

ATTACHMENT 9

DECLARATION OF TODD BUCHANAN

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

In the Matter of)	
)	
Verizon Communications Inc. and)	
MCI, Inc.)	WC Docket No. 05-75
Applications for Approval of)	
Transfer of Control)	

DECLARATION OF TODD BUCHANAN

1. I am Todd Buchanan, Vice-President, Verizon Wireless Messaging Services. I am responsible for all of Verizon's paging business, including its sales and operations.

2. My organization sells one-way and two-paging services and maintains a one-way paging network. One-way paging permits users to receive timely notification of important messages. Two-way paging business allows users to send and receive text messages. Service may be offered either by national, regional, or local carriers, or, in campus environments such as hospitals, by a local wireless network. Maps showing Verizon's paging service areas are attached hereto as Exhibit 1.

3. The largest, national paging company by far is USA Mobility, which is the name of the new company that combines what were formerly known as Arch Wireless and Metrocall Holdings. After the combination, USA Mobility now has more than two-thirds of the pager units in service in the United States. In addition to Verizon and MCI's SkyTel, a number of local and regional companies own and operate their own network and provide paging services to business customers and consumers in most parts of the country. Some of the regional carriers that own and operate a network that covers multiple states include Alltel, Aquis Communications, Cook Paging, Contact Wireless, Midwest Paging, Northeast Paging, SBC Paging, and TeleTouch

Paging. In addition, numerous local carriers own and operate a paging network and hundreds of other carriers resell paging services.¹

4. Both one-way and two-way paging are declining businesses. The Department of Justice noted when it approved Arch's merger with Metrocall that the industry shrank from 45 million total paging units in 1999 to less than 12 million at the end of last year. Similarly, the Commission has found that the number of paging units in service dropped by more than 20 percent in just the period from the end of 2002 to the end of 2003. (Ninth Annual CMRS Competition Report ¶ 177.)

5. Verizon's paging business has undergone a similar decline. While Verizon had approximately 3.5 million total paging units in service on its network in 1999, that number has dropped to approximately 1.4 million today. Approximately 1.3 million of those are one-way paging units. In the last two years, paging revenue has declined even more rapidly than the drop in the number of subscribers because of a reduction in the average revenue per unit due to falling prices and increased competition from alternative technologies.

6. The paging industry has undergone consolidation because the declining market for pagers cannot sustain a large number of providers. Many paging providers have entered bankruptcy or gone out of business. Moreover, as described above, at the end of 2004, both the

¹ Local paging providers include Advanced Superior Paging, AirQuick, Americall Communications, Americall Telecom Corp, Arizona Paging, Aroostook Paging, ASAP Paging, Baystar Comm, Cal Autofone, Cellular Services, CCSI, Digi Comm Paging, Digi Page, LLP, Direct Communications, Electronic Engineering, Flower City Paging, Handy Page, Indiana Paging Network, JSM Tele-Page, Mobil Phone, PNI Tech, Power Page, ProPage Inc, Inc d.b.a Radio Comm, Satelink Comm, Teletouch, Telewaves, West Virginia Paging, Unity, Western Electronics and Wireless Telecommunications. Resellers include Airpage, C-Comm Inc., Capital Region Wireless, Voice Retrieval & Information, Skytel, Berkshire Communicators, First Page Service Account, Express Paging, Everything Wireless Comm, and Connecticut Telephone.

FCC and the Department of Justice permitted the creation of USA Mobility through the merger of Arch and Metrocall, previously the two largest paging providers.

7. The Department of Justice's conclusions in the Arch/Metrocall combination shed light on the paging industry's current market conditions. In its review of that deal, the Department concluded that the combination of Arch and Metrocall would not give USA Mobility market power over one-way or two-way paging notwithstanding its resulting large market share. First, the rapid decline in paging subscribers is attributable to fierce competition from advanced technologies, particularly cellular and PCS providers. This means that customers would change to these alternatives if paging companies raised prices. Second, even among paging providers, substantial competitive choices remain (including self-provision of paging or paging-like services in which customers establish their own networks).

8. Just as Arch's merger with Metrocall did not reduce competition in the one-way paging business, this transaction will not harm competition in connection with one-way paging. After this transaction, any unilateral or coordinated attempt to raise prices for paging service would accelerate or trigger a shift to alternative technologies, other paging providers, or self-provision by customers, and thus would be unprofitable. One-way paging customers would choose competing technologies such as wireless telephones if paging companies tried to raise prices. For example, most mobile handsets have a paging component and/or caller ID features that largely replicate the functionality of pagers. In addition, many of the remaining customers for paging services reside in campus environments. Hospitals, for example, can and do establish their own wireless networks to provide more robust security, redundancy, and data transmission capabilities than is possible through paging providers.

9. Even without this competition from alternative technologies, customers will continue to have robust competitive choices among paging providers after this transaction. USA Mobility is by far the largest paging provider and will remain so following this transaction. In addition, the numerous local and regional paging providers will continue to compete for the business of paging customers. Regional providers compete effectively because they have low cost structures and a high percentage of customers need only local or regional paging coverage. Many customers are knowledgeable and sophisticated, and, as noted above, some provide their own systems rather than buy them from paging companies. Paging companies often offer packages customized with services levels and other terms tailored to the needs of an individual customer.

