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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JAN 31 1996

In the Matter of)
)
Omnipoint Communications, Inc.) File No. 15002-CW-L-94
New York MTA)
Frequency Block A)

**RESPONSE OF OMNIPOINT TO WIRELESS COMMUNICATIONS COUNCIL'S
PETITION FOR CLARIFICATION**

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TABLE OF CONTENTS

INTRODUCTION AND SUMMARY	1
DISCUSSION	4
I. Omnipoint is Implementing its Pioneering Technology in the New York MTA and WCC's Evidence Proves It.....	4
II. Since the Commission Has Already Addressed WCC's Argument, WCC's Effort at Reconsideration Should Not Be Entertained.	8
III. WCC's Failure to Properly Identify Itself Undermines Its Assertion of a "Genuine Controversy" that Merits the Commission's Attention.....	9
IV. WCC's Lack of Candor Abuses the Commission's Processes.	10
V. It is Premature to Assess Any Pioneer's Compliance with the "Substantial Use" Condition at This Time.....	11
VI. Further Specification of the "Substantial Use" Condition is Unnecessary.	13

INTRODUCTION AND SUMMARY

Omnipoint Communications, Inc. ("Omnipoint"), by its attorneys, hereby responds to the January 16, 1996 Petition for Clarification (the "Petition") filed by the Wireless Communications Council ("WCC").

On December 14, 1994, Omnipoint was awarded a license through the Commission's pioneer's preference program to provide broadband PCS to the New York MTA.¹ Omnipoint's license contains a condition that Omnipoint construct a system that "substantially uses" the design and technology on which its pioneer's preference award was based.² The condition expires when Omnipoint meets the five-year build-out requirement contained in 47 C.F.R. § 24.203(a). An organization calling itself WCC, while refusing to state what its purpose is or who its members are, has filed a petition asking the Commission "to clarify" the phrase "substantially uses" as it pertains only to the deployment of Omnipoint's system and not that of any other pioneer. For several reasons, the Petition should be dismissed.

First, Omnipoint is absolutely -- and substantially -- using its own technology in the deployment of its New York network. Omnipoint has spent tens of millions of dollars developing its technology, which has passed every independent standards body test and has been officially designated as "IS-661." Northern Telecom, Ericsson, Texas Instruments/Soletron, Hansol, and other companies would not be spending millions of dollars licensing and commercializing Omnipoint technology if its deployment were going to be trivial. Omnipoint and its strategic partners are aggressively marketing Omnipoint technology both domestically

1 "In the Matter of American Personal Communications, et al.," Memorandum Opinion and Order, 10 FCC Rcd. 1101 (1994) (the "Licensing Order").

2 Third Report and Order, 9 FCC Rcd. 1337 (1994) (the "Final Preference Order").

and oversees as an upgrade path for other networks, especially those based on GSM. No other U.S. PCS technology is currently capable of being integrated with the installed base of GSM networks deployed in over 85 countries. Omnipoint is also very active in the current Block C auction, and it intends to deploy Omnipoint technology in any Entrepreneur's Band markets it may win. The "public evidence" offered by WCC to suggest that Omnipoint "may not be substantially using the technology for which it received its pioneer's preference" (Petition at 5) in fact proves just the opposite -- that Omnipoint is doing just what it has stated for two years it was going to do, diligently deploying *Omnipoint* technology along with GSM and other technologies. Moreover, there is no legitimate basis to conclude from the substantial use condition itself or the Commission's precedent that, while virtually every cellular and broadband PCS license holder has announced plans for deploying multiple technologies, the Commission means for Omnipoint to be the one and only PCS license holder denied this flexibility.

Second, the Commission already rejected WCC's contrived argument that a pioneer's system must be based exclusively on the pioneer's technology: "we do not agree . . . that a preference applicant must use only its own equipment for a complete system."³ The WCC Petition essentially requests that the Commission reverse its earlier decision and declare that Omnipoint would not be in compliance with the substantial use condition if it were to deploy its technology in conjunction with GSM equipment. As a request for reconsideration, the Petition should be dismissed on the grounds that it is procedurally defective and grossly out of time. More important, however, as a matter of substantive policy, the "clarification" requested by WCC would contradict the Commission's overriding public interest in expediting the roll out of PCS and providing pioneers with significant flexibility in getting to market.

