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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

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Federal Communications Commission
Office of Secretary

In the Matter of)
)
 Petition for Rulemaking to Amend)
 Parts 21 and 74 of the Commission's)
 Rules to Enhance the Ability of) RM-9060
 Multipoint Distribution Service and)
 Instructional Television Fixed)
 Service Licensees to Engage in)
 Fixed Two-Way Transmissions)

To: The Commission

STATEMENT IN SUPPORT

Gulf Coast MDS Service Company ("Gulf Coast"), pursuant to Section 1.405(a) of the Rules and Regulations of the Federal Communications Commission ("FCC" or "Commission"), hereby respectfully submits this Statement in Support of Petition for Rule Making ("Petition") which seeks amendment of Parts 21 and 74 of the FCC's Rules and Regulations to permit fixed two-way transmissions in the Multipoint Distribution Service ("MDS") and Instructional Television Fixed Service ("ITFS").^{1/} By this Statement, Gulf Coast responds to the pleading filed by a group of over 100

^{1/}Public Notice, DA 97-637 (March 31, 1997)

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participants in the wireless cable industry ("Petitioners").^{2/}

I. BACKGROUND

1. Gulf Coast, a corporation organized under the laws of the State of Louisiana, is an affiliate of S & P Cellular Holding, Inc., a Delaware corporation. Gulf Coast has been granted a developmental authorization by the Commission to provide digital telecommunications, including voice, video and data services, to the offshore industry in the Gulf of Mexico utilizing spectrum from the band 2500-2690 MHz. This spectrum has favorable propagation characteristics for the rather limited number of structures which are appropriate for use as transmitter sites in the Gulf of Mexico.

2. The Commission recently concluded auctions of MDS licenses pursuant to the Report and Order ("Order") adopted in MM Docket No. 94-131, PP Docket No. 93-253 (released June 30, 1995). The significant amount of bidder participation in this auction is testimony to the utility of the MDS/ITFS spectrum for both traditional video services

^{2/}Petitioners are composed of MDS and ITFS licensees, wireless cable operators, equipment manufacturers, and industry consultants and associations. See, Public Notice, DA 97-637 (released March, 31, 1997).

and alternative services such as two-way voice and data communications.

II. Comments

A. MDS and ITFS Licensees Should be Permitted to Use Their Authorizations in a Manner Which Efficiently Responds to The Public's Needs

3. The licenses awarded in the recent MDS auction provide for wireless video and entertainment services on a primary basis, and telephony services on a secondary basis. Moreover, since the trends in both technology and the marketplace is for interactive services, licensees must be able to respond to the public's needs by providing fixed two-way transmissions.

4. MDS and ITFS systems provide competition to traditional "wireline" cable television services. These wireline systems are moving in a direction of two-way interactive services. If "wireless cable" is restricted to one-way transmissions, MDS and ITFS operators will lose market share to wireline cable, with the possibility of going out of business and not recovering the cost of their licenses. Moreover, consumer choices will be artificially diminished.

B. Although MDS and ITFS Licenses Only Contemplate Video and Entertainment Services, Licensees Should be Permitted to Provide Other Wireless Services Demanded by the Public.

5. The merging of computer and communications technologies has blurred the historical distinction between the definitions of voice, video and data. Restricting MDS and ITFS licensees to the provision of video and entertainment services only, would increase the overall cost of communications. With the regulatory freedom to provide two-way transmissions, without regard to content, wireless cable operators need to be able to integrate video, data (including Internet access) and wireless local loop services, making the distribution of communications very efficient.

6. Since the MDS and ITFS may offer commercial wireless services, and recent MDS licensees obtained their authorizations at auction, limiting the use of MDS and ITFS authorizations to the provision of video services would unnecessarily restrict the efficient utilization of a capital asset (i.e., the license). Gulf Coast supports the Commission's flexible use policy, which would permit wireless operators who obtained licenses at auction to use the spectrum in the most economically efficient manner. We are in favor of MDS and ITFS licensees being permitted to provide wireless services other than video and entertainment

on a primary basis, which is consistent with that emerging policy.

C. Provisioning of Two-way Transmissions Should be Free From Technology Mandates.

7. Imposing technology standards for fixed two-way transmissions for MDS and ITFS, would facilitate rapid deployment of interactive wireless cable at the expense of the development of new, and perhaps more efficient, innovations. The acceptance of a particular technology by the marketplace is sufficient to promote the necessary standards for efficiency.

III. CONCLUSION

8. Gulf Coast advocates the use of MDS and ITFS spectrum to provide fixed two-way transmissions without regard for the content of the transmissions. Further, Gulf Coast submits that the Commission should not mandate a particular technology for two-way transmissions, but allow the MDS/ITFS service provider to maximize the value of the spectrum by providing the service and technology which most efficiently satisfies customers' needs.

9. In the alternative, if the Commission does not permit two-way fixed transmissions for MDS/ITFS on a primary

basis in land-based markets, the Gulf of Mexico ("gulf") must be considered a special case. The harsh environment of the gulf, coupled with the particular demands of the offshore industry, mandates that the gulf be considered unique. To treat the gulf as a "standard" land-based economic area would not serve the best interests of the gulf community. Flexible use of MDS/ITFS spectrum in the gulf must be permitted.

WHEREFORE, THE PREMISES CONSIDERED, Gulf Coast MDS Service Company respectfully urges the Federal Communications Commission to take action in this matter in a manner with the views expressed herein.

Respectfully submitted,

GULF COAST MDS SERVICE COMPANY

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