

ORIGINAL

EX PARTE

April 21, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-A325
Washington, DC 20554

RECEIVED

**Re: WT Docket No. 97- 82
DA 00-145
DA 00-318**

APR 21 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Ms. Salas:

Personal
Communications
Industry
Association

The enclosed letters indicate that there is bipartisan support for the Commission's original decision to reserve the PCS "C" and "F" blocks for entrepreneurs in accordance with Section 309(j) of the Communications Act. These letters indicate that congressional leaders continue to support this set aside for any upcoming re-auctions of these licenses. PCIA is unaware of any congressional letters supporting an end to this program to place spectrum in the hands of entrepreneurs. PCIA will submit additional letters as it becomes aware of them. PCIA respectfully requests that the enclosed letters be placed in the record of the above-captioned proceedings.

PCIA is also resubmitting, for the record, an informal survey it conducted as to what PCS "C" and "F" license holders are doing with their licenses. As expected, these licensees are moving forward in creating new jobs, new digital networks, new service offerings and new competitive mobile voice and data alternatives in their market areas. This is precisely what Congress intended and what the Commission expected when it set aside a portion of these licensees for entrepreneurs. PCIA notes that these efforts are taking place in both urban and rural areas, with these licensees often bringing the first mobile service, or the first alternative to the cellular duopolists, to these communities.

Please contact the undersigned if you have any questions.

Sincerely,



Brent Weingardt
Vice President, Government Relations

cc: Chairman William E. Kennard
Commissioner Harold W. Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael K. Powell
Commission Gloria Tristani

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PCS C and F BLOCK SUCCESS STORIES¹

- ◆ PVT Wireless Limited Partnership will begin offering service in New Mexico beginning in March. PVT holds the E and F Block licenses for Carlsbad, New Mexico and the C Block license for Roswell, New Mexico. When PVT Wireless turns on its PCS network on March 1, it will provide the first competition to the two cellular service providers in these markets. The company is investing \$8 million in PCS infrastructure and currently has 11 PCS employees.
- ◆ Leaco Rural Telephone of New Mexico will be offering service in Carlsbad and Hobbs beginning March 15. It currently employs 15 people and has invested over \$5 million in its PCS networks. Leaco will provide service to some of the most rural portions of the United States. With PCS as a wireless local loop alternative, it can reach rural customers at a cost of approximately \$350 per customer, instead of the \$10,000 cost of running a wire.
- ◆ PCS Plus holds licenses for Farmington and Gallup, New Mexico, and St. George, Utah. PCS Plus is currently in the site acquisition and zoning phase of its buildout and expects to provide commercial service within one year. It is working with the Navaho nation on an innovative combination of PCS and broadband fixed wireless to bring telemedicine and distance learning to Native American locations. PCS Plus intends to co-locate mobile and fixed licenses to save construction costs while bringing the promise of high capacity communications to these rural and disadvantaged areas.
- ◆ TeleCorp PCS, headquartered in Arlington, Virginia, has successfully launched PCS service in 24 markets since February 1999 (New Orleans, Baton Rouge, Lafayette, Hammond, New Iberia, Houma and Thibodaux, Louisiana; Memphis and Jackson, Tennessee; Little Rock, Fayetteville, Jonesboro and Hot Springs, Arkansas; Concord, Manchester, Nashua and Portsmouth, New Hampshire; Worcester, Cape Cod, Nantucket and Martha's Vineyard, Massachusetts; and San Juan, Ponce and Arecibo, Puerto Rico). Operating as an AT&T Wireless affiliate under the SunCom brand, TeleCorp has networks in eight of the 100 largest U.S. metropolitan areas. TeleCorp had over 100,000 PCS subscribers as of November 1999 and had an operational network covering 65 percent of its 16.5 million-population license area. While still maintaining an operating loss, TeleCorp had revenues of \$48 million for the first nine months of 1999. The company recently completed a successful IPO and has a market capitalization of approximately \$4.3 billion. TeleCorp PCS employs over 1,100 people throughout the United States. The company began operations in 1998.

¹ This information is based upon discussions with a number of C and F Block licensees. PCIA has not yet spoken with all C and F block licensees.

- ◆ Leap Wireless International of San Diego, California, purchased 36 licenses in the 1999 C Block reauctions and is purchasing additional licenses throughout the United States. It will provide mobile service in Alaska, Arkansas, Arizona, California, Colorado, Idaho, Kansas, Montana, North Dakota, Nebraska, New Mexico, Oklahoma, Oregon, Utah, Washington State and Wyoming. Leap already has introduced an innovative local wireless service offering, known as Cricket, in Chattanooga and Nashville, Tennessee. Cricket gives customers the freedom to make all of their local calls for a low, flat rate of \$29.95 a month. Cricket is priced competitively with traditional landline service and also offers voice mail, caller ID and call waiting. To date, Leap employs 90 people in the United States and has over 22,000 subscribers. While still maintaining an operating loss in this buildout stage, the company had revenues of \$22 million in 1999 and \$3.3 million in 1998. The company began operations in 1998.

