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December 10, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE OR LATE FILED

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

Dear Ms. Salas:

Re: **Notice of *Ex Parte* Communication**
Telephone Number Portability (CC Docket No. 95-116)

Dear Ms. Salas:

On December 9, 1998, Bruce Beard and Michael Bennett of Southwestern Bell Wireless, and I held separate meetings with Paul Misener of Commissioner Furchtgott-Roth's office and Dan Connors of Commissioner Ness's office to discuss the above-referenced docket.

The purpose of the meetings was to highlight issues in support of CTIA's petition for forbearance from the wireless number portability requirement as well as to discuss the issue of number pooling. The points addressed in the meetings are set forth in the attached handout, which was distributed to all of the participants.

In accordance with Section 1.1206(b) of the Commission rules, 47 C.F.R. § 1.1206(b), two copies of this notice are being submitted to the Secretary. Please

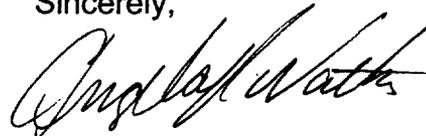
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Ms. Magalie Roman Salas
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stamp and return the attached duplicate for our records. If you have any questions, please contact me at the above-referenced number.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela N. Watkins". The signature is fluid and cursive, with the first name being the most prominent.

Angela N. Watkins

Attachment

cc: Paul Misener
Dan Connors

Wireless Number Portability
Forbearance Petition

SBC WIRELESS INC.

DECEMBER 9, 1998

CRITERIA FOR FOREBEARANCE PURSUANT TO SECTION 10 OF THE COMMUNICATIONS ACT

- Forbearance must be consistent with the public interest
- Will forbearance promote competitive market conditions, including competition among providers of telecommunications services

FOREBEARANCE IS CONSISTENT WITH PUBLIC INTEREST

- **Rationale for Number Portability--facilitate entry of new service providers--provide incentives for incumbents to lower prices and increase service choice and quality--proven false**
- **Competition in CMRS has been increasing dramatically without number portability**
- **Prices continue to drop without number portability-- Average Local Monthly Bill in 1994 was \$58.65--1997 was \$43.86 (CTIA Survey)- Increased focus on customer service reported**
- **Analysts predict availability of PCS to 170 million people by year end**

FOREBEARANCE PROMOTES COMPETITION

- **New entrants overwhelmingly agree--forbearance will enhance competition**
- **Resources better spent building out networks and marketing service**
- **Experience demonstrates that new entrants are attracting significant number of customers without number portability**
 - **PrimeCo Reports 50% of all new customers were previously subscribers of another provider--PBMS reports about 60%**
 - **Andersen Consulting found wireless customers switch at annual rate of 30%**

FOREBEARANCE PROMOTES COMPETITION-New Entrant's Position

- **-wireless number portability imposes more of a financial burden than a competitive benefit at this relatively early stage of wireless competition.**
- **The enormous capital requirements associated with implementing wireless portability impedes build-out, aggressive marketing, and price competition-to the detriment of the public interest.**

Comments of Sprint Spectrum, p. 3

FOREBEARANCE PROMOTES COMPETITION-New Entrant's Position

- **Based on its *actual* experience, PrimeCo has changed its position regarding public interest benefits of WNP at this time. Instead, PrimeCo now urges the Commission to forebear from enforcing WNP.**
- **-it is critical that new entrants like PrimeCo be able to focus limited financial, engineering and marketing resources on network deployment to improve service coverage and quality**
- **forbearance will promote competitive market conditions by enabling new entrants to more economically deploy their networks, thereby expanding coverage and promoting competition with incumbent CMRS providers**

PrimeCo Comments, pp.. 2, 10, 11.

FACILITY BASED COMPETITORS, OLD AND NEW, OVERWHELMINGLY SUPPORT FORBEARANCE

- **PrimeCo**
- **Sprint PCS**
- **PCIA**
- **American Mobile
Telecom. Assoc., Inc..**
- **GTE Service
Corporation**
- **CTIA**
- **Century Cellunet, Inc.**
- **360**
- **Southwestern Bell
Mobile Systems/Pacific
Bell Mobile Services**
- **Bell Atlantic Mobile, Inc.**
- **Rural
Telecommunication
Group**
- **Airtouch**
- **United States Cellular**
- **Upstate (N.Y.) Cellular
Network**

