

Federal Communications Commission

WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of Section 309(j)) PP Docket No. 93-253
of the Communications Act--)
Competitive Bidding)

COMMENTS OF PACIFIC COMMUNICATIONS, INC.

Pacific Communications, Inc. ("PCI"), by its attorneys and pursuant to Section 1.415 of the Commission's Rules, hereby comments on the above-captioned docket. PCI respectfully requests that the Commission extend the February 28, 1995 filing deadline for the FCC Form 175 ("short-form") applications for the broadband Personal Communications Service ("PCS") C block auction. PCI believes that the more appropriate filing deadline would be 60 days after the completion of the A and B block auction. The 60-day period would provide the necessary time for designated entities to form alliances with parties that are unsuccessful in acquiring A and B block licenses.

I. BACKGROUND

In the Implementation of Section 309(j) of the Communications Act--Competitive Bidding, Fifth Report and Order ("Fifth Report and Order"), PP Docket No. 93-253, 9 FCC Rcd 5532 (1994), at ¶ 39, the Commission stated that C block licenses should be auctioned after the block A and B licenses in order to enable designated entities to more easily attract partners and investors. The Commission reasoned that many potential partners

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and investors would be unwilling to enter into alliances with designated entities until it was known who succeeded in obtaining the A and B block licenses. Id. at ¶¶ 38, 39. The Commission believed that many parties that failed to acquire A and B block licenses would want to become partners with or make investments in designated entities in order to gain an interest in block C licenses. Id. at ¶ 39.

PCI is a small business, and as such, qualifies as a designated entity that is able to bid on C block licenses. Like many other designated entities, PCI is working toward forging strategic alliances with passive investors, some of whom may be currently bidding on A and B block licenses. As would be expected, some of these potential investors have been hesitant to enter into alliances with C block bidders until the A and B block auction is complete.

Despite the fact that the A and B block auction is still underway, Commission has announced that FCC Form 175 applications for the C block auction must be received by February 28, 1995. See Public Notice, December 23, 1994. The C block auction, according to the Public Notice, would commence the later of April 17, 1995 or 30 days after the close of the auction of the A and B blocks. Thus, the February 28, 1995 filing deadline has put into jeopardy opportunities for many designated entities to create alliances with parties that are currently bidding on A and B block licenses.

I. DISCUSSION

The Commission understands that designated entities that want to bid on C block licenses will need to attract capital-rich investors and partners. See Fifth Report and Order, at ¶ 39. The Commission also understands that many parties that fail to acquire A and B block licenses will want to invest in designated entities that are attempting to acquire C block licenses. Id. What the Commission apparently fails to understand is that requiring designated entities to file their FCC Form 175 applications on February 28, 1995--before the end of the A and B block auction--does not provide adequate opportunities for designated entities and potential investors and partners (parties that are unsuccessful bidders for A and B block licenses) to negotiate alliances.

The Commission has repeatedly stated that it wants as many broadband PCS applicants as possible. However, the Commission undoubtedly will derail the efforts of many designated entities to acquire the necessary financing to become C block bidders if it requires them to file their short-form applications by February 28. Many parties that are now participating in the A and B block auctions are not ready to commit to partnership arrangements with designated entities until it is known who will succeed in obtaining A and B block licenses. Many applicants that fail to acquire A and B block licenses likely will emerge wanting to forge alliances with designated entities to acquire C block licenses; however, unless the February 28 application

filing deadline is changed, these potential investors may not have the opportunity to negotiate with C block bidders.

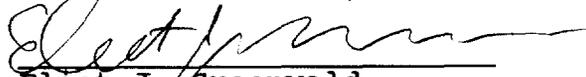
The Commission should rescind its February 28 deadline and instead allow designated entities to file their FCC Form 175 applications 60 days after the completion of the A and B block auction. The 60-day period would permit designated entities and unsuccessful A and B block applicants ample time to conduct meaningful negotiations and arrange proper alliances for bidding on C block licenses.

III. CONCLUSION

For the foregoing reasons, PCI urges the Commission to rescind its February 28, 1995 deadline for the filing of the FCC Form 175 applications for the C block auction. The Commission should instead allow designated entities to file their FCC Form 175 applications 60 days after the completion of the A and B block auction in order to allow designated entities to forge alliances with parties that are unsuccessful in obtaining A and B block licenses.

Respectfully submitted,

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