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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
	)	
Amendment of Part 90 of the Commission's Rules to Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band	)	PR Docket No. 93-144
and		
Implementation of Section 309(j) of the Communications Act - Competitive Bidding 800 MHz SMR	)	PP Docket No. 93-253

REPLY OF MOTOROLA, INC.

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REPLY OF MOTOROLA, INC.

Motorola, Inc. hereby replies to comments received in response to the Commission's Further Notice of Proposed Rulemaking in the above-captioned docket.[1] As explained in its opening comments, Motorola strongly supports both the FCC's efforts to facilitate the deployment of wide-area Specialized Mobile Radio ("SMR") systems in the 800 MHz band and the establishment of an improved environment for the operation of traditional local SMRs and private licensees.

After the close of the first comment round, Motorola made substantial efforts to explore the possibility of developing a consensus position addressing the concerns of

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[1] Amendment of Part 90 and Implementation of Section 309(j), FCC 94-271, Further Notice of Proposed Rule Making, PR Docket No. 93-144, PP Docket No. 93-253 (Nov. 20, 1994)[hereinafter "FNPRM"]. All comment references are to comments on the FNPRM filed January 5, 1995, unless otherwise stated.

major parties while at the same time achieving their and the Commission's goals in this proceeding. Based on these extensive discussions and the record compiled herein, Motorola believes that these objectives can be attained through establishment of a sound set of service rules, provision of an attractive package of retuning incentives, and initial reliance on marketplace forces to promote the clearing of the proposed wide-area spectrum. Motorola understands that the American Mobile Telecommunications Association, Inc. ("AMTA") has likewise attempted to find common ground among interested parties and will be submitting a proposal which bears substantial similarities to Motorola's. These positive efforts should encourage the Commission to move forward in creating a win-win scenario for both wide-area SMR systems and incumbent licensees in the 800 MHz spectrum.

I. EXECUTIVE SUMMARY

The Commission should create a regulatory regime governing use of the 800 MHz spectrum that will both foster the success of wide-area SMR operations and preserve a hospitable environment for traditional local SMR and private systems. Motorola has worked with the parties interested in this proceeding to find an approach which would meet the needs of all sectors of the industry in the 800 MHz band, while furthering the Commission's objectives. The record in this docket demonstrates that adoption of the following rules and policies can best achieve these important goals.

First, the need of wide-area systems to have the option of employing spectrum efficient frequency reuse technologies in order to compete with cellular and PCS systems dictates the auctioning of a 200 channel block of spectrum. The availability of only a smaller block of spectrum to a wide-area SMR licensee will preclude the deployment of a technologically sophisticated and economically viable system.

Second, wide-area SMR licenses should be issued for Basic Economic Areas as defined by the Department of Commerce. These areas are sufficiently large to capture economies of scale in engineering systems and reasonably conform to existing patterns of commercial activity.

Third, auction winners should be permitted to subdivide their spectrum and service areas in order to increase competitive opportunities for small providers and ensure the most efficient use of spectrum resources.

Fourth, the FCC should employ simultaneous multi-round auctions to award wide-area SMR licenses because of their interdependence and the need to aggregate spectrum resources on a nationwide basis.

Fifth, no spectrum set asides for designated entities should be created in the wide-area SMR frequencies. Designated entities already have sufficient opportunities to participate in spectrum-based services at 800 MHz, as well as 220 MHz, 900 MHz, and in the PCS allocations.

Sixth, strict construction, coverage, and eligibility rules are necessary to speed the delivery of service to the public, prevent warehousing of spectrum, and ensure that bidders are qualified.

With respect to traditional 800 MHz operations, the Commission should similarly establish strict anti-warehousing and construction requirements. The agency should also modify its inter-category sharing rules by limiting eligibility for licensing in the General Pool and remaining 80 SMR Pool channels to retuned incumbents and local SMR operations. Concomitantly, SMR systems should no longer be eligible for licensing in the Public Safety, Industrial, and Business Pools. Of course, existing systems in all of these pools should be grandfathered. New systems in the lower 400 channels should continue to be licensed on a site-specific basis, but should be considered for authorization only after the retuning process is completed.

