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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

October 6, 1994

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

RE: Ex Parte Filing
GEN Docket No. 90-314 (Personal Communications Services)

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

On Thursday, October 6, 1994, Mr. Robert F. Roche, Director for Research, Cellular Telecommunications Industry Association (CTIA), sent the attached letter to Mr. Gregory Rosston, Telecommunications Specialist, Office of Plans & Policy.

Pursuant to Section 1.1206 of the Commission's Rules, an original and one copy of this letter and the attachments are being filed with your office.

If there are any questions in this regard, please contact the undersigned.

Sincerely,


Robert F. Roche



Building The
Wireless Future™

CTIA

Cellular
Telecommunications
Industry Association
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Washington, D.C. 20036
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October 6, 1994

Mr. Greg Rosston
Office of Plans & Policy
Federal Communications Commission
1919 M Street, N.W. - Room 822
Washington, D.C. 20554

RE: Ex Parte Filing - Docket No. 90-314
Personal Communications Service

Dear Greg:

In response to your request for further information and analysis of four Major Trading Areas (MTAs) and their component Basic Trading Areas (BTAs), I attach two matrices demonstrating the extent to which the current ten percent overlap threshold excludes small and mid-sized cellular companies from full participation in providing Personal Communications Services (PCS).

The four MTAs you selected -- Knoxville, Omaha, Philadelphia and San Francisco -- are composed of 34 BTAs with a total population of 25,692,300. These BTAs, in turn, overlap with 73 cellular service areas. The attached matrices demonstrate that raising the overlap threshold from ten to 20 percent would create seven new opportunities in BTAs for six small or mid-sized companies, including: Bachtel Cellular, Cellular 2000, General Cellular, Pinellas, Sierra Cellular, and the Tennessee RSA 3 L.P.

Raising the threshold to 25 percent would create a further nine opportunities for small or mid-sized cellular companies (for a total of 16 opportunities foreclosed by the current ten percent overlap rule), including: AmeriCell, Cal-One Cellular, General Cellular, Liberty Cellular, Mountaineer Cellular, Miscellco, Nebraska Cellular and Tennessee RSA 3 L.P.

Raising the threshold to 30 percent would create a further three opportunities for small or mid-sized cellular companies (for a total of 19 opportunities foreclosed by the current ten percent overlap rule), including: General Cellular, Independent Cellular Network, and Nebraska Cellular.



Raising the threshold for full cellular eligibility in PCS licensing would not diminish competition in the wireless marketplace -- either pre- or post-auction. In these 34 BTAs, with their four BTA-based licenses and two MTA-based licenses, a total of 204 licenses will be auctioned. Modification of the threshold will create, at most, nineteen additional opportunities for small and mid-sized cellular companies to bid for more than 10 MHz of PCS spectrum.

Beyond the issue of the appropriate overlap threshold governing cellular eligibility, the Commission has created an entirely unnecessary and prejudicially narrow divestiture window (permitting only cellular companies with overlap interests between ten and 20 percent to divest their cellular and thereby be eligible to bid for more than 10 MHz of PCS spectrum). CTIA submits that this further barrier to cellular participation in PCS is entirely unnecessary, and predicated on little more than tenuous guesswork as to when ownership interests may impede competition.

Indeed, there is a simple solution to the Commission's attempts to identify a precise balance point at which ownership interests may or may not be perceived to impede competition in the marketplace. Like Alexander and the Gordian knot, the Commission may cut through the tangle of contradictory argument and problematic evidence with a simple blow. The Reply of Ameritech to the Comments on the Petitions for Further Reconsideration in GEN Docket No. 90-314, filed September 14, 1994, provides a simple and fair mechanism which will permit cellular companies to participate in PCS without harm to the auction process, to wireless competition, or to the public.

The proposal that pre-auction divestiture to an interim independent trustee will permit greater participation in the PCS auctions, and ensure that such bidding does not produce a post-divestiture environment in which less competition exists in the wireless marketplace.

If you have any questions about the foregoing, please do not hesitate to contact the undersigned.

