

## For Immediate Release

Contact: Jonathan Osmundsen (703) 739-0300

### **PCIA Champions SMR Wide-Area Licensing Effort Association Files Reply Comments with FCC Urging Changes in Proposal for Future Development of 800 MHz SMR Systems**

Washington, D.C., March 2--The Personal Communications Industry Association yesterday submitted reply comments to the Federal Communications Commission proposing a form of wide-area licensing for 800 MHz Specialized Mobile Radio systems that would provide flexibility and growth potential to existing licensees, while reducing the number of speculative filings and administrative burdens.

"This filing culminates a three year effort on the part of PCIA," stated President Jay Kitchen. "We are proud to note that our filing has received unprecedented support from the SMR industry. In fact, PCIA is the only trade association able to forge a consensus that satisfies large and small carriers. More than 70 separate SMR entities have gone on the record favoring our solution to future licensing of SMR spectrum."

In its comments to the Commission, PCIA agreed with Nextel that assigning some contiguous spectrum will enhance the competitive potential of wide-area SMR providers. However, the association does not believe the Budget Act intended the FCC to create another mega-sized mobile radio provider with the same number of channels as a cellular company

Key points of the PCIA filing include:

- Opposition to the auctioning of 800 MHz licenses,
- Opposition to any mandatory relocation of existing SMR providers, and
- Support for assigning blocks of spectrum on a wide-area basis, with a maximum block of 10 channels licensed in a geographic area.

"We believe the FCC's 50 channel block proposal would severely limit the number of companies able to participate in wide-area licensing," said Kitchen. "Our plan would allow smaller entities to not only to participate but to negotiate with co-channel licensees to combine or swap channels, to "clean up" channels and create larger service areas. Smaller channel blocks would also give greater freedom to larger entities to select frequency blocks specific to their needs."

More More More

"We see it as a win-win for providers of all sizes, as well as consumers," Kitchen added. "If the Commission differentiates between capacity and service offerings issues, as we hope they will, existing technologies won't be harmed in an effort to promote others. Today's wide-area SMR system provider brings satisfied customers inexpensive communications over a multi-state area and it is critical we not jeopardize this service."

Established in 1949, PCIA has been at the forefront in advancing regulatory policies, legislation and technological standards that have helped launch the age of personal communications. With PCIA's consolidation with the National Association of Business and Educational Radio (established in 1965), the association now represents more than 1,400 companies and 1,000 individual members and serves as the FCC-appointed frequency coordinator for Business Radio Service.

List of REPLY COMMENTERS supporting PCIA proposal.

**Racom Communications--Marshalltown, IA; Fisher Communications--Blyther, CA; Banks Tower--Philadelphia, PA; Peacocks Radio--W. Memphis, AR; Speed-Net--Mid-Atlantic; Parkinson--Levelland, TX; Mobile Relays--McAllen, TX; Rayfield Communications--Springfield, MO; Savin & Hill--Windsore, NC; Morris Communications--Greenville, SC; Bert Carver--Wheaton, MD; Bayne Systems--Schenectady, NY; North Sight Communications--Levittown, PR; Tri-Communications--Tempe, AZ; Fred Burg Communications--Fredericksburg, TX; Beam Radio--Miami, FL; Skyline Communications--Bryan, TX; Mobile UHF--Garden Grove, CA; Radiowave Communications--Long Beach, CA; Mobile Radio Dispatch, Inc.--E. Brunswick, NJ; Anderson Communications, Inc.--Oxford, MS; Ten-Four Communications, Inc.--Modesto, CA; Radio Communications Center--Jonesboro, AR; Deck's Communications, Inc.--Harvey, ND; R. F. Communications--Catawissa, PA; Mobile Communications of Miami, Inc.--Miami, FL; Triangle Communications, Inc.--New Holland, PA; T&K Communications, Inc.--Oswego, NY; Air Communications--Wisconsin Rapids, WI; North Plains Communications--Devils Lake, ND; Al's Radio & Marine Electronics--Valdez, AK; Control Communications Corporation--Concord, CA; Stan's Communications, Inc.--Grand Forks, ND; General Communications--W. Hartford, CT; Nielson Communications--Sturgeon Bay, WI; Platte Valley Communications--Kearney, NE; Radicom--McHenry, IL; Graybill Electronics, Inc.--Hiawatha, IA; Elders Radio Communications--Fargo, ND; Lee's Two-Way Radio, Inc.--Camarillo, CA; Electronic Specialties--Algona, IA; Hinds & Campbell Properties--Birmingham, AL; Almar Communications--Rockford, IL; Knight Communications, Inc.--Augusta, ME; IDA Corporation--Fargo, ND; Trident, Inc.--Huntington Beach, CA; RCM, Inc.--Falmouth, ME; Atlantic Communications, Inc.--Bangor, ME; Future Communications, Inc.--N. Brunswick, NJ; Keane Communications, Inc.--Panama, IA; Solar Communications, Inc.--Willows, CA; SMR Services--Irvine, CA; Delta Communications, Inc.--Honolulu, HI; California Trunking, Inc.--Vista, CA; Three-Way Communications, Inc.--Enfield, CT; Stone's Mobile Radio, Inc.--Grand Forks, ND; South Central Radio, Inc.--Anchorage, AL; Radio Communications Company--Cary, NC; Mobile Relay Associates, Inc.--Paramount, CA; Allied Radio Communications, Inc.--Santa Rosa, CA; Wavelength Technologies, Inc.--Santa Rosa, CA; Industrial Electronics, Inc.--Scranton, PA; XW Corporation, Inc.--Fullerton, CA; Bill Wayne d/b/a Mr. Radio--Bullhead City, AZ; Wecom, Inc.--Kingman, AZ; Coast-Com, Inc.--Garden City, SC; Felder Communications, Inc.--Corcoran, CA; J. G. Boswell Company--Corcoran, CA; Southern Minnesota Communications, Inc.--Waseca, MN; Intermountain Comm. of Southern Idaho, Inc.--Mountain Home, ID; A-1 Communications, Inc.--Hudson, FL; B & C Communications, Inc.--Columbus, OH; Hendrix Electronics, Inc.--El Centro, VA; DCL Associates--Potomac, MD**

