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

In the Matter of	)	
	)	
Telephone Number Portability	)	**CC Docket No. 95-116**
	)	**RM 8535**

REPLY COMMENTS OF PAGING NETWORK, INC.

Paging Network, Inc. ("PageNet"), on behalf of all of its operating subsidiaries, by its attorneys, hereby submits its Reply Comments in the above-captioned proceeding, pursuant to the Notice of Proposed Rulemaking (Notice"), FCC 95-284 (released July 13, 1995). PageNet's Reply Comments herein are limited primarily to the issues pertaining to the implementation of number portability as it affects the paging and messaging industry. However, as PageNet explains further herein, the duplicative use of numbers affects all carriers, both wireless and wireline, and these Reply Comments also focus on that critical issue.

I. SUMMARY OF ARGUMENT

In its Comments in this proceeding, PageNet maintained that the necessity for the implementation of interim number portability for paging and messaging carriers had not been demonstrated. PageNet urged the Commission to fully consider the effects of such a plan on the quality and price of paging and messaging services. PageNet suggested that the adverse impact of interim number portability on paging and messaging services would be so

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substantial on both the carriers and their subscribers that no interim plan should be adopted.

Indeed, the record in this proceeding does not support interim number portability for paging and messaging services. Since the paging and messaging services are highly competitive, interim number portability would not bring benefits to those services. Instead, imposition of an interim plan would only impose substantial technical burdens, potential service degradation, and costs on messaging carriers and customers alike, with no perceptible benefit. Since the Commission's primary objective for implementing number portability is to bring competition to the applicable market, focus should be directed at the two-way interactive voice market.

One particular concern about the effect of an interim portability plan that PageNet raised in its Comments was the effect on the availability of telephone numbers. This critical need for the continued availability of North American Numbering Plan ("NANP") numbers was recognized by several other parties in their Comments. PageNet continues to urge the Commission to fully consider the effect of any number portability plan it adopts on the critical number shortage that faces many areas of this country.

With regard to long term number portability plans, PageNet urged the Commission to fully consider the effect they any such plan would have on the service quality and price for paging and messaging services and to assure the seamless, cost effective and

nondiscriminatory implementation of any such plan. The comments of other parties, including the states, reflect a consensus of the Commission's role in number portability.

II. THE RECORD DOES NOT SUPPORT INTERIM NUMBER PORTABILITY FOR PAGING AND MESSAGING SERVICES

Virtually no commenter supported interim number portability for paging and messaging carriers. Of those parties who addressed this issue, all are uniformly opposed to any interim plan for either paging and messaging carriers in particular or wireless carriers in general. [1/] Several parties advocate deferring all number portability for all wireless carriers until a later date. [2/] Even those parties who do advocate long term number portability for wireless carriers do not urge portability on an interim basis. [3/] Still other parties either address number portability for both wireless and wireline services and advocate interim portability only if a long term solution cannot be implemented expeditiously [4/] or focus on wireline number portability but find that interim solutions are not effective. [5/]

1/ Comments of The Personal Communications Industry Association ("PCIA") at 2, 9-10, AirTouch Paging and Arch Communications Group ("AirTouch/Arch") at 12-17, Nextel Communications, Inc. ("Nextel") at 5.

2/ Comments of Bell Atlantic NYNEX Mobile, Inc. ("BANM") at 1.

3/ Comments of The Cellular Telecommunications Industry Association ("CTIA") at 2-4, The Ericsson Corporation ("Ericsson") at 1-3, Omnipoint Corporation ("Omnipoint") at 3.

4/ Comments of GO Communications Corporation ("GO") at 7-8.

5/ See Comments of Time Warner Communications Holdings, Inc. ("TWComm") at 9-11.

Policy reasons alone distinguish implementation of number portability for the two-way interactive voice landline market on a different basis from the paging and messaging market in particular. As the Commission made clear in its Notice, at 3, the major policy reason for implementing number portability is local competition. It is the two-way interactive voice market that is the focus of this competition. The Commission has determined that interim number portability is necessary for local exchange competition, based on the presumption that it will be far more difficult, if not impossible, for competition in the absence of number portability.

This situation must be contrasted to the paging and messaging market, where competition is vigorous. Virtually all of the parties commenting on number portability for wireless services addressed the presence of this significant factor in wireless generally [6/] or paging and messaging specifically. [7/] For instance, numerous carriers provide paging and messaging services in any given market and consumers make service and carrier selections from those offerings. The paging and messaging marketplace simply does not have the same paradigm as the two-way interactive voice market when it comes to this significant competition factor. Competition is pervasive in the paging and messaging industry. Consumers in that market have exhibited a choice in their selection of carriers, unlike with the two-way

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6/ Comments of BANM at 3, Nextel at 7, CTIA at 8-9., Omnipoint at 3.

7/ Comments of AirTouch/Arch at 4, 15, PCIA at 3, 5.

interactive voice landline market where consumers have no choice but to use the local exchange carrier because no competition exists in that market. In that instance, customers have only one carrier from which to choose.

As PageNet pointed out in its Comments, at 4, the Commission itself has declared that the paging market is highly competitive. This level of competition is demonstrated by a number of factors. First, no single carrier controls a significant share of any paging market. No carrier controls more than 12 percent of any market. [8/] Markets have an average of five competing carriers, with some having as many as 19. [9/]

Second, minimal barriers to entry are apparent. The paging industry has experienced rapid growth in demand for services, creating new opportunities for competitors. In 1994 alone, the industry experienced a growth rate of 38 percent. [10/] In addition, the Commission's efforts to increase the number of frequencies available for messaging services have resulted in an increase in entities that can compete for messaging customers within a particular market.

