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January 26, 1994

EX PARTE PRESENTATION IN
GEN Docket No. 90-314

R. MICHAEL SENKOWSKI
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JAN 26 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dr. Thomas P. Stanley
Chief Engineer
Office of Engineering & Technology
Federal Communications Commission
2025 M Street, N.W.; Rm. 7002
Washington, D.C. 20554

Re: Market Area Definitions for New 900 MHz
Narrowband Personal Communications Services

Dear Dr. Stanley:

Thank you and your staff for meeting with the Personal Communications Industry Association ("PCIA"), formerly Telocator, on January 21, 1994. As you requested, PCIA has provided the attached follow-up to our meeting setting forth the association's position on market area definitions for new 900 MHz Narrowband PCS and the regionalization trends in existing messaging services.

If we can provide you with any additional information, please do not hesitate to call me at (202) 429-7249.

Respectfully submitted,

R. Michael Senkowski

R. Michael Senkowski

Encl.

cc: Karen Brinkman
Brian F. Fontes
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**MARKET AREA DEFINITIONS FOR
900 MHz PERSONAL COMMUNICATIONS SERVICES** FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Personal Communications Industry Association ("PCIA"), formerly Telocator, files the instant supplement to apprise the Commission of the industry consensus in favor of eliminating the use of licensing areas smaller than the Rand McNally-derived Major Trading Areas for 900 MHz Narrowband PCS. PCIA represents the full breadth of the personal communications industry, with members and directors that include both large and small messaging and paging carriers. These PCIA members are expected to become the core providers of new narrowband PCS offerings in the 900 MHz bands.

In its July, 1993, Report and Order allocating spectrum for and establishing the 900 MHz Narrowband Personal Communications Service, the FCC elected to use both national and regional licensing, as advocated by PCIA. For the regional licenses, however, instead of utilizing the large regions suggested by PCIA and its members, the FCC used variations of the Major Trading Area ("MTA") and Basic Trading Area ("BTA") divisions described in the *Rand McNally Commercial Atlas and Guide*. As recognized by Paging Network, Inc. in a Petition for Reconsideration, the Commission's action effectively ignores the strong consensus in the comments that localized service areas did not meet the needs of either small or large carriers.

Today, for example, most conventional paging is conducted on a regional, wide-area basis that extends beyond the BTA boundaries. After randomly surveying a number of its members, PCIA found no operations by any carriers were confined to a single BTA. Only rarely, in fact, were there operations that covered less than all or part of three or four BTAs. This relationship between the BTAs and existing operations is of paramount importance for

the series of eight 12.5 kHz channels for use in upgrading existing paging systems to offer two-way capabilities. Because these channels are to be auctioned on a BTA basis, severe aggregation problems can be expected. A similar problem also exists with respect to the 50 kHz/12.5 kHz channel pairs and 50 kHz unpaired channels allocated on a MTA and national basis. If a carrier is seeking to combine spectrum blocks to augment the mobile-to-base portion of a messaging system based on one of these allocations, the only possibility is aggregating a very large number of the 12.5 kHz BTA blocks, since no 12.5 kHz channels are available on an MTA or national basis.

Narrowband 900 MHz carriers' technical needs are also not well met by BTA allocations for either the 50 kHz/50 kHz or 50 kHz/12.5 kHz channel pairs. Many of the services to be deployed in these channels will be advanced messaging services that are outgrowths of today's paging systems. One of the greatest benefits of these systems is their ability to cover large regions at a very low cost per subscriber. In order to accomplish this, paging and messaging systems use high power transmitters that provide reliable communications as far away as 36 kilometers. In fact, this high power transmitter model was the basis for the Commission's coverage area requirements in the Narrowband PCS Order, where it estimated that a single base station should be capable of covering 3000 square kilometers. Some BTAs, however, are not even of sufficient size to accommodate the 72 kilometer diameter of a single transmitter of the power contemplated by the Commission.

Moreover, even if a particular BTA was marginally larger than the service area of a high power messaging transmitter, shaped in a manner that would not result in extensions of the service contour beyond the border, and a messaging transmitter could economically and

logistically be placed somewhere near the center of the BTA, the height-power table prescribed by the Commission to limit interference between adjacent systems for operations near borders would preclude operating the transmitter at full power in any event. In conjunction, the very small size of the BTAs and the height-power reduction table would force messaging providers to use low power facilities throughout a BTA, driving up costs to the point where providing service may be prohibitive.

After discussions on the pending petitions for reconsideration of the 900 MHz Narrowband PCS Order, PCIA formed a consensus that *all* of the regional licenses should be awarded on the basis of market areas no smaller than MTAs. If the Commission declines to adopt the large regions originally advanced by PCIA, all of the BTA licenses should, at a minimum, be awarded for MTAs. This change would permit almost 1200 separate licensing opportunities, and continue to permit the entry of a broad range of new providers while better matching license areas with the technical and service needs of messaging subscribers.