to a cellular system, adding customers to an SMR system must be more carefully planned to prevent congestion on the system.

There are a number of technical restrictions with most SMR systems that simply make it impossible to provide for these capabilities. A review of the technical differences between traditional SMR systems and cellular or PCS systems illustrates the difficulty of mandatory resale. With cellular and PCS service, all individual units are activated, identified, and billed based on a unique identifying number (such as a cellular electronic serial number) built into each unit as it is manufactured. This arrangement makes it possible to track and bill for usage of each unit. Since the unique identifying number resides in each individual unit, there is virtually infinite system capacity, limited only by the number of cell transmitters and available phone numbers.[37] In addition, it should be noted that cellular phones are preprogrammed with all frequencies and are essentially compatible with every system in the country.

In contrast, SMR radios as supplied by the manufacturer possess no unique ESN and instead must be specifically programmed with frequencies and all other technical parameters for each and every system on which they will operate. Before any radio can be programmed and/or activated, a specific ID code must be assigned by the SMR system operator. If multiple SMR systems are involved, it is very likely that completely different ID codes and

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[37] Although cellular systems are now permitted to offer all-call dispatch service, such offerings do not presently exist. Thus, in cellular systems there is no sharing of unit identifications by multiple units.

frequency information will be involved for each system. This protocol does not easily lend itself to reselling applications.

Most formats (particularly the LTR format) have a finite number of unit ID codes. These IDs reside in the logic panels at each transmitter site. For example, the LTR protocol will only support 250 separate codes per each RF channel. For a ten channel system, this would yield 2500 unique codes. This limited number of codes cannot support resellers without causing the SMR system operator some severe logistical problems. Where consensual reselling does exist, it involves the intimate involvement of the operator in ensuring that the unit placed in operation does not have the potential to crash the system.

The vast majority of SMR users are fleet dispatch customers. The typical dispatch customer has all mobile units operating on the same ID codes (not separate or unique), paying a flat rate per unit regardless of airtime usage. Because it is not currently possible to track individual units (other than when the SMR operator sells, programs, and installs each unit), there is a very significant potential for fraud if mandatory resale is permitted.

In fact, such fraud already exists on many SMR systems, where pirate radio shops program additional units for a customer already on the system and never inform the system operator. The result is a decline in service quality for all customers on the system, and significant lost revenue for operators that bill on a per unit basis.

If the Commission mandates resale, an SMR system operator would need to divulge ID code information to a reseller. The reseller could then easily add dispatch units to the

system without the knowledge of the SMR operator. Because most SMR dispatch customers are billed on a flat rate basis, there is no mechanism to detect added "pirate" units.

It should also be noted that many SMR interconnect units cannot be easily interconnected to another carrier. In particular, DID service with individual numbers for all users is seldom used. This requires the landline caller to call one site phone number (shared by all users) followed by the overdial of five or more extra digits to get through to a mobile unit. Generally, SMR operators do not encourage interconnect calls because of the limited capacity of many systems. Interconnect is generally provided as a convenience, so that users will not need multiple radios.[38] Clearly, there is no comparison between this type of interconnect and cellular or PCS.

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[38] Certainly, there are SMR systems designed to serve primarily interconnect units. However, such systems are clearly the minority of operating SMR systems today.

C. Broadband CMRS Providers Should Be Required To Permit Resale in Certain Circumstances

PCIA generally supports a broadband CMRS resale requirement.[39] Such a policy is likely to increase competition without raising undue concerns about economic and technical feasibility (other than during the initial service period, as noted below). Moreover, the regulatory parity principle embodied in Section 332 of the Act requires that, if cellular providers are subject to resale obligations, so too must other providers of substantially similar broadband CMRS. At the same time, however, PCIA urges the Commission to qualify the resale obligation in two important respects, both of which are implicitly or explicitly recognized in the *Notice*.

