fail regardless of the government attempts to protect them.

2. Mandatory resale of PCS is not needed to ensure that PCS rates are competitive. CMRS market competition has already ensured this result.

3. Because of the number of existing and emerging competitors in the wireless telephone market, resale will flourish as a cost effective way for PCS operators to maximize system usage while minimizing operating and marketing expenses.

4. Continuation of mandatory resale requirements create significant costs for PCS providers and consumers. These include substantial legal and administrative costs incurred reviewing each contract for compliance and litigating any resultant disputes and costs to consumers as a result of the deterrence of aggressive pricing practices and volume pricing techniques.

CURRENT STATUS:

PCIA filed a petition for forbearance, including elimination of mandatory resale obligations for PCS, on May 22, 1997. Comments were filed July 2, 1997. Replies were filed July 17, 1997. Awaiting Commission action.

PCIA CONTACTS: Mark Golden
Rob Hoggarth

ISSUE: Communications Assistance For Law Enforcement Act

WHY IT'S IMPORTANT:

Effective law enforcement requires keeping current with telecommunications developments. However, without realistic plans for implementing new capabilities to support law enforcement monitoring and surveillance functions, telecommunications carriers and consumers will be burdened with unnecessary costs.

WHAT PCIA IS SEEKING:

Implementation of CALEA in a manner that ensures rapid deployment, cost effectiveness and fairness to all carriers and manufacturers. Specifically, this requires changes in the compliance date until at least 18 to 24 months after standards are approved, and extension of eligibility for reimbursement to new PCS entrants.

BACKGROUND:

CALEA was signed into law in October 1994. The purpose of this legislation was to clarify a telecommunications carrier's duty to cooperate with law enforcement entities in the interception of communications.

Telecommunications carriers must:

(1) Isolate expeditiously the content of targeted communications transmitted within the carrier's service area;

(2) Isolate expeditiously information identifying the originating and destination numbers of targeted communications, but not the physical location of targets;

(3) Provide intercepted communications and call-identifying information to law enforcement in a format such that they may be transmitted over lines or facilities leased by law enforcement to a location away from the carrier's premises; and

(4) Carry out intercepts unobtrusively so targets of electronic surveillance are not made aware of the interception, and in a manner that does not compromise the privacy and security of other communications.

$500 million has been authorized (but not yet appropriated) to reimburse carriers for the costs of retrofitting equipment that has been installed or deployed prior to Jan. 1, 1995.

The legislation gives industry, in consultation with law enforcement and subject to review by the FCC, a key role in developing the technical requirements and standards that will allow implementation of the requirements.

PCIA POSITION:

As a consequence, of the Jan. 1, 1995, cutoff date for reimbursement, PCS carriers are not entitled to reimbursement but will be in the position of upgrading their equipment just like their cellular competitors. PCIA has lobbied Congress to change the Jan. 1, 1995, date to even the playing field between PCS and incumbent cellular companies.

PCIA also believes that the currently proposed capacity requirements are not reasonable and should reflect the number of carriers in a given area.

PCIA believes technical requirements should be technically and economically feasible.

CURRENT STATUS:

At this time, the FBI has not yet promulgated final rules defining capacity, nor have they agreed to the current draft of the technical standard developed by the industry. Because of the delay in finalizing the standard, CALEA-compliant equipment will probably not be available by the October 1998 deadline. A petition has been filed with the FCC seeking support of the industry standard. To date, no action has been taken on the petition.

The FCC on Oct. 10th released an NPRM addressing CALEA implementation issues.

PCIA CONTACTS: Mark Golden
Mary Madigan

ISSUE: Enhanced 911 Emergency Services: CC Docket 94-102

WHY IT'S IMPORTANT:

Subscribers to wireless service should enjoy the same access to advanced emergency response services as wireline service subscribers with due consideration for the unique characteristics of radio-based technology. Wireless E911 must be implemented in a manner that meets the requirements of public safety agencies, and is both technologically and economically feasible

WHAT PCIA IS SEEKING:

Clarification and reconsideration of certain E911 regulations. Specifically, the FCC should reconsider its decision to require wireless carriers to route 911 calls from non-service initialized handsets, reconsider the requirement to pass calls on a PSAP-by-PSAP basis, tie deployment of TTY access and location identification to development and implementation of technical standards rather than relying on arbitrary deadlines, and narrow the focus of covered carriers to exclude small SMR operators.

