

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

In the Matter of)
)
Amendment of the Commission's Rules) WT Docket No. 97-82
Regarding Installment Payment Financing)
For Personal Communications Service)
(PCS) Licenses)

TO: The Commission

PETITION FOR RECONSIDERATION

Brookings Municipal Utilities ("Brookings") hereby petitions for reconsideration of the Commission's Order On Reconsideration Of The Second Report And Order (Amendment of the Commission's Rules Regarding Installment Payment Financing For Personal Communications Service (PCS) Licenses), WT Docket No. 97-82, FCC 98-46, released March 24, 1998 ("C-Block Reconsideration Order"). The order was published in the Federal Register, 63 FR 17111 (April 8, 1998).

Brookings¹ seeks reconsideration of the C-Block Reconsideration Order because the relief mechanisms adopted therein for C-Block licensees are wholly inadequate and inequitable when compared with: (a) the far more substantial and attractive relief under consideration for C-Block licensees Pocket Communications, Inc. (Pocket) and DCR PCS, Inc. (DCR) in Public Notice (Commission Staff Requests Submission Of Superior Alternatives To Proposed Agreement

¹ Brookings is the C-Block auction winner and licensee for the Sioux Falls and Watertown, South Dakota Basic Trading Areas (BTAs).

To Resolve Pocket Communications Bankruptcy), DA 98-547, released March 23, 1998 ("Pocket/DCR Public Notice"); and (b) the even more substantial and attractive relief granted to C-Block licensee GWI PCS, Inc. (GWI) on April 24, 1998, by the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division in In re GWI PCS, Inc., Debtor, Case No. 397-39676-SAF-11. Legal and equitable principles, as well as the integrity of the spectrum auction process, require that **all** C-Block licensees be treated equally. In the present context, this means that **all** C-Block licensees must be given: (a) the same proportionate principal reductions; (b) the same forgiveness or reduction of accrued and/or future installment interest liabilities; (c) the same opportunity to restructure and reschedule their installment payments; and (d) any other modifications of terms and conditions which the Commission and other U.S. government entities give to Pocket, DCR, GWI and other C-Block licensees.

All C-Block Licensees Must Be Afforded The Same Relief

It is well established that the Commission must treat similarly situated parties alike. See Melody Music, Inc. v. FCC, 345 F.2d 730, 732 (D.C. Cir. 1965); McElroy Electronics Corp. v. FCC, 990 F.2d 1351, 1365 (D.C. Cir. 1993).

Like Pocket, DCR and GWI, Brookings and other C-Block licensees: (a) participated simultaneously in the C-Block auction (Auction No. 5) under the same Commission rules and procedures; (b)

submitted the high bids for their desired BTA markets and was declared by the Commission to be the winner of the auction for those markets in the same Public Notice issued on the same date²; (c) complied with the same Commission initial down payment and long-form application schedules and requirements; and (d) received grants of its BTA licenses subject to substantially similar conditions, installment notes and security agreements. In other words, Brookings (as well as all other C-Block licensees) is a similarly situated party in all relevant respects vis-a-vis Pocket, DCR and GWI. Therefore, Brookings and other C-Block licensees should be afforded the same very options as Pocket, DCR and GWI regarding modification, reduction, forgiveness, refund and/or rescheduling of its winning bid prices, downpayments, installment note principal, installment note interest, and other terms and conditions of its C-Block installment notes and security agreements.

In the "Summary Of Terms For Proposed Plan Of Reorganization Of Pocket Communications, Inc." attached to the Pocket/DCR Public Notice, the Commission appears ready to offer Pocket and DCR much greater and more favorable relief than it gave the other C-Block licensees in its C-Block Reconsideration Order. Specifically, the Commission appears to be considering: (a) reduction of the amount owed by DCR for its Chicago and Dallas area licenses by over 50 percent; (b) forgiveness of substantial installment note interest

² See Public Notice (Entrepreneurs' C Block Auction Closes), DA 96-716, released May 8, 1996.

(as much as \$90 million) accrued on DCR's installment notes during the post-March, 1997 suspension period; and (c) extension of the payment period for DCR's Chicago and Dallas area licenses until October, 2008. If adopted and implemented, these modified payment terms give DCR much greater and more attractive financial relief than is available to other C-Block licensees under any of the options specified in the C-Block Reconsideration Order.

Likewise, on April 24, 1998, the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division relieved GWI from its obligation to pay \$894 million of the remaining \$954 million principal on the installment notes for its fourteen C-Block licenses. In re GWI PCS, Inc., Debtor, supra. The Court let GWI keep **all fourteen** of its C-Block licenses, but reduced the auction price (and therefore the amount owed by GWI) for the fourteen licenses by 84.34 percent -- from \$1.06 billion to \$166 million. The Court found that the value of GWI's licenses had fallen during the period from the C-Block auction to the date (January 27, 1997) that GWI became liable to pay the balance of its auction-related debt. Again, if the 84.34 percent price reduction granted to GWI by the U.S. Bankruptcy Court is upheld on appeal and effectuated, GWI will receive much greater and more attractive financial relief than is available to other C-Block licensees under any of the options specified in the C-Block Reconsideration Order.

Future Adjustments Rather Than Further Delays

Brookings recognizes that neither the Pocket/DCR proceeding nor the GWI bankruptcy proceeding are final at this time, and that they may be subject to appeals and other delays that will be resolved long after the June 8, 1998 election date established in connection with the C-Block Reconsideration Order.

Brookings opposes further postponement of the June 8, 1998 election date. Previous postponements have had the effect of delaying and prolonging negotiations for C-Block loans, equipment purchases, roaming agreements, branding agreements and other matters essential for the launching of C-Block service. C-Block licensing and service issues need to be resolved at this time before implementation of C-Block service falls impossibly far behind implementation of D/E/F-Block service as well as A/B-Block service.

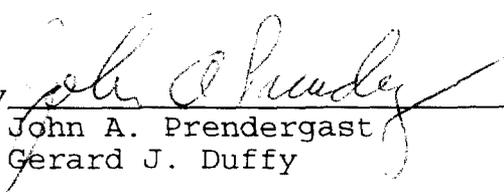
Instead, the Commission should announce prior to June 8, 1998, that **all** present C-Block licensees will be entitled retroactively to modify their June 8, 1998 election to claim relief equivalent to that ultimately received from the Commission and/or the courts by Pocket, DCR and/or GWI. Principal and interest reductions, credits and refunds can be implemented and trued-up at the time that the Pocket/DCR and GWI proceedings become final.

Retroactive relief equivalent to that received by Pocket, DCR and/or GWI should be afforded to **all** present C-Block licensees, including those which elect on June 8, 1998 to retain, surrender, prepay and/or disaggregate their licenses. This similar treatment

of all similarly situated C-Block licensees is required by the Melody Music principle, by basic equitable principles, and by the need to preserve the integrity of the Commission's auction process.

Respectfully submitted,
BROOKINGS MUNICIPAL UTILITIES

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