Third, WCC has failed to properly identify itself, its members, or its interests. Neither Omnipoint nor the Commission knows anything about WCC, except for its name and its counsel.

³ Final Preference Order, 9 FCC Rcd. at 1347-48.

Based on what is known about WCC, the Petition raises troubling real party in interest and abuse of process issues. Mr. James Valentine, the only person publicly identified with WCC, has a self-declared economic stake in furthering Qualcomm-based CDMA technology through his investment in North American Wireless, Inc. ("NAWI").⁴ The Qualcomm-type CDMA system is Omnipoint's only spread spectrum technology competitor. Mr. Valentine is also well known for his public campaign to stop any form of GSM deployment in the U.S.⁵ At the very least, basic fairness and standing jurisprudence require WCC to tell the Commission what its charter is, what particular interest it is serving in seeking Commission action, and whom it represents. The Commission should not expend its valuable resources on discretionary proceedings when the petitioning party is so secretive that it has not answered these basic questions.

Fourth, WCC's speculation that Omnipoint may fail to live up to the condition on its license is not even ripe for consideration. The deployment window in which Omnipoint must "substantially use" its technology is five years. Consistent with the Commission's recent argument to the D.C. Circuit in the Mtel case, it is simply premature for WCC to seek a Commission ruling on this issue a little more than one year into the build-out process. Should

⁴ Mr. Valentine holds interests in NAWI, a company soliciting orders for Qualcomm-based CDMA equipment from Entrepreneurs' Band auction participants. *See, e.g.,* Jeffrey Silva, *GSM Hearing-Aid Debate Ignites into War*, Radio Comm. Report, July 24, 1995; *Hear-It Now, CTIA Battle for Control in GSM/Hearing-Aid Controversy*, PCS Week, July 19, 1995; Dan O'Shea, *NAWI Aims to Unite Small PCS Carriers for National Network*, Telephony, November 17, 1994, at 7.

⁵ *See, e.g.,* *Hear-It Now, CTIA Battle for Control in GSM/Hearing-Aid Controversy*, *supra* note 4; Mark Dziatkiewicz, *Running Interference? GSM Transmissions' Effect on Hearing Aids, America's Network*, August 15, 1995; *Hearing Aid Users Say Wireless Industry Must Solve GSM Interference Problem*, Mobile Satellite Reports, July 17, 1995; *Industry Begins Study of Hearing Aid Interference By Digital Mobile Phones*, *Common Carrier Week*, July 17, 1995. *PCIA Challenges Hearing Aid Group, Qualcomm Question CTIA Role in Dispute*, *Common Carrier Week*, July 24, 1995.

Omnipoint fail to comply with the condition at the five-year mark, the Commission can take appropriate enforcement measures at that time.

Fifth, clarification of the "substantial use" condition is unnecessary. There is simply nothing for the Commission to settle here. The Petition should be dismissed.

DISCUSSION

I. Omnipoint is Implementing its Pioneering Technology in the New York MTA and WCC's Evidence Proves It.

It is important to understand the underlying facts concerning the issue that WCC and Mr. Valentine would like to turn into a controversy. Omnipoint offers an RF access technology called IS-661 that is deployed by integrating IS-661 with existing networks. For the past two years, Omnipoint has stated that it will integrate its technology with GSM, offering in essence an upgrade path for GSM systems so as to provide those systems with certain benefits, as further described in the Omnipoint Registration Statement. Petition, Exhibit 2 at 24. This is how Omnipoint markets its equipment to all PCS operators. Indeed, PacBell and Bell South have agreed to conduct trials of Omnipoint's IS-661 technology integrated with their own GSM networks.⁶ Many other RF access technologies have already been integrated with GSM. Bell South, for example, uses a GSM switch to operate its AMPS cellular system at 800 MHz in many markets. GSM has been integrated with US IS-54 TDMA systems. GSM is also the backbone for Nextel's ESMR system.