BACKGROUND:

The *Report and Order* in this proceeding promulgates a number of rules designed to ensure that wireless networks and mobile units are compatible with enhanced 911 (E911) systems. Among other things, the *R&O* adopts the following requirements for "covered" wireless service providers:

- Covered carriers are required to pass all "code identified" calls;
- Covered carriers are required to send a call-back number and cell-segment information to public safety answering points (PSAPs) within 18 months of the effective date of the R&O;
- At the request of a PSAP, covered carriers are required to process and route 911 calls from non-service initialized mobiles;
- Covered carriers are required to provide access to 911 services to the speech and hearing impaired within 12 months of the effective date of the R&O;
- Within five years, covered carriers are required to provide PSAPs the longitude and latitude of a wireless caller, accurate to 125 meters in 67 percent of all cases;

PCIA Position:

PCIA fully shares the Commission's important objective of maximizing compatibility between wireless services and enhanced 911 systems. Specifically, it concurs that subscribers to real-time voice services interconnected with the public switched telephone network ultimately should enjoy the same access to advanced emergency response services as wireline service subscribers, with due consideration for the unique characteristics of radio-based technology.

However, PCIA filed a *Petition for Reconsideration on the Report and Order* Sept. 3, 1996, requesting that the FCC clarify and reconsider certain aspects of its E911 regulations. In general PCIA requested that:

1. The FCC Reconsider its decision to require wireless carriers to route 911 calls from non-service initialized handsets, pointing out that this would present significant technical and liability issues (such as an inability to provide a call-back number).

2. Reconsider the requirement to pass such calls on a PSAP-by-PSAP basis because presented significant technical challenges;

3. The FCC reconsider the use of the term code identified, since as it is currently defined it cannot be applied to all technologies;

4. PCIA also requested that regulations regarding TTY access and automatic location identification be tied to development and implementation of technical standards instead of implementing arbitrary deadlines;

5. The FCC should narrow the definition of "covered" carriers to exclude small SMR operators. This definition should be narrowed because various technical and economic factors make the implementation of E911 requirements impractical for small SMR systems.

CURRENT STATUS:

The FCC stayed the implementation of the Phase I rules for two months (from Oct. 1 to Nov. 30) to allow more time to revise the rules. PCIA is working closely with the public safety community and other interested parties to develop consensus positions to present to the Wireless Bureau.

PCIA CONTACTS: Mark Golden
Mary Madigan

ISSUE: Narrowband PCS

WHY IT'S IMPORTANT:

The 3 MHz of new narrowband PCS spectrum (929-931 MHz) presents an exciting opportunity for the development and use of advanced messaging networks. The wireless industry is working to develop new technologies and services for the band, including two-way and voice paging products. Two MHz of the NPCS service have already been allocated, and the Commission has asked for comments on how and when to allocate the 1 MHz of spectrum held in reserve.

WHAT PCIA IS SEEKING:

To prevent the inefficient use of spectrum and avoid a decrease in investor confidence, the FCC should defer releasing the reserve spectrum until the industry has an opportunity to produce a study of NPCS spectrum usage needs and reports these results to the FCC. Consideration should be given to the progress made to date on spectrum already authorized and adjustment to construction benchmarks should be made accordingly, if necessary.

BACKGROUND:

On April 23, 1997, the FCC released the text of the *Report and Order* and *Further Notice of Proposed Rulemaking*. The Commission did not significantly change any portion of the narrowband PCS service rules, but rather proposed to amend the rules to modify the method and manner in which it will license the remaining narrowband PCS allocation. In the FNPRM, the Commission sought comments regarding the release of the 1 MHz of spectrum held in reserve and the proper channelization and licensing method for the spectrum. Also, the Commission sought additional comments on service areas for the allocated 2 MHz of spectrum, eligibility for response channels, construction and coverage requirements, and auction rules.