First, the Commission appropriately acknowledges that resale may properly be denied where it is technically infeasible.[40] This will be the case for new PCS licensees for an initial period during which network security and stability will be essential. There are a multitude of competing PCS air interface standards (*e.g.*, GSM, CDMA), on which

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[39] The Commission inquires whether the ability to resell other CMRS services will allow new facilities-based carriers to enter the CMRS market in advance of facilities-based competition, build a customer base, and generally counteract the headstart that cellular carriers now possess. *Notice*, ¶ 88. With the exceptions noted above, PCIA believes the resale obligation will in fact give new CMRS carriers the ability to make their own business decisions as to whether to initiate services as a reseller before building their own networks.

The Commission also asks whether number transferability requirements should be a part of the CMRS resale policy. *Id.*, ¶ 94. PCIA urges the Commission to defer this issue to the upcoming number portability proceeding.

[40] *Id.*, ¶ 83.

experience and data must be obtained. Moreover, unlike the cellular context, there is no existing, type-accepted subscriber equipment. Consequently, new PCS licensees have a legitimate need to monitor demand for their services and retain complete control over the use of their facilities while their networks and subscriber equipment are deployed, and accordingly to restrict resale for a limited period.

PCIA thus recommends that the Commission allow new PCS licensees a period of one year after construction in which to launch their operations before facing resale obligations. A provider could, of course, allow resale on a non-discriminatory basis during that initial year of operation if it felt there were no risk in doing so. Indeed, given the tremendous new influx of CMRS capacity, new PCS providers will have every economic incentive to generate demand through resale as soon as the network is stable. The requested modification is therefore a reasonable precaution.

Second, PCIA concurs with the Commission's tentative conclusion that, as in the cellular context, a fully operational facilities-based carrier should not have mandatory access to its competitors' capacity for the purposes of resale.[41] Although a resale requirement initially encourages competition and consumer choice, it ultimately has the opposite effect. That is, by discouraging the construction of CMRS infrastructure, mandatory facilities-based resale requirements eventually could decrease CMRS capacity below consumer demand.

Finally, PCIA concurs with the Commission's tentative conclusion that the reseller switch proposal espoused by NCRA and Comtech/CSI should not be imposed upon CMRS

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[41] *Id.*, ¶ 90.

providers at this time.[42] As the *Notice* reflects, mandating such switch-based resale at this stage in the development of the CMRS market would not be in the public interest for several reasons.[43] As an initial matter, switch-based resale will not appreciably increase CMRS competition because a multitude of new CMRS competitors are entering the market, and in any event, the Commission is likely to mandate non-switch-based resale. Second, as explained above, certain broadband CMRS technologies will be start-up operations utilizing new technologies and will require a period of time to stabilize their operations under real market conditions. Under these circumstances, switch-based resale could produce severe reliability and service quality concerns. Third, as the Commission suggested, switch-based resale may cause facilities-based carriers needlessly to expend resources unbundling their networks,[44] instead of devoting those resources to establishing and expanding coverage and capabilities. Finally, the Commission has correctly pointed out that the cost of administering the rules governing switch-based resale will be significant.[45]

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[42] *Id.*, ¶¶ 78, 95. Under this policy, CMRS providers would be required to allow resellers to install their own switching equipment between of the MTSO and the facilities of a local exchange carrier or interexchange carrier.

[43] *Id.*, ¶ 96.

[44] *Id.*

[45] *Id.*, ¶ 96.

V. CONCLUSION

The CMRS industry is poised to expand dramatically, giving rise to a plethora of new services, technologies, and competitors. PCIA therefore supports the Commission's tentative decision to leave interconnection and roaming arrangements to the informed business judgment of CMRS providers responding to market forces. PCIA also generally supports the Commission's tentative decision to impose a resale requirement on broadband CMRS providers, but believes that resale should not be mandated for narrowband CMRS and SMR operations. The resale obligation must be limited in two important respects, however. First, new PCS entrants should be allowed to deny resale for an initial period in order to assure the reliability of network technology and subscriber equipment that has not been tested in the real world. Second, CMRS providers should be permitted to deny resale to fully operational,

facilities-based competitors. Finally, the Commission should adopt its tentative conclusion not to grant the NCRA/CSI reseller switch proposal.

