 (released Mar. 25, 1996) and Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area, *Notice of Proposed Rulemaking*, CC Docket No. 96-149, FCC 96-308 (released July 18, 1996). The International Bureau reserves the right to modify the conditions of the authorization granted in this order, as necessary, upon the Commission's adoption of final rules for the independent LECs' provision of out-of-region and in-region international and domestic interstate, interexchange services.

39. IT IS FURTHER ORDERED that the joint applicants shall comply with the requirements specified in Section 63.21 of the Commission's rules, 47 C.F.R. § 63.21.

40. This order is issued under Section 0.261 of the Commission's rules and is effective upon adoption. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's rules may be filed within 30 days of the date of the public notice of this order (*see* Section 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION



Donald H. Gips  
Chief, International Bureau



## Appendix A<sup>63</sup>

### Corporations

GTE Mobilnet Incorporated  
GTE Mobile Communications Incorporated  
GTE Macro Communications Corporation  
Asheville Metronet, Inc.  
Carolina Metronet, Inc.  
Danville Metronet, Inc.  
Fayetteville Metronet, Inc.  
Florence Metronet, Inc.  
GTE Mobilnet of the Southeast Incorporated  
South Carolina Metronet, Inc.  
Triad Metronet, Inc.  
Tuscaloosa/Florence Holdings, Inc.  
W & J Metronet, Inc.  
Jacksonville Cellular Telephone Corporation  
Jacksonville Cellular Communications, Inc.  
Wilmington Cellular Telephone Corporation  
Wilmington Cellular Communications, Inc.  
GTE Cellular Communications Corporation  
GTE Mobilnet of California Incorporated  
GTE Mobilnet of Cleveland Incorporated  
GTE Mobilnet of Hawaii Incorporated  
GTE Mobilnet of Indianapolis Incorporated  
GTE Mobilnet of New York, Inc.  
GTE Mobilnet of Portland Incorporated  
GTE Mobilnet of Clatsop Incorporated  
GTE Mobilnet of Tampa Incorporated  
GTE Mobilnet Sales Corp.  
GTE Mobilnet of Austin Incorporated  
GTE Mobilnet of Houston Incorporated  
Contel Cellular Inc.\*  
Contel Cellular of California, Inc.\*

GTE Mobilnet Holding Inc.  
GTE Mobilnet of Central California

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<sup>63</sup> This Appendix A identifies the corporate affiliates and the partnerships with which GTE Mobilnet Incorporated filed the instant Section 214 application. Since the filing of the original Section 214 application by GTE Mobilnet and its joint applicants, the "Contel cellular companies . . . under[went] name changes." *Ex Parte* Letter from F. Gordon Maxson, Director - Regulatory Affairs, GTE Service Corporation, to William F. Caton, Acting Secretary, F.C.C., at 1 (dated Sept. 19, 1996). Appendix A lists both the old Contel names (identified with an asterix (\*)) and the corresponding new names.

Contel Cellular of Alabama, Inc.\*  
Florence Cellular Telephone Company, Inc.\*  
Contel Cellular of Birmingham, Inc.\*  
Contel Cellular of Chattanooga, Inc.\*  
Contel Cellular of Chattanooga II, Inc.\*  
Contel Cellular of Gadsden, Inc.\*  
Contel Cellular of Kentucky, Inc.\*  
Contel Cellular of Knoxville, Inc.\*  
Contel Cellular of Memphis, Inc.\*  
Contel Cellular of Memphis II, Inc.\*  
Contel Cellular of Nashville, Inc.\*  
Contel Cellular of Tennessee, Inc.\*  
Cumberland Cellular Telephone Company, Inc.\*  
Contel Cellular of Davenport, Inc.\*  
Contel Cellular of Illinois Funding, Inc.\*  
Contel Cellular of Illinois, Inc.\*  
Contel Cellular of Indiana, Inc.\*  
Contel Cellular of Kentucky B, Inc.\*  
Contel Cellular of Richmond, Inc.\*  
Contel Cellular of the South, Inc.\*  
Contel Cellular of the Southwest, Inc.\*  
Contel Cellular of Huntsville, Inc.\*