PCIA POSITIONS:

PCIA filed comments on June 18, 1997, endorsing the Commission's goal of creating a regulatory framework for advancing NPCS for the betterment of the American consumer. However PCIA offered the following modifications: The reserve spectrum should not be released and channelized and the narrowband PCS spectrum cap should not be modified until the spectrum needs of the industry are studied; Major Trading Areas (MTAs) should be adopted for the service areas of the allocated 2 MHz of spectrum; eligibility for response channels should continue to be limited to existing paging licensees; the present construction and coverage schedule should be maintained, but should be tolled until the last NPCS license is issued; and the proposed auction rules should be modified. In reply comments filed by

PCIA on July 21, 1997, PCIA noted that a number of the recommendations made by PCIA received substantial support from the commenting parties.

CURRENT STATUS:

Awaiting auction commencement late in 1998 or early 1999.

PCIA CONTACTS: Rob Hoggarth
Don Vasek
Eddie Gleason

ISSUE: Market Area Licensing for Paging

WHY IT'S IMPORTANT:

Incumbent FCC licensees operate vital wireless networks in an intensely competitive environment. As the Commission moves to a market area environment to ease licensing burdens for government and industry, it must avoid disruption to current operations and allow incumbents to secure their markets without the threat of speculation by insincere applicants.

WHAT PCIA IS SEEKING:

The Commission must reconsider its existing market area auction rules for paging to remove processes that would inadvertently promote insincere auction speculation. The Commission must take into account incumbent situations that involve sizable networks that are well established and which cover substantial service areas on existing frequencies.

BACKGROUND:

The Commission released a *First Report and Order* on April 23, 1996. This *Order* adopted interim measures governing licensing of paging systems. In the *Notice* the Commission proposed a system of uniform rules for all common carrier and private carrier paging channels, and imposed an across-the-board freeze on new applications for all paging channels other than channels that have been licensed on a nationwide exclusive basis. The Commission decided after hearing from commentors to maintain the paging freeze in part, but to give incumbents licensees with operating paging systems the opportunity to file primary site applications for sites that incrementally expand their service areas. On Feb. 24, 1997, the Commission released its *Second Report and Order*. In the *Order* the Commission adopted rules governing geographic area licensing of common carrier paging and 929 MHz private carrier paging, and competitive bidding procedures for auctioning mutually exclusive applications for these licenses.

PCIA POSITIONS:

PCIA filed comments on March 18, 1996, addressing market area licensing and related competitive bidding proposals. The comments strongly endorsed market area licensing for 931 MHz channels, reluctantly endorsed market area licensing for 929 MHz and lower band common carrier channels, and opposed market area licensing for all shared private carrier channels. PCIA long supported market area-based licensing for frequencies in the 929 MHz, 931 MHz, and VHF-UHF Part 22 bands, while insisting that transmitter-based licensing be retained for shared Part 90 VHF-UHF paging channels. PCIA continues to advocate that auctions for market-area licenses should not disrupt current operations or devalue the

licenses of incumbents that have invested large amounts of time and money in building their networks.

CURRENT STATUS:

In February, the FCC adopted a *Second Report and Order and Further Notice of Proposed Rulemaking,* which 1) adopted a market area licensing scheme for 931 MHz, 929 MHz and the VHF-UHF common carrier channels, and subjected those channels to auction; and 2) retained the current site-based licensing scheme for shared Part 90 paging channels. PCIA believes this decision has established rules that fail to deter speculation and creates significant difficulties for operators in many paging bands. In the absence of substantial changes in the auction structure, PCIA opposes implementation of the order. PCIA has filed a *Petition for Reconsideration* with the FCC, and has filed comments in response to the FNPRM. PCIA also has filed to intervene in a number of appeals filed in the D.C. Circuit Court. PCIA has learned that the FCC will commence with paging auctions during the first quarter of 1998.

PCIA CONTACTS: Rob Hoggarth
Don Vasek
Eddie Gleason

ISSUE: Allocation of Spectrum for Non-Commercial Use

WHY IT'S IMPORTANT:

Use of spectrum in the private land mobile services for the internal communication needs of private companies, public safety agencies and state and local governments remains an important and publicly beneficial aspect of spectrum management policy. Refarming processes and improved technology increase the efficiency of use and capacity in these frequencies, but such conservation measures alone cannot provide for the growing needs of non-commercial radio users.

WHAT PCIA IS SEEKING:

PCIA believes that additional private radio spectrum beyond that created through refarming should be made available, and assigned through some other means than auctions. (A fair and reasoned leasing arrangement merits consideration.)

