

September 23, 1999

VIA COURIER



Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
TW-A325  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: **Petition for Rulemaking of the American Mobile Telecommunications Association, Inc., RM 9705**

Dear Ms. Salas:

In accordance with Section 1.405 of the Commission's rules, The Boeing Company ("Boeing") hereby respectfully submits this letter in the above-captioned proceeding to oppose the Petition for Rulemaking ("Petition") filed by the American Mobile Telecommunications Association, Inc. ("AMTA").<sup>1</sup> As the world's largest manufacturer of commercial aircraft and a leading space and defense contractor, Boeing heavily relies on the use of its industrial private land mobile radio (PLMR) licenses to fulfill its highly specialized and critical internal communications needs. In this regard, the 450-470 MHz frequency band plays a considerable role in Boeing's current and future spectrum use. With over a hundred current authorizations throughout the United States, and with just as many pending applications for additional channels, Boeing is heavily invested in this spectrum, and has a significant interest in the efficiency and use of the 450-470 MHz band. For all of the reasons discussed below, Boeing strongly opposes AMTA's Petition and requests that the Commission summarily reject AMTA's proposals to reallocate this band.

Many private wireless licensees, like Boeing, depend on private radio spectrum in the 450-470 MHz band to fulfill highly specialized and critical communications needs for which commercial service is either unsuitable or economically impractical. While certain of Boeing's

<sup>1</sup> *Public Notice*, Office of Public Affairs Reference Operations Division, Petitions for Rulemaking Filed, Report No. 2356 (rel. Aug. 24, 1999).

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communication demands could be met with wireline or commercial wireless services, the majority simply could not. For instance, Boeing's factory floor operations require constant communications between its employees which could not efficiently, economically, and safely be served without the use of private mobile radio spectrum. Boeing also uses its private radio licenses in the 450-470 MHz band for a number of internal communications purposes ranging from communications with personnel in confined and isolated areas to the control and monitoring of production; material handling; machine programming; inventory management; and transportation. Given these unique and specialized uses of spectrum, Boeing does not believe that the generic commercial service proposed by AMTA could begin to meet all of its communications requirements in the 450-470 MHz band. Rather, in Boeing's experience, commercial service providers are far more interested in offering services for broad based applications. By allowing only 2 MHz of spectrum for private wireless users in its proposed reallocation of the 450-470 MHz band, AMTA's proposal, if implemented, would amount to a forced migration of specialized users like Boeing to services offered by commercial providers ill-equipped to meet specific and critical needs of such private users. Further, AMTA's proposal to relocate thousands of incumbent private wireless licensees to a mere 2 MHz of spectrum would cause massive disruptions in service and unquestionable increases in interference. The consequences of AMTA's reallocation would be costly and inefficient for private wireless licensees. As a result, the commercialization of this band would serve only a limited group of licensees while disadvantaging thousands of incumbent users whose needs could not otherwise be met. The public interest therefore necessitates a dismissal of AMTA's Petition.

Boeing stands on its previous recommendations to promote efficient use of private wireless spectrum. Boeing continues to believe that the principles of coordination and shared use serve private wireless users well and that competitive bidding is a particularly inappropriate method for the allocation of any private radio spectrum. Thus, rather than adopting AMTA's Petition, Boeing urges the Commission to pursue alternative private wireless licensing policies designed to maximize the efficient use of spectrum by providing fiscal-based incentives for private users. As Boeing has proposed on a number of occasions, the adoption of efficiency-based user fees could accomplish many of the goals sought by AMTA's Petition. An efficiency-based system of lease fees could consist of a graduated fee structure based upon objectively verifiable efficiency-related factors, such as the amount of assigned bandwidth, system coverage area, the licensee's use of spectrally efficient technology, the number of channels per unit of spectrum, and/or the amount of throughput per channel.<sup>2</sup> Whereas AMTA's proposals would result in negative consequences for

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<sup>2</sup> See Boeing's Ex Parte Presentation to the FCC, PR Doc. No. 92-235, "Frequency Spectrum Issues", at 16 (filed Sept. 25, 1995), "Comments of The Boeing Co., PR Docket No. 92-235, at 3 (filed Nov. 20, 1995), Reply Comments of The Boeing Co., PR Docket No. 92-235, at ii (filed Jan. 11, 1996), and Boeing's Ex Parte Presentation to the FCC, "Frequency Spectrum Issues -- Inefficiency License Fees" (filed Feb. 21, 1997); see also Comments of The Boeing Company, WT Docket 99-87 (filed August 2, 1999).

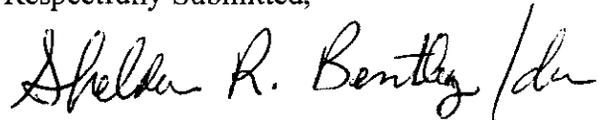
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private radio users in the 450-470 MHz band, Boeing believes efficiency based lease fees could reward efficient users of the spectrum with lower fees and discourage inefficient use through higher fees. Such a system would also encourage the deployment of spectrally efficient technologies, thereby speeding the transition to narrowband equipment sought by the Commission's *Refarming* Order, while at the same time recovering for the taxpayer an appropriate portion of the value of the private wireless spectrum being licensed. While Boeing understands that the Commission believes that such user fees are currently outside its authority, it implores the Commission to explore and pursue the ability to implement such a regulatory regime in the 450-470 MHz band, or one based on similar principles, rather than the reallocation approach currently proposed by AMTA.

Boeing also understands that numerous advocates of private wireless licensees have formed an Industry Coalition to oppose AMTA's Petition. Chief among the Coalition's contentions is the argument that there are viable alternatives to the spectrum needs raised by AMTA, namely the 36 MHz of spectrum currently under review in the 746-806 MHz proceeding. Boeing notes that no such alternatives exist for incumbent private wireless users in the 450-470 MHz band. In fact, as evidenced by the LMCC Petition for Rulemaking, the private wireless community already lacks sufficient spectrum capacity. Boeing therefore concurs with and supports the efforts of the Industry Coalition to oppose AMTA's Petition.

Accordingly, for all of the reasons described herein, Boeing requests that the Commission dismiss AMTA's Petition.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on September 23, 1999, a copy of the foregoing letter of Sheldon R. Bentley, The Boeing Company, to Ms. Magalie R. Salas was mailed, first-class, to the following:

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David A. Nall