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FEDERAL COMMUNICATIONS COMMISSION
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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Relicensing of Certain Part 90 Frequencies to Require Spectrally Efficient Use	))	RM-9705

To: The Commission

COMMENTS OF QUALICOM, INC.

Qualicom, Inc. ("Qualicom" or "Company"), pursuant to Section 1.405(a) of the Federal Communications Commission ("FCC" or "Commission") Rules and Regulations, respectfully submits its comments on the above-referenced Petition for Rule Making submitted by the American Mobile Telecommunications Association, Inc. ("AMTA").[1] Qualicom supports the Petition as necessary to accommodate the long-term requirements of the private radio two-way industry, but recommends that the spectrum be divided into larger blocks of frequencies than proposed by AMTA to better facilitate the development of commercially robust, technically efficient wireless systems.

I. THERE IS CONTINUED MARKET DEMAND FOR SPECIALIZED TRUNKED SYSTEMS.

1. Qualicom has been engaged in the provision of wireless communications in Southwest Florida (Naples, Fort Myers and Port Charlotte) since the late 1950s. The Company originally provided radio common carrier paging and two-way services. Over the years, it expanded its operations to include Specialized Mobile Radio ("SMR") and UHF private carrier

[1]In the Matter of Relicensing of Certain Part 90 Frequencies to Require Spectrally Efficient Use, RM-9705 (rel. Aug. 24, 1999) ("Petition").

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and community repeater systems. Qualicom, like many SMR providers, subsequently sold its 800 MHz properties to Nextel Communications, Inc. ("Nextel"), but has continued to provide UHF service to many traditional two-way radio users without the size or operational requirements to justify a private internal system and without the functional need or financial wherewithal to migrate to Nextel's iDEN or some other cellular or cellular-like service.

2. Cellular, PCS and Nextel each offer an attractive package of services for many wireless applications. They appear to be inching ever closer to providing genuine competition for local loop traffic, a situation that presumably would be in the interest of the general consumer public. However, based on its long-standing involvement in the provision of wireless services, the Company remains convinced there still is, and will continue to be, a market demand for third party, reasonable quality, highly cost-effective, simple to operate, fleet-oriented, localized radio service that will not be best served on those consumer-oriented wireless systems. The traditional, high power, high site SMR system did an admirable job of meeting the needs of that segment of the wireless community at very reasonable rates. It was able to do so because of the relatively low infrastructure costs for implementing such systems and the relatively large number of users that could be served on a multi-frequency trunked facility. That model worked admirably for almost two decades. The public interest would be well served if it was replicated in the 450 MHz band as proposed in the Petition.

3. Qualicom supports the AMTA Petition even though the Company operates systems in the 450 MHz band that would be subject to migration under the terms of that proposal. It does so because it is convinced that trunking and other, even more advanced technologies must be implemented if traditional private users are to have a meaningful choice in meeting their

communications requirements.[2] Qualicom agrees with AMTA's conclusion that while recent FCC actions have succeeded in promoting competitive offerings for the consumer wireless marketplace, the options for business-type customers, particularly those with mid-sized fleets too small for an individual system but too large to be served cost-effectively by a consumer service, have diminished.

4. The FCC and the industry have attempted to address that imbalance by providing trunking opportunities below 800 MHz in the context of the "refarming" proceeding.[3] Qualicom has endeavored to take advantage of those regulatory changes. It has examined carefully both frequencies on which it already operates and frequencies which appear to have little or no traffic to determine if they could be "cleared" for implementation of a more efficient, centralized trunked system in the 450 MHz band.

5. While the Company has not yet abandoned that effort, the results, to date, have not been promising. Even in a market only the size of Fort Myers and its environs, the level of licensed incumbency (to say nothing of the presence of unlicensed users) makes the requisite clearing of co-channel and adjacent channel licenses at best a daunting task. The job must be Herculean in markets such as New York and Los Angeles where the demand for such service is also most pressing. It is becoming apparent to Qualicom that clearing enough channels in

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[2]In Qualicom's opinion, if radio user selections are limited to implementing their own private systems, irrespective of fleet size or cost-effectiveness, remaining on party line-like, single channel shared systems, or moving to a consumer-oriented third party provider, their choice is unnecessarily constrained.