Finally, Motorola submits that adoption of a package of beneficial incentives for voluntarily retuned incumbents with a commitment to revisit the retuning process after one year would likely permit marketplace forces to produce reasonable retuning results. The incentive package should include (1) full cost compensation and a guaranteed comparable frequency home in the 800 MHz band; (2) an acceptable retuning transition plan that will minimize service disruptions; (3) protection against future disruptions from retuning requirements or auctions; (4) a guaranteed protected service area equivalent to the incumbent's existing contour, with the prospect of full 70-mile protection where available; (5) authorization for incumbent licensees in wide-area

spectrum to modify their facilities consistent with the transition rules in the ET docket; (6) availability of Section 1071 tax certificates; and (7) the right to freely transfer all of the above incentives. At the end of the one-year period, the Commission should evaluate the success of its retuning program and consider whether its wide-area SMR policy is being frustrated and whether guaranteed cost compensation or other benefits ought to be available thereafter.

II. THE COMMISSION SHOULD ADOPT SMR SERVICE RULES AND POLICIES THAT WILL FURTHER ITS GOALS

A. 800 MHZ Wide-Area SMR Service and Auction Rules Should Facilitate the Deployment of Technologically and Economically Sound Systems

While the record reveals important areas of consensus among the commenting parties, there remain substantial disputes over key issues in this docket. Motorola's review of the comments in light of the engineering and economic realities governing SMR services in today's marketplace suggests that the following set of policies represents a reasonable accommodation of the major concerns expressed by commenters regarding authorization of a wide-area SMR service. Motorola submits that adoption of these proposals will provide the opportunity for deployment of a technologically advanced, economically viable wide-area SMR service to the benefit of the public.

1. Wide-Area SMR Licenses Should Be Issued for BEA Service Areas

In the Further Notice, the Commission explained that it had concluded that MTA-based licensing for wide-area SMR systems would be appropriate because MTAs would permit exploitation of economies of scale, were consistent with wide-area SMR operating patterns, and would accommodate the need to provide co-channel protection to incumbent licensees.[2] The agency noted that alternatives such as MSAs and RSAs would not provide similar benefits.[3] A number of parties to this proceeding have pointed out that BTAs would be similarly inadequate insofar as their small size renders them incapable of containing the signal of even a single transmitter given the propagation characteristics of 800 MHz systems.[4] Thus, it is not surprising that the vast majority of commenters addressing this issue, including Motorola, supported the Commission's proposal for MTA-based licensing.[5]

However, several parties proposed an alternative to MTA-based licensing that has not previously been considered by the FCC. Specifically, those parties suggested

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[2] FNPRM, ¶ 10.

[3] Id., ¶ 10 n. 28.

[4] See Comments of Motorola, Inc. at 11-13.

[5] See, e.g., Comments of Motorola, Inc. at 9-13; Comments of Automated Business Communications at 2-3; Comments of B&C Communications at 2-3; Comments of CellCall, Inc. at 6-7; Comments of Dakota Electronics at 2-3; Comments of Morris Communications, Inc. at 2-3; Comments of OneComm Corporation at 8-9; Comments of Vantek Communications at 2-3.

the use of the 174 Basic Economic Areas (BEAs) recently defined by the Bureau of Economic Analysis of the U.S. Department of Commerce.[6] BEAs have the advantage of being substantially larger than BTAs; they are, however, smaller than MTAs which a few commenters contend (1) are too large for a reasonable build-out, (2) might artificially limit the number of potential licensees and, hence, competitors, and (3) could lead to spectrum warehousing.[7] Like MTAs, however, BEAs conform to existing patterns of commercial activity and may, in fact, more closely reflect the typical deployment of wide-area wireless services.[8]

For these reasons, Motorola now believes that BEAs represent the preferable alternative for wide-area SMR licensing. Wide-area SMR systems can be appropriately engineered into a BEA-sized area. BEAs are large enough to take advantage of economies of scale and, thereby, to permit wide-area SMR systems to compete effectively with cellular and PCS. Yet, they are smaller than MTAs and will thus offer the opportunity for greater participation by a larger number of entities in the licensing process. Moreover, BEAs are sufficiently few in number that the auction process will remain manageable. Accordingly, the FCC should utilize BEAs as the geographic licensing area for wide-area SMR systems.

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[6] See, e.g., Comments of Advanced Mobilecomm, Inc. at 3; Comments of American Mobile Telecommunications Association, Inc. at i; Comments of DCL Associates, Inc. at 7; Comments of Total Com, Inc. at 4.

[7] See, e.g., Comments of Personal Communications Industry Association at 19-20; Comments of Total Com, Inc. at 4.

[8] Comments of Personal Communications Industry Association at 20-21.