GTE Mobilnet of Alabama Inc.  
GTE Mobilnet of Florence, Alabama, Inc.  
GTE Mobilnet of Birmingham Inc.  
GTE Mobilnet of Chattanooga Inc.  
GTE Mobilnet of Chattanooga II Inc.  
GTE Mobilnet of Gadsden Inc.  
GTE Mobilnet of Kentucky Inc.  
GTE Mobilnet of Knoxville Inc.  
GTE Mobilnet of Memphis Inc.  
GTE Mobilnet of Memphis Inc.  
GTE Mobilnet of Nashville Inc.  
GTE Mobilnet of Tennessee Inc.  
GTE Mobilnet of Clarksville Inc.  
GTE Mobilnet of Davenport Inc.  
GTE Mobilnet of Illinois Funding Inc.  
GTE Mobilnet of Illinois Inc.  
GTE Mobilnet of Indiana Inc.  
GTE Mobilnet of Kentucky B Inc.  
GTE Mobilnet of Richmond Inc.  
GTE Mobilnet of the South Inc.  
GTE Mobilnet of the Southwest Inc.  
GTE Mobilnet of Huntsville Inc.

#### Partnerships

GTE Mobilnet of California Limited Partnership  
Indiana RSA #1 Limited Partnership  
GTE Mobilnet of Indiana RSA #3 Limited Partnership  
GTE Mobilnet of Indiana RSA #6 Limited Partnership  
GTE Mobilnet of Santa Barbara Limited Partnership  
GTE Mobilnet of Ohio Limited Partnership  
Ohio RSA #3 Limited Partnership  
GTE Mobilnet of Austin Limited Partnership  
GTE Mobilnet of South Texas Limited Partnership  
GTE Mobilnet of Texas RSA #11 Limited Partnership  
GTE Mobilnet of Texas RSA #16 Limited Partnership  
GTE Mobilnet of Texas RSA #17 Limited Partnership  
GTE Mobilnet of Texas #21 Limited Partnership  
GTE Mobilnet of Indiana Limited Partnership  
GTE Mobilnet of Fort Wayne Limited Partnership  
GTE Mobilnet of Terre Haute Limited Partnership  
GTE Mobilnet of Oregon Limited Partnership

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Appendix A, cont'd.

Partnerships, cont'd.

Florida RSA #1B (Naples) Limited Partnership  
Danville Cellular Telephone Company Limited Partnership  
Fayetteville Cellular Telephone Company Limited Partnership  
Savannah Cellular Limited Partnership  
Virginia Cellular Retail Limited Partnership  
Virginia Cellular Limited Partnership  
Virginia RSA 5 Limited Partnership  
Virginia RSA 4 Limited Partnership  
Virginia RSA 3 Limited Partnership  
Virginia RSA 7 Limited Partnership  
Roanoke MSA Limited Partnership  
Roanoke MSA Retail Limited Partnership  
New Mexico RSA 3 Limited Partnership  
New Mexico RSA 5 Limited Partnership  
New Mexico RSA 6 Limited Partnership  
Fresno MSA Limited Partnership  
California RSA 3 Limited Partnership  
California RSA 4 Limited Partnership  
Texas RSA 10B3 Limited Partnership  
Iowa RSA No. 4 Limited Partnership  
Iowa RSA No. 5 Limited Partnership  
Evansville MSA Limited Partnership  
Southern Indiana RSA Limited Partnership  
Rockford MSA Limited Partnership  
Illinois RSA 1 Limited Partnership  
Illinois Valley Cellular RSA 2-1 Partnership  
Southern Illinois RSA Partnership  
Illinois Independent RSA No. 3 General Partnership  
Alabama RSA 1 Partnership  
Kentucky RSA No. 1 Partnership  
Tuscaloosa Cellular Partnership  
Gadsden CellTelCo Partnership  
Jacksonville Cellular Partnership  
Wilmington Cellular Partnership  
New Mexico RSA 6 II Partnership