Most cellular and PCS licensees have already decided to implement at least two technologies in their spectrum. Even WCC's favorite -- IS-95 CDMA based technology -- has

⁶ See, e.g., Reinhardt Krause, *PCS Competition Heats Up; Personal Communications Services; Industry Trend or Event*, Electronic News, November 27, 1995; *PCS: PCS Providers in U.S. Form North American Interest Group to Promote "GSM" Wireless Technology*, Edge, November 27, 1995.

been announced for future deployment in networks sharing spectrum with AMPS, NAMPS, and even PCS 1900/GSM. Thus, the heart of WCC's argument is not public concern that Omnipoint will fail to live up to its "substantial use" condition by also deploying GSM. Rather, WCC is aiming to harm Omnipoint as a technology competitor by seeking "clarification" from the Commission that Omnipoint, separate and apart from all other broadband PCS licensees, is prohibited from deploying any other technology. While all of Omnipoint's equipment customers and its service competitors may obtain the benefits of integrating Omnipoint's IS-661 technology with GSM, WCC wants Omnipoint itself to be denied those same benefits. There is simply no evidence that the "substantial use" condition was ever meant to produce such a counterintuitive result.

The "public evidence" that WCC relies on to support its assertion of a "controversy" consists entirely of Omnipoint's own press releases and its SEC registration statement. While WCC contends that Omnipoint's public statements show that it "may not be substantially using the technology for which it received its pioneer's preference," Petition at 5, each of the statements cited by WCC demonstrates just the opposite, that Omnipoint is indeed deploying its own technology:

The Nortel Agreement. The WCC Petition plainly states that Nortel is going "to *integrate* [Omnipoint's] U.S.-built RF access technology into their switches," and that Nortel "will deliver a turnkey digital PCS network integrating [GSM] standard mobility switching and services with Omnipoint's IS-661 base station radio equipment." Petition at 7. Integrating Nortel's GSM system with Omnipoint's IS-661 RF access technology for deployment in the New York MTA *demonstrates* "substantial use."

PacBell Roaming Agreement. WCC criticizes Omnipoint for establishing an agreement with PacBell that would allow PCS customers to roam in the New York and Los Angeles MTAs. As discussed below at page 11, the Commission never intended the

"substantial use" condition to restrict national interoperability. In any event, the PacBell roaming arrangement does not in any way raise a "substantial use" issue. WCC erroneously assumes that, because Omnipoint will provide roaming capability for GSM customers, it has somehow abandoned its own technology. In fact, as Omnipoint has often stated, its plan is to build out both technologies in the New York MTA, and thereby deploy its own technology *in addition to and in conjunction with* GSM technology. Petition, Exhibit 2, at 18. This only makes good business sense and clearly promotes national roaming and interoperability. WCC fails to mention that on the same day as the cited press release, Omnipoint and PacBell announced that PacBell would be conducting a trial of Omnipoint's IS-661 technology integrated with PacBell's GSM network in PacBell's territory a dual technology deployment; WCC wishes to deny Omnipoint those same opportunities in its own territory.⁷

JRC Agreement. While WCC cites this agreement, it cannot possibly advance WCC's claims that Omnipoint will fail to implement its technology. WCC itself describes it as a licensing arrangement for the production of hand-sets based *exclusively* on Omnipoint IS-661 technology, and neither the Petition nor the press release even mention GSM. Petition at 8. The Omnipoint press release cited by WCC explains that the equipment manufactured pursuant to this agreement, incorporating the Omnipoint IS-661 technology, is intended for the New York MTA. Petition, Exhibit 5 at 2.

Ericsson Agreement. WCC's proffer of Omnipoint's own news release announcing its memorandum of understanding with Ericsson to provide "over \$250 million worth of Omnipoint IS-661 and GSM/PCS network equipment and services"

⁷ See, attached Omnipoint Press Release, May 30, 1995.

including "IS-661 and GSM/PCS 1900 mobile phones and . . . IS-661/GSM/PCS 1900 dual mode phones" (Petition at 9) only confirms that Omnipoint is arranging to deploy its own pioneering technology.

