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May 25, 1995

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

Re: Ex Parte Presentation
ET Docket No. 94-124

Dear Mr. Caton:

The dispute about whether the Fixed Satellite Service ("FSS") and Local Multipoint Distribution Service ("LMDS") can share the 28 GHz band, and the correlative dispute regarding moving LMDS to the 40 GHz band (40.5-42.5 GHz), threaten to obscure the fact that there are better uses for the 40 GHz band. These related disputes are embodied in comments and reply comments by FSS and LMDS interests and continue in ex parte filings. For example, two written ex parte presentations to Commission staff personnel by Teledisic Corporation ("Teledisic") in April, 1995, reported in its letter to you dated April 18, 1995, urge designating the 40 GHz band for LMDS and preserving the 28 GHz band for FSS. By letter to you dated May 5, 1995, CellularVision presents what it called corrections of several mischaracterizations in one of those Teledisic documents and urged that LMDS be licensed in the 28 GHz band.

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As AT&T stated in its reply comments, we do not intend to get into the middle of the dispute over the 28 GHz band. We do, however, reiterate that the disputants failed to address other, more valuable, uses for the 40 GHz band.

One such use is PCS backhaul. Because PCS will operate in a band with weaker propagation characteristics than cellular and will use many more, but smaller and lower powered, cells than cellular, the challenge to create a mass market service at costs lower than cellular is particularly daunting. In this environment, low-cost connections between PCS base stations and the public network is an absolute necessity. While this objective will sometimes be achievable by fiber or coaxial cable, there will be other situations in which the terrain or perhaps other environmental conditions are not conducive to installing those media at sufficiently low cost. In such cases, low cost millimeter wave radio transmission can be the best solution.

A second valuable use of the 40 GHz band ignored by the contending FSS and LMDS interests is for computer-to-computer communications. If people working together can collaboratively share information, both directly between the machines (e.g., in conference rooms) and indirectly through a privately controlled coordination point (e.g., office, industrial or educational complexes), useful tasks will be accomplished more rapidly and economically. Consumers will benefit from the resulting lower costs and better service.

Therefore, in resolving what place FSS and LMDS will have in the 28 GHz band, the Commission should not regard the 40 GHz band simply as an aspect of that resolution. Rather, the Commission should consider the merits of other uses of the 40 GHz band, such as those suggested by AT&T.

I enclose two copies of this letter along with the original. Additional copies of this letter are being provided to the Commission personnel listed below.

Sincerely,

Frank A. Mathewson/dmw

cc: Ruth Milkman, Senior Legal Advisor to Chairman Hundt
Lauren J. Belvin, Senior Legal Advisor to Commissioner Quello
Lisa Smith, Senior Legal Advisor to Commissioner Barrett
Jane Mago, Senior Legal Advisor to Commissioner Chong
James L. Casserly, Senior Legal Advisor to Commissioner Ness
Robert Pepper, Chief, Office of Plans and Policy
Donald Gips, Deputy Chief, Office of Plans and Policy
Thomas Tycz, Chief, Satellite and Radiocommunication Division, International Bureau
Cecily Holiday, Deputy Chief, Satellite and Radiocommunication Division, International Bureau
Richard Smith, Chief, Office of Engineering and Technology