

Federal Communications Commission

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Amendment of Parts 21 and 74 of )  
the Commission's Rules with regard to )  
Licensing in the Multipoint Distribution )  
Service and the Instructional Television )  
Fixed Service for the Gulf of Mexico )

PM-9718

~~RM-PRM96MM~~

ORIGINAL

To: The Commission

COMMENTS OF BACHOW/COASTEL, L.L.C.

Bachow/Coastel, L.L.C. ("Bachow/Coastel"), pursuant to the Commission's instructions,<sup>1</sup> hereby files its Comments in the above-captioned proceeding. Bachow/Coastel is a party to the proceeding to cancel PetroCom License Corporation's ("PetroCom") developmental authorizations to determine the technical and commercial viability of "wireless local loop" service in the Gulf of Mexico (the "Gulf").<sup>2</sup> Bachow/Coastel is an interested party in the instant proceeding, as PetroCom's abuse of its developmental authorizations in the Gulf gives PetroCom an unfair competitive advantage against its wireless telephone competitors in the Gulf, such as

<sup>1</sup> See Pleading Cycle Established for Comments on Amended Petition for Rulemaking to Amend Parts 21 and 74 of the Commission's Rules to Permit Licensing in the Multipoint Distribution Service and the Instructional Television Fixed Service for the Gulf of Mexico, Public Notice, DA 99-1601 (rel. August 11, 1999).

<sup>2</sup> See Motion for Cancellation of Developmental Authorizations, February 25, 1999 (the "Joint Motion"). Bachow/Coastel jointly filed this Motion at the Commission with Shell Offshore Services Company, Rig Telephones, Inc. dba Datacom, Sola Communications Incorporated and IWL Communications, Inc.

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Bachow/Coastel, under the rules it proposes in its amended petition for rulemaking.<sup>3</sup>

As explained in the Joint Motion,<sup>4</sup> if PetroCom becomes a licensee under the regulatory scheme proposed in its Amended Petition, it will have an undue advantage over any other licensee because of the long-term commitments it has obtained from customers, and the ready-built commercial system that it has put in place under the guise of developmental authority. Further, PetroCom has become the exclusive distributor for SR Telecom equipment in the Gulf, forcing any other licensee to buy equipment from PetroCom or rely only on equipment from other manufacturers. This unfair advantage not only harms competitors, such as Bachow/Coastel, but will also allow PetroCom to charge inflated rates to customers as PetroCom's incumbent Gulf operations limit competitive choice.

As an interested party, Bachow/Coastel will closely monitor the comments filed in this proceeding. Moreover, Bachow/Coastel hereby reserves its right to comment on the following issues raised by the Amended Petition during the Reply Comment period of this proceeding, including but not limited to:

- the proper Commission Bureau to conduct this proceeding, and whether the Amended Petition warrants a rule making proceeding;
- the size of the service area for Multipoint Distribution Service ("MDS") and Instructional Television Fixed Service ("ITFS") proposed by the Amended Petition relative to competing wireless providers licensed by the Wireless Telecommunications Bureau ("WTB");

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<sup>3</sup> See *Amended Petition for Rule Making of PetroCom License Corporation*, RM-PRM96MM (November 23, 1998) (the "Amended Petition").

<sup>4</sup> See Joint Motion at 16-18.

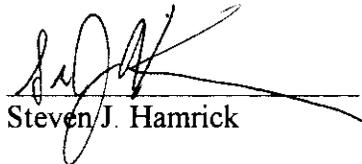
- the compatibility of "wireless local loop" service with the Commission's permitted uses of MDS and ITFS frequencies;
- the arbitrariness of the Amended Petition's cap on revenues and assets of auction applicants;
- the Amended Petition's license allocation procedures and service rules;
- the proposed five-year period between auctions;
- the proposed power levels for MDS and ITFS licensees in the Gulf, especially relative to competing licensees of services regulated by the WTB;
- the potential unfair competitive advantages gained by MDS and ITFS applicants in the Gulf relative to licensees of services regulated by the WTB created by the Amended Petition's technical rules, interference rules and construction requirements.

Bachow/Coastel appreciates the opportunity to file its Comments with the Commission.

Respectfully submitted,

BACHOW/COASTEL, L.L.C.

By:

  
Steven J. Hamrick

FLEISCHMAN AND WALSH, L.L.P.  
1400 Sixteenth Street, N.W.  
Sixth Floor  
Washington, D.C. 20036  
(202) 939-7900 (voice)  
(202) 667-8543 (telecopier)  
*Its Attorneys*

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