

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**CASE 05-C-0616 - Proceeding on Motion of the Commission to Examine Issues  
Related to the Transition to Intermodal Competition in the  
Provision of Telecommunications Services**

**COMMENTS OF CINGULAR WIRELESS LLC**

COMES NOW CINGULAR WIRELESS LLC, by and on behalf of its subsidiaries and affiliates<sup>1</sup> operating in the State of New York (collectively “Cingular”), and pursuant to the Public Service Commission’s Order Initiating Proceeding and Inviting Comments (issued June 29, 2005) (the “Order”). Cingular hereby submits brief comments on several important issues raised by the Order.

**I. INTRODUCTION**

Cingular takes this opportunity to commend the New York Public Service Commission (“Commission”) on its current regulatory policy as it relates to the wireless industry. The Commission noted in its Order its “strong preference for competitive markets as the most effective approach to ensure the provision of reasonably priced and reliably provided telecommunications service.”<sup>2</sup> Cingular believes that the Commission’s reasoned regulatory approach has greatly benefited New York consumers and the state’s economy. Cingular looks forward to working with the Commission to preserve and expand those benefits.

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<sup>1</sup> Binghamton CellTelCo; Vanguard Binghamton, LLC; and New Cingular Wireless PCS, LLC;

<sup>2</sup> Order at 2.

## II. STATUS OF COMPETITION

*“Wireless voice communications is by far the most competitive and innovative market in the [FCC’s] purview.”*<sup>3</sup>

As the Commission recognized in the Order, robust competition in the New York wireless services market exists.<sup>4</sup> And it is by no accident. Rather, the level of competition and resulting consumer and economic benefits enjoyed by New Yorkers today exists by regulatory design, both by the Federal Communications Commission (FCC) and the Commission.

The FCC is following its Congressional mandate to facilitate competition and create a uniform “national regulatory policy for CMRS, not a policy that is balkanized state-by-state”.<sup>5</sup> As early as 1949, the Commission sought to promote wireless competition nationwide.<sup>6</sup> More recently, Congress amended Sections 2 and 332 of the Communications Act of 1934 to “establish a Federal regulatory framework to govern the offering of all commercial mobile services.”<sup>7</sup> Its objective was to “foster the growth and development of mobile services that, by their nature, operate without regard to state lines as an integral part of the national telecommunications infrastructure.”<sup>8</sup> Former FCC Chairman Michael K. Powell summed up the FCC’s approach for filling the Congressional mandate this way:

...the FCC has focused on a deregulatory paradigm for the commercial mobile industry, which we believe has been successful in allowing for

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<sup>3</sup> Statement of former FCC Chairman Michael K. Powell, upon the release of the FCC’s Ninth CMRS Competition Report

<sup>4</sup> Order at 7.

<sup>5</sup> *In the Matter of Petition of the Connecticut Department Public Utility Control to Retain Regulatory Control of the Rates Of Wholesale Cellular Service Providers in the State of Connecticut*, 10 FCC Rcd. 7025, 7034 ¶14 (FCC rel. May 19, 1995).

<sup>6</sup> See 47 U.S.C. § 332(c)(3)(A).

<sup>7</sup> *General Mobile Radio*, 13 F.C.C.R. 1190, 1281 (1949).

<sup>8</sup> H.R. Rep. No. 103-213, at 490 (1993) (footnote omitted).

<sup>8</sup> H.R. Rep. No. 103-111, at 260 (1993).

marketplace forces to improve consumer benefits for the more than 140 million consumers who subscribe to wireless services. The rapid proliferation of wireless services, in large part due to this deregulatory approach, has had an enormous impact on our country, consumers, and public safety. Competition and deregulation have resulted in lower prices and an increased diversity of service offerings, which in turn have stimulated rapid growth in the demand for wireless services and substantial consumer benefits.<sup>9</sup>

New York for its part, and as reflected in the Order, has pursued a complementary regulatory policy to achieve the maximum benefits for its residents and the state. This policy is based on principles it espoused in 1996, key of which is the following:

Where feasible, competition is the most efficient way by which the primary goal [ensuring the provision of quality telecommunications services at reasonable rates] may be achieved.<sup>10</sup>

Accordingly the New York legislature suspended application of the Public Service Code to CMRS providers<sup>11</sup> and allowed competition in the marketplace to operate within existing state laws of general applicability. The Commission has appropriately seen fit to follow this legislative lead.