- ◆ CLEAR TALK turned on its network in Grand Junction, Colorado, just last week and is proud to have 25 customers to date. CLEAR TALK invested \$6 million in its Grand Junction network. CLEAR TALK is in the process of building out nine other C Block PCS markets in Bartlesville, Oklahoma; Clovis, New Mexico; Eagle Pass, Texas; El Centro and Eureka, California; Midland, Texas; Pocatello, Idaho; and St. George, Utah. CLEAR TALK paid over \$1 million for these licenses in the 1999 reauctions. The company now employs 45 people in its Grand Junction headquarters. CLEAR TALK offers several "bucket" pricing plans that allow customers to pay a fixed monthly fee for calling, with rates starting at \$20 for 150 minutes and going to \$89 for unlimited calling.

- ◆ South Central Communications began operations on its C Block license eight months ago in St. George, Utah. It has invested \$8.5 million in its network and employs 10 people. It currently has approximately 3,000 customers. It is the first PCS licensee competing against the cellular providers in St. George. As an innovative pricing option, the company provides free roaming minutes based on 10 percent of the package of minutes purchased by a customer.

- ◆ Westlink Communications is in the final stages of testing a C Block PCS network in Garden City, Kansas. It will turn this network on for public use on April 1. It also is building facilities using a partitioned F Block license in Liberal, Kansas. To date, it has invested approximately \$2 million in its network and has 6 employees committed to PCS. It will be providing the first mobile alternative to the two cellular operators in these markets.

- ◆ CFW Communications Company (“CFW”), headquartered in Waynesboro, Virginia, currently provides PCS services through the Virginia PCS Alliance, L.C. and the West Virginia PCS Alliance, L.C. in thirteen BTAs with a combined population of 2.8 million, including: Charlottesville, VA; Danville, VA; Harrisonburg, VA; Lynchburg, VA; Martinsville, VA; Roanoke, VA; Staunton-Waynesboro, VA; Winchester, VA; Charleston, WV; Clarksburg-Elkins, WV; Fairmont, WV; Huntington, WV-Ashland, KY; Morgantown, WV. CFW and the Alliances plan to aggressively build out other markets included within their PCS license holdings which, collectively, encompass over 5.4 million people in a contiguous geographical area covering central and western Virginia, West Virginia, and portions of nearby states. CFW and the Alliances have over 40,000 PCS customers, over 300 cell sites in service and approximately 200 jobs added at CFW to manage its wireless operations. CFW and the Alliances credit much of their success to the unique focus and knowledge they have of local markets, particularly in relation to the industry “giants.”
- ◆ Carolina Phone Company, headquartered in Greenville, South Carolina, purchased nine C Block licenses in 1997 that cover almost the entire state of South Carolina. This January it launched service in Greenwood, Anderson, Greenville and Spartanberg. The company employs 70 individuals and is making a statewide investment of \$300 million in its network. Carolina Phone Company offers only PCS products and prides itself on its customer focus that permits it to compete against the wireless incumbents. The company is rolling out a prepaid service in its markets.
- ◆ Nebraska Wireless Telephone currently is operating on its F Block license in Grand Island and will turn on service in North Platte in July. It will begin commercial service with its C Block license in Hastings in April and add to its service in Norfolk by using its other C Block license beginning in the fourth quarter of 2000. To date, Nebraska Wireless Telephone has 1,500 subscribers. The company has 28 employees and has invested approximately \$14 million in its networks. While it competes with cellular operators Alltel and Western Wireless, Nebraska goes head-to-head with the local wireline phone company with its wireless local loop product. Seventy percent of its customers have replaced their wireline service by purchasing unlimited airtime for \$39.95; the customers’ home phones use a wireless interface for calls made from home and the company provides a mobile unit that rings on the same number. Traditional wireless customers can purchase unlimited mobile service for \$59.
- ◆ Airadigm Communications holds 13 C and F Block licenses throughout Wisconsin and Iowa. It currently is operating in Appleton-Osh Kosh, Green Bay, Manitowoc, Sheboygan, Fond du Lac, Madison, Jamesville-Beloit, Stevens Point-Wisconsin Rapids, and Wausau-Rhineland, Wisconsin. It will soon be operating in Eau Claire and La Cross as well as Cedar Rapids, Iowa. To date, the company has invested \$55 million in its networks and employs 100 people. It has approximately 20,000 subscribers. Airadigm was the first C Block licensee to launch operations in the United States. It distinguishes itself in the market by concentrating on offering businesses a wireless alternative to the local landline phone company.