The GSM Interest Group. WCC offers a news release that Omnipoint has joined a group of GSM-based companies called "GSM-MoU" that "*supports the IS-661 standard.*" Petition at 9 (emphasis added). However, WCC fails to explain how Omnipoint's association with GSM-MoU is at all relevant to its build-out of the New York MTA. Moreover, GSM-MoU has explicitly endorsed Omnipoint's pioneering technology. Why wouldn't Omnipoint join such a group? Every company that deploys GSM, including the members of GSM-MoU, represents a potential customer for Omnipoint's technology. It is absurd to claim that membership in a group supporting Omnipoint's pioneering technology somehow tends to show that Omnipoint will not implement that technology.

WCC's allegedly independent engineer's report casts no more uncertainty on the "substantial use" condition. Mr. Jackson's attempts to insinuate his own interpretation of the Commission's pioneer's preference rules and his own definition of the "substantial use" condition are simply not relevant. He is not a lawyer practicing before the Commission, nor does he have any personal experience with the preference rules. On engineering matters, his opinion is limited to, as he puts it, "the evidence I have discovered," which consists primarily of the same Omnipoint press reports cited by WCC announcing the companies that have endorsed Omnipoint's technology. Mr. Jackson has not based his opinion on engineering data, and, like WCC and Mr. Valentine, he made no effort to contact Omnipoint to find out the truth. Therefore, his opinion on both the legal and engineering matters concerning Omnipoint's compliance with its license condition should be discounted entirely.

II. *Since the Commission Has Already Addressed WCC's Argument, WCC's Effort at Reconsideration Should Not Be Entertained.*

WCC's misunderstanding of the significance of Omnipoint's arrangements with its suppliers appears to be based on two faulty premises. Because both already have been addressed, and would contravene the public interest, the Petition is an improper attempt to obtain reconsideration of the Final Preference Order.

First, WCC assumes that if Omnipoint uses *any* GSM equipment in its build-out of the New York MTA, then its system, *ipso facto*, will not have "substantially used" Omnipoint's pioneering technology. This reasoning was dispelled by the Commission in the Final Preference Order. WCC's argument is curiously similar to one that Qualcomm raised two years ago, arguing that Omnipoint did not merit a final preference. In response, the Commission stated, "we do not agree with Qualcomm's assertion that a preference applicant must use only its own equipment for a complete system." Final Preference Order, 9 FCC Rcd. at 1348. Thus, WCC's Petition is merely an effort to seek reconsideration of that decision under the guise of a petition for clarification.

WCC's efforts at reconsideration are improper and are grounds for dismissal of the Petition. The Commission's rules permit clarification only when the movant demonstrates the existence of a genuine controversy or uncertainty. Petitions seeking reconsideration of the underlying rule or Commission order are not permitted under the guise of requests for "clarification."⁸ Moreover, the time for filing petitions for reconsideration of the Final Preference Order expired over 21 months ago. The Commission has no authority to entertain a request for reconsideration at this time. 47 U.S.C. § 405(a); Reuters Ltd. v. FCC, 781 F.2d 946,

⁸ 47 C.F.R. § 1.2. *See, also*, "Competition in the Interexchange Marketplace, Petitions for Modification of Fresh Look Policy," Memorandum Opinion and Order, 8 FCC Rcd. 5046, 5049-50 (1993) (request for declaratory ruling is denied as an "inappropriate vehicle" that seeks reconsideration of rulemaking decision).

952 (D.C. Cir. 1986). We also note that the Communications Act may expressly forbid the Commission from reconsideration of the Final Preference Order. 47 U.S.C. § 309(j)(13)(E)(i) ("the Commission shall not reconsider the award of preferences in such Third Report and Order . . .").