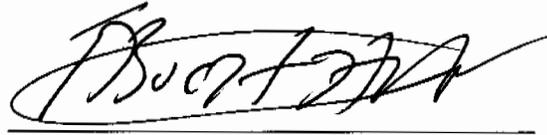
10. With respect to two-way paging, there clearly is no competitive issue. In fact, the Department of Justice did not even analyze the effect of the USA Mobility transaction on two-way paging services because of the rapid decline in the use of two-way paging service. The absence of any issue is even more pronounced here because Verizon provides very little two-way paging service. Verizon does not provide its own facilities-based two-way paging service and instead resells the two-way paging service of USA Mobility to approximately 60,000 customers.

11. A number of widely available technologies substitute for two-way paging services, and competition from these competing technologies will not be affected by the combination of Verizon's and MCI's paging businesses. For example, short message service (SMS) and other forms of text messaging available over wireless phones are largely interchangeable with traditional paging services. Other technologies, such as Blackberries and similar devices, provide much more robust data capabilities than two-way paging services,

because the networks on which they run permit the transmission of much larger quantities of data than two-way paging networks.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on March 9, 2005

A handwritten signature in black ink, appearing to read "Todd Buchanan", written over a horizontal line.

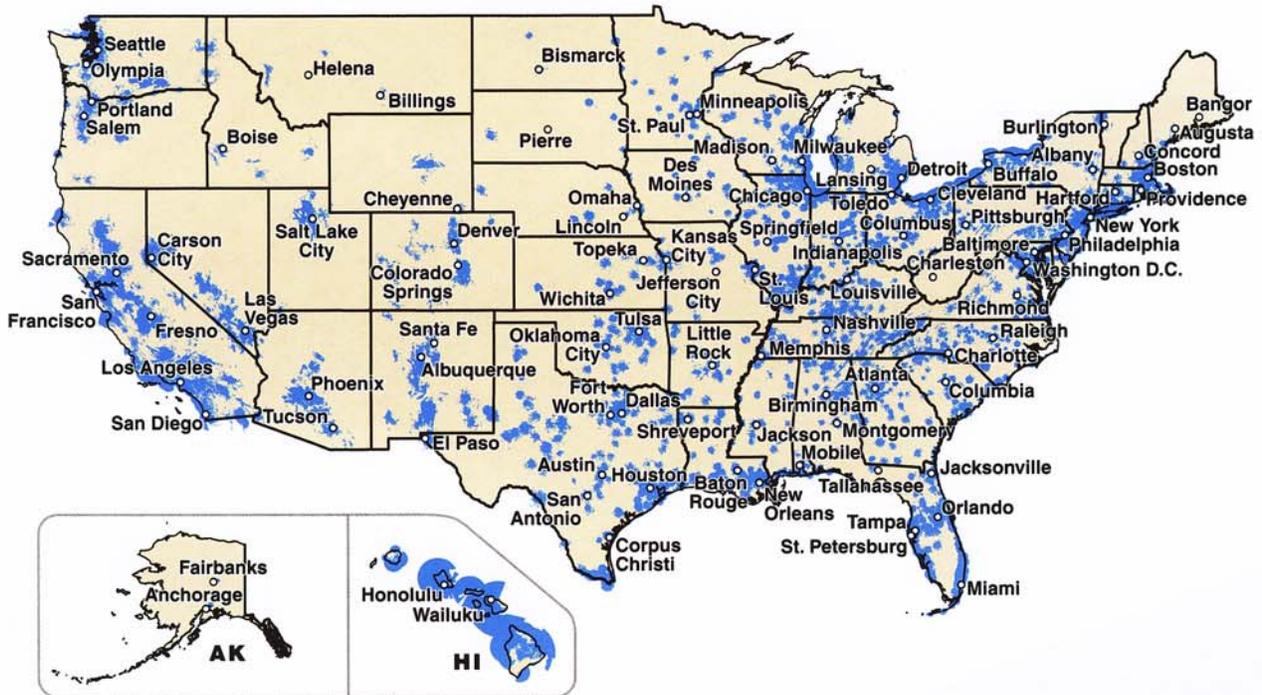
Todd Buchanan

DECLARATION OF TODD BUCHANAN

EXHIBIT 1

2-Way Paging Coverage

Nationwide 2-Way Paging Coverage



This map is not a guarantee of coverage. This map shows approximate paging coverage based on our own internal data. The maps are not a depiction of actual service. The mapped territory contains areas with no service. Reception may vary near coverage boundaries. Paging and Messaging service is subject to network and transmission limitations, including cell site unavailability, particularly in remote areas. Customer equipment, weather, topography, and other environmental considerations associated with radio technology also affect service. Additionally, service may vary significantly within buildings depending on location or building structure.

PS NAT 2Way/930.4125 03/04

