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BEFORE THE
Federal Communications Commission
WASHINGTON, DC 20554

In the Matter of	)	
	)	
Amendment of the Commission's Rules to Establish New Personal Communications Services, Narrowband PCS	)	GN Docket No. 90-314 ET Docket No. 92-100
	)	
Implementation of Section 309(j) of the Communications Act - Competitive Bidding, Narrowband PCS	)	PP Docket No. 93-253

REPLY COMMENTS OF MAP MOBILE COMMUNICATIONS, INC.

MAP Mobile Communications, Inc. ("MAP"), hereby submits these reply comments in the above-captioned proceeding,[1] in which the Commission seeks comment relating to the auction and licensing of narrowband Personal Communications Services ("PCS").

I. INTRODUCTION

MAP is a privately held organization which entered the communications service industry in 1991 as a reseller of alphanumeric paging services and a provider of operator assistance service to paging companies. The Company has since created and acquired its own Private Carrier Paging ("PCP") systems on which it has qualified

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1 *In the Matter of Amendment of the Commission's Rules to Establish New Personal Communications Services, Narrowband PCS, Implementation of Section 309(j) of the Communications Act - Competitive Bidding, Narrowband PCS*, GEN Docket No. 90-314, ET Docket No. 92-100, PP Docket No. 93-253, Report and Order and Further Notice of Proposed Rulemaking, 62 Fed. Reg. 27507 (1997) ("*Further Notice*").

for nationwide, regional and local exclusivity. MAP hopes to expand into new technologies, and is interested in the possibility of providing narrowband PCS service, particularly on a regional or even a nationwide basis. Accordingly, MAP plans to aggressively pursue competitive opportunities in narrowband PCS.

II. THE NARROWBAND PCS CHANNELIZATION PLAN MUST BE AMENDED TO ENABLE SMALL BUSINESSES TO EFFECTIVELY COMPETE

A. BTAs Licenses Should Be Eliminated

In the *Further Notice*, the Commission proposed to eliminate Basic Trading Area ("BTA") licenses and to create additional regional and nationwide licenses. MAP joins the majority of commenters in this proceeding who support the Commission's elimination of BTA licenses.[2] MAP agrees with the sentiments expressed in the comments filed by Benbow, a small business winner of several regional narrowband PCS licenses: "BTAs are too small to support the implementation of [narrowband PCS] ... BTA-sized service areas simply do not afford licensees the optimum combination of coverage, population density and reasonable capital costs necessary for new

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[2] *See* AirTouch Paging ("AirTouch") Comments at pp. 2-5, American Paging, Inc. ("American Paging") Comments at p. 3, Arch Communications Group, Inc. ("Arch") Comments at p. 8, Benbow PCS Ventures, Inc. ("Benbow") Comments at pp. 2-5, Celpage, Inc. ("Celpage") Comments at p. 5, Metrocall, Inc. ("Metrocall") Comments at pp. 4-5, PageMart, Inc. ("PageMart") at pp. 2-3, The Personal Communications Industry Association ("PCIA") at pp. 5-6.

entrants like Benbow to be competitive in a market that is already highly competitive with regional service offerings."[3] Accordingly, BTAs should be eliminated.

B. Additional Regional Licenses Should Be Created

MAP supports Arch's comments in this proceeding which endorsed the Commission's proposed reconfiguration of narrowband PCS channels. MAP also concurs in Arch's recommendation that the Commission redesignate (as a regional license) one of the two proposed nationwide 50 kHz paired channels.[4] As Arch pointed out, this "would afford more opportunities for potential industry participants, without foreclosing the opportunity for aggregation of regional licenses into larger systems."[5]

MAP, although not a large publicly held operator, welcomes the opportunity to bid for additional narrowband PCS regional and, if the opportunity arose, nationwide licenses. MAP understands that large service area licenses are necessary if any operator -- small, medium or large -- is to be competitive with incumbent narrowband PCS licensees.[6]

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[3] Benbow Comments at p. 3.

[4] Arch Comments at pp. 8-9.

[5] *Id.*

[6] As Arch noted in its comments, "only two existing narrowband PCS licensees possess enough spectrum capacity (*i.e.* up to 150 kHz in outbound channels) to currently be providing voice services on a nationwide basis." *See* Arch Comments at p. 13.

