

EX PARTE OR LATE FILED

COALITION FOR WIRELESS COMPETITION

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February 17, 1994

FEB 18 1994

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M. Street N.W. Room 222
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

~~CONFIDENTIAL~~

RE: Ex Parte Presentation
GEN 90-314 and PP 93-253
Personal Communications Service

Dear Mr. Caton:

On February 15 and 16th, 1994, the Coalition for Wireless Competition, represented by David Aylward, Charles D. Cosson, Betty Ann Kane, George Murray, Brenda Pennington, Richard Stamberger, Melodie A. Virtue, and Curtis White, held meetings the following members of the Commission staff, Ms. Karen Brinkmann, Mr. Brian Fontes, Ms. Diane Cornell, Ms. Sara Seidman, Mr. David Sidell, Dr. Thomas Stanley, Mr. John Winston.

The meetings were to determine the status of the PCS docket and to present the Coalition's position on PCS and spectrum auctions as described in the attached position paper.

Pursuant to section 1.1206(a)(1) of the Commission's rules, an original and a copy of this letter are being filed with your office.

Sincerely,

Richard D. Stamberger (SC)

Richard D. Stamberger

cc: Ms. Karen Brinkmann
Mr. Brian Fontes
Ms. Diane Cornell
Ms. Sara Seidman
Mr. David Sidell
Dr. Thomas Stanley
Mr. John Winston.

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Summary of Suggested Policy for the PCS Licensing Process

- The FCC should maintain its proposal for two designated licenses (10 MHz, 20 MHz) in each market for bidding by minority, female, small business and rural carrier entities.
- Rather than two large spectrum awards in huge areas (30 MHz MTA), and five smaller ones in smaller areas (10-20 MHz BTA), the FCC should maximize the number of bidding opportunities for all companies (small, medium and large), and equalize the financing and competitive hurdles faced by all licensees.
- PCS licenses should all be for BTAs, and either for 10 or 20 MHz (e.g., four 20 MHz and four 10 MHz licenses). This will create an average of 18 more opportunities to bid in each MTA. There should be a free after market, with the 40 MHz ownership limit per license area applying to all wireless carriers.
- Definitions of designated entities should be clear and strict. Ownership, overlap and attribution rules should encourage investment and joint ventures with them by other entities.
- To ensure the seriousness of designated entities winning auctions, a non-refundable payment should be immediately due of \$10,000 plus 2¢ per pop for 10 MHz licenses, and \$20,000 plus 2¢ per pop for 20 MHz licenses.
- Designated entities should be required to pay 10% of the auction price within 3 months; the rest should be paid in 6 annual payments, beginning with the fourth year.
- Such designated entities should not also have to demonstrate full financial ability to construct the license area in order to receive the license. Reporting of progress should suffice.
- There should be no restrictions on designated entities transferring their licenses to other such entities, and none on transfers to others – if the license is transferred more than 5 years after award, or the Government is paid on transfer any difference between the auction price and the average price for that market of other licenses.
- Designated entities bidding for non-designated licenses should receive bidding discounts of 10-20%. If they bid in conjunction with others, this discount should be proportional to their share of investment in the partnership.
- The FCC should grant an "infrastructure preference" as a partial credit against future auction payments to designated entities which devote certain percentages of their activities and spending to disadvantaged communities and groups. Congress should spend a percentage of auction revenue for training disadvantaged persons in telecommunications skills.