2. 10 MHz Is the Minimum Spectrum Required for a Successful Wide-Area SMR System

In its opening comments, Motorola demonstrated that a wide-area SMR licensee would require a contiguous block of spectrum at least 10 MHz in size in order to take advantage of new spectrum efficient, cellular-like technologies.[9] Notwithstanding the FCC's assumptions in the Further Notice as well as those of numerous commenters,[10] Motorola explained that a minimally operational low capacity system utilizing AMPS (Advanced Mobile Phone Service) technology would require at least 62 contiguous channels, including guardbands.[11] Similar low capacity systems utilizing CDMA (Code Division Multiple Access) or GSM (Groupe Speciale Mobile protocol) would need approximately 72 contiguous channels and 112-128 contiguous channels, respectively, including guardbands. Higher capacity systems comparable to existing cellular and proposed PCS systems would require two to three times as many channels. These technical constraints demonstrate that the Commission's proposal to auction 50 channel spectrum blocks could preclude certain types of technologies.

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[9] Comments of Motorola, Inc. at 4-7.

[10] FNPRM, ¶¶ 20-23; see Comments of Advanced Mobilecomm, Inc. at 2; Comments of B&C Communications at 2-3; Comments of Bis-Man Mobile Phone, Inc. at 2-3; Comments of Dakota Electronics at 2-3; Comments of Keller Communications at 2-3; Comments of Radio Communications Center at 2-3; Comments of Vantek Communications at 2-3.

[11] Comments of Motorola, Inc. at 5.

As a separate matter, the services with which wide-area SMR systems are expected to compete will each have at their disposal a minimum of 10 MHz of unencumbered spectrum. Cellular carriers have 25 MHz of spectrum and may augment that allocation in the PCS auctions. PCS providers will be seeking 30 MHz and 10 MHz blocks of spectrum and will be allowed to aggregate as much as 40 MHz in any given market. It is certainly telling that the minimum block of spectrum to be licensed for PCS is 10 MHz, which is equivalent to 200 SMR channels.

Those parties supporting the Commission's proposal or advocating even smaller blocks of spectrum do not adequately address the foregoing technological and competitive concerns. The new and enhanced service offerings anticipated from wide-area SMR systems will not materialize if the licensee cannot build and operate an efficient and viable frequency reuse system. Plainly, a 200 channel block of spectrum is necessary to place a wide-area SMR licensee on even a relatively equivalent footing with its PCS and cellular competitors while affording access to the broadest possible array of advanced technologies.

3. The FCC Should Permit Auction Winners To Subdivide Spectrum And Service Areas

Motorola is sensitive to comments that auctioning a single 200 channel spectrum block over BEA service areas could diminish competitive opportunities within the wide-

area SMR service or result in unused spectrum or unserved areas.[12] In recognition of these concerns, Motorola advocates allowing the bidding teams or winning bidders for the 200 channel BEA licenses to subdivide their service authority on both a spectrum basis and a geographic basis. Such a policy could be expected to secure a number of important benefits.

First, any excess spectrum capacity could be made available for alternative uses, which would permit the development and deployment of niche services and more localized operations. In this manner, the FCC could foster the most efficient use of spectrum resources. Second, small SMR licensees would have the opportunity to participate in the provision of wide-area-based services at levels commensurate with their business and customer interests as well as their resources. This should provide a further catalyst for innovation in the delivery of new wireless capabilities to the public.

4. The FCC Should Employ Simultaneous Multi-Round Auctions

As in the case of PCS, it is evident that there is substantial interdependence among the wide-area SMR licenses to be auctioned. Under these circumstances, the Commission has recognized that simultaneous multiple round bidding generates the greatest amount of information about license values during the course of the auction

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[12] See, e.g., Comments of CellCall, Inc. at 12-13; Comments of Dakota Electronics at 2-3.

and provides bidders with greater flexibility to pursue back-up strategies.[13] Such a methodology promotes informed, rational decision making by bidders and is most likely to result in an award of a license to the bidder who values it most highly.

Simultaneous multi-round bidding should likewise facilitate the aggregation of spectrum across geographic areas which, Motorola has pointed out, is critical to the competitive status of wide-area SMR systems.[14] Customers now demand, and cellular systems are moving to provide, nationwide communications capabilities. Accordingly, the Commission should adopt its proposal for simultaneous multiple round auctions of all wide-area SMR authorizations.[15]

5. No Spectrum Set Asides Should Be Created

In the Further Notice, the Commission requested comment on various options for encouraging the participation of designated entities in the SMR auctions.[16] The agency's proposals received little in the way of support from commenters. Indeed, some commenters noted the impracticality of certain proposals in light of the congested state of SMR spectrum today and the need of retuned incumbents for substitute

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[13] FNPRM, ¶ 75.