Respectfully submitted,

PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION

By: _____

Mark J. Golden
Vice President -- Industry Affairs
Personal Communications Industry Association
1019 19th Street, N.W., Suite 1100
Washington, D.C. 20036
(202) 467-4770

By: _____

R. Michael Senkowski
Katherine M. Holden
Jeffrey S. Linder
Stephen J. Rosen
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-7000

June 14, 1995

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of June, 1995, I caused copies of the foregoing "Comments of the Personal Communications Industry Association" to be hand-delivered to the following:

Regina Keeney, Chief
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W.
Room 5002
Washington, D.C. 20554

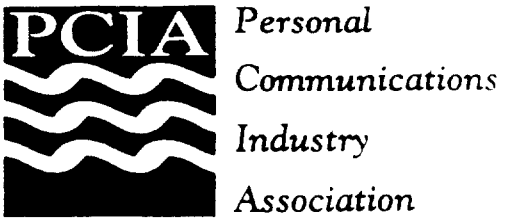
Kathleen Wallman, Chief
Common Carrier Bureau
Federal Communications Commission
2033 M Street, N.W.
Room 920
Washington, D.C. 20554

International Transcription Services, Inc.
2100 M Street, N.W., Suite 140
Washington, D.C. 20037

Robin B. Walker

Robin B. Walker

MEDIA ADVISORY



Washington, D.C.
August 4, 1995

FOR YOUR INFORMATION:

Statement by PCIA President Jay Kitchen

The following statement was issued today by PCIA President Jay Kitchen in reaction to the House passage of H.R. 1555, the Telecommunications Reform Bill.

"The Congress took a major step forward today to help make competitive, cost-effective wireless telecommunication services a reality. A uniform, national policy for siting telecommunications facilities is essential if the wireless industry is to deliver the advanced personal communications capabilities that the American consumer demands. I am proud that we were able to work with the industry and Congress to incorporate critical issues into the House bill, specifically addressing reliability, higher productivity and personal safety. We urge the lawmakers and the President to make this legislation a reality."

If you have any questions, please contact Bill Hart at (202) 467-4770.

1019 Nineteenth Street, NW ▪ Suite 1100 ▪ Washington, DC 20036-5105 ▪ Tel: 202-467-4770 ▪ Fax: 202-467-6987

MEDIA ADVISORY

PCIA Personal Communications Industry Association

Washington, D.C.
July 20, 1995

FOR YOUR INFORMATION:

The Personal Communications Industry Association today announced that it is hosting the second meeting of the International Mobile Station Identity (IMSI) Open Industry Forum on August 7-8. The Forum will be held at the J.W. Marriott Hotel in Washington, D.C.

The Forum is co-sponsored by CTIA and PCIA, and the second meeting is planned to complete the industry progress in addressing IMSI administration issues achieved by the first IMSI Open Industry Forum, which was hosted by CTIA and which concluded today.
For further information, please contact Scott Ellison at (202) 467-4770.

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NEWS

PCIA Personal Communications Industry Association

For Immediate Release

Contact: Bill Hart or Jonathan Osmundsen

202-467-4770

PCIA Poised to Assume Administration of Network Resources Vital to PCS Licensees Association Volunteers Services in Letters to the FCC and State Department

Washington, D.C., July 13, 1995—Citing its four year history of working closely with the Federal Communications Commission to make PCS a reality in the United States, the Personal Communications Industry Association today volunteered to assume the administration of three key network resources urgently needed by PCS licensees: International Mobile Subscriber Identities (IMSIs); International Mobile Station Equipment Identities (IMEIs); and System Identifications (SIDs). The proposal was made in letters to FCC Chairman Reed Hundt, and to Earl Barbely and Gary Fereno at the State Department from PCIA President Jay Kitchen.