# MEDIA ADVISORY



Washington, D.C.  
February 8, 1995

## FOR YOUR INFORMATION:

The Personal Communications Industry Association today sent a letter to Federal Communications Commission Chairman Reed Hundt in response to a Commission proposal that could result in the auctioning of numbers for personal communications services (PCS).

PCIA, a long-standing champion for fair treatment of wireless carriers in the distribution of numbering resources, believes such a proposal would inescapably result in discriminatory treatment of wireless carriers. The proposal introduces another unknown factor into the PCS auction process, causing uncertainty on Wall Street and among industry players, and is likely to produce no net gain for the Treasury. In short, it is counter to recent FCC public policy, which has served to further competition in all telecommunications markets, not to impede it.

A copy of the letter is enclosed for your review. If you have any questions, please call Lois Irwin at (202) 467-4770.

Sincerely,

A handwritten signature in cursive script that reads "Sue M. Richard".

Sue Mathis Richard  
Vice President, Communications



February 8, 1995

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

Dear Chairman Hundt:

PCIA would like to express its deep concern over the proposal under consideration by the Commission to expand its auction authority to include other scarce public resources, most notably "blocks of telephone exchange numbers for new services such as Personal Communications Services." The proposal is contained in the Creating a Federal Communications Commission for the Information Age report of February 1, 1995.

Such a proposal would be flagrantly discriminatory toward wireless carriers on par with the recent "wireless overlay" proposals properly dismissed by the Commission as anti-competitive and is directly counter to long-standing FCC public policy. The FCC, which has done so much in the recent past to further competition in all telecommunications markets and to address discriminatory treatment of wireless carriers in numbering, would, if it were to pursue this policy, take an astounding leap backward.

#### PCIA Is Opposed To Any Discriminatory Treatment Of The Wireless Industry

PCIA was inalterably opposed to the wireless overlay Numbering Plan Area (NPA) relief plans that proposed singling out wireless carriers to bear the brunt of costs and inconveniences associated with these plans. Last month, the FCC concurred with PCIA and the wireless industry in its Declaratory Report and Order (FCC 95-19) and found such discriminatory proposals inconsistent with the Communications Act and FCC numbering policy.

The proposal to auction numbers for PCS is flagrantly discriminatory in much the same manner. Approximately one billion numbers are currently allocated in geographic NPAs in the United States, and those geographic numbers are predominately used by wireline carriers<sup>1</sup>. Only 7.8 million numbers are currently allocated for immediate assignment to non-geographic PCS services in the PCS 500 Service Access Code (SAC). The effect of the auction proposal is the same as the rejected wireless overlays--those carriers (overwhelmingly wireline) that already have numbers are insulated from impact; those emerging and growing services such as narrowband and broadband PCS that need numbers are targeted to pay for numbers that may best serve their needs

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<sup>1</sup> As an example, in the Atlanta area 404 geographic NPA, over 75% of the assigned codes are held by the wireline industry (Petition For Approval of Numbering Plan Area Relief for 404 Area Code, Before the Georgia Public Service Commission, p. 5).

