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Ben G. Almond
Vice President-
Federal Regulatory

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Suite 900
1133-21st Street N.W.
Washington, D.C. 20036-3351
202 463-4112
Fax 202 463-4198
Internet: almond.ben@bsc.bls.com

November 18, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20054

RE: Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by Mobile-Satellite Service, ET Docket No. 95-18; The Establishment of Policies and Service Rules for Mobile-Satellite Service in the 2 GHz Band, IB Docket No. 99-81
EX PARTE

Dear Ms. Salas:

In a meeting held on October 28, 1999, between members of the Commission's staff, who are listed below, and BellSouth Corporation ("BellSouth") representatives, an issue was raised that BellSouth wants to take this opportunity to respond to more fully. The question and related answer are enclosed.

Please associate this written *ex parte* notification and enclosure with the referenced docket proceedings.

If there are any questions concerning this matter, please contact the undersigned.

Sincerely,



Ben G. Almond
Vice President - Federal Regulatory

Enclosure

cc: Thomas S. Tycz
Christopher J. Murphy
Linda Haller
Geraldine Matise

Howard C. Griboff
Joseph F. Heaps
Marilyn Simon
Sean White

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What is the total cost the 2 GHz MSS industry must bear if it has to pay for the relocation of the point-to-point microwave licensees' facilities in the 2165-2200 MHz band?

BellSouth has obtained from an outside engineering consulting firm a count of the number of point-to-point microwave paths that are operating in the 2165-2200 MHz band. The firm uses its own database, which is based in large part on the FCC's database. The results of the study are set forth below:

Band	Analog	Digital	Total
2165-2200 MHz	8322	6553	14875

The study was based on information in the firm's database as of November 8, 1999.

As BellSouth stated in its recent *ex parte* meeting with you and other members of the FCC staff, BellSouth expects, based on its experience in relocating microwave links out of the 1850-1990 MHz band, that \$450,000 is a typical cost for microwave relocation. Therefore, a reliable estimate of the total relocation costs would be \$6,693,750,000.

BellSouth recognizes that the paths in the 2165-2200 MHz band are paired with spectrum in the 2110-2150 MHz band, which has been designated for use by Emerging Technologies licensees. Accordingly, there may be an opportunity for the prospective 2

GHz MSS licensees to share some of the relocation expenses with the ET licensees in the 2110-2150 MHz band. At most, however, the prospective 2 GHz MSS licensees can expect to share one-half of the relocation costs with the future licensees in the 2110-2150 MHz band. Even if such sharing occurs, the prospective 2 GHz MSS licensees can still anticipate a relocation expense burden well in excess of \$3,000,000,000. Such an expense must be taken into account in assessing the financial qualifications of the prospective 2 GHz MSS licensees.

BellSouth appreciates the opportunity to be heard concerning this matter of significance to existing point-to-point microwave licensees.