"PCIA stands ready to continue our leadership role in making the next generation of wireless services a reality for American consumers. Our record speaks for itself when it comes to working effectively with government in a fair, impartial manner in the best interest of the taxpayers," stated Kitchen in issuing the letters.

Specifically referenced are past partnership efforts between PCIA and the FCC that have resulted in significant cost-savings to the public. They include: arrangements for the licensing of MTA/BTA PCS market designations from Rand McNally, which saved $250,000; and the hosting of PCS auction debriefing forums, with a cost savings of $10,000. The letters also point out that PCIA was instrumental in the realization of the spectrum auctions which generated more than 7 billion dollars for the government.

"PCIA has extensive experience in administering resources vital to the wireless industry. As the FCC-designated frequency coordinator for the Business Radio Service, we process 40,000 applications annually for frequency assignments. Further, PCIA coordinates the assignment of POCSAG Capcodes to paging units, uniquely identifying those units within a paging network," stated Kitchen.

PCIA is the leading international trade association representing the wireless communications industry. Established in 1949, it has been at the forefront in advancing regulatory policies, legislation and technological standards that have helped launch the age of PCS. PCIA represents the full range of players in wireless communications, including PCS licensees and those in the paging, ESMR, SMR, mobile data, manufacturing, cable, cellular, computer and local and interexchange sectors of the industry.

Copies of the letter and documents are attached.

# # #

NEWS

PCIA Personal Communications Industry Association

For Immediate Release

Contact:
Bill Hart
202-467-4770

PCIA's Electromagnetic Compatibility Task Force Conducts Interference Survey
Group Committed to Ensuring Fair and Timely Testing of PCS Technologies

Washington, D.C., July 10, 1995— The Personal Communications Industry Association today announced that its Electromagnetic Compatibility Task Force is conducting an industry-wide survey aimed at gathering factual information on the issue of interference between wireless communications technologies and medical devices. Findings are to provide a basis for helping to define the test protocols to be used for PCS equipment testing.

"PCIA is committed to ensuring that all consumers—including the hearing impaired—can be a part of the wireless future. As opposed to HEAR-IT NOW, we advocate a reasoned approach—based on fact, not sensationalism and premature conclusions—that seeks to ensure that all digital technologies at PCS frequencies are fairly tested and that the industry move forward in a responsible manner," stated PCIA President Jay Kitchen. "At the same time, it is essential to keep the issue of digital handset technology interference in perspective, particularly as it relates to those wearing hearing aids—devices which interact with many electromagnetic devices—from video display terminals and airport security systems to fluorescent lights."

Task force members are to report their findings to PCIA by July 17. The association will then compile the data, marking the first time such far-reaching quantitative information on PCS technologies has been assembled. Task Force members will analyze the information, determine if more investigating needs to be done, and proceed to help formulate the basis for an independent test plan.

"After five years of championing all of the issues associated with the roll-out of PCS—from spectrum availability, microwave relocation and cost-sharing, to E-911 and standards, PCIA is once again assuming the leadership role and addressing the interference issue head-on," said Kitchen. "We will get answers and we will see to it that all American consumers get what they deserve—the next generation of wireless communications."

The mandate of the task force crosses multiple disciplines and membership includes those involved in PCIA's PCS Broadband Alliance. Representatives from the following companies attended the organizational meeting of the task force last month: AirTouch, American Personal Communications, AT&T, Bell Atlantic Mobile, Bellcore, Bell Mobility, Bell South, Canadian Wireless Telecommunications Association; Ericsson, Geotek, LCC, Motorola, MTA-EMCI, Nokia, Nortel, Omnipoint, Pacific Telesis, Qualcomm, Siemens Stromberg-Carlson, Southwestern Bell, and Young and Jatlow.