BACKGROUND:

Non-commercial radio users licensed in the private land mobile services provide for the internal communications needs of private companies, public safety agencies and state and local governments. Using voice and data communications, private radio licensees conduct their business operations, respond to emergency situations, provide safety and security, and expedite production of goods and services. There are over 1 million private licensees operating over 12 million transmitters, which represent a $25 billion infrastructure investment and a contribution to the American economy that cannot be underestimated. Private systems have special requirements that dictate that their systems be specifically designed to meet those requirements. More often than not, commercial carriers are not able to meet the needs of private systems users.

The private land mobile services for the most part operate on shared frequencies and are among the most efficient of any users of the radio spectrum. Nonetheless, congestion on these frequencies continues to increase even as technology advances and creates new applications for the spectrum. The need for private systems, and the spectrum on which to operate those systems will continue to grow well into the next century.

Congress has recognized the value of private systems. The Conference Report to the Budget Reconciliation Act of 1997 instructed the FCC and the NTIA to study whether spectrum could be found to satisfy private needs. For its part, the FCC has been striving to meet the needs of the private land mobile community by means of a rulemaking proceeding to "refarm" those frequency bands allocated to the private services. The proceeding has been underway since early in this decade and has produced three separate *Reports and Orders* that

have allowed the private radio community to begin the refarming process. Two more *Orders* are expected before the proceeding concludes.

PCIA POSITIONS:

1. PCIA concurs with Congress' and the FCC's general assessment that the need for spectrum for private systems will continue to grow and that commercial carriers cannot be the sole source to meet those needs.

2. PCIA endorses the Commission's efforts to refarm the private land mobile spectrum, and has been an active participant throughout the proceeding.

3. PCIA has filed comments in numerous proceedings, most recently the Wireless Communications Service rulemaking, demonstrating the need for additional private radio spectrum.

4. PCIA believes that since private users utilize the spectrum as a business tool and do not directly profit from it, auctions are an inappropriate vehicle to remunerate the government for use of the spectrum. A fair and reasoned leasing fee arrangement merits consideration.

5. PCIA believes that any spectrum allocation should not be made in a vacuum but should be part of a comprehensive spectrum management policy that promotes efficient spectrum use.

CURRENT STATUS:

Portions of the refarming rules are currently in effect. Comment periods are closed and we are awaiting Commission action on specific important issues including trunking and channel exclusivity.

Since the adoption of the Budget Reconciliation Act of 1997, the Commission has not initiated any proceedings to provide for additional spectrum for private systems. PCIA, in concert with other user groups under the auspices of the Land Mobile Communications Council (LMCC), expects to file a formal request before the end of this year.

PCIA CONTACTS: Mark Golden
Don Vasek

ISSUE: Reallocation of Broadcast Spectrum

WHY IT'S IMPORTANT:

PCIA believes spectrum allocation decisions should be based on a comprehensive spectrum management policy promoting efficient spectrum use and fair competition. The proceeding addressing the reallocation of broadcast spectrum could be used as an important first step in developing and implementing such a policy.

WHAT PCIA IS SEEKING:

PCIA has strong reservations about the Commission's proposal to permit broadcasters to divert HDTV spectrum to commercial mobile uses in direct competition with CMRS providers outside of the auction process. PCIA supports allocation of 24 MHz for fixed and land mobile public safety uses. PCIA opposes the allocation proposal for the 746-806 MHz band.

BACKGROUND:

In its Digital Television (DTV) proceeding, the FCC minimized the number of DTV allotments into TV channels 60-69 in order to facilitate a speedy recovery of this spectrum for alternative uses. In July 1997, the FCC issued its *NPRM* in ET Docket No. 97-157 to reallocate the 746-806 MHz bands to the fixed, mobile and broadcasting services. The FCC specifically proposed to allocate 24 MHz for public safety fixed and mobile use and the remaining 36 MHz for fixed, mobile and broadcasting commercial services, and indicated its expectation that licenses for this 36 MHz would be issued via competitive bidding.

Subsequent to the release of the FCC's *NPRM*, Congress adopted the Budget Reconciliation Act of 1997 that requires the FCC to: 1) complete a proceeding to reallocate 24 MHz of spectrum from TV channels 60-69 for public safety use by 1998 and 2) allocate the remaining 36 MHz of this band for commercial services with auctions to begin by the year 2001. Although the Budget Act failed to find any spectrum for private land mobile services, the conference report did instruct the FCC and the NTIA to study whether spectrum could be found to satisfy private needs. As such, the Budget Act renders the FCC's *NPRM* a *pro forma* action.