Second, WCC fails to accept that implementation of GSM equipment in no way precludes deployment of Omnipoint's IS-661 technology. In fact, because deployment of GSM equipment will make Omnipoint's system operational, revenue-generating, and compatible with many PCS operators choosing GSM, it will actually speed-up the deployment of Omnipoint's technology and advance the Commission's goal of PCS interoperability. Omnipoint's decision to encourage national interoperability by implementing two technologies does not violate the "substantial use" condition.⁹

III. *WCC's Failure to Properly Identify Itself Undermines Its Assertion of a "Genuine Controversy" that Merits the Commission's Attention.*

WCC has failed to articulate who it is, whom it represents, or how it or its membership, if any,¹⁰ is affected by Omnipoint's activities in the New York MTA. Thus, its allegation of a present "controversy" over Omnipoint's deployment of GSM equipment in conjunction with its

⁹ Although Omnipoint is not here seeking a waiver, in setting the "substantial use" condition, the Commission held that it would waive the condition where "an overriding national objective . . . such as . . . national PCS interoperability were to be thwarted." Final Preference Order, 9 FCC Rcd. at 1339 n. 11. Because the grant of a waiver cannot itself undermine the purpose of the rule waived, the Commission's statement must be read to mean that deployment promoting national interoperability does not undermine the "substantial use" condition. WAIT Radio v. FCC, 418 F.2d 1153, 1157 (D.C. Cir. 1969).

¹⁰ According to a recent press report, WCC has not managed to attract a single paying member. Joe Burey, *Omnipoint to Counterattack Critic of PCS License*, Washington Telecom Week, at 16, January 26, 1996; Cf., *After Long Search, Wireless Communications Council Identified*, Mobile Phone News, April 3, 1995 (Valentine claims that WCC has "handful of members," but only identifies two consulting groups).

own technology is purely speculative because it does not demonstrate how its interests, or those of the public generally, are in any way adversely affected by Omnipoint's build-out plans. Basic fairness, avoidance of unnecessary litigation, and conservation of the Commission's limited resources dictate that abstract concerns by a well-represented party that fails to explain its interest in the issue should not be entertained. *See, e.g.*, Request for Declaratory Ruling by Harry Furgatch, 2 FCC Rcd. 1656 (MMB 1987) (Bureau rejects request for declaratory ruling where party failed to indicate any interest affected by the requested ruling).

IV. WCC's Lack of Candor Abuses the Commission's Processes.

There is reason to believe that the Petition may be an effort by certain proponents of alternative technologies to use the Commission's regulatory authority to decide the current marketplace competition between common air interfaces for PCS, including Omnipoint's IS-661. Mr. Valentine, President of WCC, is a recognized proponent of Qualcomm IS-95 CDMA technology and has consistently lobbied against the adoption of any other technology, especially those based on GSM. He is also an original and significant investor in, and the former CEO of, NAWI, which is in the business of selling IS-95 CDMA turnkey systems to potential Block C licensees.¹¹ The parallels to Mr. Valentine's strident position on the IS-95 CDMA v. GSM issue and his current attack on Omnipoint's deployment of GSM in conjunction with its own pioneering technology are too obvious to ignore. Singling out Omnipoint to suddenly redefine "substantial use" raises a legitimate concern that the Petition may be part of a larger campaign to

¹¹ *See, e.g.*, Advanced Wireless Communications, August 2, 1995. *GSM Interference Battle Settles As Players Attempt Team Work, CTIA Credibility Risked; Hearing Aid Users Say Wireless Industry Must Solve GSM Interference Problem*, Communications Daily, July 13, 1995; *Industry Begins Study of Hearing Aid Interference by Digital Mobile Phones*, Common Carrier Week, July 17, 1995; Jeffrey Silva, *GSM Hearing-Aid Debate Ignites Into War*, Radio Comm. Report, July 24, 1995.

influence the outcome of the Block C auction or the selection of technologies.¹² The fact that WCC fails to identify itself only corroborates that its identity presents a real issue.

The Commission has unequivocally chosen not to take sides or interfere with the current debate between rival technologies; that debate should be played out and settled fairly in the marketplace.¹³ The Petition attempts to use the Commission to harass and vilify Omnipoint for a market decision that the Commission has expressly permitted and, as such, it is an abuse of process which should not be tolerated.