PCIA is the leading international trade association representing the wireless communications industry. Established in 1949, it has been at the forefront in advancing regulatory policies, legislation and technological standards that have helped launch the age of PCS. PCIA represents the full range of players in wireless communications, including PCS licensees and those in the paging, ESMR, SMR, mobile data, manufacturing, cable, cellular, computer and local and interexchange sectors of the industry.

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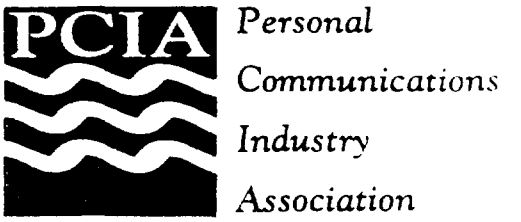
MEDIA ADVISORY



Washington, D.C.
June 16, 1995

FOR YOUR INFORMATION:

The Personal Communications Industry Association yesterday sent to the Federal Communications Commission a recommendation for cost sharing by PCS licensees that will facilitate the microwave relocation process and create substantial benefits for both PCS providers and current microwave licensees.

"Our proposed cost sharing plan is good news for consumers and will benefit all facets of the PCS industry and the microwave incumbents," said PCIA President Jay Kitchen. "It will bring down the cost of PCS services, as it reduces overall administrative costs. And while it minimizes the FCC's oversight role, it encourages PCS providers to move quickly to relocate microwave licensees and bring new and exciting services to the public."

The PCIA proposal represents a broad consensus among PCS licensees to provide a means for the cost of microwave relocation to be fairly shared by all licensees who benefit. The plan will make it easier for licensees to move microwave links on a timely basis, and greatly facilitate the PCS industry's ability to meet the concerns of microwave incumbents in the relocation process. The proposal is the culmination of more than a year's work by the association's Broadband PCS membership section.

Under PCIA's proposal, a PCS licensee would trigger a cost-sharing obligation at the point they would have caused harmful interference to a link previously moved. PCIA recommends a maximum cap of cost shared between PCS licensees of $250,000 per microwave link, with an additional $150,000 recommended cap if new tower structures must be erected. The association further recommends that the cost sharing process be privatized by a non-profit clearinghouse which would be established by the industry to collect relevant data and administer the cost sharing system.

Copies of the proposal are available upon request. Please call Jonathan Osmundsen at (202) 467-4770.

1019 Nineteenth Street, NW • Suite 1100 • Washington, DC 20036-5105 • Tel: 202-467-4770 • Fax: 202-467-6987

MEDIA ADVISORY

PCIA Personal Communications Industry Association

Washington, D.C.
June 5, 1995

FOR YOUR INFORMATION:

Statement by PCIA President Jay Kitchen

"We appreciate the concerns voiced today by Hear-It Now. However, we would like to point out that interference is not an issue unique to any one technology or service. Contrary to the assertions of Hear-It Now, neither the U.S. government nor the PCS industry is leaping into new technology before looking at the potential interference and compatibility issues. We agree that interference issues must be addressed in a forthright and reasoned fashion, but without needlessly denying the benefits of emerging technologies to consumers. It is with this goal in mind that PCIA has already formed a Compatibility Task Force made up of our member companies, to address the interference issues head on and to work with all interested parties."

For more information please contact Jonathan Osmundsen at (202) 467-4770.

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Media Advisory

PCIA and CTIA to Co-Host FCC/FAA Tower Clearance Procedure Seminar

Washington, D.C., May 31, 1995--The Cellular Telecommunications Industry Association and the Personal Communications Industry Association today announced plans to co-host a one day conference aimed at educating licensees on the tower site application process. "Navigating the FCC/FAA Rules Process-- a Primer for Antenna Site Applicants" will be held on Tuesday, June 27, 1995 at the Stouffer Concourse Hotel in Crystal City.

Bringing together key staff from the Federal Aviation Administration and the Federal Communications Commission to explain, in detail, their respective rules and application and notification processes, the workshop is the first of its kind. Topics will range from common filing errors, to the impact on tower clearances of environmental and historic preservation regulations. In addition, an industry panel will offer insights based on experience in navigating the regulatory process for tower clearance.