Third, the prices of pagers and paging services is steadily declining, thereby making such service more affordable and attractive to more of the public. The average monthly revenue for

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8/ R. Lane & J. Kealey, Paging Study Show More Competition and Consolidation, Telocator, October 1992, at 8, 10.

9/ Randy Ridley,.1993 Survey of Mobile Radio Paging Operators, Communications, Sept. 1993, at 20.

10/ EMCI, The State of the U.S. Paging Industry: 1994, at 1 (1994).

a digital display pager has fallen from approximately $26 in 1987 to about $15 in 1992, a drop of over 40 percent. [11/]

All of these factors demonstrate that the messaging continues to be vigorously competitive. Consumers move among carriers today, even though they face a number change.

Only one commenter, the National Wireless Resellers Association ("NWRA"), argues that service provider number portability is necessary for full competition in wireless services. PageNet finds that NWRA's arguments are internally inconsistent, superfluous and unsupported. NWRA's arguments for number portability do not focus on paging and messaging services, [12/] with one possible exception. That one argument involves a reference to printing business stationery in regard to customer reluctance to change numbers. While paging and messaging customers may be reluctant to change telephone numbers, they are, nevertheless, doing so, as evidenced by the substantial amount of churn of paging customers and the significant amount of competition in that market. NWRA has not raised any relevant argument for imposing number portability on an interim basis for paging and messaging service.

Another reason for not implementing any interim number portability plan for paging and messaging services is the fact that all of those measures are technically or economically flawed.

11/ Patrick Partridge, The Future Looks Brighter for Paging Business Values, Telocator, June 1993, at 14.

12/ NWRA's focus on the lack of competition in the wireless markets necessarily excludes paging and messaging services, since those markets are highly competitive.

For instance, the remote call forwarding ("RCF") and direct inward dialing ("DID") methods decrease efficiency of call routing, increase post dialing delay, use unnecessary telephone numbers, and diminish network reliability, transmission quality and network maintenance capabilities. [13/]

III. THE RECORD DEMONSTRATES THE NEED FOR A COMMITMENT BY THIS COMMISSION FOR TIMELY NANP NUMBERING RELIEF IMPLEMENTATION

The comments in this proceeding overwhelmingly support the use of interim number portability solutions, including RCF for wireline services. The RCF method would require the use of two telephone numbers, where only one was used without number portability. Such use will artificially accelerate NANP number usage throughout the country. Given the entry plans of the competitive local exchange carriers, it is likely that the greatest demand for numbers resulting from number portability plans will be in major markets. This is where existing number demand is already high. Addition of the demand from number portability will hasten exhaust of numbers in the major markets.

Another potential concern regarding the impact that interim number portability could have is that the local exchange carriers could "conveniently" run out of numbers to be assigned to the forwarded location under RCF. The local exchange carriers could be motivated to abuse the interim number portability process in this way because most of those customers seeking number portability would be switching from the local exchange carrier to

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13/ See Comments of AT&T at 11-12.

a competitive local exchange carrier. If no numbers are available for interim number portability, those local exchange customers would be less liable to switch carriers.

The only way to assure that the local exchange carriers do not engage in such practices is for the Commission to order local exchange carriers to plan adequately to avoid telephone number exhaust. We have experienced many instances throughout the country where the local exchange carriers have been caught in critical exhaust situations. This cannot continue to happen.

The Commission has recognized the critical nature of numbers in the provision of services and the need for their continued availability. The Commission stated that a nationwide system of numbering is essential to the delivery of telecommunications services and recognized the need for making numbers available on an efficient, timely basis for service providers to facilitate entry to the telecommunications markets. **14/** Numbers are essential for carriers such as PageNet to add customers to their networks and make services available to the public. If a shortage of numbers occurs in any given area, such carriers' efforts to expand their service offerings would be frustrated. For these reasons, it is essential that, if the Commission implements an interim number portability plan that requires the use of additional numbers, it pledges to assure that it will assist in

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14/ Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, Declaratory Ruling and Order, FCC 95-19 (released January 23, 1995) at 7.

every way necessary in making numbers timely available on a non-discriminatory basis. This is absolutely essential if the Commission's goal of fostering growth in telecommunications services is to be realized.

IV. CONCLUSION

The record in this proceeding clearly demonstrates that interim number portability is not necessary to achieve competition in the paging and messaging market, because it is already highly competitive. Furthermore, adoption of such a plan would impose substantial technical and economic burdens on the carriers and subscribers. It would also unnecessarily place a demand on additional telephone numbers, which face exhaust in many major areas throughout the country. The Commission should not adopt such a plan. In addition, if an interim portability plan is adopted for two-way interactive voice landline services, the Commission should pledge to assure that it will assist in making number resources available.

Respectfully submitted,

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October 12, 1995

CERTIFICATE OF SERVICE

I, Courtenay P. Adams, hereby certify that, on this 12th day of October 1995, a copy of the foregoing Reply Comments was sent, U.S. mail, postage prepaid, to the individuals shown on the attached list.

Courtenay P. Adams

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