V. It is Premature to Assess Any Pioneer's Compliance with the "Substantial Use" Condition at This Time.

Compliance with the "substantial use" condition of Omnipoint's license, as with the other pioneer's licenses, is to be measured at the five year build-out benchmark, not now. Under the Commission's rules, the five-year build-out period commenced with the issuance of Omnipoint's license, December 13, 1994, and must be met on December 13, 1999. 47 C.F.R. § 24.203. In fact, Omnipoint's license stipulates those exact dates on its face. Petition, Exhibit 1. The Commission's rules provide that PCS licensees must make a showing of compliance with the five-year build-out requirement, 47 C.F.R. § 24.203(c), and Omnipoint will make such a showing at that time. There is no requirement, however, in either the pioneer's orders or the PCS rules

¹² See, e.g., Jeffrey Silva, *Efforts Being Made to Discredit GSM as a PCS Standard in U.S.*, Radio Comm. Report, April 10, 1995; *Effect of GSM on Hearing Aids Brought to FCC Attention; Proponents Call Information 'Carefully Orchestrated Campaign,'* Mobile Phone News March 27, 1995; *GSM/Hearing-Aid Debate Resurfaces, Underscores Growing Standards Battle*, PCS Week, March 29, 1995; Shawn Steward, *Wireless Health & Safety Check Up; Health Issues on the Use of Cellular Telephones*, Cellular Business, August 1995.

¹³ Second Report and Order, 8 FCC Rcd. 7700, 7755-56 ¶ 135-137 (1993); *aff'd*, Memorandum Opinion and Order, 9 FCC Rcd. 4957, 5021-22, ¶ 162 (1994); *recon. granted in part, denied in part*, Third Memorandum Opinion and Order, 9 FCC Rcd. 6908, 6919 ¶ 66 (1994).

that pioneers must demonstrate compliance with the "substantial use" condition at any and every "snapshot" of its build-out.¹⁴

The Commission's recent argument to the D.C. Circuit in a case challenging the grant of a pioneer's preference to Mtel supports this plain understanding of the "substantial use" condition. There, BellSouth alleged that Mtel had abandoned its pioneering technology and violated the "substantial use" condition of its license. The Commission responded that, because the "substantial use" condition on Mtel's license was keyed to the five-year build-out, "BellSouth's speculation that Mtel may fail to live up to this condition is not ripe for review. . . . Should Mtel fail to comply and the Commission fail to take appropriate action, review at that time would be adequate to vindicate BellSouth's speculative fears." Brief of FCC, BellSouth Corporation v. FCC, No. 93-1518 (D.C. Cir. filed November 8, 1995) at 16.¹⁵

WCC's request is similarly "not ripe" because it asks the Commission to evaluate Omnipoint's compliance with a condition that Omnipoint is not required to meet for another 47 months. There is simply no sound public policy reason for the Commission to make that determination prematurely, or to single out Omnipoint for this inappropriate process. As it has

¹⁴ In the order codifying the "substantial use" condition for future pioneers, the Commission explained that it "had already applied this [substantial use] policy for both broadband and narrowband PCS preference grants." In the Matter of Review of the Pioneer's Preference Rules, Second Report and Order, 10 FCC Rcd. 4523, 4529 (1995). As adopted, Section 1.402(f) states: "a pioneer's preference grantee will be required to construct a system that substantially uses the design and technologies upon which its pioneer's preference award was based within a reasonable time, as determined by the Commission, after receiving its license." Id. at 4535. This subsequent codification of the substantial use condition clearly supports that the Commission intends for Omnipoint to have the same "reasonable time," *i.e.*, five years, to implement its technology.

¹⁵ Pagenet had also sought a detailed inquiry into Mtel's planned use of its pioneering technology prior to actual build-out and prior to the initial five-year mark. The Commission rejected that proposal, as well. In re Application of Nationwide Wireless Network Corp., Memorandum Opinion and Order, 9 FCC Rcd. 3635, 3644 n.114 (1994).

wisely recognized, if there is a "controversy" at the time Omnipoint completes its five-year build-out, the Commission has "available to it the full range of sanctions, including, for example forfeiture and/or license cancellation." Licensing Order, 10 FCC Rcd. at 1102, ¶ 5.