The workshop will run from 9:00 a.m. to 4:00 p.m. For more information please contact Jonathan Osmundsen at PCIA (202-467-4770) or Mike Houghton at CTIA (202-785-0081).

MEDIA ADVISORY

Personal
Communications
Industry
Association

Washington, D.C.
May 17, 1995

FOR YOUR INFORMATION:

The following statement was issued today by PCIA President Jay Kitchen following the passage by the House Telecommunications and Finance Subcommittee of an amendment to telecom reform bill H.R. 1555. The amendment directs the FCC to initiate a negotiated rulemaking to develop a uniform policy for state and local regulation of the construction and operation of antenna sites.

"If the full promise of the personal communications industry is to be fulfilled, network infrastructure must be employed expeditiously. The bipartisan language included in today's bill will ensure that a balanced policy, addressing the legitimate concerns of localities and industry, is realized in a timely manner. PCIA expresses its gratitude to Reps. Scott Klug and Tom Manton for lifting the banner for the entire personal communications industry by addressing wireless site issues. We congratulate House Telecommunications and Finance Subcommittee Chairman Jack Fields for moving telecommunications reform legislation through the House Telecom Subcommittee rapidly and bringing policy in line with the fast-paced developments in the telecommunications industry."

If you have any questions or need a copy of the amendment, please call Jonathan Osmundsen at (202) 467-4770.

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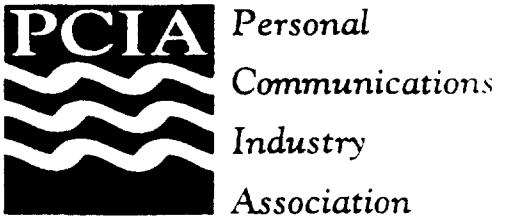
NEWS



For Immediate Release

Contact: Sue Mathis Richard

202-467-4770

House Speaker Newt Gingrich Cites Wireless Industry as a "Job Creator" in First Address After Historic Tax Cut Vote

Gingrich Calls on Industry to Help Accelerate Transition to Information Revolution in Opening Remarks at PCIA's Wireless Leadership Forum

Washington, D.C., April 6, 1995-- In his first speech since House passage of the $189 billion, five-year tax cut package-- the final major vote of the Contract with America-- House Speaker Newt Gingrich today lauded the wireless industry as a "tremendous job creator" and challenged executives gathered in Washington for PCIA's Wireless Leadership Forum to "help accelerate the transition to the information revolution."

Noting that the tax cut bill includes capital gains reductions, Gingrich emphasized its importance to entrepreneurs such as those gathered for the conference. "We want to help you maximize jobs," he said. "We want to work with you on telecommunications. Tell us what you need."

"To what degree can we do better?" Gingrich asked the group. "To what degree does the Federal Communications Commission become a job killer instead of a job creator?"

"We need your help at the vision level," Gingrich said. "And we need you as an industry to help us communicate to the American people about the extraordinary opportunities available using modern technology. Help us identify the laws, taxes, regulations, and bureaucracies we need to clear out of the way so you can, in fact, bring those dreams to life."

PCIA President Jay Kitchen accepted the challenge on behalf of the wireless industry, calling attention to the fact that key elements of the association's legislative platform focus on removing barriers that threaten the roll-out of PCS, in which the industry recently invested $7.7 billion dollars during the spectrum auctions.

"First and foremost, we need a uniform and reasoned manner for dealing with the 38,000 local governments that control the location of transmission sites-- key to the development of PCS networks," stated Kitchen. "We are anxious to help lawmakers address the new realities of the communications marketplace."

