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

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JUN 25 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:	)	
	)	
Amendment of Section 90.494	)	RM-7896
of the Commission's Rules and	)	
Regulations Concerning Shared Use	)	
of 900 MHz Paging Frequencies	)	

REPLY COMMENTS OF PAGEMART, INC.

PageMart, Inc. ("PageMart"), by its attorneys, hereby submits these reply comments in support of the captioned petition for rulemaking and in reply to the comments filed in this docket by Mobile Telecommunication Technologies Corporation ("MTel") and Dial Page, L.P. ("Dial Page").

INTRODUCTION AND SUMMARY

The NABER petition for "earned exclusivity" in private carrier paging ("PCP") operations in the 900 MHz band[1] is designed to meet an immediate and pressing need in the growth and utility of private paging services. As several parties, including Paging Network, Inc. ("PageNet"),[2] have shown, the higher equipment and operating expenses of Part 90 PCP carriers have largely deterred substantial investment in regional and national PCP services due to the risk that lack of frequency exclusivity can undermine the economic viability of regional systems. Only PageMart, PacTel and PageNet—through massive and costly efforts—have successfully coordinated, and in PageMart's case constructed, nationwide PCP

[1] Petition for Rule Making of the Association of Private Carrier Paging of the National Association of Business and Educational Radio, Inc., RM-7896 (filed April 24, 1992).

[2] Comments of Paging Network, Inc., at 12-17 (June 10, 1992)("PageNet Comments").

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systems that are positioned to offer competition to radio common carrier ("RCC") operators like Dial Page and MTel.

In order to justify the continued investment of the millions of dollars required for such large-scale systems, PCP operators require some modicum of relief from the spectrum inefficiencies and potential "greenmail" consequences of shared spectrum usage. By proposing a moderate scheme for exclusivity protection—which turns on relatively high thresholds requiring a PCP operator's *actual construction* of large-scale local, regional or national systems—NABER has developed a model for transition of PCP services from narrow-segment operations into an alternative means of satisfying consumer demand for paging unmet by Part 22 RCCs, and for providing competition for RCC operators who have for too long been sheltered from true competition by restrictive state licensing requirements and spectrum unavailability. The only (and patently transparent) reason for the oppositions of MTel and Dial Page is thus their anticompetitive desire to use the regulatory process to stifle competition from PCP operators, an objective that this Commission simply cannot sanction.

DISCUSSION

NABER's proposal would permit certain PCP carriers to qualify for "earned exclusivity" on their 900 MHz paging frequencies by constructing and operating very substantial local, regional or national PCP systems. The objective of the proposal is to provide a strong economic incentive for PCP operators to develop economically viable, large-scale PCP systems by offering some modicum of protection from the spectrum inefficiencies and potential "greenmail" consequences of shared spectrum usage. For this reason alone, the NABER petition warrants the

Commission's serious consideration and prompt approval. To encourage the full use of the 929 MHz band, the Commission should act *now* to prevent the frequency unavailability and frequency speculation problems which have plagued common carrier paging in Part 22 frequencies.

The need for "earned exclusivity" is equally apparent on review of the consequences of sharing in existing PCP frequencies. As PageNet has demonstrated,[3] congestion on private paging frequencies below 470 MHz has resulted in service degradation, including unacceptable interference and transmission delays for end users.[4] Although spectrum congestion is not presently a problem in the 929 MHz band, continuation of the present trend of explosive growth in paging—with an estimated 11.8 million units in service at year-end 1991—suggests an impending risk of similar problems throughout all the PCP frequencies. Sharing inherently limits a providers' ability to cost-effectively serve market demand by restricting the number of users which can be served by the system and the capacity of pages which the frequency can support. The paging industry has always experienced efficiency losses with frequency sharing from the "dead time" overhead required for shared operations, which can be exacerbated once satellite systems are mixed with terrestrial radio control links. Thus, "earned exclusivity" is a legitimate public policy objective from the standpoint of spectrum efficiency as well as marketplace economics.

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[3] PageNet Comments, at 5-12.

[4] Part 90 spectrum has been available for licensing to all parties, but many in the 150 and 460 MHz bands have not elected to take advantage of 900 MHz licenses since the early 1980s. One of the key reasons for this is that small operators require safety of investment as well as minimizing their capital requirements, objectives which can be accomplished at 150 MHz, for instance, versus 900 MHz. Both network and subscriber equipment is still approximately 20 percent less expensive at 150 MHz than in the 900 MHz bands.

Given the compelling reasons for modification of PCP sharing requirements and the support for such modification by the leading PCP industry association, it would be reasonable to expect near-universal support for the NABER proposal from private paging licensees. This is particularly true in light of the moderate nature of the protection proposed by NABER, which would require that in order to qualify for any sort of exclusive frequency, a PCP licensee must construct a minimum system that numbers six to 18 transmitters in an MSA or as many as 70 to 300, in the case of a regional or nationwide system respectively. Instead, oppositions have been lodged by Dial Page, MTel (d/b/a "SkyTel") and a number of smaller PCP operators filing identical "form" comments. Were these oppositions truly *bona fide,* one would expect the opponents to argue the transmitter commitment required is too little (or too much) and for the larger operators stand ready to take advantage of the new opportunities for paging system, growth which exclusivity would make available. To the contrary, the major opponents—SkyTel and Dial Page—are exclusively or primarily Part 22 RCC operators whose principal objective is to prohibit or deter additional competition from regional or nationwide PCP operators.

