CTIA
Building The Wireless Future™
Cellular Telecommunications & Internet Association

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Commissioner Kevin Martin
Federal Communications Commission
445 12th Street, SW
Room 8-A204
Washington, DC 20554

Re: WT Docket No. 01-184

Dear Commissioner Martin:

In the matter of wireless number portability you will shortly be asked to make a decision for wireless carriers to choose between funding a new regulatory mandate or funding continued improvement of the quality of wireless service and the expansion of competition. The choice is clear.

In the name of competition, the FCC's rule will force wireless companies to spend less on consumers' number one desire – the continued improvement of service quality.

As you know, the Commission recently published an analysis of consumer contacts with the FCC. Insofar as wireless issues were concerned, consumers wanted the continued improvement of their wireless networks – better coverage, expanded build out, and fewer dropped calls. Wireless number portability was not even on the FCC's ranking of issues on which you have heard from consumers.

The difficulty with the wireless number portability regulation (which, as you know, was specifically not required by Congress but imposed by the FCC) is how it will force carriers to redirect spending that otherwise would go to expanding consumer service. There is no cost-benefit analysis to support a Commission action that forces carriers to redirect scarce resources from system build outs and expanded coverage to number portability that is neither mandated by Congress, nor warranted by a lack of wireless competition.

Wireless number portability has been estimated to cost almost $900 million to install and $500 million annually to maintain (*see* WT Docket No. 01-184). That amount

– almost a billion dollars in the first year, and half a billion every year thereafter – is money that *will not be available* for wireless carriers to use to upgrade and improve their networks (unless, of course, the cost is passed on to the consumers in the form of an increase in their bills as the result of this FCC mandate).

In the name of competition the FCC's rule will increase the risk associated with the achievement of another FCC mandate, number pooling.

Imposing two substantial infrastructure rebuilds simultaneously is an invitation to disaster and a new round of consumer complaints. Wisely, when it implemented number portability for wireline carriers (as required by Congress to bring competition to the monopoly wireline market, but specifically not mandated by Congress for the competitive wireless market), the FCC did not require pooling and porting simultaneously.

As anyone who has ever installed their home PC will tell you, it is essential to get one new system stabilized and operating smoothly before installing another. This is even more important when the two are interrelated (as are pooling and porting). Technology revisions are never as easy in reality as they are envisioned in their conception. The "all at once" attitude of imposing pooling and porting simultaneously on the wireless infrastructure increases the complexity of the task and, thus, increases the chance that something won't work as planned and consumers will be subjected to problems.

In the name of competition the FCC's rule will impact the only successful competitive alternative to the residential wireline monopoly.

Despite the best efforts of regulators to intervene in the market to promote residential wireline competition, the only real residential competitors today are wireless carriers. A recent study reported that 10 million Americans had cut the cord and were using wireless instead of having any wireline connection.

The wireless industry has succeeded where various policy initiatives have not by dint of a simple proposition: give consumers a price-competitive service with the added flexibility of mobility. The wireless industry has done in the market what regulations have failed to accomplish.

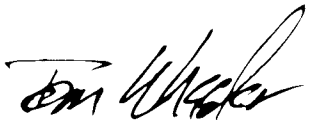
Now, however, in the name of competition, the FCC's rule would place wireless carriers in the position of having to choose between one consumer desire (competitive prices) and another consumer desire (service quality).

The funds necessary for the continued expansion of service quality are going to have to come from somewhere, especially if the availability of those funds is reduced by multiple billions of dollars (over the next several years) to pay for the number portability regulation. Thus, the awful choice the FCC imposes on wireless carriers: reduce spending for improvements or increase prices to pay for the regulatory mandate.

The FCC, through its regulation, can clearly choose to impose number portability and its attendant costs on wireless carriers. Should the Commission so decide, wireless carriers have told the FCC they will have to redirect funds that otherwise would be spent in their continual effort of improving service and the provision of competitive alternatives that the FCC's policies seek.

Almost $1 billion will be spent for something next year, we urge you to allow it to be spent to meet consumers' needs, rather than on this anti-consumer regulation masquerading in consumer clothing.

Very truly yours,



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