- ◆ PYXIS Communications operates networks in Riverton, Casper and Cheyenne, Wyoming. It currently has 1,500 subscribers and employs 35 individuals in its wireless operations. To date, PYXIS has invested \$15 million in its PCS networks. The company was the first in the nation to offer circuit-switched data (mobile Internet access) and is currently conducting wireless local loop trials in its markets.
- ◆ Omnipoint's all-digital network currently provides advanced wireless communications services in much of Connecticut, New York Metro, New Jersey, Delaware, Greater Syracuse/Binghamton, Albany, Philadelphia/Lehigh Valley, Northeast Pennsylvania, Rhode Island, Massachusetts, New Hampshire, Southeast Florida, Indiana, Southern Michigan and Northwest Ohio. Omnipoint had 698,000 subscribers at the end of the third quarter of 1999. While still operating at a loss, the company had \$269 million in revenues for the first three quarters of 1999. Omnipoint employs close to 2,000 individuals. The company was founded in 1987.
- ◆ Cellular 2000 of St. Cloud, located in Minnesota, is operating an F Block system in St. Cloud that offers an innovative "community cordless service" at flat fees ranging from \$29.95 to \$39.95. The service also includes the option of on-network roaming. Cellular 2000 has approximately 1,000 customers on this service. The company employs 12 people devoted to wireless and has invested \$6 million in its network.
- ◆ Enterprise Communications, a Sprint PCS affiliate, is operating in Albany, Georgia, Dothan, Alabama and Columbus, Georgia. It will be operating in Opelika, Alabama and La Grange, Georgia, within 1-2 years. Enterprise currently employs 34 people in its wireless business and has made an investment of \$40 million in its three operating networks. Enterprise offers the innovative Sprint bucket pricing plan and was the first Sprint affiliate to offer service in the United States.
- ◆ Comscape Telecommunications currently is providing PCS service in Charleston, West Virginia, and expects to provide service to Raleigh-Durham and Wilmington, North Carolina, within the next year. Comscape plans to spend \$575 million over the next three years to expand its PCS service offering. Comscape is in the midst of finalizing contract negotiations with a new vendor that will allow Comscape to finish the buildout of its markets. Comscape is the fourth successful telecom enterprise to be founded or co-founded by its principles.
- ◆ Third Kentucky Cellular Corporation is a C and F block licensee providing PCS service as Wireless 2000 Telephone Company to customers in the municipalities of Corbin, Somerset, and Middlesboro-Harlan, Kentucky. Third Kentucky already has invested over \$5 million to build-out its PCS network and serves over 500 customers in rural Kentucky. Third Kentucky provides pre-paid service to over 80 percent of its PCS customers and provides monthly service for as little as \$20.

- ◆ Etelo Communications intends to capitalize on the communications and Internet revolution by building a wireless broadband IP network in rural markets using its C block PCS licenses. Etelo Communications will build and install the network using advanced third generation wireless technology, leapfrogging the CLEC (Competitive Local Exchange Carriers) to gain access to the local dial tone. The WWL (Wireless Local Loop) network will provide "always on" broadband Internet and VOIP (Voice Over Internet Protocol) telephony services. The wireless network will be one of the first packet-switched based networks to provide high-speed modem connectivity using the 1.9 MHz. PCS frequency. Etelo purchased its license for Deyersburg, Tennessee, at last year's FCC reauction.
- ◆ MFRI holds one C block license for Stroudsburg, Pennsylvania, and F block licenses for Stroudsburg, Pottsville and Sunbury. The company spent over \$1 million for its licenses and to date has spent another \$300,000 on deployment. It is 2-3 weeks away from closing on financing and expects that it will offer service in Stroudsburg beginning this summer. The company is dependent on forming roaming agreements with other designated entities and believes that a change in the licensing rules now would threaten its very existence.
- ◆ Highland Holdings holds C Block licenses in Toledo, Lima and Findlay, Ohio, as well as Hyannis, Massachusetts. The company currently operates cellular facilities in the Ohio territories and expects to bring its PCS licenses on line within the year. It has four employees devoted to PCS development. Highland provided cellular service in Southern West Virginia almost four years before any of the national carriers and expects to provide its customers with a hometown approach to PCS that has been successful for it to date.
- ◆ Northcoast Communications L.L.C. holds 44 F Block licenses that cover approximately 45 million POPs. Northcoast is currently in negotiations with several infrastructure vendors to provide equipment, services, and financing to support the buildout of its Cleveland, Boston, and New York F Block license areas and expects to begin offering service in Cleveland in the third quarter of this year. Northcoast has invested over \$70 million in PCS to date and will invest an additional \$500 million in these markets over the next two years. Northcoast plans to offer low cost wireless services to segments of the population that are not being well served by incumbent wireless providers today, including low to moderate income households, consumers in rural areas, and other users that are not the focus of the large nationwide providers. Northcoast also plans to offer new services including fixed wireless voice and data that their competitors, thus far, fail to offer.
- ◆ Digiph PCS, Inc. holds six "C" Block licenses covering Mobile, Alabama, Ft. Walton Beach and Pensacola, Florida, Laurel, Hattiesburg, and the Biloxi-Gulfport-Pascagoula, Mississippi. Digiph employs 234 people to serve its 72,000 subscribers. In 1999, Digiph's earned \$38 million in gross revenue and has already spent \$81 million deploying its network across the southeastern United States.