This pro-competitive, national deregulatory framework for CMRS prescribed by Congress, implemented by the FCC and embraced by the Commission has enabled wireless competition to flourish, with substantial benefits to consumers and the economy. Consider the following from Mark Lowenstein, “An Update on the State of Wireless Industry Growth, Competition and Innovation” (August 5, 2005) (hereinafter “Lowenstein”):

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<sup>9</sup> Letter of Michael K. Powell, Chairman, FCC, to William B. Shear, Acting Director, Physical Infrastructure Issues, United States General Accounting Office (April 11, 2003). See also Ninth Report, *In the Matter of 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*, FCC 04-216, ¶¶ 5, 170 (FCC rel. Sept. 28, 2004) (“Ninth Report on CMRS Competition”), Executive Summary at 5 (stating, “*In this report the [FCC] concludes that there is effective competition in the CMRS marketplace . . . indicators of market performances show that competition continues to afford many significant benefits to consumers.*”)

<sup>10</sup> Order at 2.

<sup>11</sup> NY CLS Pub.Ser.section 5(6)(a).

- As a result of competition, consumers have experienced a dramatic reduction in wireless service prices. Wireless prices have dropped by 32% since 1997, and by nearly 50% if adjusted for inflation.
- The majority of the U.S. population lives in an area where they have a choice of at least five wireless carriers. Add to that MVNOs (mobile virtual network operators) and resellers, and the choice expands to seven or eight for many potential subscribers.<sup>12</sup>
- Wireless is the only sector whose customers, in the past three years, have seen *all* of the following . . .
  - Expanded choice of service providers
  - Lower service prices
  - Expansion of affordable national service plans with free roaming and long-distance
  - Continued high levels of investment in network coverage and capacity to meet increases in subscriber growth and uses
  - Continual advancements in enhanced features, devices
  - A more real-time activation process
  - A robust and efficient local number portability process.

Put simply, great price deals and advanced technologies are available to wireless customers today due to the highly competitive wireless services market. Today's wireless phones and other devices offer a myriad of cutting edge features and conveniences for voice communications. In addition, advanced wireless data services, such as email, photo messaging, and short messaging are still in their infancy; as wireless data speeds increase, mobile access to the Internet will expand and bring an array of new services to consumers on the move.

The success behind the FCC's deregulatory market-driven approach to the CMRS industry is that carrier offerings are driven by consumer preferences rather than regulation. As noted by the FCC, "consumers continue to contribute to pressures for

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<sup>12</sup> Note the distinction between MVNO and reseller. An MVNO, even though it is reselling minutes of the host carrier, usually has implemented some of its own back office infrastructure and enhanced services platforms.

carriers to compete on price and other terms and conditions of service by freely switching providers in response to differences in the cost and quality of service.”<sup>13</sup> These competitive market effects have been accelerated by the 2003 advent of local number portability (“LNP”), which allows consumers to switch wireless service providers, without giving up their mobile phone numbers.<sup>14</sup> The competitive market conditions coupled with the availability of LNP are sufficient to ensure that CMRS carriers provide services upon reasonable terms and conditions to consumers throughout New York.

Intense price competition has resulted in affordable rates as well as innovative pricing plan features.<sup>15</sup> For example, Cingular’s Rollover Minutes<sup>®</sup> feature allows its customers to carry over unused minutes from month to month for a period of up to 12 months. Cingular, like several other carriers, offers a “Mobile to Mobile” calling plan feature that allows customers to make unlimited calls to or receive unlimited calls from other Cingular customers which do not count against the customer’s bucket of included minutes. As a result of these and other innovative competitive offerings, the price of service has fallen consistently, from 44 cents per minute in 1993 to 10 cents per minute in 2003.<sup>16</sup> And in the period from 1997 through 2003<sup>17</sup>, wireless prices fell 33%, compared to an increase of nearly 15% in general consumer prices.<sup>18</sup> Meanwhile, consumers continue to increase the use of their wireless phones. The average minutes-of-use

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<sup>13</sup> Ninth Report on CMRS Competition ¶ 4.

<sup>14</sup> The consumer is the winner in WNP. No longer are they tied to a carrier just because they want to keep their number. This freedom to switch has only intensified the competitive landscape, putting the consumer in the driver’s seat more than ever before. And of course WNP creates a strong incentive for carriers to maximize customer satisfaction, especially in light of the high cost wireless carriers incur in the course of initial customer acquisition. Lowenstein at 9.

