BEFORE THE

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Federal Communications Commission

WASHINGTON, D. C.

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FEDERAL COMMUNICATIONS COMMISSION

In the Matter of	)	
	)	
Implementation of Section 309(j) of the Communications Act - Competitive Bidding Narrowband PCS	)	PP Docket No. 93-253
and		
Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services	)	GEN Docket No. 90-314 ET Docket No. 92-100

To: The Commission

COMMENTS OF PAGING NETWORK, INC.

Paging Network, Inc. ("PageNet"), through its attorneys and pursuant to 47 C.F.R. § 1.415, hereby submits its comments in the above-captioned proceeding.[1] In the *Further Notice*, the Commission requested comment on whether some of the MTA and BTA response channels should be redesignated as larger license areas with bidding limited only to those entities eligible for entrepreneurs' block licenses. PageNet believes that the Commission should increase the service areas for the paging

1 *Third Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, PP Docket No. 93-253, GEN Docket No. 90-314, ET Docket No. 92-100, released August 17, 1994 (hereinafter "*Further Notice*").

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response channels currently assigned to the BTAs to MTA service areas because the MTA service areas better reflect the scope of the markets in which the incumbent paging carriers are increasingly offering service. However, PageNet vigorously opposes any redesignation of the paging response licenses to entrepreneurs' blocks because, as the Commission has now recognized, incumbent paging carriers require these licenses for the growth and revitalization of their existing systems.

I. Statement Of Interest

PageNet is the largest and most rapidly expanding paging company in the United States. At present, PageNet provides both private and common carrier services to over 3.7 million units and, with the filing of both private and common carrier applications in excess of 50 per month, continues to expand its existing paging systems while establishing new paging systems in new markets. PageNet was also the successful bidder for three (3) nationwide narrowband PCS frequencies over which PageNet intends to offer VoiceNow™, its advanced paging service, which allows subscribers to receive voice messaging in their pager, and to store these messages for convenient retrieval, or in other words, to have "voice mail on their belt." As such, as an incumbent carrier with existing paging systems in well over one-hundred of the major markets, PageNet is exceptionally qualified to evaluate and comment upon the proposals in the *Further Notice*.

II. Incumbents In The Paging Industry Must Have An Opportunity To Provide Next Generation Paging Services

In the *Further Notice*, the Commission sought comment on whether some of the MTA and BTA paging response channels should be

redesignated as larger license areas with bidding limited only to those entities eligible to bid for entrepreneurs' block licenses.[2] PageNet believes that this proposal is inconsistent with the Commission previous finding of the value the paging response channels hold for incumbent paging carriers.[3] As the Commission has previously recognized, the paging response channels are to "allow licensees to upgrade their operations to provide acknowledgment and messaging capability."[4] Since the availability of these channels will provide incumbent paging carriers, who have already made significant investments in their paging systems, the opportunity to compete with narrowband PCS providers, any restrictions in the availability of some of these channels would be patently unfair.

The category of licensees that can now bid for the paging response channels are Part 22 paging carriers and Part 90 Private Carrier Paging ("PCP") operators authorized as of the deadline for filing applications to participate in the competitive bidding for the paging response channels.[5] Since there are approximately 175 frequencies available for licensing to paging carriers, and only eight (8) paging response channels, per

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2 *Further Notice* at ¶77.

3 *See Further Notice* at ¶9.

4 *Memorandum Opinion and Order*, 9 FCC Rcd 1309, 1313 (1994).

5 *See Second Memorandum Opinion and Order, In the Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services*, GEN Docket No. 90-314, ET Docket No. 92-100, released August 25, 1994, at ¶10.

geographic location, less than 5 percent of the systems that could ultimately become licensed to offer paging service will be able to operate with paging response channels. With such little spectrum available for response channels for the existing paging industry now, PageNet believes it would be intolerable to redesignate any of the paging response channels into entrepreneurs' blocks, nor is there any reason to do so.

Specifically, if a designated entity is already a participant in the traditional paging marketplace, redesignating paging response channels as entrepreneurs' blocks will favor this entity, not by allowing entry into a new market, but by giving that entity a competitive edge over its existing competitors. Its incumbent status demonstrates that it does not need preferential treatment in order to enter the marketplace for existing paging services.

If a designated entity is not already a Part 22 or Part 90 licensee in the paging marketplace, that entity is not eligible to seek paging response channel spectrum. Rather that entity will be seeking spectrum in the broader PCS arena where, like other participants, the designated entities have an opportunity to obtain response channels, by bidding in the 50/50's or 50/12's paired frequency narrowband PCS auctions. Therefore, PageNet opposes the redesignation of the BTA paging response channels into entrepreneurs' blocks because such redesignation will not aid in the entry of designated entities into the traditional paging marketplace and would be unfair to existing paging licensees.

III. The Commission Should Redesignate The BTA Paging Response Channels To MTA Service Areas

Presently, there are four (4) response channels allocated per MTA and four (4) response channels allocated per BTA.[6] Therefore, in any given location there are eight (8) response channels that are available for licensing. These frequencies will likely be utilized by incumbent paging carriers which increasingly provide very wide-area services. The geographic scope of these services far more closely approximate MTAs than BTAs, because, as customer become increasingly mobile, they require it. Customers no longer simply travel within a one or two transmitter area; they travel through multiple counties and throughout states. In order to provide adequate service, paging companies have had to expand their footprints to cover these areas as well. Further, it makes no sense to require paging companies to aggregate BTAs in order to achieve MTA coverage. The auction process is already necessarily complicated enough; it makes no sense to add unneeded complexity as well.

In addition, the more of the same frequency paging response BTA licenses that a carrier has to acquire to cover its complete system, *i.e.*, same frequency BTA licenses in numerous contiguous BTA markets, the less likely that the paging carrier will be able to acquire the same frequency in each BTA required to fully cover its system. As such, there is significant potential exposure to loss if a paging carrier can acquire only some of the

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6 *See* 47 C.F.R. § 24.130(b)-(c).

paging response licenses it requires. Response channel coverage over only part of the existing carrier's system will not allow the incumbent paging carrier to effectively use the response channels with their existing system, if at all, and thus will not allow for meaningful competition with other existing carriers, and with narrowband PCS carriers.

Accordingly, to limit this exposure to loss and to provide incumbent carriers with a meaningful opportunity to use the response channels, PageNet believes that the Commission should redesignate all of the BTA paging response channel licenses to MTA service areas. Such redesignations will allow paging carriers to acquire the response channel frequency required to cover existing paging systems without having to acquire multiple BTA licenses to cover its complete system. Finally, in order to allow for a variety of existing carriers, both large and small, to participate in the response channel auctions, PageNet does not believe that the paging response channels should be offered on a regional or nationwide basis. Such service areas would immediately preclude smaller incumbent carriers from participating in the auctions for paging response channels.

IV. Conclusion

Incumbent paging licensees need the paging response channels in order to be able to offer advanced services, and to compete with each other, and with the new narrowband PCS advanced paging service providers. Unfortunately, because of the limited spectrum allocation to the paging response channels, many

incumbent licensees who wish to offer advanced paging services utilizing their existing facilities and a paging response channel already will be unable to do so. Therefore, any additional limitation on the existing allocation of the paging response channels is intolerable to existing carriers, especially since there is no need to further diminish these frequencies' availability to all incumbents. In addition, since BTA license service areas will be too small to allow licensees to effectively implement advanced paging services, the Commission should redesignate the paging response channels presently allocated to the BTA service areas.

Respectfully submitted,

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September 16, 1994

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