## The Proposal to Auction PCS Numbers Is Ill-Conceived and Anti-Competitive

The very first call PCIA received on the auction proposal was from one of the largest investment banking firms on Wall Street. The firm wanted to know how this proposal would affect spectrum auction valuations, how much it would cost a carrier serving an MTA and whether spectrum bidders have included number auction costs in their business plans or bidding strategies. Clearly Wall Street is watching this proposal closely and recognizes the huge, potential impact it may have on the wireless industry.

The proposal is ill-conceived on every level:

1. Because it introduces another, hitherto unknown factor into the PCS auction process just as MTA auctions move into Stage III. The timing could not be worse.
2. Because it will likely produce no net gain for the Treasury. Bidders who take such a proposal seriously will obviously adjust their bids downward to reflect the projected additional cost of numbers. Only under the assumption that the wireless industry is a bottomless money pit made up of carriers willing to fork over millions and billions of dollars for spectrum, infrastructure, sites, fees, and now numbers, can one safely assume that the Treasury will actually see a significant net revenue gain.
3. Because it rests upon the fallacious assumption that auctions are the most efficient way to assign the essential facility of PCS numbers. In fact, the current system is the most efficient: carriers who qualify for PCS numbers under the industry-developed guidelines are assigned numbers as they demonstrate need; when the numbers are no longer needed or used, they are returned to the number pool. No process, such as auctions, is more efficient than the one the industry developed on its own to best serve industry needs.
4. Because carriers will simply avoid using non-geographic PCS numbers when the cost of the numbers outweighs the benefits. Since its inception, the wireless industry has almost exclusively used geographic numbering resources, which up until the allocation of the PCS 500 SAC, was the primary resource available to wireless carriers. So rather than having an incentive to introduce new service concepts through use of non-geographic numbers, the incentive is to maintain the status quo.

The proposal is anti-competitive because:

1. On its face it is grossly discriminatory. Largely assigned geographic number allocations which best serve the needs of the wireline industry are insulated from impact while new non-geographic number allocations that may best serve the needs of the wireless industry are targeted for additional costs through auctions.
2. Counter to the FCC's long-standing leadership role in championing competition, the PCS number auction proposal directly hampers competition. Not only will the cost of PCS numbers be higher than they would be under current policy, but the underlying cost structure of wireless services will thereby increase, reflecting the additional cost. Wireless services may offer the fastest and most cost-efficient local loop alternative. Increasing the underlying cost structure thereby reduces the competitiveness of, and introduction of, wireless alternatives to the wireline local loop.

3. Deep-pocketed companies are clearly favored over smaller companies when it comes to the essential facility of PCS numbers. Smaller companies could be left with the option of either using traditional geographic numbers, or bidding on whatever is left after the companies who can afford to pay the most have bought the best numbers. PCIA does not believe that it is the Commission's intention to further burden smaller wireless providers, particularly the designated entity sector, with such a competitive disadvantage.

PCIA applauds the Commission's long-standing leadership role in increasing competition in telecommunications markets. In light of the FCC's record, PCIA does not believe that the Commission has fully considered the discriminatory and anti-competitive implications of the proposal to auction certain public resources such as PCS numbers.

We urge you to reject this proposal.

Please feel free to contact to me to discuss this issue further.

Sincerely,



Jay Kitchen  
President

cc: Clarence L. Irving, Jr.  
Assistant Secretary for Communications and Information and  
Administrator of National Telecommunications and Information Administration

# NEWS

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## For Immediate Release

Contact: Sue Mathis Richard or  
Bryant A. Hill  
202-467-4770

### **PCIA Releases 1995 PCS Technologies Market Demand Forecast Update**

#### **Association President Jay Kitchen Reaffirms PCIA's Commitment to Facilitate Removal of Regulatory Hurdles that Threaten Delivery of New Wireless Services to American Consumers**

Washington, D.C., January 30, 1995--The Personal Communications Industry Association today released the 1995 update to its PCS Technologies Market Demand Forecast Report, showing as it has done since the establishment of the report in 1993, that consumer demand for personal communications services is expected to grow at ever-increasing rates.

Based on surveys conducted earlier this month among manufacturers, current and potential PCS providers, interexchange carriers and cable companies, the 1995 update focuses on narrowband and broadband PCS, paging and cellular.

In releasing the 1995 figures, PCIA President Jay Kitchen noted that broadband PCS demand growth is expected to maintain the highest growth rate of the services studied. "The industry anticipates there will be more than 15 million broadband PCS subscriptions by 2000, and almost 40 million by 2005. Our challenge now, as the champion for broadband PCS in the United States, is to ensure this vision is realized--despite current barriers to deployment."