<sup>15</sup> As the FCC has recognized, mobile voice calls are far less expensive on a per minute basis in the U.S. than in Western Europe, and at least some indicators show that rates are still decreasing. According to the U.S. Department of Labor’s Bureau of Labor Statistics, for example, the price of mobile telephone service declined by 1.0% during 2003 while the overall consumer price index increased by 2.3%. Ninth Report on CMRS Competition, ¶¶ 5, 170.

<sup>16</sup> *Id.* at A-11, Table 9.

<sup>17</sup> 2003 is the most recent year covered by the FCC’s annual CMRS competition report.

<sup>18</sup> Ninth Report on CMRS Competition, at A-10, Table 8.

(“MOUs”) per subscriber per month in 2003 was 599 minutes, an increase of 100 MOUs over the previous year.<sup>19</sup>

Consumer choice has expanded as CMRS customers can choose among multiple providers as well as a wide array of service and equipment options.<sup>20</sup> As of September 2004, approximately 97% of the total U.S. population lived in counties with access to three or more different carriers offering mobile telephone service, and 88% lived in counties with five or more competing mobile telephone service providers.<sup>21</sup> Competition is vibrant not only nationally but also in New York. The FCC has reported that twelve (12) wireless carriers operated in the State of New York as of December 2003.<sup>22</sup>

The CMRS marketplace is increasingly national. To succeed in the marketplace, CMRS carriers typically operate without regard to state borders and generally have come to structure their offerings on a national or regional basis. This structure reflects the FCC’s decision to distribute licenses based on large geographic areas, which typically span more than a single state.<sup>23</sup> While flat-rate nationwide calling plans were unknown before 1998, today all of the nationwide CMRS operators have responded to competitive pressures by offering some form of national pricing plan that allows wireless customers to purchase a bucket of minutes to use wherever they are, without incurring roaming or long distance charges, as well as, frequently providing various free nights and weekend options.<sup>24</sup>

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<sup>19</sup> *Id.*

<sup>20</sup> *See id.*, ¶ 4.

<sup>21</sup> *Id.*, ¶¶ 2, 21.

<sup>22</sup> *See id.* at A-3 (Table 2: FCC’s Semi-Annual Local Telephone Competition Survey). Note that carriers with fewer than 10,000 subscribers in a state were not required to report for that state, such that if anything this table underreports the number of competitors in a state.

<sup>23</sup> *See* 47 C.F.R. §§ 24.202(a), and 51.701(b)(2).

<sup>24</sup> Ninth Report on CMRS Competition, ¶ 113.

As discussed in the following sections, the questions raised by the Commission in the Order with respect to wireless services should be evaluated against this deregulated, pro-competitive, pro-consumer regulatory design.

### **III. CONSUMER PROTECTIONS**

#### **A. Standards & Enforcement**

The State of New York has a legitimate interest in ensuring that its consumers are treated fairly. It is unnecessary, however, for the Commission to establish additional consumer protection rules or standards for wireless carriers for the following reasons: the competitiveness of the industry provides natural incentives for carriers to adopt and further adopt consumer-friendly practices and policies; members of the industry have already voluntarily adopted and are abiding by a set of national consumer protection standards; and existing laws and regulations provide the State with enforcement tools should the State determine that enforcement is needed.

##### **1. Robust Competition Provides Strong Economic Incentives for Customer-Friendly Practices and Policies**

The hyper-competitiveness of the wireless industry, described above, drives carriers to treat their customers well. High customer acquisition costs<sup>25</sup> militate against poor treatment. As a result, wireless carriers have significant economic incentives to keep their customers happy. One way that this is reflected is in the area of customer-friendly policies and practices. Because local number portability makes switching wireless carriers easier and more attractive, retaining satisfied customers has never been more important to carriers.<sup>26</sup>

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<sup>25</sup> According to J.D. Powers & Associates, each wireless carrier spends between \$350 to \$475 in marketing and other related costs, including handset subsidies, to acquire a new customer.

<sup>26</sup> On the one-year anniversary of WNP, the FCC issued a press release, citing that 8.5 million consumers had taken advantage of WNP. Note that the porting figure represents approximately 25% of the typical “churn” rate experienced in the wireless industry on

To compete effectively, wireless carriers must differentiate themselves from their competitors not only with respect to pricing and service quality but also with respect to consumer practices. For example, Cingular has attempted to differentiate its customer experience with an industry leading service summary document. At the time of service activation,<sup>27</sup> Cingular gives each new customer a Cingular Service Summary (CSS) which outlines in a personalized, easy-to-read manner the customer's rate plan, rate plan features (such as free Mobile to Mobile calling or Rollover minutes), included minutes, an estimate of the customer's first bill (which is typically higher than subsequent recurring bills), and an estimate of the customer's monthly recurring bill thereafter, and other information.