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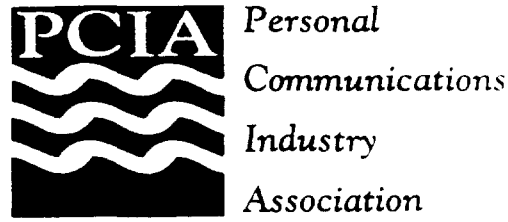
MEDIA ADVISORY



Washington, D.C.
March 27, 1995

Contact: Jonathan Osmundsen
(202) 467-4770

FOR YOUR INFORMATION:

The following statement was issued today by PCIA President Jay Kitchen following President Clinton's formal announcement of the government's 7.7 billion dollar savings from the FCC auctions:

"PCIA is proud of the pivotal role we have played in making the auctions a reality, and we congratulate our members who now face the challenge of bringing exciting new personal communications services to the consumer. But as we celebrate, we also cite, once again, the challenges that lie ahead for the companies committed to making the dream a reality. We ask our government leaders to help us as we seek to eliminate the obstacles that stand in the way. We ask that lawmakers minimize, remove and reform regulation to address the new realities of the marketplace. Among the immediate needs-- federal enforcement of the CMRS mutual compensation rights and a uniform and reasoned manner for dealing with the patchwork of state and local restrictions on transmission facilities."

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MEDIA ADVISORY

PCIA Personal Communications Industry Association

Washington, D.C.
March 23, 1995

FOR YOUR INFORMATION:

PCIA submitted comments to the FCC yesterday regarding the Commission's proposed revision of Part 17 of the rules concerning the construction, marking and lighting of antenna structures. PCIA's position is as follows.

- PCIA has long advocated the concept of "Sole Responsibility"--requiring a single entity-the antenna structure owner-to be solely responsible for painting and lighting the tower according to FAA specifications. PCIA believes that the FCC's proposal to make owners "primarily responsible" is a step in the right direction.

- PCIA cautioned the FCC to restrict the scope of the proceeding to registration and not licensing of the approximately 500,000 sites in the U.S. Extension of any registration process to towers not requiring FAA review would potentially backlog licensing applications and could lead to a substantial reduction in the availability of antenna sites.

- In light of the fact that the FCC believes the process will save the agency money, PCIA believes participants should not be charged registration fees. In addition, FCC staff will not formally process and grant any kind of application, or allow competitors to challenge those filings.

If you have any questions, please contact Jonathan Osmundsen at (202) 467-4770.

Sincerely,

Sue Mathis Richard
Vice President, Communications

1019 Nineteenth Street, NW • Suite 1100 • Washington, DC 20036-5105 • Tel: 202-467-4770 • Fax: 202-467-6987

MEDIA ADVISORY

PCIA Personal Communications Industry Association

Washington, D.C.
March 14, 1995

FOR YOUR INFORMATION:

The following letter was issued to the Senate Finance Committee this week urging its opposition to H.R. 831, which will be considered tomorrow. PCIA believes repealing Section 1071 of the tax code is potentially harmful to the entire wireless telecommunications industry, particularly emerging PCS companies. If you have any questions, please contact Jonathan Osmundsen at (202) 467-4770.

Sincerely,

Sue M. Richard

Sue Mathis Richard
Vice President, Communications

1019 Nineteenth Street, NW • Suite 1100 • Washington, DC 20036-5105 • Tel: 202-467-4770 • Fax: 202-467-6987

PCIA Personal Communications Industry Association

The Honorable Bob Packwood
219 Dirksen Senate Office Building
Washington, D.C. 20510

March 13, 1995

Dear Chairman Packwood:

On behalf of the Personal Communications Industry Association (PCIA), I respectfully urge your opposition to H.R. 831, which is to be considered by the Senate Finance Committee this week.

PCIA, founded 42 years ago, represents virtually all areas of the wireless telecommunications industry including paging, cellular telephone, private carrier paging, Specialized Mobile Radio (SMR), manufacturers, wireless systems integrators, communications site owners and managers, dealers, service professionals, and, through its Personal Communications Services (PCS) section, computer, cable, equipment manufacturers, local exchange and long distance providers, Regional Bell Operating Companies and Enhanced Specialized Mobile Radio (ESMR) companies.