- ◆ Amica Wireless Phone Service provides PCS service throughout central and southern Illinois. Today, Amica provides service to Bloomington, Springfield, Champaign, and Decatur, Illinois. Amica also expects to be operating a year from today in Peoria, Galesburg, Danville, and Jacksonville, Illinois. It soon will be operating in Iowa and holds a total of 15 C/F Block licenses. Amica employs 50 people and its gross revenue for the last fiscal year was \$1.6 million. Thus far, Amica has invested \$20 million into its PCS network and now serves 3,500 customers.



B



United States Senate
WASHINGTON, DC 20510

Chairman William E. Kennard
Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Gloria Tristani
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Petitions for Waiver of Eligibility Restrictions and CMRS
Spectrum Cap Requirements for the July 26, 2000 PCS C and F
Block Auction, DA 00-145, DA 00-191, DA 00-318, DA 00-
760, and FCC 00-54.

Dear Chairman and Commissioners:

In the event the Commission proceeds with the upcoming re-auction of C- and F-Block licenses, we would urge you to retain the Designated Entity (DE) rules. When Congress authorized the Commission to auction licenses in the 1993 Omnibus Budget Reconciliation Act, it expressly sought to ensure meaningful participation in these auctions for small businesses and rural telephone companies (otherwise known collectively as DEs). The Commission subsequently set aside a portion of the PCS spectrum for qualified entrepreneurs and small businesses which it auctioned in 1996.

We understand that the Commission may re-auction C and F block licenses in July of this year, and is currently considering whether the original DE eligibility rules should apply to this re-auction. We see no reason why the Commission should eliminate or compromise the DE rules that originally governed the auction of this set aside spectrum. We believe that the public policy that drove the congressional mandate that small business be able to participate in such auction is as appropriate today as it was in 1993.

The Commission's C- and F- Block auctions have produced a host of benefits to the Carolinas. These auctions have allowed for the growth of small business, bringing with it innovation and new jobs to our states. Moreover, these small business entrepreneurs have created healthy competition for wireless services in the region, and provided consumers with alternatives for high-quality, lower cost telecommunications services. Most importantly, these small business providers have brought wireless telephone service to our unserved and underserved rural communities, unlike larger incumbent wireless carriers who currently concentrate their services in the larger communities of our states.

We, therefore, encourage the Commission to preserve the DE rules in the July re-auction of C- and F-Block licenses. Without such rules, small business will not have the opportunity to bring consumers in our states the same benefits of innovation, competition and service to rural areas of our states.

United States Senate
WASHINGTON, DC 20510

Jim Hollins
Jesus Helms

Sincerely,

Strom Thurmond
John Edwards

cc: Magalie Roman Salas, Secretary

United States Senate
WASHINGTON, DC 20510

February 9, 2000

Hon. Trent Lott
Senate Majority Leader
Hon. Tom Daschle
Senate Minority Leader
United States Senate
Washington, D.C. 20510

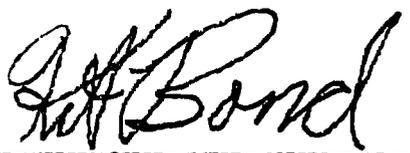
Dear Sen. Lott and Sen. Daschle:

Reserving a portion of the airwave spectrum for small business is an important policy to encourage economic opportunity, innovation, competition and diversity in telecommunications market. It is as important an objective as when Congress enacted the policy in 1993. We oppose any effort to eliminate reserving a portion of airwave spectrum for small business.

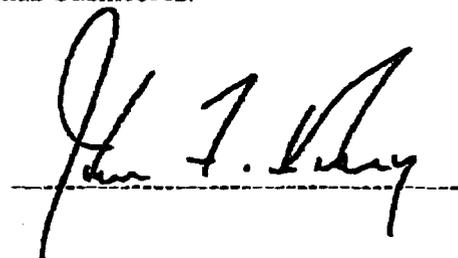
In our view the policy has been a success. The start-up companies that have been created because of the access to spectrum have brought innovation and competition to the marketplace, created thousands of new jobs and extended service to consumers in localities often neglected by established companies, especially in suburban and rural areas. The jobs created as a result of the small business designation, the diversification of the market, the increased innovation and the clear benefits to consumers of increased competition are important reasons to maintain the small business designation.

The success of small business participation in the wireless industry has fueled consumer demand and spectrum value has been driven up as a result. The set aside is important if small providers are to have an opportunity to penetrate the marketplace. As a result of an aberrant situation in which a small business bidder in a past auction defaulted on spectrum payments, Congress is now being urged by larger telecommunications companies to eliminate the small business reservation. This would be an unfortunate retreat on an important public policy. Elimination will lead to a reduced opportunity for small entities to enter the market and a reduction in competition.

Federal policy should continue to foster competition and innovation and oppose consolidation and monopolization of this vital new marketplace. We are committed to protection of the existing reservation of a portion of airwave spectrum for small businesses.



Sincerely,



Nancy Feingold

Lydia

Jeff Smith

Richard M Kennedy

John Breau

Walter J. Gersbaur

NO. 937

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United States Senate

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February 22, 2000

The Honorable William Kennard
Chairman, Federal Communications Commission
445 12th Street, SW, Room 8-B201H
Washington, DC 20554

Dear Chairman Kennard:

I am writing to urge the Federal Communications Commission to retain its current designated entity eligibility rules governing the potential re-auction of certain C and F block broadband licenses.

