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March 19, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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

RE: WT Docket No. 95-157 Amendment of the Commission's Rules Regarding a Plan for Sharing the Costs of Microwave Resolution Ex-Parte

Dear Mr. Caton:

This is to inform you that on March 18, 1996, David Richards and Ben Almond of BellSouth Corporation met with David L. Furth, Linda Kinney, Rhonda J. Lien and Thomas S. Dumbrowsky, Jr. of the Wireless Telecommunications Bureau concerning the above referenced subject.

The attached document was used for discussion purposes. Please associate this document with the referenced proceeding. Due to the late afternoon commencement of this meeting which was 4:00 PM on March 18, this ex parte notification is being filed the next business day on March 19, 1996.

If you have any questions concerning this subject, please contact the undersigned.

Sincerely,

Ben G. Almond

Ben G. Almond
Executive Director

Attachment

cc: David Furth
Linda Kinney
Rhonda Lien
Thomas Dumbrowsky

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List ABCDE

1. Cost sharing is a necessity. The Commission must mandate cost sharing among PCS licensees and providers of unlicensed PCS.

2. Private agreements between or among PCS entities should be permitted to complement any cost sharing plan mandated by the Commission. (The contract among AT&T Wireless, WirelessCo, L.P., PhillieCo, L.P., GTE Macro Communications, and PCS Prime Co., L.P., is an example of the type of private agreement permissible under the Commission's plan.)

3. Mandated cost sharing should be premised upon co-channel (*i.e.*, co-block) interference. Adjacent channel interference cannot be a component of any Commission mandated plan; it overly complicates administration of a plan. (However, private agreements could include adjacent channel interference considerations.)

4. The trigger mechanism for cost sharing should be the proximity threshold described in the Comments of AT&T Wireless, WirelessCo, L.P./ PhillieCo, L.P., and PCS Prime Co., L.P., in WT Docket No. 95-157.

5. There will be a cost sharing cap of $250,000 on general relocation expenses and a separate cap of $150,000 for the costs of constructing or modifying all towers associated with a link. (It is recognized that the actual costs of relocation and tower construction/modification may exceed the respective caps for certain links.)

6. The following cost sharing formula should be adopted by the Commission for use in calculating a PCS entity's cost sharing obligation.

$$R_N = \frac{C}{N} \times \frac{120 - T_M}{120}$$

R_N equals the amount of reimbursement

C equals the amount paid to relocate the link.

N equals the next PCS entity that would interfere with the link. (The PCS Relocator is denominated as N=1. After the link is relocated, the next PCS provider that would interfere would be 2, and so on.)

T_M the number of months that have passed since the Relocator obtained its reimbursement rights. T_M commences on the first day of the first calendar month after the Relocator obtained its reimbursement rights and it is calculated at month to month, rather than thirty day, intervals.

The date for initiation of the depreciating aspect of the formula should be a uniform date for all PCS entities. It should be the date set forth in the contract between the original Relocator and the incumbent by which the incumbent will have ceased operation of the microwave facilities.

7. The formula should be applied as set forth in the following table.

	Fully Within Relocator's Block	Partly Within Relocator's Block	Outside of Relocator's Block
Both Endpoints Inside Relocator's Market	A1 No Reimbursement	B1 *Pro Rata* Reimbursement	C1 100 Percent Reimbursement
One Endpoint Inside Relocator's Market	A2 50 Percent Reimbursement	B2 *Pro Rata* Reimbursement	C2 100 Percent Reimbursement
No Endpoints Within Relocator's Market	A3 100 Percent Reimbursement	B3 100 Percent Reimbursement	C3 100 Percent Reimbursement

8. A Clearing House should be mandated to determine reimbursement rights and obligations which otherwise are not determined by private agreement

9. All PCS entities must belong to the Clearing House. Each PCS entity must submit each Prior Coordination Notice (or an informative subset of the information contained in the PCNs) to the Clearing House.

10. Once notified of its cost sharing obligation by the Clearing House, a PCS entity should make full payment to the Relocator within sixty (60) days.

11. Qualified entrepreneur block licensees and UTAM entities will have different installment payment plans available to meet their obligations. UTAM entities' plan will require repayment in a shorter time and at a higher interest rate than the Commission's plan for entrepreneurs.

12. Analog to digital upgrades for incumbent microwave licensees will be reimbursable expenses in relocation agreements consummated during the voluntary negotiation period.

13. The twelve month test period afforded to microwave incumbents in Section 94.59(e) of the Commission's Rules is waivable pursuant to contract.

14. 2 GHz microwave authorizations will revert to secondary status effective April 4. 2005. The Clearing House will sunset effective April 4, 2005, however, cost sharing obligations (including ongoing installment payments) incurred prior to that date must still be met.