PCIA POSITIONS:

1. PCIA believes commercial allocations should be based on a comprehensive spectrum management policy promoting efficient spectrum use. This proceeding can be used as an important first step in developing and implementing such a policy.

2. PCIA has strong reservations about the Commission's proposal to permit fixed, mobile and broadcasting services in the 36 MHz of the 746-806 MHz band and allow "the maximum diversity in service offerings and the broadest licensee discretion." A broad allocation contemplating virtually unlimited uses does not promote efficient spectrum use.

3. PCIA believes that allocation decisions regarding the 746-806 MHz band should not be based on the illusory objective of maximizing potential auction revenue.

4. PCIA supports the proposed 24 MHz allocation for fixed and land mobile public safety spectrum.

5. Lastly, PCIA urges the Commission to make available additional spectrum for private land mobile applications.

CURRENT STATUS:

Comments filed Sept. 15, 1997. Replies filed Oct. 3, 1997. Awaiting Commission action.

PCIA CONTACTS: Mark Golden
Don Vasek

IV. CREATING A BRIDGE TO THE INTERNATIONAL MARKETPLACE AND ENSURING DOMESTIC COMPANIES BENEFIT FROM THE GLOBALIZATION OF TELECOMMUNICATIONS

WHY IT'S IMPORTANT:

Implementation of the World Trade Organization agreement will open markets that represent close to 90% of global telecommunications service revenues. This creates huge opportunities for U.S. wireless carriers and manufacturers to export products and services, and for domestic carriers to seek new sources of investment to fuel PCS buildout and deployment domestically in the United States.

WHAT PCIA IS SEEKING:

Strong FCC involvement to ensure that international agreements and their implementation reflect the needs of the United States wireless industry and to help U.S. carriers to overcome obstacles experienced in expanding into non-U.S. markets.
Wireless communications technologies are being introduced into consumer markets worldwide and an explosive rate.

BACKGROUND:

The World Trade Organization (WTO) agreements set to go into effect in Jan. 1, 1998, will open markets that represent close to 90 % of global telecommunications service revenues. This creates huge opportunities for US wireless carriers and manufacturers to export product and enter markets overseas, and for domestic carriers to seek new sources of investment to fuel PCS buildout and deployment here in the United States.

The liberalization of the international marketplace creates increased opportunities for marketing (e.g.; global branding of services) and operations (e.g.; global roaming). WTO mandates for the creation of independent regulatory bodies, competitive safeguards, fair interconnection policies and open licensing policies in participating countries all create improved dispute resolution and enforcement processes to break down both the *de jure* and *de facto* barriers to U. S. carrier entry into new markets overseas.

At the same time, the International Telecommunications Union is working to promote the development of a global standard for the next generation of wireless communications technology. It is in the domestic U. S. industry's interests to ensure that this standard be as open and flexible as possible and that it allow existing wireless operators to evolve their technologies towards the new standard.

Recognizing the importance of and opportunities created by the increasingly global nature of telecommunications, PCIA is committed to advocate on the wireless industry's behalf to ensure that international agreements (and their implementation) reflect the needs of the U.S. wireless industry and to overcome obstacles U.S. carriers experience to expanding into non-U.S. markets.

PCIA also is committed to facilitating the exchange of information and otherwise promoting international trade in the wireless industry. PCIA's annual convention and trade show has been recognized by the United States Department of Commerce's International Buyers Program and promoted as an excellent venue for U. S. companies to explore international trade opportunities. The association's most recent conference --- PCS '97 in Dallas, Texas --- attracted nearly 2,200 attendees from overseas, including delegations from Brazil, Ukraine, the People's Republic of China, Mexico, Korea, Japan, Peru, Australia, France and others.

The association is launching Wireless Showcase Asia in Singapore, Jan. 21-23, 1998, the only trade show and conference in Asia focusing exclusively on the advanced wireless industry in the Asia-Pacific region. PCIA will offer a conference called PCS Latin America in September 1998 to explore the tremendous growth and potential for wireless in Latin America.

PCIA CONTACT: Mark Golden