Dial Page argues that its PCP experience "confirms that the present system is not broken."[5] However, Dial Page's own filings before the Securities and Exchange Commission recognize that a major inhibiting factor in full utilization of 900 MHz frequencies is the risk of channel sharing, a risk that does not exist for Part 22 common carriers. According to Dial Page (referred to as the "Company"):[6]

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[5] Comments of Dial Page, L.P., at 2 (June 10, 1992)("Dial Page Comments").

[6] Dial Page, L.P. Filing on Form S-1, at 33 (filed June 1, 1992). Relevant excerpts form the Dial Page S-1 are attached to these Reply Comments as Exhibit A.

> PCP operators compete with the Company primarily on a local basis. RCC operators do not share their frequencies with other carriers (as PCP operators may be required to share) and, as a result, they are more likely to compete with the Company on a regional basis.

Since sharing has thus admittedly precluded many PCP operators from competing effectively on a regional basis, and because regional services are a key component of RCC operations,[7] Dial Page has obvious strategic reasons for opposing any relaxation of PCP sharing requirements.

The competition-restricting consequences of sharing can only be viewed with appreciation by a carrier, like Dial Page, which has a strong economic reason to erect or maintain regulatory barriers to competition. Dial Page's SEC filings again reveal the clear economic basis for its position in this proceeding. First, Dial Page operates principally in a handful of Southeastern states (North Carolina, South Carolina, Tennessese, Virginia and Georgia) which restrict entry and limit RCC services to a single carrier.[8] Second, Dial Page has entered into a "network sharing" agreement with MobileComm, one of its principal RCC competitors, under which the two operators will essentially combine their systems throughout the Southeastern United States into a single "supersystem."[9] Thus, having used state regulatory bodies and bi-lateral contracts to shelter itself from competition, Dial Page's incentive is to oppose the NABER-proposed sharing modifications because such a development would permit PCP carriers to invest in new wide-area and

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[7] Approximately 36,000 subscribers, or 20% of Dial Page's total pagers in service, subscribed to regional services as of March 31, 1992. Exhibit A at 30.

[8] Exhibit A at 34-35 ("To varying degrees, the states of North Carolina, South Carolina, Tennessee and Georgia and the Commonwealth of Virginia regulate entry by generally permitting only one RCC paging service provide to serve a particular market.")

[9] *Id.* at 30-31.

regional systems and create competition in states that have limited common carrier competition and new entry.

Dial Page has also dramatically overstated its "experience" as a PCP operator. Dial Page's SEC filings make clear that it generally provides "paging services directly to subscribers over their own transmission facilities as an RCC."[10] Further, Dial Page's operations have been confined to "paging and messaging services in 27 primarily small to medium-sized metropolitan areas in five Southeastern states with a total population of approximately 13.5 million."[11] This combination of small markets and state-controlled entry means that Dial Page has simply not experienced situations in which the frequency scarcity plaguing Part 22 and Part 90 operations has arisen, making Dial Page's "experience" irrelevant.

MTel's motivation for opposing relaxation of PCP sharing requirements is even more obvious than Dial Page's: to prevent the continued expansion of PageMart, PacTel and PageNet, the three entities which have successfully coordinated PCP systems that represent potential national competition for MTel's SkyTel service. MTel's focus on the national exclusivity component of NABER's local-regional-national "earned exclusivity" proposal makes clear that MTel is concerned less with the merits of exclusivity as a policy matter than with the immediate competitive threat national PCP operators might present, since national RCC competition is hindered by frequency unavailability constraints.[12] Similarly,

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[10] *Id.* at 34.

[11] *Id.* at 7.

[12] MTel's suggestion that the Commission may want to conduct an "integrated" examination of so-called "regulatory dichotomy" between RCCs and PCPs is based on the incorrect premise that sharing is a mandatory element of private carriage. MTel Commants, at 14. To the contrary, Section 332 of the Act makes clear that the Commission has the discretion to relax or eliminate sharing and eligibility requirements for PCP operators without necvessitating their treatment as common carriers.

MTel's argument that NABER has not provided for "migration" from lower-frequency PCP bands fails to recognize the economic basis for such migration—enhanced profit opportunities arising from exclusivity sufficient to offset the economic disadvantage (in network and paging equipment costs) inherent in 900 MHz operations.

The only real attempt at substantive argument offered by MTel are its assertions that (1) frequency exclusivity would result in warehousing of national PCP frequencies by speculators, and (2) small PCP operators would be "frozen out" as a result of NABER's exclusivity proposals. Neither of these is even remotely correct, First, NABER's carefully crafted proposal requires an extraordinarily high level of capital investment by any PCP operator who wants to qualify for national exclusivity. In order to build and operate a 300-transmitter system, a PCP operator must make a capital investment of $8 million to $10 million—including transmitter costs as well as telecommunications facilities and switches for operating the system—coupled with operating costs of at least $100,000 per month, which represents a greater commitment than that required for almost any "exclusive" frequency license issued by the Commission. If the Commission is still concerned that the NABER proposal could lead to speculation, however, there are additional criteria, such as in-service deadlines, which could be developed to prevent undesirable abuse.[13]

Second, smaller operators and regional or nationally exclusive PCP frequencies can exist side-by-side, since there are sufficient frequencies available for smaller, local operators to provide shared service on systems with fewer than six transmitters. More importantly, by restricting exclusivity to only serious ventures

[13] PageNet Comments, at 20.

with the attendant requirements of capital investment and actual system operation, the Commission can ensure that "earned exclusivity" is only awarded to operators whose paging systems will not unfairly preempt smaller operations. To the extent that MTel is arguing that smaller operators should be protected from marketplace risks even if they lack sufficient capital to grow with rising end user demand, its opposition runs counter to the basic Commission assumption in favor of competition and should be rejected summarily. The many identical comments from smaller PCP operators in this docket, not surprisingly, were carefully orchestrated by MTel with a "form" set of comments distributed with a misleading and inflammatory description of the NABER proposal. A copy of MTel's solicitation, inadvertently sent to PageMart, is attached as Exhibit B.

