

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

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of)	
)	
Petition Pursuant to 47 U.S.C. § 160)	WT Docket No. 01-184
For Partial Forbearance From the)	
Commercial Mobile Radio Services)	
Number Portability Obligation)	

REPLY COMMENTS OF THE RURAL CELLULAR ASSOCIATION

The Rural Cellular Association (“RCA”),¹ by counsel, hereby replies to comments filed in this proceeding on the request of Verizon Wireless (“Verizon”) seeking the Commission’s forbearance from the imposition of Commercial Mobile Radio Service (“CMRS”) number portability obligation.²

The record fully demonstrates that forbearance is in the public interest, and commenters opposing Verizon’s Petition fail to prove otherwise. Relying on inconsequential data to support their assertion that a significant demand exists for wireless Local Number Portability (“LNP”), opponents ignore the tremendous costs that will be imposed on small and rural carriers if the

¹ RCA is an association representing the interests of small and rural wireless licensees providing commercial services to subscribers throughout the nation. Its member companies provide service in more than 135 rural and small metropolitan markets where approximately 14.6 million people reside. RCA was formed in 1993 to address the distinctive issues facing rural wireless service providers.

² *WTB Seeks Comment on Wireless LNP Forbearance Petition Filed by Verizon Wireless: Public Notice*, WT Docket No. 01-184, DA 01-1872 (rel. Aug. 7, 2001) .

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Commission does not forbear from all aspects of wireless LNP. The public interest is clearly served by permanent forbearance from wireless LNP.

I. Commenters Opposing Verizon's Petition For Forbearance Fail to Prove that a Significant Demand Exists for Wireless LNP

Commenters opposing Verizon's Petition assert, without basis, that a significant demand exists among mobile subscribers in the United States for wireless LNP. There exists, however, no proof that such a demand exists in the United States.

In support of their position, some commenters cite various demand statistics, but all of these projections pertain to markets outside of the United States. *See, e.g.*, ASCENT at 8 (citing a survey the Hong Kong Mobile Services Number Portability Report); New Hampshire at 8-9 (citing a recent poll among wireless users in Australia).³ In contrast, as demonstrated by RCA, the highly competitive market within the United States continues to grow at a strong pace, in the absence of LNP obligations.⁴ As noted by RCA, the strong competitive market in the U.S. clearly demonstrates that LNP is not critical to ensuring that the growth in CMRS competition continues.⁵

Other commenters opposing Verizon's Petition argue that consumers are increasingly

³ The New Hampshire Public Utilities Commission not only opposes forbearance but recommends that FCC staff "oversee" the implementation of wireless LNP for small carriers. RCA believes that such use of the Commission's valuable time and limited resources is not only unnecessary but in opposition to the Commission's market-based policies. *See* RCA's Comments at 6-7.

⁴ *See* RCA's Comments at 3-4 (citing the Commission's Sixth Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Services).

⁵ *Id.*

using their wireless numbers on letterhead, business cards and other print and media and thus are reluctant to change wireless carriers without the ability to port their number to a new carrier. *See, e.g.*, Vermont Public Utility Board's Comments at 4. This unsupported presumption, however, pales against record evidence clearly showing that customers choose carriers based on price and coverage issues.⁶ If required to implement LNP, wireless carriers will have to raise their service rates and curtail build-out of their systems to recover their costs. Consumers will then pay more for service with less coverage, a result directly opposite of consumer desires.⁷

II. Commenters Opposing Verizon's Petition for Forbearance Ignore the Significant Costs that Small and Rural Carriers Will Incur to Implement Wireless LNP

Commenters opposing Verizon's Petition attempt to minimize the significant costs that would be incurred by carriers to implement wireless LNP. For example, New Hampshire Public Utilities Commission assumes that because Verizon did not include a detailed explanation of the costs it will incur to implement wireless LNP, the costs must be "incremental."⁸ Similarly, ASCENT dismisses the Commission's estimate that the wireless industry as a whole "will need to spend up to \$1 billion to implement wireless number portability, including software and network modifications," as insignificant as "it only represents roughly one percent of the

⁶ *See CTIA Petition for Forbearance from CMRS Number Portability Obligations and Telephone Number Portability*, WT Docket 98-229, *Memorandum Opinion and Order*, 14 FCC Rcd 3092, para. 22 (1999).