[14] Comments of Motorola, Inc. at 7.

[15] Notably, there was almost no opposition to this proposal in the record.

[16] FNPRM, ¶¶ 87-106.

frequencies.[17] Others suggested that adequate opportunity for designated entity participation in the multiple market place has already been provided in the PCS auctions.[18] Motorola agrees with these arguments.

Unlike with PCS, the necessity of licensing a single 200 channel block in each BEA for wide-area SMR service renders it impossible to provide for a set aside of any frequencies for designated entities without undermining the technical and economic viability of the entire wide-area SMR service offering. Importantly, however, substantial opportunities to offer competitive services in the wireless marketplace have already been secured by the special designated entity allocations in the PCS spectrum. Moreover, the 800 MHz service itself has traditionally been hospitable to small business and other designated entity participation because of low entry barriers, and Motorola's proposal herein in no way takes those opportunities away from incumbent licensees now or in the future. The same is anticipated to hold true with respect to the recent allocations at 220 MHz and 900 MHz. These efforts clearly satisfy the Congressional mandate to create opportunities for the provision of spectrum-based services by designated entities.[19] As a result, there is no need for additional set asides in this docket.

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[17] Comments of CellCall, Inc. at 29.

[18] Comments of Nextel Communications, Inc. at 55.

[19] See FNPRM, ¶ 87.

6. The FCC Should Establish Strict Construction, Coverage, and Eligibility Rules

Commenters were virtually unanimous in supporting the application of strict construction and build out requirements to wide-area SMR auction winners. As Motorola observed, such requirements promote the expeditious delivery of service to the public and prevent warehousing of spectrum. Speculators would similarly be deterred from participating in the auctions.[20] Accordingly, reasonable time limitations and coverage standards for system constructions should be established.

For similar reasons, the Commission should mandate strict eligibility rules for auction participants. Bidders should be required to tender a substantial up front deposit in order to ensure both that they are qualified and that any penalties for default or bid withdrawals can be collected.[21]

B. General SMR Rules and Policies Should Create a Hospitable Environment for Traditional Local Licensees

Motorola recommends that, in addition to adopting the wide-area SMR service rules described above, the Commission strengthen and, in some respects, modify its existing SMR rules to address concerns raised by the commenters. Adoption of the

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[20] Comments of Motorola, Inc. at 13-14.

[21] FNPRM, ¶ 81.

following proposals will facilitate establishment of a wide-area SMR service while at the same time assisting in maintaining a hospitable environment for local SMR and private licensees.

1. Anti-Warehousing and Strict Construction Requirements Should Be Enforced

For reasons similar to those discussed above, licensees on the lower 400 channels of the 800 MHz allocation should be subject to strict construction requirements in order to prevent warehousing of spectrum. The record reveals that there will be substantial demand for this spectrum on the part of both retuning upper band licensees as well as new and existing service providers in the lower bands. It will therefore be critically important to deter speculation and ensure that these frequencies are available for use to deliver services to the public as expeditiously as possible.[22] In particular, no further extensions of the construction periods now applicable to existing wide-area systems should be permitted as "there could be no justification for further deferral of the time for delivering their channels for use by the public . . . ."[23]

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[22] See, e.g., FNPRM, ¶ 44; Comments of Raserco at 5; Comments of Rayfield Communications, Inc. at 5; Comments of Total Com, Inc. at 9.

[23] Comments of Motorola, Inc. at 13.

2. The Inter-Category Sharing Rules Should Be Modified

The Commission's identification of a number of alternatives for revising its eligibility rules for the General Category and Pool Channels generated substantial interest. Commenters overwhelmingly supported continuing SMR eligibility for licensing on the General Category Channels, and many urged that those channels be designated for SMR use only.[24] Such a limitation is deemed necessary to ensure that a spectrum home exists for retuned licensees, while at the same time providing opportunities for local licensees to continue offering their current services as well as employing new and expanded capabilities. Concentration of SMR operations in these channels would also expand opportunities for spectrum aggregation and the deployment of wide-area services outside of the top 200 channels. Accordingly, Motorola recommends that eligibility for licensing in the General Pool and remaining 80 SMR Pool channels be limited to retuned incumbents and local SMR operations.[25] Since several services previously regulated as private services will soon be reclassified and

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[24] The following comments urged use of General Category channels for SMRs only: Advanced Mobilecomm, Inc. at 3; Automated Business Communications at 2,5; B&C Communications at 2,5; Deck Communications, Inc. at 2,5; OneComm Corporation at 27-28; Rayfield Communications, Inc. at 2,5. The following comments recommended continued intercategory sharing of the General Category Channels: Anheuser-Busch Companies at 3-4; Applied Technology Group, Inc. at 11; Dial Call Communications at 10-11; E.F. Johnson at 13; Pittencrieff at 4,15-16.