When Congress authorized the Commission to conduct auctions in 1993, it expressly directed the Commission to provide meaningful opportunities for small businesses to participate in the auction process. While the Commission's efforts to comply with this directive have not been without controversy, the vast majority of such controversy has surrounded a single component of the program that is no longer in effect. Specifically, as you know, the Commission long ago revised its rules to remove the option of installment payments, a component that has been associated with the bankruptcy filings and other instances of non-payment to the Commission. In the post-installment payment plan era, the Commission's small business auction program has proceeded without any noticeable problems and in a manner that has fulfilled the Congressional mandate by making available to the public a wide variety of services.

Some of the largest wireless players in the nation have recently approached the Commission and requested that either they be granted special waiver to participate as if they were a small business, or to tear away entirely meaningful protections for small businesses. A centerpiece of their argument for such relief is that small businesses are somehow ill-equipped to participate in the modern wireless marketplace. The facts suggest that this is not the case. In the southeastern United States alone, several *bona fide* small businesses compete vibrantly in the wireless market. Many have appropriately partnered with larger entities and provide seamless, nationwide service. All of this demonstrates the success of the Commission's program to date and argues against the need for any wholesale revision in the Commission's rules.

I understand it has been suggested that small businesses could be legitimately protected by providing them with bidding credits in lieu of existing eligibility provisions. The Commission has already faced this problem and determined that only separate eligibility could meet Congress' directives. At that time, the Commission properly recognized that, absent eligibility limitations, the largest, most entrenched telecommunications carriers could outbid small businesses for key markets strategic to them, and thereby entirely undermine small businesses' ability to compete in the auctions. Nothing has transpired that would warrant the Commission revisiting its long-standing policy at this late date.

There is one final, and perhaps overriding, reason why small business eligibility limitations should remain in place: the Commission's experience with wireless licensing to date has demonstrated that it is the small businesses that are most willing to provide service to small markets and rural areas generally. Nothing illustrates this point better than small business operations in the southeastern United States. There, small business entities are providing service in a partnership arrangement with an established carrier. It is the small businesses which are extending coverage into small and medium sized markets that simply were not a priority for established carriers. Small businesses have been fulfilling the Congressional mandate that the Commission's auction program facilitate the provision of new services to under-served areas. There is no reason to change this process now.

Although the Commission's PCS licensing has been less than perfect, one very successful component of it has been the licensing opportunities afforded to *bona fide* small businesses. Given the pending litigation involving the application of the bankruptcy code and the automatic stay provision to FCC spectrum sales, I am concerned that the FCC may be moving too quickly to re-auction the spectrum of bankrupt purchasers before the courts or Congress resolve this issue. I hope and expect that the Commission will not make changes in this successful program without careful analysis and sound basis for any such changes. With best wishes, I am.

Sincerely yours,



Trent Lott

TL:rb

PETE V. DOMENICI
NEW MEXICO



United States Senate
WASHINGTON, D.C.

February 22, 2000

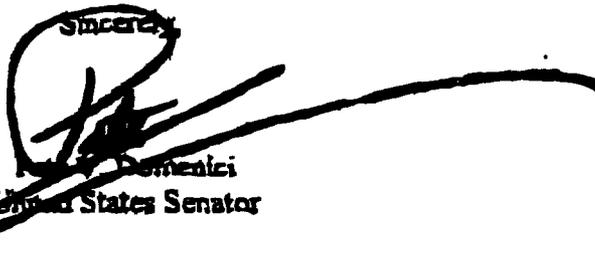
Dear Bill:

Thank you for your call earlier this month. I believe we had a good hearing, and our members will be better informed on spectrum auction issues as a result.

I heard you say in your testimony that your announced re-auction of C-block licenses in July will be conducted under the same rules and procedures as for the original auction. I was pleased to hear that and agree that we need to maintain the designated entity category. Despite all the difficulties of the NextWave situation, encouraging new entrants into the industry is the best way to achieve the competition we need in this area.

Again, thank you for your call. I look forward to our continued work together.

Sincerely,



Pete V. Domenici
United States Senator

Chairman William E. Kennard
Federal Communications Commission
445 12th Street, SW
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BARBARA BOXER
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March 8, 2000

William E. Kennard, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Kennard:

In 1993, Congress expressly amended the Communications Act to give the Federal Communications Commission explicit authority to use auctions to choose among mutually exclusive applications for initial licenses to use radio spectrum. In so doing, Congress expressly sought to ensure participation in auctions, and in the provision of spectrum-based services generally, by small businesses, rural telephone companies and businesses owned by women and minorities (sometimes referred to collectively as "Designated Entities").