[3]See, e.g., *Third Memorandum Opinion and Order*, PR Docket No. 92-235, 10 FCC Rcd. ___ (rel. July 1, 1999).

Southwest Florida to support an investment in advanced, preferably digital, technology may be impossible in any reasonable time frame. It is for that reason Qualicom supports AMTA's Petition to require more spectrally efficient use of the 450 MHz band.

II. TECHNICALLY ADVANCED 450 MHz SYSTEMS SHOULD BE AWARDED IN 5 MHz SPECTRUM BLOCKS.

6. Qualicom supports the essence of AMTA's Petition: refarming will not produce the necessary levels of efficiency at 450 MHz so further regulatory action is necessary. The Company endorses the proposed subdivision of most non-Public Safety 450-470 MHz Part 90 spectrum into EA license blocks, the auctioning of that spectrum for either commercial or private internal use, and the migration of incumbents to either the remaining shared spectrum or to service from on new, technically improved systems. However, the Company disagrees with AMTA's recommendation regarding the amount of spectrum to be awarded to each licensee. Qualicom believes both technical and economic realities demand that geographic licensees have access to 5 MHz assignments rather than the .5 MHz of paired, contiguous spectrum proposed by AMTA.[4]

7. The original twenty (20) 25 kHz channel SMR systems to which AMTA analogizes its proposed license size <u>may</u> have been a reasonable frequency assignment in the mid-1970s (when those licenses were site specific); it will not prove optimal in the new Millennium. The customers in this marketplace should have access to the same technology improvements as other wireless users. This will require assignment of contiguous spectrum blocks of a size to support an investment in such technologies. Moreover, larger blocks will facilitate attracting manufacturer

[4]The Company recommends that the size of EA license blocks be increased. The same result might be achieved by permitting entities to acquire multiple geographic licenses in each EA but the increased transaction costs ultimately would be passed on to customers.

interest which might not be the case in a more fragmented marketplace in which no single operator has sufficient channel depth to justify purchasing more advanced technologies.

8. There are also technical benefits to larger channel blocks. EAs come in varying sizes with differing coverage requirements. Some may be able to be served from a single transmitter location in which case all assigned frequencies could be used at that site. Others will require multiple locations to provide appropriate coverage. In those instances the licensee will have to make a choice. He could split frequencies among sites, but that would reduce the capacity at each and make it more difficult to justify the deployment of more costly technologies. Alternatively, he could simulcast or otherwise network his system, thereby increasing infrastructure costs substantially with no concomitant technical improvement. That, in turn, would dictate a higher service charge to customers, contrary to the very objective of the AMTA proposal: providing a cost-effective option for business radio users. For these reasons, Qualicom recommends that 450 MHz EA licenses be awarded in 5 MHz blocks of contiguous spectrum to either commercial or private internal applicants.[5]

III. CONCLUSION

9. The AMTA proposal identifies a wireless user demand that will not be adequately served in the future without regulatory relief along the lines detailed in the Petition. Qualicom

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[5]Some large users might have an internal requirement for all of the capacity while others might elect to share spectrum in accordance with applicable FCC requirements. In the FCC were to adopt the band manager concept advanced in another pending proceeding, that entity would be well-positioned to aggregate private user needs in an area and bid on spectrum accordingly. See, *Notice of Proposed Rule Making*, WT Docket No. 99-87, FCC 99-52 (rel. Mar. 25, 1999).

recommends that the Commission initiate a proceeding to implement AMTA's recommendations, as modified herein, as expeditiously as possible.

Respectfully submitted,

QUALICOM, INC.

By:_____

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cc: American Mobile Telecommunications Association, Inc.