Finally, MTel argues that PCP exclusivity is unnecessary because in ET Docket No. 92-100 the Commission is presently considering allocation of spectrum for "Advanced Messaging Services" in the 930-931 MHz paging reserve band.[14] In that proceeding, however, MTel has opposed and moved to dismiss virtually all proposals for advanced messaging services other than its own, including the proposals by PageMart and PageNet. MTel cannot have it both ways: it cannot hold out AMS as an alternative for its PCP competitors while at the same time seeking to prevent acceptance of their competing AMS proposals. More basically, the 930-31 MHz band was reserved by the Commission for *advanced* paging services, and thus should not be used for expansion of *conventional* paging operations. MTel cannot complain procedurally that PCP exclusivity would prejudice its interests in a "level playing field," because it has had the same opportunity as all paging operators to build and operate PCP systems in 929 MHz frequencies. That MTel has chosen to

[14] MTel Commentsm, at 8-13

retain the competitive advantages of RCC operation is not a reason to deny the NABER petition, but rather a strong reason why the Commission should grant exclusivity relief expeditiously.

CONCLUSION

The Commission should grant the NABER petition and promptly implement NABER's proposals for "earned exclusivity" for PCP operators.

Respectfully submitted,

By: ____________________

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Dated: June 25, 1992.

EXHIBIT A

EXECUTION

As filed with the Securities and Exchange Commission on June 1, 1992
Registration No. 33-48141

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Dial Page, Inc.
(Exact name of registrant as specified in its charter)

Delaware	4812	57-0944138
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

This Registration Statement, including exhibits, consists of 711 pages. Exhibit index appears on page 89.

301 College Street
Suite 700
Greenville, SC 29603
(803) 242-0234
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

711 / 91:P

THOMAS A. GRINA
Dial Page, Inc.
301 College Street
Suite 700
Greenville, SC 29603
(803) 242-0234
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Geoffrey B. Davis, Esq.	Jonathan M. Clark, Esq.
Ropes & Gray	Davis Polk & Wardwell
30 Kennedy Plaza	450 Lexington Avenue
Providence, RI 02903	New York, NY 10017

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, $.01 par value per share	2,746,800 shares	$18.00	$49,442,400	$15,450.75

(1) Includes (a) 88,000 shares of Common Stock that Providence Journal Telecommunications, Inc. has agreed to purchase directly from the Registrant and (b) 346,800 shares subject to the Underwriters' over-allotment option. See "Underwriting."

(2) Estimated solely for the purpose of calculating the registration fee.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED JUNE 1, 1992

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PROSPECTUS
, 1992

2,312,000 Shares

DIAL PAGE®

Dial Page, Inc.

Common Stock

All of the shares of Common Stock offered hereby are being sold by the Company.

Prior to this offering, there has been no public market for the Company's Common Stock. It is currently estimated that the initial public offering price will be between $16.00 and $18.00 per share. See "Underwriting" for information relating to the determination of the initial public offering price. Concurrently with the offering of 2,312,000 shares of Common Stock, Providence Journal Telecommunications, Inc. ("Providence Journal") has agreed to purchase directly from the Company 88,000 shares of Common Stock at the price to the public.

The Company has applied to have the Common Stock approved for quotation on the National Association of Securities Dealers Automated Quotation ("NASDAQ") National Market System under the symbol "DPGE."

The Company is a recently organized corporation which will acquire the business of Dial Page, L.P. and Dial Page Holdings, L.P. (collectively, the "Partnerships") as part of the conversion of the Partnerships into corporate form (the "Conversion"). The offering is conditioned upon the consummation of the Conversion. See "The Company—Organizational History of the Company; Conversion from Limited Partnership to Corporation."

Investors should carefully consider the factors set forth under the caption "Risk Factors."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discounts and Commissions(1)	Proceeds to the Company(2)
Per Share	$	$	$
Total(3)	$	$	$

(1) See "Underwriting" for indemnification arrangements with the Underwriters.
(2) Before deducting Conversion and offering expenses estimated at $1,800,000 which will be paid by the Company.
(3) The Company has granted the Underwriters a 30-day option to purchase up to 346,800 additional shares of Common Stock on the same terms as set forth above to cover over-allotments, if any. If this option is exercised in full, the total Price to the Public, Underwriting Discounts and Commissions and Proceeds to the Company will be $, $ and $, respectively. See "Underwriting."

The shares of Common Stock are offered by the several Underwriters, when, as and if delivered to and accepted by the Underwriters and subject to various conditions, including their right to reject orders in whole or in part. It is expected that delivery of the shares will be made in New York, New York on or about , 1992.

Donaldson, Lufkin & Jenrette
Securities Corporation

Alex. Brown & Sons
Incorporated

THE COMPANY

General

Dial Page provides local and regional paging and messaging services in 27 primarily small- to medium-sized metropolitan areas in five Southeastern states with a total population of approximately 13.5 million. On March 31, 1992, the Company had 185,403 pagers in service and, according to an October 1991 industry survey, was the thirteenth largest provider of paging and messaging services in the United States.