Cingular developed the CSS based on significant customer feedback obtained through a series of focus groups. In an effort to continually improve, Cingular is reviewing the CSS with additional customer focus groups and based on their feedback is further refining the CSS to provide customers with revised information in an improved format. This improved version of the CSS will be rolled out later this year. No other national carrier has anything similar to our CSS. The CSS is just one way that Cingular is working to make its customer experience better than that of its competitors...and it was developed based on consumer preferences instead of government mandates.

## **2. The Wireless Industry Has Voluntarily Adopted Consumer Protection Standards to Make Selecting and Obtaining Wireless Service a Consumer-Friendly Experience**

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an annual basis. Lowenstein at 9. Lowenstein has observed that WNP has resulted in improved business processes at many of the carriers, such as improvements in billing, customer care, and other "back office" systems. *Id.*

<sup>27</sup> Similarly if a customer signs up for service via the web or by telephone, Cingular sends the customer a personalized Welcome Kit, containing the CSS and other information the customer would have received had the customer activated service in a store.

Beginning in 2003 in response to requests for wireless consumer standards, members of CTIA implemented the CTIA Consumer Code for Wireless Service<sup>28</sup> (the “CTIA Code”). The CTIA Code is a ten-point guide for wireless carriers to follow when interacting with wireless customers or potential customers. It provides consumers with information to help them make informed choices prior to purchasing wireless service, to help ensure that consumers understand their wireless service and rate plans, and to continue to provide wireless service that meets consumers’ needs. Carriers who are signatories or who adhere to the CTIA Code - including Cingular which was the first carrier to certify compliance- have voluntarily adopted the principles, disclosures, and practices (and have thus upgraded their systems to support this effort) set forth in the CTIA Code for wireless service provided to individual consumers and annually certify continued compliance<sup>29</sup>.

Significantly, the CTIA Code has been adopted on a national basis. This has permitted each participating carrier to implement Code requirements in their own way, nationally, throughout their respective service areas. In other words, a customer in less populous, rural areas will receive the same types of rate disclosures or coverage map detail from his or her participating wireless carrier as customers in larger urban areas. By allowing each participating carrier to implement its CTIA Code practices uniformly

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<sup>28</sup> The CTIA Code is available at: [http://files.ctia.org/pdf/The\\_Code.pdf](http://files.ctia.org/pdf/The_Code.pdf).

<sup>29</sup> In summary, these carriers do, and certify annually to CTIA that they will, at a minimum continue to:

- Disclose rates and terms of service to consumers
- Make available maps showing where service is generally available
- Provide contract terms to customers and confirm changes in service
- Allow at least a 14 day trial period for new service
- Provide specific disclosures in advertising
- Separately identify carrier charges from taxes on billing statements
- Provide customers the right to terminate service for changes to contract terms
- Provide ready access to customer service
- Promptly respond to consumer inquiries and complaints received from government agencies
- Abide by policies for protection of consumer privacy

throughout their respective service territories, *all* consumers, whether urban or rural, whether in a populous or less-populated area, benefit from the industry's consumer commitments. As importantly, by allowing national carriers to implement national practices, the CTIA Code allows carriers to maintain economies of scale and scope that help wireless carriers to keep their prices reasonable for consumers.

The CTIA Code has only been in effect for a little over a year. It is a living document and will evolve over time, continuing to address the most important consumer questions and concerns as they evolve. For example, in order to resolve consumer confusion over the different pricing plans and coverage areas of the different CMRS providers, the wireless industry began providing customers with service coverage maps. Later this practice was incorporated into the CTIA Code.<sup>30</sup> Cingular's interactive mapping tool, available at all retail locations and by calling 1-866-CINGULAR, can answer specific coverage questions based on a customer's address, a street intersection, zip code, state or landmark. The mapping tool can also establish the likelihood of coverage in various scenarios, for example, inside a building vs. on the street.

As another example, wireless customers and regulators let the industry know that they desired a trial period for wireless service to allow wireless customers to test a carrier's service without incurring an early termination fee if the wireless customer canceled his/her service because it did not meet the customer's needs. The industry heard and reacted to these concerns. In the CTIA Code, carriers thus agreed to a minimum 14-day trial period for new service during which time wireless customers may cancel service

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<sup>30</sup> The CTIA Code says, in pertinent part: "Wireless carriers will make available at point of sale and on their websites maps depicting approximate voice service coverage applicable to each of their rate plans currently offered to consumers. To enable consumers to make comparisons among carriers, these maps will be generated using generally accepted methodologies and standards to depict the carrier's outdoor coverage."

without incurring an early termination fee.<sup>31</sup> Cingular again differentiated its customer experience by adopting a 30-day trial period - the longest for any nationwide wireless carrier.