Sincerely,


Robert F. Roche
Director for Research

Attachments

Additional BTA Service Profiles

BTA Name	Total Pops	Celcos in Market	Celco Pops	% Overlap
Kingsport, TN	663,300	GTE/Contel Sprint BAM Bachtel SWB Mobile	447,800 663,300 112,300 57,200 32,100	67.5 % 100 % 16.9 % 8.6 % 4.8 %
Knoxville, TN	995,800	Bachtel Sprint Tennessee RSA 3 LP GTE/Contel U.S. Cellular	191,600 51,000 165,100 804,100 765,000	19.2 % 5.1 % 16.6 % 80.7 % 76.8 %
Middlesboro-Harlan, KY	119,900	First Kentucky Metro Mobile CTS Tennessee RSA 3 LP GTE/Contel Mountaineer Cell.	65,500 26,700 27,700 93,200 26,700	54.6 % 22.3 % 23.1 % 77.7 % 22.3 %
Grand Island-Kearney, NE	143,800	General Cellular Nebraska Cellular	131,700 143,800	91.6 % 100 %
Hastings, NE	72,800	General Cellular Nebraska Cellular	72,800 72,800	100 % 100 %
Lincoln, NE	321,300	General Cellular Nebraska Cellular Centennial Cell. Lincoln Cell.	95,800 95,800 225,600 225,600	29.8 % 29.8 % 70.2 % 70.2 %
McCook, NE	35,400	General Cellular Nebraska Cellular Miscellco Liberty Cellular	28,300 28,300 7,100 7,100	79.9 % 79.9 % 20.1 % 20.1 %
Norfolk, NE	111,900	National Cellular Nebraska Cellular General Cellular Pinellas	83,900 111,900 21,400 6,600	74.9 % 100 % 19.1 % 5.9 %
North Platte, NE	81,200	General Cellular Nebraska Cellular Sagir	79,000 81,200 2,200	97.3 % 100 % 2.7 %
Omaha, NE	939,000	National Cellular Nebraska Cellular General Cellular U.S. Cellular RSA 7 LP Pinellas U S WEST NewVector Lincoln CommNet Cellular	17,500 196,200 99,100 64,800 14,900 124,300 633,500 683,400 44,700	1.9 % 20.9 % 10.6 % 6.9 % 1.6 % 13.2 % 67.5 % 72.8 % 4.8 %
Atlantic City, NJ	333,700	BAM Ellis Thompson	333,700 333,700	100 % 100 %
Dover, DE	270,200	WCC Cellular BAM First Cellular LP	28,200 270,200 242,000	10.4 % 100 % 89.6 %
Harrisburg, PA	680,200	Vanguard Cellular Sprint Cellular	680,200 633,300	100 % 93.2 %
Lancaster, PA	453,400	Vanguard Cellular Sprint Cellular	453,400 453,400	100 % 100 %

Phila., PA- Wilmington, DE	6,040,200	Comcast BAM U.S. Cellular	5,901,300 6,040,200 138,900	97.7 % 100 % 2.3 %
Pottsville- Frackville, PA	151,000	Sunshine Cellular U.S. Cellular	151,000 151,000	100 % 100 %
Reading, PA	351,700	Vanguard Cellular BAM	351,700 351,700	100 % 100 %
State College, PA	128,100	Vanguard Cellular Independent Cellular Network	128,100 128,100	100 % 100 %
Sunbury- Shamokin, PA	188,900	Sunshine Cellular U.S. Cellular BAM	188,900 18,100 170,800	100 % 9.6 % 90.4 %
Williamsport, PA	165,200	AmeriCell Independent Cellular Network Vanguard Cellular U.S. Cellular	36,800 42,900 122,300 122,300	22.3 % 25.9 % 74.0 % 74.0 %
York-Hanover, PA	442,300	Vanguard Cellular Sprint	442,300 442,300	100 % 100 %
Chico- Oroville, CA	228,800	General Cellular AirTouch AT&T Wireless Services (McCaw)	202,100 228,800 26,700	88.3 % 100 % 11.7 %
Eureka, CA	157,200	U.S. Cellular Cal-One Cellular	157,200 157,200	100 % 100 %
Fresno, CA	872,200	GTE/Contel Cellular 2000 AT&T Wireless Services (McCaw)	872,200 104,800 767,500	100 % 12.0 % 88.0 %
Mercen, CA	218,800	Sierra Cellular Cellular 2000 GTE/Contel AT&T Wireless Services (McCaw)	16,700 202,100 202,100 16,700	7.6 % 92.4 % 92.4 % 7.6 %
Modesto, CA	484,200	AirTouch Sierra Cellular AT&T Wireless Services (McCaw)	428,900 55,300 484,200	88.6 % 11.4 % 100 %
Redding, CA	285,500	AirTouch U.S. Cellular Cal-One Cellular AT&T Wireless Services (McCaw)	226,200 59,300 59,300 226,200	79.2 % 20.8 % 20.8 % 79.2 %
Reno, NV	482,400	Sierra Cellular AirTouch C.C. Cellular General Cellular ALLTEL Cellular AT&T Wireless Services (McCaw) GTE/Contel	1,300 382,400 40,300 105,400 48,400 377,200 10,200	0.3 % 79.3 % 8.4 % 21.8 % 10.0 % 79.2 % 2.1 %
Sacramento, CA	1,886,100	U.S. Cellular AT&T Wireless Services (McCaw) AirTouch Modoc Cellular Pacific Sierra Cellular Atlantic Cell. Data Cell	50,900 1,591,200 1,648,000 50,900 35,900 151,000 151,000 93,000	2.7 % 84.4 % 87.4 % 2.7 % 1.9 % 8.0 % 8.0 % 4.9 %