Dial Page's strategy is to focus on providing premium paging and messaging services. These services include the Company's MessageWriter service, which allows subscribers to receive text messages, and a variety of single-frequency regional paging options. Dial Page emphasizes high quality customer service, through its customer care program, and direct marketing to increase customer retention, attract new customers and upgrade basic service subscribers to enhanced and regional service. The Company's markets are in the Southeastern United States, the population of which is growing faster than the country as a whole. The population of this region also has demographics, economic characteristics and travel patterns that the Company believes are favorable for selling its enhanced and regional paging and messaging services. The Company targets business segments it believes most likely to buy these services, including medical, construction and real estate industries, service organizations, and field sales and service personnel. Dial Page's strategy, combined with the implementation of operating efficiencies, has resulted in ARPU and EBDAIT per pager in service substantially above industry averages as described below.

Dial Page's primary objective is to increase EBDAIT by maximizing the growth of its pagers in service while maintaining high ARPU and EBDAIT per pager in service. The Company has grown substantially since its inception in 1983, through both internal growth and acquisitions. The Company's revenues have increased from $22.3 million in 1987 to $46.6 million in 1991, a compound annual growth rate of approximately 20%. During the same period, EBDAIT increased from $6.5 million to $17.5 million, representing approximately 28% compound annual growth. The Company's pagers in service increased from 54,087 at January 1, 1987 to 178,943 at December 31, 1991, a compound annual growth rate of approximately 27% (and from January 1, 1989 to December 31, 1991, a compound annual growth rate of approximately 14%).

Based on survey results reported by a group of leading paging companies, the Company's ARPU in each year from 1988 through 1991 significantly exceeded the average ARPU achieved by such group during the same period. For 1991, the Company's ARPU was $23.13, as compared to the average of $14.71 for such group. For the first quarter of 1992, the Company's ARPU was $22.57. The Company's average monthly EBDAIT per pager in service for 1991 was $8.69, as compared to the average of $4.40 for such group. For the first quarter of 1992, the Company's average monthly EBDAIT per pager in service was $8.22. Due primarily to substantial amortization and depreciation expenses resulting from internal growth and acquisitions and to interest expenses, the Company has incurred significant net losses for each year of its operation and, based on its current growth strategy, expects to continue to incur net losses for at least the near future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Company has entered into the MobileComm Agreement providing for the construction by MobileComm and, to a lesser extent, the Company, of the transmission facilities necessary for the operation of a regional paging network covering portions of Florida, Georgia, Alabama, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. Under the MobileComm Agreement, the Company and MobileComm will each have access, at specified rates, to paging and messaging services provided by the other party through such facilities. The Company has applied for authorizations from the FCC for the construction and use of the transmission facilities necessary for the regional paging network. The Company believes that it will receive all necessary authorizations for and complete the construction of such facilities by the end of 1992. The Company has also entered into a service agreement with certain

MobileComm Companies pursuant to which the Company will be able to purchase paging and telecommunication services in bulk quantities for resale in Atlanta, Georgia, Birmingham, Alabama and Florida cities. As a result of these agreements, a Dial Page customer who subscribes to this service could be paged on a single pager in any of the covered areas in the eight states and the District of Columbia.

Organizational History of the Company; Conversion from Limited Partnership to Corporation

The Company's original predecessor was CPI, formed in 1983 to acquire, develop and operate paging systems in North and South Carolina and Georgia. In 1985, CPI transferred all of its assets and liabilities to CPA, of which CPI became general partner. In 1987, CPI organized and became general partner of CPF, formed to acquire, develop and operate paging companies in Florida. In August 1989, pursuant to the 1989 Combination, (i) the business of CPF was acquired by CPA, (ii) Holdings became general partner of CPA, (iii) CPI became a wholly-owned subsidiary of Holdings, and (iv) CPA was renamed Dial Page, L.P. At that time, Holdings acquired an 81% interest in DPL.

The Company's operations are currently conducted through DPL. Contemporaneously with the sale of the Common Stock offered hereby, pursuant to the Conversion, all of the assets of DPL and Holdings (other than its general partnership interest in DPL), subject to liabilities, will be transferred to the Company in exchange for 5,000,000 shares of Common Stock of the Company, all of these shares will be distributed to the partners of DPL and Holdings, who will become stockholders of the Company, and DPL and Holdings will be liquidated. It is also contemplated that DPM will be liquidated. This offering is conditioned upon the consummation of the Conversion.

Dial Page's executive offices are located at 301 College Street, Suite 700, Greenville, South Carolina 29603, and its telephone number is (803) 242-0234.

Paging and Messaging Services

The Company offers four major types of paging and messaging services. The type of service subscribed for generally determines the type of pager required by the user.

Type of Service	Functions
Tone-alert service	Alerts the subscriber, through a beeping tone or vibration, to contact a predetermined telephone number in order to receive a message.
Tone-plus-voice service............	Provides a brief voice message following the alert signal.
Numeric display service	Provides the subscriber with a liquid crystal display of the telephone number of the person who is seeking to contact the subscriber.
MessageWriter service	Offers the subscriber the advantage of receiving a text message rather than simply a telephone number. MessageWriter pagers can store and retrieve up to 46 messages of up to 80 characters each, which are displayed on a liquid crystal display.

The ability of alphanumeric pagers to deliver text messages, including the ability to store messages received for playback when desired by the subscriber, allows the Company to charge significantly higher monthly fees for its MessageWriter service than its numeric display or other paging services. In addition, because the alphanumeric information is broadcast in digital form, MessageWriter service represents a highly efficient use of the paging frequency.

The following table sets forth the number and percentage of the Company's pagers with each type of service offered by the Company at each of the dates indicated.

