December 21, 2001

VIA ELECTRONIC FILING

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Filing
WT Docket No. 01-184

Dear Ms. Salas:

On December 20, 2001, Robert Koppel, Dave Thomas (via telephone), Hank Hultquist, and I met with Peter Tenhula, Senior Legal Advisor to Chairman Michael Powell, to discuss WorldCom's opposition to Verizon Wireless' petition for forbearance from the CMRS number portability requirement.

WorldCom emphasized that wireless LNP is in the public interest because it will promote competition in the wireless market and between the wireless and wireline industries. A copy of the presentation materials distributed at the meeting is attached. In addition, WorldCom suggested that the Commission examine the feasibility of initially requiring only port-out capability. WorldCom noted that there is no incentive for mobile carriers to port-out, so this capability must be mandated. There is, however, competitive incentive for mobile carriers to port-in, so the Commission could allow the market to determine whether carriers offer this capability.

Please contact me if you need any additional information.

Sincerely,

Tally Frenkel
Associate Counsel

Attachment

WIRELESS LOCAL NUMBER PORTABILITY

WorldCom, Inc.
December 2001

WIRELESS LNP WILL PROMOTE COMPETITION AMONG WIRELESS CARRIERS

- Wireless LNP will enhance the ability of customers to "vote with their feet."
  - Customers are increasingly using their mobile phones for incoming calls.
  - As a result, customers are increasingly invested in their mobile phone numbers.
    - This is particularly true for mobile carriers' best (highest paying) customers.

  - Without LNP, customers must forgo lower rates or better service offered by another provider, unless they are willing to change their telephone number.
    - Customers are "locked in" because of the high "cost" of changing telephone numbers.
    - Mobile carriers can extract a premium because of this "cost."
    - As the market matures, the impact of anti-competitive "lock in" increases.
      - Carriers will be competing for existing customers, rather than new customers.

- The Commission has repeatedly recognized and affirmed the competitive benefits of wireless LNP.
  - The basis for prior FCC decisions remains valid.

WIRELESS LNP WILL PROMOTE COMPETITION BETWEEN WIRELESS AND WIRELINE CARRIERS

- Wireless is becoming a viable competitive alternative to wireline.
- Wireless LNP promotes FCC goal of encouraging facilities-based competition to ILECs.

WIRELESS LNP WILL PROMOTE COMPETITION BETWEEN FACILITIES-BASED WIRELESS CARRIERS AND WIRELESS RESALE CARRIERS

- Wireless LNP is critical in light of Nov. 24, 2002 sunset of mandatory resale requirement.

- If the facilities-based carrier terminates the resale agreement, customers of the reseller will have the following choices:
  - Without LNP:
    - customers remaining with the reseller will have to change their phone numbers.
    - customers can keep their phone numbers by migrating to the underlying carrier.

  - With LNP:
    - customers will have the choice of staying with their reseller, migrating to the underlying carrier, or migrating to any other carrier -- while keeping their phone number.

THE RELATIVE COST OF IMPLEMENTING WIRELESS LNP IS LOW

- Cost of LNP: less than $0.24 per subscriber per month (weighted average based on Cingular, AT&T Wireless and Sprint PCS estimates).
- Cost estimates are likely overstated.
- Cost per user will decline as number of subscribers increases.
- Relative cost of LNP
  - ARPU: $45 per month.
    - LNP: $0.24 per month (1/2 of 1%).
  - 2000 Capital investment: $90 billion.
    - LNP: $300 million/year (3/10 of 1%).

VERIZON WIRELESS AND THE OTHER WIRELESS CARRIERS HAVE HAD AMPLE TIME TO IMPLEMENT LNP

- Wireless carriers have been given over 6 years to implement LNP - this is more than enough time.
- Wireless LNP was initially mandated in July 1996, with a deadline of June 30, 1999; this was extended to March 2000, then further extended to November 24, 2002.
- Carriers that have chosen to avoid compliance, hoping the wireless LNP requirement would never be enforced, should not be rewarded with a grant of forbearance.