Thus the CTIA Code along with existing state and federal consumer protection laws and a fiercely competitive marketplace ensure that New York's consumers are appropriately protected while they enjoy the benefits of true wireless competition.

### **3. Existing State and Federal Laws Protect Wireless Consumers**

Even while the marketplace motivates carriers to establish industry-wide and individual processes for handling and resolving consumer problems with wireless service, it is important to note that wireless consumers are protected by significant existing state and federal consumer protection laws and regulations. For example, a New York wireless consumer may file an informal<sup>32</sup> or even a formal<sup>33</sup> complaint with the FCC to challenge "unjust or unreasonable charges, practices, classifications and regulations..."<sup>34</sup> In fact, 47 U.S.C. § 208 would allow the Commission to file a claim with the FCC on behalf of an individual complainant. The FCC recently expanded its express protection of wireless consumers by deciding to apply its truth in billing standards to wireless providers.<sup>35</sup>

Additionally and importantly, wireless consumers enjoy protections through New York's laws of general applicability, including as they relate to deceptive trade

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<sup>31</sup> Specifically under the CTIA Code, "When a customer initiates service with a wireless carrier, the customer will be informed of and given a period of not less than 14 days to try out the service. The carrier will not impose an early termination fee if the customer cancels service within this period, provided that the customer complies with applicable return and/or exchange policies. Other charges, including airtime usage, may still apply."

<sup>32</sup> 47 C.F.R. § 1.41.

<sup>33</sup> 47 U.S.C. § 208.

<sup>34</sup> 47 U.S.C. § 201(b)

<sup>35</sup> *Truth-in-Billing & Billing Format, National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing*, CC Docket 98-170, Second Report & Order, Declaratory Ruling, and Second Further Notice of Proposed Rulemaking, FCC 05-55 (Mar. 18, 2005).

practices<sup>36</sup> as well as specifically from statutes such as the Telemarketing and Consumer Fraud and Abuse Prevention Act.<sup>37</sup> If states believe that it is necessary to take enforcement action against a wireless carrier, states may do so through the “neutral application of state contractual or consumer fraud laws.”<sup>38</sup>

## **B. Consumer Complaints**

Each wireless carrier has a natural and economic incentive to minimize complaints, again due to the competitiveness of the market. Carriers work to keep their customers satisfied in order to minimize significant customer acquisition and call center costs. However, all carriers, Cingular included, recognize that complaints - albeit a small amount relative to total subscribers - do exist. Each wireless carrier works to resolve each and every complaint quickly, satisfactorily, and fairly – knowing that a wireless customer can easily change services to a competing provider quicker and easier than ever before.

From that perspective, when a customer has a question about his/her bill, service, or any other matter, the customer must first know how to contact his/her carrier. All wireless carriers who have agreed to abide by the CTIA Code have thus agreed to provide information explaining how consumers can contact them in writing, by toll-free telephone

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<sup>36</sup> McKinney's General Business Law § 349, NY GEN BUS § 349.

<sup>37</sup> McKinney's General Business Law § 399-pp, NY GEN BUS § 399-pp

<sup>38</sup> *Southwestern Bell.*, 14 FCC Rcd. At 19903; *Moriconi v. AT&T Wireless PCS, LLC*, 280 F.Supp. 867 (E.D. Ark. 2003) *see also* *Wireless Consumers Alliance Inc.*, 15 FCC Rcd 17021, 17025, ¶ 8 (FCC 2000); *In the Matter of Petition of the State Independent Alliance*, 17 FCC Rcd. In point of fact, three (3) of the largest nationwide carriers - Cingular Wireless, Sprint PCS, and Verizon Wireless - last year entered into an Assurance of Voluntary Compliance (AVC) with the attorneys general of 33 states. The AVC requires these wireless carriers to abide by certain requirements addressing matters including (but not limited to) the carriers' respective coverage representations contained in their respective advertising and marketing materials; a cancellation period for new wireless service during which time early termination fees will not apply; and bill disclosures regarding taxes and surcharges. While the New York Attorney General was not a party to the AVC, Cingular, Sprint PCS, and Verizon Wireless have implemented the requirements of the AVC throughout their national service areas, including in New York.

number, or otherwise, with any inquiries or complaints.<sup>39</sup> Specifically, signatory carriers have agreed to include this information on all billing statements, in written responses to consumers' inquiries, and on their respective websites and to make this information available upon request to any consumer calling the carrier's customer service department. As a signatory to the Code, Cingular prominently displays its 1-800 customer service phone number (611 from the customer's Cingular phone) on its customers' bills and on its website.