Pagers with Each Type of Service Offered by the Company

	December 31,										March 31, 1992	
	1987		1988		1989		1990		1991			
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Tone-alert	8,829	13.1	22,296	18.4	18,533	13.7	16,587	10.6	15,231	8.5	14,775	8.0
Tone-plus-voice	26,696	39.6	34,805	28.7	29,082	21.5	24,619	15.7	21,037	11.8	20,050	10.8
Numeric Display	30,846	45.7	61,038	50.4	78,401	57.8	101,229	64.5	122,561	68.5	128,829	69.5
MessageWriter.........	1,091	1.6	2,976	2.5	9,494	7.0	14,429	9.2	20,114	11.2	21,749	11.7
Total.............	67,462	100%	121,115	100%	135,510	100%	156,864	100%	178,943	100%	185,403	100%

Regional Paging and Messaging Services

In addition to local paging, the Company offers its subscribers a variety of regional paging options. Certain of the Company's paging systems which operate on a common frequency are linked to allow a subscriber to be paged and receive messages on the same frequency in the subscriber's local area, in other cities where the Company operates paging systems on that frequency and at points in between. In addition, the Company has operating agreements with other paging systems which serve additional cities on common frequencies with those employed by the Company. Through these arrangements, the Company can provide its customers with paging and messaging services in these additional cities. Regional coverage options range from the "pairing" of certain designated cities to interstate coverage of wide areas in the Southeastern United States. As of March 31, 1992, approximately 36,000 of the Company's pagers in service subscribed for regional paging services, representing 19.5% of the total pagers in service as of such date.

The Company has entered into the MobileComm Agreement providing for the construction by MobileComm and, to a lesser extent, the Company, of the transmission facilities necessary for the operation of a regional paging network covering portions of Florida, Georgia, Alabama, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and Washington, D.C. (collectively, the "Territory"). MobileComm will pay the capital cost of transmitters necessary to provide coverage on the chosen frequencies in the Territory, although the transmitters in certain identified areas ("Dial Page Territory") will be maintained by Dial Page. The Company, in turn, has agreed to install and maintain, at its expense, transmitters for the chosen frequencies at locations to be mutually agreed upon within the Dial Page Territory. MobileComm and the Company have agreed, upon completion of the construction of the transmission facilities, to interconnect such facilities with their respective paging systems. Under the MobileComm Agreement, the Company and MobileComm will each have access to paging and messaging services provided by the other party through such facilities. The Company has applied for authorizations from the FCC for the construction and use of the transmission facilities necessary for the regional paging network. The Company believes that it will receive all necessary authorizations for and complete the construction of such facilities by the end of 1992. The interconnected facilities will provide tone alert, numeric and alphanumeric display paging services or other equivalent services. For each pager utilizing this regional network, each party to the MobileComm Agreement will pay to the other a fixed monthly rate based on the type of service and areas covered plus certain additional fees for calls in excess of set minimums per month per unit. The MobileComm Agreement will continue for 15 years or until terminated by either party upon prior written notice; provided that it may not be terminated for five years, except for cause or upon mutual agreement. Upon termination, each party is obligated to provide capacity on its facilities to the other party subject to certain conditions for five more years. If Dial Page desires to sell its assets or business to a third party, MobileComm has the option to buy network transmission and link facilities of Dial Page which are necessary for MobileComm to continue its regional operations contemplated in the MobileComm Agreement. MobileComm has consented to the Conversion and this offering and has agreed not to exercise its option to buy the Company's assets under the MobileComm Agreement in connection therewith. The Company has also entered into a service agreement with certain MobileComm Companies pursuant to which the Company will be able to purchase paging and telecommunication services in bulk quantities for resale in Atlanta, Georgia, Birmingham, Alabama and Florida cities. This service agreement will be in effect for a period of five years. As a result of these agreements, a Dial Page customer who subscribes to this service could be paged on a single pager in any of the covered areas in the eight states and the District of Columbia. The Company expects to market this expanded regional network as Dial Page Country service.

National Paging and Messaging Services

The Company also serves as a reseller in portions of North Carolina, Tennessee, South Carolina and Florida of nationwide paging and messaging services for MobileComm and Sky-Tel, Inc., two of the three operators licensed by the FCC to offer paging services over a single nationwide frequency. As of March 31, 1992, the Company had sold 1,268 paging units for the nationwide paging networks. The Company believes that by offering this service, it can better attract and retain customers in its targeted market segments. See "Government Regulation."

Additional Related Services

The Company offers customers voice mail services in addition to basic paging and messaging services that allow customers to retrieve, by calling a predetermined number, messages from persons attempting to contact the subscriber.

For an additional monthly fee, customers leasing their pagers from the Company may subscribe to the Company's Pager Replacement Plan, which provides protection against the risks of loss or damage to such customers' pagers. Similarly, for a monthly fee customers owning pagers may subscribe to the Company's Pager Maintenance Plan, under which the Company will service such pagers for no charge after payment of applicable deductibles.

The following table below sets forth the number and percentage of the Company's pagers with the enhanced services shown below.

Pagers With Enhanced Services

	December 31,										March 31,	
	1987		1988		1989		1990		1991		1992	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Regional Services	2,365	3.5	8,183	6.8	15,081	11.1	24,814	15.8	34,016	19.0	36,086	19.5
Voice Mail	2,431	3.6	6,668	5.5	7,040	5.2	7,412	4.7	6,760	3.8	6,751	3.6
Pager Maintenance or Replacement	31,187	46.2	67,806	56.0	72,276	53.3	81,525	52.0	95,594	53.4	99,947	53.9

Charges for Paging and Messaging Services

The Company charges subscribers a monthly fee which covers the paging and messaging services subscribed for, any pager maintenance or replacement plan purchased by the subscriber and, unless the customer has elected to purchase its pagers, the rental cost of the pagers. The monthly service fee generally is determined on a per pager basis and varies depending on the type of service provided, the geographic area covered, the number of pagers provided to the customer and the period of the customer's commitment. The Company charges higher rates for multi-city and regional service options. The Company also sells pagers to customers who choose to own, rather than rent, pagers. As of March 31, 1992, the Company provided paging services to approximately 37,400 customer-owned pagers, representing approximately 20.2% of the total pagers served by the Company.

