



Federal Communications Commission
Washington, D.C. 20554

MAY 3 1996

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The Honorable Olympia J. Snowe
United States Senate
495 Russell Senate Office Building
Washington, D.C. 20510

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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Dear Senator Snowe:

Thank you for your letter of April 4, 1996, on behalf of your constituent, Matthew Tilley, regarding the Commission's decision to freeze acceptance of paging applications. Mr. Tilley expresses concern that the suspension of processing of paging applications will adversely affect small businesses that provide paging services.

The Commission is currently conducting a rulemaking proceeding that proposes to transition from licensing paging frequencies on a transmitter-by-transmitter basis to a geographic licensing approach, using auctions to award licenses where there are mutually exclusive applications. In conjunction with that proceeding, the Commission initially froze processing of applications for paging frequencies. On April 23, 1996, the Commission released a First Report and Order in WT Docket 96-18 and PP Docket 93-253, which adopted interim measures governing the licensing of paging systems and partially lifted the interim freeze for incumbent paging licensees. For your convenience and information, enclosed is a copy of the Press Release concerning the First Report and Order, which includes a summary of the principal decisions made. Specifically, small and medium sized incumbent paging companies will be permitted to expand their service areas if the proposed new site is within 65 kilometers (40 miles) of an authorized and operating site. These interim rules will remain in effect until the Commission adopts final rules in the paging proceeding.

Thank you for your inquiry.

Sincerely,

David L. Furth
Chief, Commercial Wireless Division
Wireless Telecommunications Bureau

Enclosure

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OLYMPIA J. SNOWE

MAINE

495 RUSSELL SENATE OFFICE BUILDING
(202) 224-5344

COMMITTEES:

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FOREIGN RELATIONS

SMALL BUSINESS

United States Senate

WASHINGTON, DC 20510-1903

April 4, 1996

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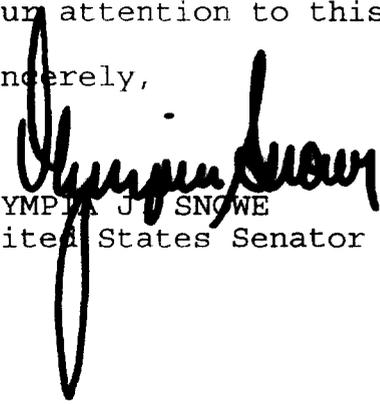
Ms. Judith Harris
Director of Legislative Affairs
Federal Communications Commission
Room 808
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Harris:

I am writing on behalf of a Maine constituent, Matthew Tilley. Mr. Tilley expressed his concern over the FCC proposal to auction paging licenses. I would appreciate any information you can send me to address my constituent's concern. I have enclosed Mr. Tilley's letters for your reference.

Thank you in advance for your attention to this matter.

Sincerely,



OLYMPIA J. SNOWE
United States Senator

OJS:mda

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RADIOTELEPHONE
OF MAINE

March 21, 1996

The Honorable Olympia Snowe
495 Russell Office Bldg.
Washington, D.C. 20510

Dear Olympia:

I am writing to you regarding a recent action by the Federal Communications Commission (FCC) which placed a freeze on new applications for new and the expansion of existing paging services.

My family owns and operates a paging service in Brewer which provides paging service to customers all over the State of Maine. We operate in a highly competitive atmosphere and are constantly looking to expand the service we provide our customers by adding transmitters to our systems.

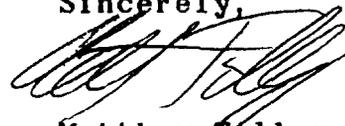
The freeze was imposed by the FCC without seeking comment from the paging industry and we don't think the FCC truly understands the devastating effect the freeze will have on paging companies, particularly small companies like ours. Paging has become an important part of business and personal life, and until the freeze was imposed it was a thriving industry.

Each day the freeze stays in effect we will continue to be harmed economically and our subscribers will be deprived of improved service. We find it unconscionable that the FCC has taken such a harmful and arbitrary action.

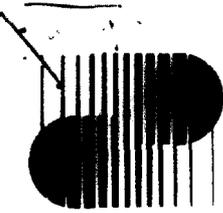
We are therefore enlisting your support as a member of the Senate Commerce Committee in our efforts to persuade the FCC to lift the freeze on the filing of paging applications. If you or your staff have any questions, please do not hesitate to call.

Thank you in advance for any assistance you are able to provide.

Sincerely,



Matthew Tilley



RADIOTELEPHONE OF MAINE

Senator Olympia Snowe
495 Russell Office Bldg.
Washington, D.C. 20510

Dear Senator Snowe:

We are a family business providing paging service in central, eastern and southern Maine. In addition to creating employment opportunities within the State of Maine, we also provide a valuable communications service to doctors, ambulance services, sheriff and police departments, emergency road services and others working to safeguard the public welfare. We are extremely concerned with the proposal by the Federal Communications Commission to auction off the radio channels we are already using. This action could have devastating consequences for our business.

Paging systems require constant modification and expansion, in order to meet the changing needs of our customers. In 1993, when Congress authorized the FCC to auction radio spectrum, it specifically told the FCC that such auctions should be limited to "Initial" licenses, and that renewal and modification applications should not be subject to auctions. Despite the clearcut mandate that existing systems should not be drawn into auctions, the FCC is seeking to do an end run on this restriction, by creating "market area" licenses.

Under the market area licensing scheme, the FCC will sell off the rights to our frequencies throughout a wide geographic area, such as the Rand McNally Major Trading Area. Many MTA's contain multiple states. In order for our business to be able to modify and expand our system in the future to meet the future needs of the marketplace, we would have to successfully bid on an area which is likely to be much larger than needed for our purposes. We would also have to commit to constructing our paging system throughout this larger area, even if our revenues could not support it. Failure to meet this arbitrary buildout requirement would result in a loss of the license. We will be even worse off if we lose the auction, since the winner will be able to prevent us from modifying or expanding our system, and may be able to locate its' transmitter close enough to our system to cause interference.

Our company constructed its' paging system in compliance of well established FCC rules. We have expended considerable resources building our business over the last 25 years. It is

grossly unjust for the FCC to now change the rules in mid-stream, in a way that threatens to strand our investment and jeopardize our business. Therefore, we ask that you immediately clarify for the FCC the intent of your 1993 auction legislation: Existing paging channels are not to be auctioned through market area licensing.

Thank you in advance for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Matthew Tilley".

Matthew Tilley

cc: Commercial Wireless Division
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