⁷ The certainty of increased rates is even more ironic when compared with projected increases in letterhead and other media costs associated with changing phone numbers in the era of computer-generated letterhead and desk-top publishing.

⁸ See New Hampshire's Comments at 4-6.

cumulative capital invested by CMRS providers in their systems.”⁹ This cavalier dismissal does not address the impact on the public misallocated assets, and certainly does not constitute a sound basis for developing public policy.

The record contains specific cost data that cannot be ignored or summarily dismissed. Sprint estimates that in addition to what it will spend to implement number pooling, it will spend a minimum of \$26 million to implement LNP and a minimum of \$50 million annually to operate LNP.¹⁰ Cingular estimates that it will spend in excess of \$250 million over the next five years for implementation of wireless LNP as well as additional payments to NeuStar on a per-port basis that could total tens of millions more.¹¹ Small and rural carriers will also incur significant costs. As noted by CTIA, small and rural carriers will be forced to incur huge expenses for software upgrades since many do not have the required level of software in their switches.¹²

When compared with the low demand for wireless LNP, these costs cannot be justified, especially as they impact small and rural carriers. As demonstrated in RCA’s comments, little demand exists for wireless LNP, especially in small and rural markets.¹³ This minimal demand certainly cannot justify exorbitant expenditures to implement wireless LNP, especially since the impact of the costs on small and rural carriers and their subscribers is greater than on larger

⁹ ASCENT’s Comments at 21.

¹⁰ Sprint’s Comments at 6.

¹¹ Cingular’s Comments at 3.

¹² CTIA’s Comments at 10-11.

¹³ See RCA’s Comments at 3.

regional and national carriers due to the smaller customer base over which to spread the costs.¹⁴ Given the tremendous cost burdens associated with implementing all aspects of wireless LNP and the low demand from subscribers for the service, RCA urges the Commission to completely forbear from imposing wireless LNP on CMRS providers, including the requirement that CMRS carriers implement software upgrades in their network to support nationwide roaming capabilities.¹⁵

¹⁴ The Commission has recently stated that it recognizes that smaller and rural carriers face certain “challenges” that are distinct from larger carriers. *See FCC Acts on Wireless Carrier and Public Safety Requests Regarding Enhanced Wireless 911 Services*: News (rel. Oct. 5, 2001) at 2.

¹⁵ *See* RCA’s Comments at 6-7.

III. Conclusion

Commenters opposing Verizon's Petition fail to prove that forbearance from the imposition of CMRS number portability obligations would be a disservice to the public interest. Opponents fail to show that a significant demand exists for wireless LNP and ignore the tremendous costs that will be imposed on small and rural carriers if the Commission does not forbear from all aspects of wireless LNP. In contrast, Commenters supporting Verizon's Petition clearly demonstrate that the public interest demands that the FCC forbear from imposing LNP requirements on CMRS providers. Accordingly, for benefit of the public interest, the Commission must grant Verizon's Petition as well as RCA's request that the Commission forbear from enforcing all CMRS number portability requirements.

Respectfully submitted,

RURAL CELLULAR ASSOCIATION

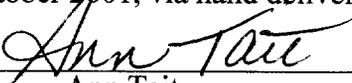
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CERTIFICATE OF SERVICE

I, Ann Tait, of Kraskin, Lesse & Cosson, LLP, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that a copy of the foregoing "Reply Comments of the Rural Cellular Association" was served on this 22nd day of October 2001, via hand delivery or first class, U.S. Mail, postage prepaid to the following parties:


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