FOREBEARANCE PROMOTES COMPETITION-New Entrant's Position

- **SBC Wireless PCS Licenses--Pacific Bell Mobile Services in California and Nevada (San Diego, San Francisco, Los Angeles, Las Vegas, Sacramento) and Southwestern Bell Wireless in Tulsa, Oklahoma**
- **PBMS Encompasses over 31 Million Pops**
- **PBMS has over 639,000 customers**
- **Substantially exceeds pre-start up estimates**
- **We estimate 60% convert from other providers**
- **Price, features, benefits drive purchase decision**
- **Outbound calls still 70-80% of total**

FOREBEARANCE PROMOTES COMPETITION-New Entrant's Position

- **As a new entrant, number portability is extremely low on our list of what we need to compete effectively**
- **Time, resources and money is better spent on things we really need to compete--build-out, marketing and customer service**
- **We have been successful without it**

**CONCERNS REGARDING IMPACT ON
NUMBER ADMINISTRATION ARE
UNWARRANTED**

- **Forbearance will not detrimentally impact number administration**
- **Wireless inability to participate in pooling because of lack of Number Portability will not detrimentally impact efficient Number Administration**
- **Detrimental impact of proceeding with wireless number portability at this time far outweighs unwarranted speculation about forbearance effect on Number Administration**

CMRS POOLING IS NOT CRITICAL TO EFFICIENT NUMBER ADMINISTRATION

- Efficiencies available through pooling--assigning numbers in less than full NXXs
- Primary basis for pooling is CLECs claimed need to emulate LEC rate centers-need NXX presence in each rate center
- Pooling by landline does create efficiencies in number administration
- Efficiencies from landline pooling does not equate to efficiencies from wireless pooling

CMRS POOLING IS NOT CRITICAL TO EFFICIENT NUMBER ADMINISTRATION

- Can implement pooling without CMRS participation
- **Wireless' Potential Contribution to Pooling Is Basically Non-Existent**
 - **CMRS providers do not need to emulate landline rate center-use not bound by landline rate centers-few rate centers-few pools to contribute to**
 - **CMRS carriers use numbers more efficiently assign anywhere within service area-will continue to efficiently use full NXXs-normally 70-80%**

Each Rate Center Represents a Separate Pool of Numbers

- **54 NPAs in California, Nevada, Texas, Missouri, Oklahoma, Kansas and Arkansas**
- **Average Number of Rate Centers--82**
- **Average Number of Rate Centers Where LNP Deployed--51**
- **Each Rate Center equals a pool of numbers--on average have 51 separate pools**

Wireless will be Contributing/Drawing from very few pools

- **84% of NPAs Cell/PCS get NXXs out of one rate center**
- **97% of NPAs Cell/PCS gets NXXs out of 3 or fewer rate centers**
- **84% of time cell/PCS will impact only one pool of numbers--that is one rate center**

Impact is Further Diminished by Wireless' Efficient Use of Numbers

- **Use of wireless numbers is not tied to geographic confines of a rate center--greater than 84% of time serve entire NPA out of one rate center--no stranded numbers**
- **PrimeCo notes that they “have had little difficulty using its NXX blocks to at least 80-90% before opening a NXX block” PrimeCo Comments, p. 16.**
- **Data SBC Wireless supplied in area code relief proceedings in Missouri, Texas and Massachusetts (214, 314, 508, 617, 781, 972 and 978) indicate an overall utilization of over 80%**

Competitive Benefits of Forbearance Should Not be Forfeited by Mere Speculation

- There is no evidence that wireless carriers will, after 15 years of operating their networks, suddenly create numerous rate centers in each NPA
 - **No reason to do so**
 - **Withdraw of reverse billing options do not equate to a need for numerous rate centers,**
 - **more practical solutions exist**
 - **such options normally involve non-LNP areas**

Competitive Benefits of Forbearance Should Not be Forfeited because of Pooling Concerns

- **Criteria for granting forbearance has been met--the grant is in the public interest and will enhance competition. The grant should not be withheld based on speculative unwarranted number pooling concerns**
 - **if number pooling is now the basis for requiring wireless number portability why is any carrier exempt from number portability requirements?**
 - **Is the cost to the the public in the form of diminished competition and to the wireless industry, including rural carriers not in the top 100 RSAs who will need to incur costs to make necessary changes in order to continue to support automatic roaming, really worth the minimal contribution, if any, wireless pooling will make in a few select rate centers?**

PETITION FOR FORBEARANCE SHOULD BE GRANTED

- **Criteria for Granting Petition have been met-
public interest and competition favor
forbearance**
- **Lack of Number Portability is not hindering
ability of new competitors to compete**
- **PBMS Experience-Number Portability is Not
Essential--Detrimental**
- **Forbearance will not Detrimentally Effect
Number Pooling Efforts**