"Of particular concern," Kitchen said, "is the fact that there are 38,000 localities across the country that can adopt different standards and restrictions on the operation and construction of transmission sites. PCIA will work tirelessly on this issue, as well as on guaranteeing wireless players' interconnection rights, to see that national policies that bring consistency and fairness to the marketplace are enacted."

Principle findings from the 1995 surveys include:

#### **Broadband PCS:**

- \* Newcomer PCS demand growth is expected to reach 15 million subscriptions by 2000.
- \* Total revenues are expected to reach \$8.5 billion by 2000, with 7% of revenues coming from data services. Average revenue per subscriber is expected to be 20% less than cellular.

\* Year 2005 figures indicate strong sustained growth to almost 40 million subscriptions, with total revenues reaching 17.5 billion, 12% of which comes from data services.

#### **Paging:**

\* Market size is expected to reach over 50 million subscriptions by 2000; by 2005, 71 million one-way and 21 million two-way messaging subscriptions are anticipated.

\* Very strong growth from new narrowband PCS and advanced one- and two-way messaging suggests these will become established in the wireless world over the next decade.

\* Customer segments will grow due to new applications and services. Survey results show that by the year 2000, over 50% of one-way and about 65% of two-way subscribers are expected to be from business segments. Assuming that businesses will continue to upgrade services, they are expected to remain more than 50% of the total subscriber base through the next decade.

\* Total revenues are expected to reach \$4.7 billion for one-way paging and \$1.9 billion for two-way paging by 2000; \$5.6 billion and \$3 billion respectively by 2005.

#### **Cellular:**

\* Respondents see strong growth over next five years, estimating a doubling of services from an end-of-year 1994 subscriber count of 23.2 million, to nearly 50 million subscriptions by 2000.

\* 65 million cellular subscriptions are expected by 2005.

\* 30% of the total cellular subscriptions are expected to come from the business segments, representing a presumed growth of the cellular markets into households over the next 10 years.

\* Total cellular revenues are presumed to be about \$26 billion by 2000; \$31 billion by 2005.

Attached please find the chart reflecting 1995 survey findings. Complete copies of the Market Demand Study are available upon request.

PCIA is the leading international trade association representing companies involved in all aspects of the personal communications services industry. Established in 1949, it has been instrumental in advancing regulatory policies, legislation and technological standards that have helped launch the age of personal communications. With PCIA's consolidation with the National Association of Business and Educational Radio (established in 1965), the association now represents more than 1,400 companies and 1,000 individual members and serves as the FCC-appointed frequency coordinator for Business Radio Service.

# PCIA 1995 PCS Technologies Market Demand Forecast Update

1994-2005

	1994	2000	2005
Service	Subs. (millions)	Subs. (millions)*	Subs. (millions)*
<b>New PCS</b>		<b>14.8</b>	<b>39.4</b>
<b>Cellular</b>	<b>23.2</b>	<b>46.9</b>	<b>65.4</b>
<b>Narrowband/Paging</b>	<b>24.5</b>	<b>56.2</b>	<b>92.2</b>
<b>One-way</b>	<b>24.5</b>	<b>48.1</b>	<b>71</b>
<b>Two-way</b>		<b>8.1</b>	<b>21.2</b>
Total Services	47.7	117.9	197.0

\* Year 2000 and Year 2005 figures are for subscriptions to service, not necessarily subscribers, anticipating that a person would likely subscribe to more than one type of wireless service in the coming decade.

Note: 1995 Update does not reflect data for SMR/ESMR, dedicated data or satellite services, as survey results did not warrant changes from 1994 report.

# MEDIA ADVISORY



Washington, D.C.  
January 10, 1995

## FOR YOUR INFORMATION:

The Personal Communications Industry Association yesterday filed comments with the Federal Communications Commission in response to the Notice of Proposed Rulemaking regarding compatibility between wireless services and E911 systems.

PCIA strongly endorses the Commission's ultimate goal of assuring wireless/E911 compatibility. However, the association feels that the setting of arbitrary deadlines for compliance is unrealistic. PCIA proposes the Commission should instead adopt policy directives and instruct industry bodies to continue to develop standards and technology for compatibility. PCIA is confident that the wireless service industry, working together with manufacturers and the emergency response community, will progress toward compatibility as expeditiously as possible.

If you would like a copy of the filing, or if you have any questions, please call Bryant Hilton at (202) 467-4770.

Sincerely,

Sue Mathis Richard  
Vice President, Communications