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July 18, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

RE: GN Docket No. 93-252
Regulatory Treatment of Mobile Services

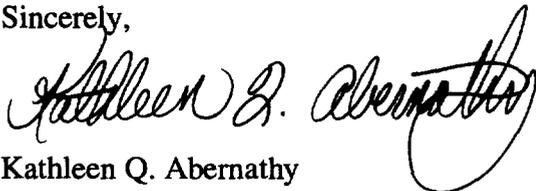
Dear Mr. Caton:

On Friday, July 15, 1994, on behalf of AirTouch Communications, David Gross and I met with Beverly Baker and David Furth of the FCC's Private Radio Bureau to discuss the above-referenced proceeding. The attached materials were distributed.

Two copies of this notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 202-293-4960 should you have any questions or require additional information concerning this matter.

Sincerely,



Kathleen Q. Abernathy

cc: Beverly Baker
David Furth

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AIRTOUCH COMMUNICATIONS

PRESENTATION TO FCC ON FNPRM DOCKET 93-252

- Virtually all comments urge Commission not to adopt spectrum caps for CMRS industry
- No competitive reason to support spectrum caps
 - Firms in CMRS markets are not able to collude because
 - 1) actual and potential providers of CMRS services are too numerous and too diverse to have common interests
 - 2) rapid rate of technological change makes any collusive agreement difficult to achieve and sustain
 - 3) not all CMRS providers compete with each other
 - 4) any licensee that engages in collusive behavior risks the loss of its license
 - No CMRS providers will have power unilaterally to raise prices or reduce output
 - 1) even without spectrum caps no single provider can acquire sufficient share of market
 - 2) even assuming single provider acquires significant share, CMRS technology enables competitors to expand capacity
- Cannot justify restrictive proposal based on **potential** that CMRS licensee could exert market power
- Premature for the Commission to attempt to predetermine the amounts of spectrum that will be necessary to permit new entry, since the amount of spectrum required to provide some services, such as LEO services, has not even been determined

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