[25] Existing non-SMR operations on these channels should, however, be grandfathered.

regulated as SMRs as a result of the CMRS proceedings,[26] those services should also be eligible to use the General Category channels.

Concomitantly, SMR systems should no longer be eligible for licensing in the Public Safety, Industrial, and Business Pools.[27] This will ensure that non-SMR operations likewise retain some service and expansion opportunities[28] and will also avoid the difficulties of administering different licensing policies (for private and for-profit services) seeking the same spectrum. However, as Motorola has explained, the retention of inter-category sharing among the non-SMR pool eligibles will promote the most efficient use of that spectrum.[29]

3. Future Local SMR Systems Should Continue To Be Licensed on a Site-Specific Basis

As explained in its opening comments, Motorola "supports site-specific licensing for systems on frequencies below channels 401-600 at 800 MHz."[30] RF propagation characteristics make it impractical to engineer traditional SMR systems sufficiently

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[26] Implementation of Sections 3(n) and 332 of the Communications Act, 9 FCC Rcd 1411 (Second Report and Order, Mar. 7, 1994).

[27] As in the case of General Category and SMR Pool channels, all existing licensed systems on these Pool channels should be grandfathered.

[28] The Commission should nonetheless continue to explore the availability of additional spectrum for private operations.

[29] See Comments of Motorola, Inc. at 17.

[30] Comments of Motorola, Inc. at 12 (footnote omitted).

precisely to control interference at geographic boundaries, and congestion arising from retuning will further limit the flexibility to address such interference problems in this spectrum. There is nothing in the record of this proceeding to demonstrate that these fundamental engineering difficulties can be overcome. Of course, any such licensing of new systems should be deferred until after completion of the retuning process.

III. THE COMMISSION SHOULD ESTABLISH BENEFICIAL RETUNING INCENTIVES AND SAFEGUARDS FOR INCUMBENT LICENSEES TO AID IN ACHIEVING A WIDE-AREA SMR ALLOCATION

Many parties responding to the Further Notice supported the FCC's plan to provide wide-area SMRs with contiguous spectrum to permit them to compete with cellular and PCS services.[31] However, a number of commenters also feared that incumbents could not be adequately protected if the FCC required retuning to clear wide-area SMR spectrum.[32] Motorola believes that strong beneficial incentives for voluntary retuning should initially be pursued to allow an opportunity for marketplace forces to produce reasonable results. This approach would facilitate the inauguration of wide-area systems while protecting the interests of incumbents and avoiding

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[31] Comments of Automated Business Communications at 2-3; Comments of CellCall, Inc. at 9-12; Comments of Cellular Telecommunications Industry Association at 3-6; Comments of Dial Call Communications, Inc. at 5; Comments of Nextel Communications, Inc. at 21; Comments of OneComm Corporation at 11-12.

[32] See, e.g., Comments of American Mobile Telecommunications Association, Inc. at 17-19; Comments of Chadmoore Communications, Inc. at 23; Comments of Council of Independent Communications Suppliers at 4.

unnecessary FCC administrative burdens. The Commission can and should revisit the effectiveness of this approach after a one-year transition period.

A. Appropriate Incentives Will Encourage Incumbent Users To Relocate Voluntarily

In order to deploy new technologies and compete with other wireless services, many wide-area licensees will need access to clear spectrum and will want to retune the incumbent local systems currently using frequencies in the top 200 channels of the 800 MHz spectrum. As Motorola stated in its initial comments, "[a]n orderly, fair and comprehensive transition plan is of the utmost importance" to this retuning process.[33] Such a plan will ensure that the FCC's goal to deploy new wide-area SMR services is not frustrated and that local SMRs as well as private licensees are not harmed by the introduction of wide-area systems.

