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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

October 12, 1994

Mr. Donald Gips
Deputy Chief
Office of Plans and Policy
Federal Communications Commission
1919 M Street, N.W., Room 822
Washington, D.C. 20554

Re: GEN Docket No. 90-314

Dear Mr. Gips:

I am writing in connection with the proposal of the Personal Communications Industry Association ("PCIA") to establish principles for sharing the costs of relocating incumbent microwave links from PCS spectrum. It has come to our attention that questions have been raised concerning the effects of the proposal on designated entities. PCIA believes that designated entities will benefit from the establishment of consistent and predictable guidelines governing cost sharing even more than other licensees for the following reasons:

Unlike the A and B Blocks, which will be licensed on an MTA basis, the C Block -- which is reserved for designated entities and available to them on favored terms -- will be licensed on a BTA basis. Consequently, there will be almost 500 individual C Block licenses awarded to up to that many entities. The C Block auction process will, therefore, likely result in a multiplicity of designated entity licensees with responsibility for clearing their allocated spectrum within the confines of hundreds of BTA license areas. The same would hold true for F Block licensees.

Because BTAs are substantially smaller than MTAs, it is also likely that many more microwave links and systems will cross BTA boundaries. Thus, a major challenge facing designated entities will be the negotiation of microwave relocations with other affected designated entity licensees in adjacent BTAs. The adoption of cost sharing principles by the Commission will certainly facilitate those negotiations by establishing consistent parameters for each relocation agreement, particularly given the expected large number of designated entity licensees and the inevitable divergence in

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their interests arising from differences in their financing resources, deployment plans, and the like.

Moreover, except in rare instances not relevant here, the PCIA cost sharing proposal would apply only to co-channel, not adjacent channel, microwave links. Thus, the sharing of system relocation costs among adjacent C and F Block licensees would not increase the costs to be borne by designated entities as a group. In sum, adoption of PCIA's proposed cost sharing principles will aid designated entities in reaching agreements concerning the relocation of microwave networks that cross the many C and F Block BTA boundaries, without increasing their costs in this respect.

In addition, the attached Microwave Path Counts for the designated entity Blocks C and F demonstrate that a substantial majority of the return frequencies for microwave links in those blocks also fall within the designed entity allocations. As a result, under the PCIA proposal many designated entities would be required to cost share only with themselves or with other designated entities. Obviously, sharing among designated entities would not increase the cost burden on them as a whole.

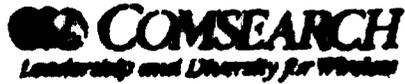
In view of the foregoing, adoption of cost sharing will have material benefits for many designated entities and other PCS licensees and will further expedite the microwave relocation process by removing areas of substantial uncertainty and potential controversy.

Respectfully submitted,



Mark J. Golden

cc: William F. Caton, Secretary



**MICROWAVE PATH COUNTS
BLOCKS C AND F
AND
NUMBER OF RECEIVERS ON OPPOSITE END OF PATH
BY BLOCK**

BLOCK	TOTAL PATHS	A	B	C	D	E	F	U
C	1635	190	201	1113	102	70	731	104
F	837	85	107	731	43	117	543	60

Note: Because microwave frequencies may straddle more than one license block, the number of paths listed under each block will not add up to the total number of paths in the left-hand column.