The Commission's creation of additional regional licenses is an appropriate response to the important trend toward wide-area service areas. Arch detailed the evolution of this trend from the early 1980s when demand for 931 MHz nationwide paging was almost non-existent to today when nearly 70 percent of all 929 MHz PCP authorizations are licensed on a regional or nationwide basis, and a full third of the exclusive 931 MHz and 929 MHz channels are licensed on a nationwide basis.[7] Additionally, several of the winning bidders in the regional narrowband PCS auction aggregated their licenses into nationwide service.

CONXUS Communications, Inc. ("CONXUS"), among other commenters, opposed the creation of additional service areas larger than Major Trading Areas ("MTA's") because it contended that such action might have the effect of preventing small businesses' entry into narrowband PCS.[8] This argument is not compelling, particularly given the fact that four small businesses, including CONXUS, were successful bidders in the auction for regional narrowband PCS licenses. Indeed, as Benbow explained, "as [our] success at auction demonstrates, the existing regional designations provide real opportunities for small businesses to acquire licenses without jeopardizing their financial wherewithal to construct a network and provide service. Regional areas are large enough to provide the economies of scale that

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[7] *See* Arch Comments at 3; *Further Notice* at ¶ 30, n. 94.

[8] *See* CONXUS Comments at pp. 7-10.

facilitate deployment of service."[9] Unlike CONXUS, MAP does not view additional regional (or even nationwide) licenses as a preclusion to small business participation, but rather as the only means for small businesses to fully compete with narrowband PCS incumbents.

As Arch pointed out, moreover, the Commission has acknowledged the benefits of additional regional and nationwide licenses: "our experience with similar services [to narrowband PCS] suggests that larger licensing areas may be more suitable to the actual configuration of narrowband systems ... regional and nationwide service areas in narrowband PCS would provide economies of scale and should alleviate some of the problems licensees have experienced when they have tried to aggregate smaller license areas."[10] Accordingly, the Commission's redesignation of additional regional licenses is crucial if other new entrants -- small, medium or large -- are to be competitive with incumbents.

III. PAGING RESPONSE CHANNEL ELIGIBILITY RESTRICTIONS SHOULD BE MAINTAINED

MAP joins the overwhelming majority of commenters in opposing the Commission's proposal to remove the current restrictions limiting eligibility for the paging response channels to existing paging licensees of conventional one-way paging base

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[9] Benbow Comments at p. 3.

[10] *See* Arch Comments at 4, citing *Further Notice* at ¶¶ 29-30.

stations licensed under Part 22 or Part 90 of the Commission's rules.[11] As explained above, MAP is enthusiastic about opportunities to provide narrowband PCS service. The paging response channels would provide existing paging companies, such as MAP, an immediate means (through upgrade of their systems) to compete with narrowband PCS licensees in the provision of two-way services. Allowing incumbent paging licensees to upgrade their systems and compete with narrowband PCS providers was the reason behind the Commission's original decision to impose eligibility restrictions. This same rationale, as PCIA and Arch pointed out, continues to justify maintaining the existing eligibility restrictions.[12]

IV. CONCLUSION

MAP respectfully requests that the Commission (1) amend its allocation plan for narrowband PCS to create additional regional licenses

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11 *See* Ameritech Mobile Services, Inc. ("Ameritech") Comments at pp. 8-9, Arch Comments at p. 12, Celpage at pp. 12-13, Metrocall at pp. 9-10, Motorola, Inc. at pp. 8-10, Paging Network, Inc. ("PageNet") at pp. 21-22, PCIA at pp. 11-12.

12 *See* Arch Comments at p. 12, PCIA Comments at pp. 11-12.

and (2) maintain current eligibility restrictions for the paging response channels.

Respectfully submitted,

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July 21, 1997

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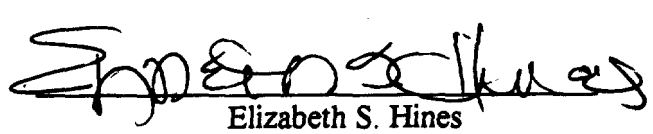

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