PCIA believes H.R. 831 is ill-advised and harmful to the wireless telecommunications industry, particularly the emerging PCS companies now bidding on spectrum to provide the next generation of wireless mobile service in competition with the existing cellular telephone industry. Tax certificates are not limited to members of minority groups, but are used by a wide range of communications companies without regard to the characteristics of their owners.

Tax certificates have been used by the FCC for 50 years and since 1970 in limited voluntary transfers which accomplish public policy objectives. In the case of PCS companies, the FCC determined that spectrum below 3 GHz must be used, and current users must be moved elsewhere on the radio spectrum. This is a principal means for complying with the mandate from Congress on how incumbent users are treated. In order to facilitate the removal and relocation of the incumbent users, the FCC established a process that encourages voluntary relocation in which tax certificates are an incentive for incumbent frequency users to choose to operate elsewhere on the spectrum. Companies currently bidding on PCS licenses are doing so under business plans and strategies which include the availability of certificates. Changing the rules now will have a substantial adverse effect on the value of licenses and the amounts companies have already bid.

Repeal of Section 1071 of the tax code would have a major and negative impact on the wireless telecommunications industry by adding additional costs to existing barriers borne by PCS companies, and not by their competition. Ultimately the public and consumers will be the losers.

Sincerely,

Jay Kitchen

Jay Kitchen, President
Personal Communications Industry Association

1019 19th Street NW, Suite 1100
Washington, DC 20036-5105
Tel: 202-467-4770
Fax: 202-467-6987

1501 Duke Street
Alexandria, VA 22314-3450
Tel: 703-739-0300
Fax: 703-836-1608

MEDIA ADVISORY

PCIA Personal Communications Industry Association

Washington, D.C.
March 13, 1995

FOR YOUR INFORMATION:

The following letter was issued to the FCC this afternoon at the conclusion of the MTA auctions. If you have any questions, please contact Jonathan Osmundsen at (202) 467-4770.

Sincerely,

Sue M. Richard

Sue Mathis Richard
Vice President, Communications

1019 Nineteenth Street, NW • Suite 1100 • Washington, DC 20036-5105 • Tel: 202-467-4770 • Fax: 202-467-6987

PCIA Personal Communications Industry Association

March 13, 1995

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

Dear Chairman Hundt:

On behalf of PCIA and the PCS industry, I would like to congratulate both the FCC and the broadband PCS auction winners on the conclusion of the MTA auctions.

To the FCC staff, we extend sincerest thanks for the five long years of hard work and partnership between the Commission and PCIA. This unprecedented level of cooperation between government and industry has resulted in the birth of a new industry, which will place the benefits of broadband wireless services within the reach of every American through additional competition and even lower prices. PCIA is proud to have been a part of it.

To the broadband PCS auction winners, PCIA extends its congratulations--for their continued commitment to the wireless vision, to the American consumer, to technological innovation, and their $7 billion dollar vote of confidence in the PCS industry. We are proud to call almost every auction winner today a PCIA member.

Most importantly, PCIA would like to extend its congratulations to the American public. For today marks the start of a new era of increased choice, enhanced innovation, lower prices, and a $7 billion dollar reduction in the budget deficit. Every American, whether or not he or she actually uses a wireless device, will benefit from the economic growth provided by competition, innovation and budget deficit reduction.

And finally, PCIA would like to issue a challenge to the PCS industry in the form of the PCIA First Operational Broadband PCS System Award and First Operational Narrowband PCS System Award. These awards will be given to the companies that bring on-line the first new PCS systems in recognition of the leadership role and commitment to the wireless future that such an achievement demonstrates.

Again, congratulations to the FCC, the PCS auction winners, and the American public on this historic day.

Sincerely,

Jay Kitchen

Jay Kitchen
President

[illegible]

1501 Duke Street
[illegible]