The FCC has continued its policy of keeping a portion of PCS spectrum set aside for qualified entrepreneurs and small businesses. And notwithstanding a few well-publicized cases this has been a tremendous success. In April 1999, the FCC completed a successful re-auction of Entrepreneur Block licenses consistent with these goals. 339 C-Block licenses were successfully re-introduced rapidly and efficiently back into the wireless marketplace. This re-auction provides a case study of the benefits the American public receives as a result of entrepreneurial competition and innovation that the FCC has worked so hard to promote and what Congress originally intended.

Now is not the time for the FCC to change its policy of keeping a portion of the PCS spectrum for Designated Entities. Promoting competition, diversity and efficient use of the spectrum in the wireless marketplace via the participation of small business in PCS – as Congress recognized and required – is a goal worth achieving. It brings new service and lower costs to U.S. consumers. I urge you not to abandon or alter that policy and to retain the Designated Entity set aside for those C- and F- Block PCS licenses being auctioned in the future.

Sincerely,


Barbara Boxer

United States Senator

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December 9, 1999

Mr. William Kennard, Chairman
Federal Communications Commission
Room 8-B201H
445 12th Street SW
Washington, D.C. 20554

Dear Mr. Kennard:

I am writing in behalf of Mr. Frank Noverr, President of NPI Wireless, regarding C-block licenses.

As you will note from the enclosed correspondence, Mr. Noverr states that NPI Wireless purchased licenses in 1996 to provide personal communication services to residents of Northwest Lower Michigan. Mr. Noverr is concerned with the manner by which the Federal Communications Commission (FCC) has been handling the bankruptcy of Nextwave Telecom, Inc. C-block licenses were originally set aside to encourage competition by small and minority businesses in this portion of the telecommunications market. However, FCC Gen. Counsel Christopher Wright has indicated the FCC may be willing to sell Nextwave Telecom, Inc.'s licenses directly to Nextel Communications, Inc.

I would appreciate your review of this matter and response as to why these C-block licenses, if re-auctioned, would not be re-auctioned to small and minority businesses. Please also indicate how the FCC intends to continue to promote the small and minority businesses which have already been successful in the use of C-block licenses.

Your reply may be directed to my Traverse City office. Thank you for your cooperation.

Sincerely,

Carl Levin

CL/hkc

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TELEPHONE: 225-621-8490
ASCENSION PARISH COURTHOUSE EAST
828 SOUTH IRMA BLVD.
ROOM 212-A
GONZALES, LA 70737

April 3, 2000

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 Twelfth Street, S.W.
Room 8-B201H
Washington, D.C. 20554

Dear Mr. Chairman:

I am writing to you for three reasons: 1). to urge the Federal Communications Commission (FCC) to retain its "Designated Entity" eligibility rules governing the potential re-auction of certain C and F block spectrum licenses, 2). to urge the FCC to lift present spectrum caps as they apply to other non-reserved portions of C and F block spectrum, and 3). to urge the FCC not to move too quickly to re-auction the spectrum of bankrupt purchasers before the courts or Congress resolve pending litigation.

Designated Entity rules

I do not believe that this is the time for the FCC to change its Designated Entity rules.

To date, the application of the FCC's Designated Entity rules has helped to achieve the goals that Congress set forth in Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)). Namely, these rules have fostered competition, diversity and efficient use of the spectrum in the wireless marketplace via the participation of small business in PCS. Furthermore, these rules have enabled small businesses to provide quality PCS service to small markets and rural areas at very low costs to consumers.

As a result, changing the Designated Entity rules now could very easily thwart the tremendous progress that the FCC has made in disseminating PCS licenses thus far. Such an action could also

retroactively harm small businesses that heavily depend upon the availability of PCS spectrum currently afforded under the Designated Entity framework. Consequently, I would hope that the FCC does not abandon or alter its policy of setting aside C and F block licenses for re-auction to Designated Entities.

Spectrum Cap rules

While I favor keeping portions of spectrum reserved for smaller wireless providers, I believe that the FCC should as well lift the spectrum caps for larger providers as they currently apply to other non-designated portions of the C and F blocks. This could enable these companies to more quickly and efficiently roll-out enhanced "3^d Generation" wireless services that will play an important role in bringing consumers fully integrated choice in the wireless marketplace.

Furthermore, lifting the spectrum caps could enable smaller providers to partner with larger entities in order to offer these advanced services, on a resold basis, to small and medium sized markets that are not priorities for established carriers. At present, many small carriers have neither the capital nor the spectrum capacity to initiate the roll-out of advanced data wireless services on their own. As a result, these carriers could greatly benefit from opportunities to resell advanced services to rural customers who are unable to receive them from larger carriers. To this extent, such partnerships could further ensure that American consumers, in both rural and urban areas, continue to have access to seamless, nationwide wireless services upon demand.

Application of the Bankruptcy Laws

Finally, I want to make clear that the FCC must not rush to re-auction the spectrum that is the subject of bankruptcy proceedings. Frankly, there is no legal basis upon which the FCC can disregard the bankruptcy laws and simultaneously refuse to obey a judicially imposed stay of spectrum sales. While I am encouraged that some of the spectrum tied-up in pending litigation will be available for re-auction to Designated Entities, I nonetheless urge the FCC not to proceed with re-auctions until these matters are first resolved under the laws of the United States.