Future Services

In pursuing its strategy of providing premium paging and messaging services, the Company seeks to implement new technologies and services that meet its customers' needs. The Company, for example, has been a leader in developing and implementing alphanumeric paging services that it markets under the tradename MessageWriter. If the Company were to implement new technologies or services in the future, it could necessitate capital expenditures or alter the Company's business in ways the Company currently cannot predict.

Marketing and Customers

The Company's subscribers generally are people who spend a substantial amount of time away from a telephone but who must be reachable by their offices, clients or others. The Company conducts market research to determine in which market segments to focus its sales and marketing efforts and which services to emphasize to each particular market segment, and to generate pricing strategies. As a result, the Company currently focuses on potential customers in the medical, construction and real estate industries, in service organizations, and in field sales and service functions within particular businesses. The majority of the Company's customers are small businesses.

The Company markets its services through a field sales force and customer service representatives, as well as through direct marketing activities such as telemarketing, direct mail and billing inserts. The Company also advertises on radio and in outdoor and print media, including periodicals and telephone company Yellow Pages.

The Company's field sales representatives are primarily responsible for generating new accounts. Field sales representatives are paid by commission (which varies depending on the type of service subscribed for and other factors) for each pager sold or put in service. The Company currently has 27 local sales offices located in North Carolina, South Carolina, Georgia, Florida and Tennessee. The Company utilizes independent sales agents in certain markets.

The Company's customer service representatives are responsible for responding to unsolicited inquiries from potential new customers and for servicing existing customer accounts. Customer service representatives also promote service enhancements and additional products and services to existing customers. Customer service representatives are paid an hourly wage plus an additional amount based on revenues generated. The Company also employs account service representatives, who are primarily responsible for servicing customers in the field.

The Company is not dependent on any single customer or a few customers, the loss of one or more of whom would have a material adverse effect on the Company. No customer accounted for more than 2% of net revenues for the year ended December 31, 1991. The Company's average number of pagers in service per customer is less than three.

Competition

The Company competes with other companies which provide paging or other mobile communications services in the geographic areas in which the Company operates. These include both large and small paging service providers and regional telephone companies such as Southwestern Bell Corporation, Bell South Corporation and Pacific Telesis Group. Certain of these companies have substantially greater financial, technical and other resources than the Company.

The Company competes primarily on the basis of coverage area, enhanced services, transmission quality, system reliability and customer service, as well as price. PCP operators compete with the Company primarily on a local basis. RCC operators do not share their frequency with other carriers (as PCP operators may be required to share), and, as a result, they are more likely to compete with the Company on a regional basis. See "Government Regulation."

Technological advances in the telecommunications industry have created, and are expected to continue to create, new services or products competitive with the paging services currently provided by the Company. Although, historically, the Company has taken advantage of technological advances, there can be no assurance that the Company will not be adversely affected as new competitive technologies become available and are implemented in the future. In addition, the Company may be adversely affected if cellular telephone companies begin to provide paging services in areas in which the Company operates.

Operations

Dial Page is headquartered in Greenville, South Carolina. The headquarters house most corporate functions including finance, accounting, billing, purchasing and payroll, as well as marketing, technical and personnel support services.

The Company has ten district managers who manage local offices and operations in the Company's districts. District managers report directly to the Vice President/Operations, and indirectly to the other department heads located at the Company's headquarters. In addition to sales, the Company's local sales offices also provide telemarketing and technical and customer services.

Government Regulation

Paging companies provide paging services in their capacity as one or more of the following: an RCC, a reseller, or a PCP. RCC's hold the exclusive license to the radio spectrum frequency and own the transmission facilities. Resellers do not hold frequency licenses or own transmission facilities; instead a reseller contracts for their use with an RCC, which transmits the paging signals for the reseller. The reseller's subscriber lists, receiving equipment and distribution channels are, however, the property of the reseller. A PCP operator has its own frequency license and transmission facilities but is subject to sharing the frequency and to coordination procedures designed to avoid interference with the operation of communications by other carriers utilizing the same frequency. The Company generally provides paging services directly to subscribers over its own transmission facilities as an RCC, although it operates as a PCP in certain markets, and also as a reseller in limited circumstances.

The Company's paging operations, other than its reseller services, are subject to regulation by the FCC under the Communications Act of 1934, as amended (the "Communications Act"). The FCC has granted the Company licenses to use the radio frequencies necessary to conduct its paging operations. Licenses issued by the FCC to the Company set forth the technical parameters, such as power output and tower height, under which the Company is authorized to use those frequencies. Frequencies designated for PCP licenses are approved by the FCC subject to sharing as described above. PCP licenses allow the sale of paging services over certain frequencies licensed to the Company only to subscribers meeting certain eligibility criteria. Eligible subscribers include government entities and persons desiring to use paging services in a commercial enterprise, or in the operation of a hospital, clinic, medical association, or an educational, philanthropic or ecclesiastical institution.