To this end, Motorola has identified a package of benefits and incentives that the FCC should grant incumbents agreeing to be retuned on a voluntary basis during an initial one-year period:

First, voluntarily retuned incumbents would be entitled to full cost compensation and a guarantee that a comparable frequency home would be provided within the 800 MHz band.[34] The wide-area licensee would be expected to pay any relevant costs

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[33] Comments of Motorola, Inc. at 8.

[34] See, e.g., Comments of the Ericsson Corporation at 6-7; Comments of SMR WON at 37-40.

such as new equipment, regulatory, financial, zoning, engineering, site, and other reasonable costs.

Second, incumbent licensees would be entitled to an acceptable retuning transition plan. Every reasonable effort must be made to minimize disruption to their operations and to users of their systems.

Third, once retuned, an incumbent would be protected against future disruptions. In particular, a retuned licensee would be exempt from any future retuning requirements or auctions for its new frequencies.

Fourth, a voluntarily retuned incumbent licensee would be guaranteed a protected service area equivalent to that which it currently enjoys. Additionally, such licensees should receive prospective 70-mile full co-channel protection to the extent it is available at the new frequencies, consistent with providing required interference protection to preexisting co-channel licensees. Thus, on a prospective basis, every retuned incumbent would be entitled to the extent practicable to a minimum 70-mile co-channel protection even if it is "short-spaced" on its current frequency.

Fifth, incumbent licensees in the wide-area spectrum should be permitted to modify their facilities consistent with the microwave relocation transition rules in the Emerging Technologies docket.[35] This would allow incumbents to make minor system modifications to accommodate business or other changes. For example, incumbents

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[35] See, e.g., Redevelopment of Spectrum to Encourage Innovation, 8 FCC Rcd 6589 (1993).

incumbents would be permitted to implement the following types of changes: changes in antenna azimuth, beamwidth, or height; changes in authorized power, channel loading, emission, or station location; changes in ownership or control; and reductions in authorized frequencies or addition of frequencies not in the wide-area licensee allocation.

Sixth, retuned incumbents would be able to avail themselves of Section 1071 tax certificates, which would permit the deferral of any gain on system replacements or upgrades that may be negotiated. Such a deferral is consistent with the historical tax treatment of like kind exchanges.

Finally, tax certificates and all other benefits and incentives should be fully transferable by the incumbent. This would provide added incentives for voluntary retuning and increased flexibility in addressing incumbent concerns.

For the foregoing relocation incentives to be effective, the FCC must make clear that the benefits and incentives offered to incumbents will be available for only a limited period. This will encourage incumbents to retune early to ensure that they receive these benefits and that they are retuned, to the best available new spectrum. The earlier incumbents relocate, the faster wide-area systems can be deployed and provide service to the public. Moreover, incumbents requesting retuning should be accorded first in time, first in rights priority if and when the auction winner undertakes retuning for that geographic area.

B. Following the One Year Voluntary Retuning Period, the FCC Should Reconsider Its Retuning Policies To Determine Whether Market Forces Are Sufficient To Ensure the Successful Development of Competitive Wide-Area Systems

The incentives and benefits suggested above will encourage incumbents to agree to retuning quickly and thus speed the deployment of wide-area systems. Motorola hopes that most incumbents will want to take advantage of these incentives and that market forces will allow wide-area licensees to clear at least some of their spectrum and deploy systems. However, the Commission must ensure that its commitment to developing wide-area systems is not derailed by relocation difficulties.

To this end, the FCC must be prepared to evaluate the results of the retuning process and to intervene if necessary to permit wide-area systems to be successfully deployed. Within 60 days following the conclusion of the one year period, the agency should conduct and conclude a public proceeding to evaluate the success of voluntary retuning and to consider whether a more rigorous program is necessary to facilitate the effective deployment of wide-area systems. In addition, the FCC should reexamine whether to continue guaranteeing cost compensation and comparable spectrum for retuned incumbents after the one year period.

Motorola believes that a reevaluation of retuning policies after one year is critical to determining if the deployment of wide-area systems is being frustrated. This plan of voluntary retuning benefits combined with a reevaluation after one year strikes an appropriate balance between the need to give wide-area SMR licensees the ability to

clear their service areas and deploy their systems and the necessity of protecting the rights of the incumbent local SMR systems.

IV. CONCLUSION

For the foregoing reasons, Motorola urges the Commission to adopt its proposal for wide-area SMR licensing and incumbent retuning to ensure that both categories of licensees can provide advanced and beneficial services to the public.

Respectfully submitted,

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