With warm regards, I am

Very Truly Yours,


BILLY TAUZIN
Member of Congress

cc: The Honorable Susan Ness
The Honorable Harold Furchtgott-Roth

The Honorable Micheal K. Powell
The Honorable Gloria Tristani

2031151-153

RONNIE SHOWS
7TH DISTRICT, MISSISSIPPI

Committee on Transportation
and Infrastructure

Committee on Veterans' Affairs



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Congress of the United States
House of Representatives
Washington, DC 20515-2404

April 3, 2000

Mr. William Kennard
Chairman
Federal Communications Commission
445 12th Street, SW, Room 8-B201H
Washington, DC 20554

FILE

Re: *Re-Auction of Certain C and F Block Broadband Licenses*

Dear Mr. Chairman:

I write to you regarding the Commission's pending plans to re-auction this summer PCS spectrum that has been allocated exclusively for small businesses. I am concerned that the Commission is being asked by some of the nation's largest companies to now abandon its small business rules, or to modify them such that they become an effective nullity.

Just as PCS spectrum is being viewed as increasing in value, several of the nation's largest telecommunications carriers have urged the Commission to abandon established small business protections and to make spectrum available to them. Regrettably, rather than urge directly that small businesses be abandoned, they argue that small businesses can somehow remain protected, even if their established spectrum set aside is removed, simply by retaining in place some unspecified form of bidding credits. Bluntly put, bidding credits will not work because credits cannot be high enough to offset the considerable economic advantages that large companies have over small ones. Were the Commission to retain only bidding credits, it should admit up front that it is closing one of its most admirable chapters and signaling the death of small businesses as PCS providers.

Grant of this rule change sought by the largest carriers of the wireless industry would harm consumers - especially those in small towns and rural areas that are undeserved and who constitute a portion of the "digital divide" that you have properly attempted to erase. It is the small businesses who have to date willingly reached out to smaller markets while their big company brethren focus on the more profitable, larger markets.

I ask that the Commission not abandon either small businesses or that considerable portion of the consumers' market that they serve particularly well.

Sincerely,

RONNIE SHOWS
Member of Congress

RS:pa

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ILLINOIS



COMMERCE COMMITTEE
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TELECOMMUNICATIONS, TRADE, AND
CONSUMER PROTECTION
ENERGY AND POWER
FINANCE AND HAZARDOUS
MATERIALS

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

March 13, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
445 12th Street, N. W.
Washington, DC 20554

Dear Chairman Kennard:

I write to express my support and encourage the FCC to preserve the C- and F- Block spectrum as "designated entities" set-aside blocks for the July 2000 auction. As you know, these designated entities include many small minority-owned companies who are qualified to bid in the upcoming re-auction of PCS operating licenses. I believe it is crucial that we keep this spectrum set-aside.

By retaining the current designation entity eligibility restrictions, the FCC will indeed preserve competition in the fast-consolidating wireless industry and ultimately safeguard the rights of consumers. More competition in the wireless industry will foster new innovation, new services, more choices, and lower prices. The end result, wireless will become more accessible for everyone. Thus, helping in the effort to bridge the ever-present "digital divide".

The 1996 Telecom Act encouraged us to bring fresh competition to phone service. I believe by preserving the set-aside for "designated entities" we are doing just that. I thank you for your time and attention and I urge you to give this matter all due consideration.

Sincerely,

Bobby L. Rush
Member of Congress

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bobby.rush@house.gov

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BART STUPAK
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Congress of the United States

House of Representatives
Washington, DC 20515-2201

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INVESTIGATIONS
CO-CHAIRMAN,
LAW ENFORCEMENT CAUCUS
REGIONAL WHIP

January 13, 2000

MR WILLIAM KENNARD
CHAIRMAN
FEDERAL COMMUNICATION COMMISSION
445 12TH ST #8-B201
WASHINGTON D.C. 20554

Dear Chairman Kennard:

Enclosed is a communication from one of my constituents. Mr. Noverr is concerned over reports that the Federal Communications Commission (FCC) is planning on selling licenses to Nextel Communications, Inc. without an auction. I would appreciate if you could comment on this concern on behalf of my constituent and myself.

I agree with Mr. Noverr, and believe the FCC should auction the licenses pursuant to the criteria under which they were auctioned to NextWave during the original auction. Additionally, I am concerned over press reports of a possible waiver to allow the larger telecommunications companies to participate in the auction. Please inform me of the Commission's plans regarding these matters.

Thank you for your time and consideration of this request. I look forward to reviewing your response. If you have any questions, please contact my office.

Sincerely,


BART STUPAK
Member of Congress

BTS/lj

Enclosure

PLEASE REPLY TO:

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ALPENA, MI 49707
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SUITE 3
CAYUGA FALLS, MI 49720
(506) 475-3751

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Congress of the United States

Washington, DC 20515

April 7, 2000

Chairman William E. Kennard
Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Gloria Tristani
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Dear Commissioners:

We write to express our strong support for retaining the existing reservation of radio spectrum for "designated entities," and to urge you not to waive or dilute this requirement in the scheduled re-auction of previously-reserved spectrum in the C- and F-Blocks.