The FCC licenses granted to the Company are for varying terms of up to 10 years, at the end of which time renewal applications must be approved by the FCC. Most of the Company's current licenses expire between 1998 and 2001. In the past, FCC renewal applications routinely have been granted in most cases upon a demonstration of compliance with FCC regulations and adequate service to the public. To date, the FCC has granted each renewal license the Company has filed. Although the Company is unaware of any circumstances which would prevent the grant of any pending or future renewal applications, no assurance can be given that the Company's licenses will be renewed by the FCC in the future. Furthermore, although revocation and involuntary modification of licenses are extraordinary regulatory measures, the FCC has the authority to restrict the operation of licensed facilities or revoke or modify licenses. No license of the Company has ever been revoked or modified involuntarily.

The Communications Act requires licensees such as the Company to obtain prior approval from the FCC of the transfer of control of any construction permit or station license, or any rights thereunder. The Communications Act also requires prior approval by the FCC of acquisitions of other paging companies by the Company and transfers by the Company of a controlling interest in any of its licenses or construction permits, or any rights thereunder. The FCC has approved each acquisition and transfer of control for which the Company has sought approval including the transfer of control of permits and licenses from DPL to Dial Page. The Company also regularly applies for FCC authority to use additional frequencies, modify the technical parameters of existing licenses, expand its service territory and provide new services. Although there can be no assurance that any requests for approval or applications filed by the Company will be approved or acted upon in a timely manner by the FCC, or that the FCC will grant the relief requested, the Company has no reason to believe any such requests, applications or relief will not be approved or granted.

The Communications Act also limits foreign ownership of entities that hold licenses from the FCC. Because the Company directly holds licenses from the FCC, no more than 20% of the Company's stock can be owned or voted by aliens or their representatives, a foreign government or its representatives, or a foreign corporation. If the Company were to transfer all FCC licenses to its subsidiaries, the Communications Act would allow up to 25% of the Company's stock to be owned or voted by aliens or their representatives, a foreign government or its representatives, or a foreign corporation. The Company's Certificate of Incorporation prohibits the Company's capital stock from being owned in violation of any of these limitations, and allows the Company to redeem outstanding shares of capital stock owned by persons or entities whose ownership thereof is in violation of such limitations. See "Description of Capital Stock."

States may regulate entry into the paging business by requiring a potential provider under an RCC license to obtain a certificate of public convenience and necessity authorizing the provision of service by such provider in a defined area. States may also, whether regulating entry or not, regulate the rates charged for service, although rates for equipment rental are not subject to regulation. To varying degrees, the states of North Carolina, South Carolina, Tennessee and Georgia and the Commonwealth of Virginia regulate entry by generally permitting only one RCC paging service provider to serve a particular market, and each regulates rates for service (but not equipment) by requiring the filing of tariffs. The State of Florida currently regulates neither entry nor rates of paging providers. Landline service providers (local telephone companies) may provide paging and messaging services in any market, regardless of whether a state regulates entry, by virtue of a sanctioned right of entry. State laws restricting entry or rates may be amended, altered, repealed or enacted at any time. In addition, the FCC or other federal agencies with jurisdiction may, through rule-making or other administrative proceedings, attempt to change the permitted scope of state regulations. The FCC has adopted rules prohibiting the states from regulating the provision of paging services by PCP operators.

From time to time, legislation and regulations which could potentially affect the Company, either beneficially or adversely, are proposed by federal and state legislators and regulators. Management is not aware of any currently pending legislation or regulations which would have a material adverse impact on the Company's existing operations. Legislation is currently pending in the United States Congress that proposes radio spectrum fees for existing licensees, and auction of new radio spectrum allocated by the FCC to new or existing services. In addition, the FCC has signalled its intention to formally consider whether PCP frequencies are currently being utilized optimally, including considering whether PCP licensees should be granted exclusive use of their frequencies. No rules have yet been proposed and the Company is unable to determine what impact, if any, any proposed rules would have on the paging industry or the Company's operations.

Property

The principal tangible assets of the Company are its radio transmission equipment and the pagers which it purchases for lease or sale to customers. Radio transmission equipment includes paging terminals, radio towers, transmitters and receivers at over 650 licensed facilities in the markets the Company serves. The Company continues to add equipment as it expands to new service areas and links existing service areas. To date, it has not experienced any difficulty or delay in obtaining equipment as needed.

Pagers in service with the Company's subscribers numbered 185,403 as of March 31, 1992. The Company chooses among suppliers of pagers based primarily on quality. Although the Company currently purchases most of its pagers from Motorola, the Company believes pagers are available in sufficient numbers from other suppliers. Pagers are purchased as needed to meet customer requirements. The Company has not experienced delays or difficulties in obtaining pagers as needed.

Dial Page generally leases the locations used for its transmission facilities under operating leases. These leases, which are generally for five years or less, currently provide for annual rental charges of approximately $1.1 million. The Company does not anticipate difficulty in renewing these leases on acceptable terms. The Company also leases approximately 10,500 square feet of office space for its corporate headquarters in Greenville, South Carolina, at an annual cost of approximately $140,000, and varying lesser amounts for district and local offices at other locations. Annual rental charges under the Company's district and local office leases are approximately $565,000.

Trademarks

Dial Page and MessageWriter are registered with the U.S. Patent and Trademark Office and are owned by the Company. Dial Page Country is a trademark of the Company. Dial Page Interstate Paging Network, also registered with the U.S. Patent and Trademark Office, is 50% owned by the Company. The Company has an agreement with a Florida corporation, All Florida Communications Corporation ("AFCC"), also engaged in the paging services business, which permits the Company to use the name "Dial Page" in northern Florida and AFCC to use the name in southern Florida.