VI. Further Specification of the "Substantial Use" Condition is Unnecessary.

The Commission's orders are not contradictory or vague on the specific issue on which WCC seeks clarification -- whether Omnipoint may deploy its pioneering technology in conjunction with other technologies in the New York MTA. As WCC itself notes, the Commission has identified the Omnipoint technology to be deployed, and it has set a five-year time-frame for its deployment. Petition at 2-4. The Commission has also stated unequivocally that Omnipoint, like any other pioneer, need not build its system using only its own technology. There is nothing more that needs to be explained or clarified on this issue.

The Commission has wisely refrained from any additional detail to give pioneers adequate flexibility and to avoid unnecessary delays in the rapid deployment of the pioneers' systems. See, e.g., Brief of FCC, BellSouth Corporation v. FCC, No. 93-1518 (D.C. Cir. filed November 8, 1995) at 15-16 (FCC argues that to foreclose MTEL's choice of newer MCM technology by invoking narrow reading of "substantial use" condition would "violate 'the policy of the United States to encourage the provision of new technologies and services to the public,' 47 U.S.C. §157(a), as well as the FCC's obligation to license spectrum so as to serve 'the public convenience, interest or necessity,' 47 U.S.C. §307(a)."); *Appeals Court Hears Debate on 'Pioneer's Preference' In Mtel, BellSouth Cases*, Telecommunications Reports, at 38 (December 11, 1995) (FCC argues to D.C. Circuit that Mtel's preference "should not be turned into a 'technological straitjacket.'"). Nor has WCC offered any evidence that the Commission's orders and statements on "substantial use" are ambiguous or contradictory.

There simply is no need at this time to expend more resources of either the Commission or Omnipoint on this issue. The WCC Petition should be dismissed.

Respectfully submitted,

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FOR IMMEDIATE RELEASE

May 30, 1995

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**Pacific Bell Mobile Services, Omnipoint
to offer PCS Customers
“Easy Roaming” in New York, California**

Pacific Bell Mobile Services and Omnipoint agreed today to create a way for their “roaming” Personal Communications Services (PCS) customers to enjoy the same service features and convenience as they do in their “home” territory. The companies will also conduct joint trials of Omnipoint’s new wireless technology, as well as collaborate on network operations, and drive industry standards.

The roaming agreement is the first of its kind between companies which won PCS licenses in the recent auction conducted by the Federal Communications Commission (FCC).

Officials of both companies said they will create networks that will let customers use their handsets and services to place and receive calls while “roaming,” without having to get prior authorization, as is common today with cellular service.

The companies’ combined service areas cover about 60 million potential customers in three of the four largest PCS markets in the country--California, New York and parts of neighboring states--or over 20 percent of the total U.S. population and nearly

50% of domestic telecommunications traffic.

"The appeal of wireless phones is that you can take them with you when you are on the move," said Lyn Daniels, president and CEO of PBMS. "There are lots of people traveling between California and New York who want an easy way to stay in touch with the home and the office. And we're eager to work with other PCS operators to provide easy roaming across the country."

"Our companies are the anchor stores in the new PCS mall," said Doug Smith, Omnipoint president. "We are excited to be working with PBMS to bring easy-to-use wireless communications to millions of customers on both coasts."

PBMS and Omnipoint will conduct a joint technology trial in California of Omnipoint's spread spectrum radio access system. Omnipoint's PCS system was recently approved as a U.S. PCS standard and can be used as an adjunct or enhancement to any GSM-based system. Its primary benefits include greatly reduced infrastructure costs, wireline voice quality, high speed data and video capability.

Both companies have previously announced they will use wireless access systems connected to a Global System for Mobile Communications (GSM) network. GSM is used in 70 countries throughout the world. The two companies said the roaming agreement is the first of what they expect will be a series of collaborative efforts. These activities may include: defining joint requirements for infrastructure and systems, doing joint marketing, and setting up strategic purchasing agreements.

At the industry level, the companies will continue to work on the standardization of GSM-based technologies for the North American market. Key goals are to ensure equipment interoperability across vendors and drive the availability of new features and capabilities.