State commissions, like the New York Commission, also have an important role to play in receiving and transmitting to wireless carriers consumer complaints. In this manner state commissions provide a valuable function by identifying customer needs that the carriers may not be satisfying. The information thus helps carriers to understand how they can improve their relationships with their customers and to review, and if necessary, change their practices or policies to remain competitive. Thus, for example, aside from responding to customers' individual inquiries and complaints, Cingular analyzes the complaint data it receives from state commissions (as well as other from agencies, including but not limited to the FCC, state attorneys general, and Better Business Bureau) to allow it to better serve its customers. While Cingular cannot speak for its wireless competitors, Cingular assumes all carriers do the same as a matter of good business practice in a highly competitive market. All carriers abiding by the CTIA Code have further promised to respond in writing to all state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency.

#### **IV. SERVICE QUALITY**

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<sup>39</sup> The three carriers operating under the AVC have also agreed to this requirement, as well as to respond within a reasonable time and in good faith to all matters addressed in the AVC.

Due to the intense competition in wireless services, carriers are continually working to differentiate themselves from their competitors. Service quality is yet another way in which wireless carriers compete. If a customer is dissatisfied with his/her wireless carrier's service, he/she is free to switch to another carrier. This provides a powerful incentive for wireless carriers to improve their coverage and service quality, as evidenced by the significant amounts carriers spend each year on network upgrades. As Mark Lowenstein has observed,

Supporting surging subscriber growth, increased network usage, and advanced new services costs money. Wireless operators have been investing in their networks at a pace that far outstrips capital expenditures in the broader communications industry. The magnitude of this is shown in that wireless network expenditures have grown from 10% of total communications industry capex in 1992 to nearly 50% of industry capex this year.

. . .

Even through the telecom industry downturn earlier this decade, wireless network investment remained robust, consistently averaging above \$900 per subscriber. A commonly used metric to track network expenditures is "capital intensity" total industry network capex divided by total industry revenues. Wireless carrier capital intensity has been as high as 30% of revenues but has consistently averaged in the 20% range. By contrast, wireline capital intensity is estimated to be only about 13% in 2004, down from more than 30% in the "peak" years. Consensus estimates from financial and industry analysts have wireless network capex remaining in the 20% of revenue range for the next two years. . . .<sup>40</sup>

Wireless technology is inherently different from wireline technology and cannot be judged the same way. Wireless telephone service relies on radio waves, which travel through the air, and consequently, are subject to unpredictable and constantly-changing atmospheric conditions; differences in regional topography; and reflected signal interference. Each of these factors is beyond the control of the wireless carrier, but

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<sup>40</sup> Lowenstein at 15. In point of fact, last month, Cingular announced it will invest more than half a billion dollars in 2005 in network improvements in New York and New Jersey, including turning up approximately 275 new cell sites, and that nationwide, the company will spend more than \$6 billion on its ALLOVER<sup>SM</sup> network, the nation's largest voice and data network. *See* Cingular Press Release, *Cingular Wireless Invests Half a Billion Dollars in New York/New Jersey Wireless Network* (July 28, 2005).

potentially may result in dropped calls or compromised sound quality. The FCC has adopted comprehensive and stringent rules governing wireless carriers' service areas, network build-out obligations, and transmission capabilities. All wireless carriers must comply with these requirements.

Wireless carriers also need an adequate number of cell sites to provide quality service. Frequently, areas with poor service quality are areas with relatively fewer cell sites due to unduly burdensome cell site regulatory processes. Where State and/or local governments regulate tower siting, they can help to improve the quality of wireless services by ensuring that wireless carriers are allowed to add cell sites in a timely manner to satisfy demands for wireless service.

**V. CONCLUSION**

The State of New York and specifically the Commission currently have in place the most effective regulatory paradigm to ensure the provision of reasonably priced and reliably provided wireless telecommunications service for the residents of New York. By leveraging the competitive wireless marketplace, existing New York and federal consumer protection laws and voluntary industry standards, the wireless industry will continue to be able to deliver and improve upon the service and benefits that New York expects and deserves.

Respectfully submitted:

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