EXHIBIT B

PLAIN FACTS ABOUT NABER'S PETITION FOR 900 MHz PROTECTION

The Federal Communications Commission ("FCC") has requested public comment on a NABER petition to establish frequency protection for 900 MHz PCPs. While earned exclusivity for PCP licensees may have merit, NABER's proposal goes well beyond such objectives to propose exclusive national set-asides of frequencies for any licensee operating 300 transmitters anywhere in the county. Set forth below is a brief review of the NABER petition and its serious implications for all existing and future PCP licensees.

NABER's Petition would set-aside exclusive Frequencies for 900 MHz without according comparable rights and opportunities to 150 MHz and 450 MHz licensees. NABER has asked the FCC to establish National PCP Systems consisting of 300 or more transmitter sites operating on the same frequency in any number of locations throughout the United States. Once a company meets the 300 transmitter threshold, no other PCP applicant or licensee would be licensed on that frequency anywhere in the country. Similar rights would not be extended to licensees in the 150 MHz and 450 MHz bands who would face competition from expanded local, regional and national 900 MHz systems.

NABER's Plan would immediately give national spectrum rights to a few of its biggest members. The NABER petition does not disclose that its National System proposal would automatically and immediately give at least three of its members exclusive rights to at least four frequencies across the county, including markets they do not now serve and may never serve in the future. Smaller PCP would not benefit from this set aside for large carriers.

NABER's plan would freeze existing PCP operations and lock out new PCP entrants. In its petition, NABER fails to explain how the instant, exclusive national frequency rights extended to a privileged few of its members would protect the rights of other carriers already operating on those frequencies. In fact, NABER's only recognition of the problem is buried in a footnote that cryptically states that "...existing systems should be able to continue operations and expand, if necessary, within the system's current operational area."

NABER's plan does nothing to promote migration of lower band PCPs to 900 MHz. A stated goal of the petition is to encourage PCPs in the congested lower bands to migrate to 900 MHz frequencies. However, nothing in the petition gives force and effect to that objective. No preference is accorded to lower band applicants and the National System proposal inherently blocks migration - even in markets where the National System licensee is not operational.

NABER's National System Proposal would cause a flood of speculative filings. NABER is already receiving a surge of 900 MHz applications in anticipation of its proposal being adopted. The 300 transmitter sites test does not include any loading requirements and contemplates a "slow growth" construction schedule rather than short absolute deadlines. This is an open invitation to speculative abuses.

Act now if you are concerned! NABER and the large carrier beneficiaries of the National System proposal are working hard for its prompt adoption. Without your participation, spectrum opportunities for growth, expansion and migration could be quickly closed to less favored PCPs. If you are concerned, we have attached a sample response you may direct to the Federal Communications Commission, Office of the Secretary, 1919 M Street, NW, Washington, DC 20554. Your support and participation is needed now!

Mobile Telecommunication Technologies Corp.
Ernest A. Oswalt

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

In the Matter Of:	)
	)
Request for Amendment of the Commission's Rules and Regulations Concerning Shared Use of 900 MHz Paging Frequencies	)RM-7986))

Comments of ________________

____________________, hereby submits the following comments concerning the above reference proposal as submitted by NABER's Association for Private Carrier Paging (APCP) section to establish protection for 900 MHz Private Carrier Paging licensees (PCPs).

As an operating licensee in one of the lower bands, we see nothing the petition does to encourage migration from the lower bands to the 900 MHz systems. In contrast, its National System proposal might actually block entry and deter investment in the 900 MHz frequency systems.

We provide a private carrier paging service in the 150 MHz (or 460 MHz) frequencies, providing coverage in the ________________________markets to a wide variety of customers.

Our primary concern is that the APCP petition does nothing to alleviate low band congestion even though the request cites migration from 150 MHz and 460 MHz frequencies, none of the subsequent actions appear designed to achieve that as a goal. Without incentives of tangible benefit, expensive conversion does not seem reasonable and therefore overcrowding will continue.

The APCP National System proposal will actually discourage migration of the low band carrier up to the 900 MHz channels by limiting channel availability. The transmitter-based limits, should they be enacted, would immediately set aside six of the now forty 900 MHz channels for exclusive use by four PCPs. These channels would no longer be available for 150 MHz or 460 MHz carriers desirous of moving up to 900 MHz. It seems likely that other of the channels would soon be lost to the National Systems.

The petition, we believe, fails to provide a method whereby competing PCPs would have equal access to exclusivity on the 900 MHz frequencies. The proposal immediately allows the larger PCPs to gain exclusivity immediately on certain of the channels and exhaust spectrum in metropolitan areas. The transmitter-based limits criteria gives windfall advantage to those PCPs which already have significant operation on the 900 MHz frequency without giving lower frequency carriers an equal opportunity to gain access to 900 MHz channels.

The risk that channels currently available would later be converted to exclusive National System use will certainly not encourage investment in the 900 MHz systems by potential entrants. The lower frequency carrier is unlikely to risk an expensive conversion process to a 900 MHz system if there is some likelihood another carrier building enough transmitters elsewhere in the country would obtain national exclusivity and thereby freezing them from the market place.

For the foregoing reasons, ____________________ submits that APCP's petition fails to address, let alone remedy, congestion problems now being experienced on the lower frequencies. We believe that the proposal actually discourages lower frequency carriers from making the switch up to a 900 MHz system.

Respectfully submitted:

____

BY____________________________

CERTIFICATE OF SERVICE

I, Jennifer L. Roberts, do hereby certify on this 25th day of June, 1992, that I have served a copy of the foregoing **REPLY COMMENTS OF PAGEMART, INC.** to the parties listed below via first class mail, postage prepaid, or via hand delivery.

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