Salinas- Monterey, CA	384,200	GTE/Contel AT&T Wireless Services (McCaw)	384,200 384,200	100 % 100 %
San Fran.- Oak.-S.J., CA	6,830,200	AirTouch GTE/Contel U.S. Cellular Cellular 2000 AT&T Wireless Services (McCaw) ^a Cellular One-Santa Cruz	5,469,400 6,830,200 144,500 40,300 2941,700 234,200	80.1 % 100 % 2.1 % 0.6 % 213.8 % 3.4 %
Stockton, CA	568,400	Sierra Cellular AirTouch AT&T Wireless Services (McCaw)	38,800 529,600 568,400	6.8 % 93.2 % 100 %
Visalia- Porterville, CA	466,700	GTE/Contel AT&T Wireless Services (McCaw)	466,700 466,700	100 % 100 %
Yuba City- Marysville, CA	138,800	AirTouch AT&T Wireless Services (McCaw)	138,800 138,800	100 % 100 %

^a Pops do not include share of joint venture, which would raise figure to approximately 6.3 million attributable pops in San Francisco BTA, an overlap of roughly 92.6 percent.

Additional Major Trading Area Service Profiles

MTA Name	Total Pops	Celcos in Market	Celco Pops	% Overlap
Knoxville MTA	1,779,000	GTE/Contel	1,345,100	75.6 %
		Sprint	714,300	40.2 %
		BAM ^a	112,300	6.3 %
		Bachtel	248,800	13.9 %
		SWB Mobile	32,100	1.8 %
		Tennessee RSA 3 LP	129,800	7.3 %
		U.S. Cellular	765,000	43 %
		First Kentucky	65,500	3.7 %
		Metro Mobile CTS ^a	26,700	1.5 %
		Mountaineer Cell.	26,700	1.5 %
		Omaha MTA	1,705,300	General Cellular
Nebraska Cellular	730,000			42.8 %
Centennial Cellular	225,600			13.2 %
Lincoln	909,000			53.3 %
Miscellco	7,100			0.4 %
Liberty Cellular	7,100			0.4 %
National Cellular	17,500			1.0 %
Pinellas	130,900			7.7 %
Sagir	2,200			0.1 %
U S WEST NewVector	633,500			37.1 %
RSA 7 L.P.	14,900			0.9 %
U.S. Cellular	64,800			3.8 %
CommNet Cellular	44,700			2.6 %
Philadelphia MTA	9,204,600	BAM	7,166,600	77.9 %
		Ellis Thompson	333,700	3.6 %
		WCC Cellular	28,200	0.3 %
		First Cellular L.P.	242,000	2.6 %
		Vanguard Cellular	2,178,000	23.7 %
		Sprint	1,529,000	16.6 %
		Comcast	5,901,300	64.1 %
		Sunshine Cellular	339,900	3.7 %
		U.S. Cellular	430,300	4.7 %
		Independent Cellular Network	171,000	1.9 %
		AmeriCell	36,800	0.4 %
San Francisco MTA	13,003,400	General Cellular	307,500	2.4 %
		AirTouch	9,052,100	69.6 %
		AT&T Wireless Services (McCaw)	5,989,500	46.1 %
		U.S. Cellular	411,900	3.2 %
		Cal-One Cellular	216,500	1.7 %
		GTE/Contel	8,765,600	67.4 %
		Cellular 2000	347,200	2.7 %
		Sierra Cellular	263,000	2.0 %
		C.C. Cellular	40,300	0.3 %
		ALLTEL	48,400	0.4 %
		Modoc	50,900	0.4 %
		Cellular Pacific	35,900	0.3 %
		Atlantic Cellular	151,000	1.2 %
		Data Cellular	93,000	0.7 %
Cellular One-Santa Cruz	234,200	1.8 %		

^aAffiliated companies. Aggregation of pops will have no impact on eligibility, regardless of overlap threshold.