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

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| In the Matter of | ) | |
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| | ) | |
| Implementation of Sections 309(j) and 337 of the Communications Act of 1934 as Amended | ) | WT Docket No. 99-87 |
| | ) | |
| Promotion of Spectrum Efficient Technologies on Certain Part 90 Frequencies | ) | |
| | ) | |
| Establishment of Public Service Radio Pool in the Private Mobile Frequencies Below 800 MHz | ) | |

**Comments of**
**Ford Communications, Inc.**

Ford Communications, Inc., pursuant to the Notice of Proposed Rule Making released March 25, 1999, hereby submits these comments in this proceeding.

Ford Communications, Inc., a subsidiary of Ford Motor Company, is the holder of radio licenses for the parent. Ford Motor Company is a Delaware Corporation with principal offices in Dearborn, Michigan. The Company is involved in the manufacture and sale of automotive vehicles and related businesses and has operations in various states in the United States as well as in numerous other countries.

Ford has 277 licenses from the Federal Communications Commission to operate radio systems in 68 locations in the United States. Except for the Ford VSAT system, all are site licenses. Most of these licenses are for systems operating in the 450-470 MHz band. The rest, except for one authorizing use of satellite services, are trunked systems operating in the 800-900 MHz band in assembly plants. Other than the VSAT system, all are used for typical internal plant communications.

In this Docket, the Commission has requested comments on various matters related to the Balanced Budget Act of 1997, the Communications Act, and other matters concerning radio spectrum allocation. Ford comments - which follow - are focused on selected contents of the NPRM.

**Restrictions on Use**. As Paragraph 43 of the NPRM suggests may be the case, Ford radio systems are generally used for several in-location functions, including health, safety and security. While use for health, safety and security may be incidental to other uses, the availability of radio for response to incidents involving employee injury, fire or other similar emergencies is critical. Its loss through competitive bidding in the interest of providing capacity for commercial exploitation seems in opposition to the public interest. Moreover it is unlikely that the Congress intended that the public interest was to be subordinated to the nation's budgetary needs when other alternatives were and are available.

**Private Internal Radio Services**. The definition of private internal radio services in Paragraph 32 appears to exclude business band users, which if the case, would seem to place them outside the protected status - such as it may be - afforded those who fit the definition.

**Frequency Coordination**. Contrary to the comments in Paragraph 15, experience with our frequency coordinator indicates an average of 2 weeks to select and coordinate frequencies and at cost rates that are well within reason for the effort and expertise involved. The exceptions are, as suggested in Paragraphs 67 and 68, in certain geographic areas where the 450-470 MHz band is heavily used and coordination is thus more time consuming. Also not the fault of frequency coordinators is the delay encountered when applying for use of the 450-470 MHZ band North of Line "A" which requires Canadian approval.

**Geographic Licenses**. As also suggested in Paragraphs 67 and 68, it would seem to make little sense to introduce geographic licenses in the 450-470 MHz band - at least in the more populated areas of the country. Ford experience in those metropolitan areas in which it has most of its radio systems confirms that there would be little "white space" available for a private entrepreneur. Bidding in such situations would seem to be high risk at best.

**Rulemaking Petition of UTC, et al**. The petition to create a third pool within the frequencies used for private radio services seems to be ill timed in that recent moves on the part of the Commission have been to consolidate users in the interest of spectrum efficiency. The proposed fragmentation would only exacerbate what is already a problem.

**Site Licenses**. As noted in Paragraph 14, PLMRS services for Industrial/Business frequencies are licensed on a shared, nonexclusive basis. This process and the limited geographic coverage - in our

case 5 miles typically - serve to promote the most efficient allocation of spectrum by allowing the use of the same frequencies in adjacent geographic areas. The process also serves to eliminate the possibility of submissions of mutually exclusive applications for licenses. As a further consequence, neither the competitive bidding option authorized in the Omnibus Budget Reconciliation Act of 1993 nor the competitive biding mandate in the Budget Reconciliation Act of 1997 may be exercised by the Commission.

**New User Fee System**. The will of the Congress as expressed in those budget acts may be better satisfied by its authorization of a fee system that more nearly approximates the value to users of spectrum than does the present fee system which is simply oriented to recovery of the costs incurred by the FCC in the licensing process. A revised system was suggested by the Chairman in a letter earlier this year and was viewed as a trial balloon by at least some private radio users. In the case of Ford, that idea seemed both appropriate and reasonable - and was likely viewed similarly by others. Such a revised user fee system would be accepted more readily, of course, if phased in over a multi-year period.

**Band Manager Licensees**. Notwithstanding the relief to the Commission occasioned by the transfer of some of its functions to a Band Manager, the principal result of the concept would be the creation of a larger number of situations with applicants for mutually exclusive licenses and thereby the opportunity for competitive bidding. While perhaps facially sound, the reality is that where there might be the greatest financial opportunity - major metropolitan areas - the available spectrum capacity is the least.

**Summary**. While the present licensing regime may not be achieving the expectations of the Congress in the 1993 and 1997 budgets, the system is consistent with the public interest. Artificially generating opportunities for competitive bidding will not succeed in achieving those expectations.

Respectfully submitted,

Ford Communications, Inc.

By:_____

Arthur J. Fasse
Bruce P. Reichmann August 1, 1999