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Our Petition in RM-9208 proposed that no type acceptance requirements should be set for microstations. Some parties have construed this recommendation as indifference to the possible problem of electronic interference.

This is not the case. When we envisioned a micromarket filled only with 1-watt stations, we doubted their power levels would pose much risk of electronic interference. We felt that occasional complaints, if any, could be handled on a case-by-case basis -- without imposing type acceptance requirements on every microstation in the market.

Now that we are recommending a Two Tiered System, we are dealing with the possibility of slightly larger stations in Tier One and substantially larger stations in Tier Two.

As for Tier One, we still do not see a major potential for interference. However, we would be willing to accept a mandatory engineering study -- if its parameters can be held to levels that will get the job done while minimizing costs.

In Tier Two, we would advise against type acceptance of equipment. However, as an alternative, we recommend type acceptance of people. Specifically, we would require that all personnel who operate or service the broadcasting equipment of a Tier Two microstation must have a basic Amateur Radio ("Ham") License and/or a General Radio Telephone Operator License.

Although we suspect that some claims of microstation interference have been exaggerated, or possibly even manufactured, we are not unconcerned with the possibility. However, type acceptance of equipment is not the only way to deal with this.

There are **alternatives:**

1. As we have just indicated, people could be licensed in place of equipment. This is what we recommend for Tier Two of our latest proposal.

2. The FCC could set up its own central inspection facilities -- where proposed broadcasting equipment could be reviewed by experts and then accepted, rejected or sent back for modifications. This is the way that Connecticut, and numerous other States, inspect registered vehicles. This might be too expensive for the Commission, however.

3. The FCC could license a large number of technically competent private sector facilities -- for example, Radio Shack outlets -- to inspect proposed broadcasting equipment on the Commission's behalf. Virginia, and numerous other States, use this system for vehicle inspection: the inspection work is basically "subcontracted" to service station mechanics, who must be certified as proficient by the State -- and who can charge customers a small fee for performing the inspection.

We want to minimize costs of market entry and encourage technological innovation. Any of the options above would help.

**TEXT OF THE RECOMMENDED
TWO TIERED SYSTEM**

TIER ONE

These are "Neighborhood Stations", sized to serve a neighborhood or a village. Power ceilings are the higher of: (a) a transmission radius of 1 mile; or (b) the number of miles to the farthest boundary of the nearest community of 500 people or more. If the FCC prefers standards based on wattage, we recommend single digit wattage (double digits in rural areas).

Neighborhood Stations are eligible for "fast track licensing". Licenses would be granted automatically after 90 days unless the Commission: (c) denies the license for reasonable cause; or (d) decides, based upon reasonable evidence, that the procedures applicable to Tier Two stations should be followed.

A basic (low-cost) engineering study is required for such stations. Given their low wattage, however, type acceptance of equipment is not required. Applicants agree, as a condition on their license application, to work with the FCC to take reasonable measures to resolve any complaints (based on reasonable evidence) that might be made.

TIER TWO

These are "Community Stations". The power ceiling is a transmission radius of 5 miles: enough to cover a large suburb, a small city or a large portion of a large city. If the FCC prefers a standard based on wattage, we recommend double digits.

Community Stations do not receive "fast track licensing". They need a basic engineering study and, instead of type acceptance, must have technological personnel with a General Radio Telephone Operator License OR a basic Amateur Radio ("Ham") License.

ALL TIERS

Each Tier is assigned at least one AM frequency and FM frequency per broadcast coverage area. Distribution averages one station per 3 square miles (Tier One) and 78 square miles (Tier Two).

20% of licenses are set aside for non-profit, non-commercial radio. To obtain a license, or acquire a licensed microstation, applicants must meet ALL of the following criteria: (e) the applicant has \$200K or less in gross revenues plus \$100K or less in net assets; (f) no party who is ineligible to seek a microstation owns more than 10% of the stock (or other instrument of control), provides more than 20% of any form of gross revenues or accounts for more than 20% of the financing; and (g) at least 65% of those who own the station live within 25 miles.

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POLICY RECOMMENDATION:

A TWO TIERED SYSTEM

In the preceding portions of these Reply Comments -- especially page 30, pages 42 through 49 and pages 62 through 74 -- we have discussed aspects of our Two Tiered System.

On the preceding page, we put these pieces together on one sheet of paper: "Text of the Recommended Two Tiered System".

We have tried to communicate, in various ways, that there are different kinds of microbroadcasters -- and different kinds of contributions they can make to the larger society -- and different kinds of people who might be, or already are, their listeners.

The Two Tiered System is an attempt to leave no one out.

To mention an issue that is important to the Commission in general, and apparently close to the heart of Chairman Kennard, stations with single digit wattage can be so numerous -- and so inexpensive to start up -- that minority ownership of these stations is likely to be much greater than it is in the royalist realm of megacorporations. Still, minority ownership of these stations will likely not translate into income and upward mobility. For that, a station with double digit wattage is needed. But such a station is harder to come by: starting one, or acquiring one, will be more of a long shot.

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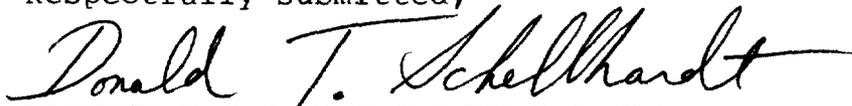
With a Two Tiered System, both paths are open -- and people can "graduate" from one to the other. All types of people can get a chance -- or even a second chance.

The proposal isn't flawless, but it's a big step forward.

CONCLUSION

For the reasons set forth herein, we strongly urge the Commission to consider the points we have made and adopt the recommendations we have presented.

Respectfully submitted,



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Nick and Judith Leggett were on vacation, in northern New Mexico, at the time these Reply Comments were finalized. Attorney Don Schellhardt was given express permission to sign these Reply Comments on their behalf.

Dated:

May 7, 1998

May 7, 1998

NOTE: Copies of these Reply Comments are being sent to all parties who sent copies of their Written Comments, and/or their Reply Comments, to us.