As you know, when Congress established the spectrum auction procedure in 1993, we directed the FCC to "promot[e] economic opportunity and competition and ensur[e] that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women." 47 U.S.C. § 309(j)(3)(B). The FCC has implemented this directive by reserving specific portions of spectrum for auction only to "designated entities."

This policy of reserving spectrum has been tremendously successful in achieving Congress' goals: In the reserved C-Block PCS auctions, 31 companies owned by minorities and/or women won a total of 86 licenses. By contrast, in the A- and B-Block PCS auctions, which were open to all comers, no minority-owned businesses won licenses, and only one woman-owned business won just a single license. Thanks to the designated entities reservation, the FCC was able to conclude that "it is clear that the Congressional mandate to disseminate licenses among a wide variety of applicants including small businesses, rural telephone companies, and businesses owned by women and minorities has been successfully met."

Unfortunately, as a result of the Supreme Court's subsequent Adarand decision, the FCC made no distinct provision for minority- and women-owned businesses. The FCC itself reported to Congress that: "By including special provisions for small business, the Commission has been able to increase opportunities not only for small businesses but also for minority- and women-owned businesses -- because many minority- and women-owned entities are also small businesses." (The FCC Report to Congress on Spectrum Auctions, September 30, 1997, p. 29).

The tremendous growth of technology and communications-oriented businesses has driven the country's current economic prosperity. However, not all segments of society have shared equally in this economic growth. As you know, there is a great deal of discussion today about the growing "digital divide" in America. It is vitally important that we not undermine policies that have been proven to be successful in creating new economic opportunities for minorities and women, such as the designated entity-only spectrum auctions.

In this regard, we are very concerned about reports that the FCC is considering granting waivers to a number of giant telecommunications companies to allow them to bid on this small business spectrum, giving designated entities a limited form of bidding credits. Bidding credits, as the FCC found previously, may not protect opportunity for designated entities. The national giants will simply pay a "monopoly premium" to overwhelm the designated entities in the auction. Limiting the re-auction to designated entities only is consistent with Congress' directive above to prescribe bandwidth assignments to promote economic opportunity for small businesses, rural telephone companies, and businesses owned by members of minority groups and women.

In the alternative, to ensure the participation of minority business enterprises, you should at least consider splitting the 30 MHz licenses into 20 MHz and 10 MHz blocks and continuing the existing designated entity policy for all of the 10 MHz licenses. For the 20 MHz, you should continue to allow the use of bidding credits. This will satisfy the needs that the larger carriers have expressed for more spectrum while retaining the existing program for blocks of spectrum that the MBEs can acquire and build-out.

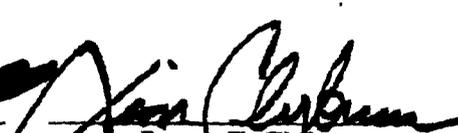
The failure of a few new businesses should not prompt a change in an overwhelmingly successful policy. Despite the claims of the telecommunications giants, the fact is that only eight of the 141 designated entities which won spectrum licenses have filed for bankruptcy-- which is actually a great rate of success for a group of new, start-up businesses.

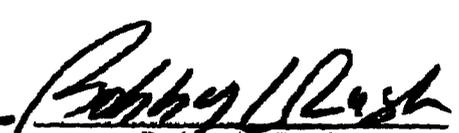
The designated entity restriction has worked. In addition to successfully ensuring economic opportunity for new entrants, including minority- and women-owned businesses, in the telecommunications market, it has created thousands of new jobs, brought advanced communications services to areas which were unserved or underserved by the established telecommunications giants, and created vibrant competition in this market.

We urge you not to undercut this successful program.

Sincerely,


Edolphus Towns
Member of Congress


James E. Clyburn
Member of Congress

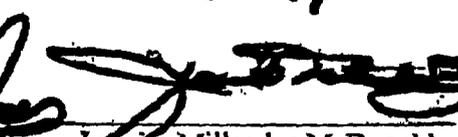

Bobby L. Rush
Member of Congress


Albert Russell Wynn
Member of Congress


William Jefferson
Member of Congress


Barbara Lee
Member of Congress


Stephanie Tubbs Jones
Member of Congress


Ileana Millender-McDonald
Member of Congress

04/13/00 THU 14:35 FAX 202 778 8087

MCDERMOT WILL EMERY

03-31-00 11:10am From-203M

16188826050

T-986 P.02/02 F-780

015

BRIAN P. BILBRAY
49TH DISTRICT, CALIFORNIA

COMMERCE COMMITTEE

SUBCOMMITTEE ON
HEALTH AND ENVIRONMENT

SUBCOMMITTEE ON
FINANCE AND HAZARDOUS
MATERIALS

SUBCOMMITTEE ON
OVERSIGHT AND
INVESTIGATIONS



Congress of the United States
House of Representatives
Washington, DC 20515

February 15, 2000

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Mr. William E. Kennard, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Kennard *Bil*

When Congress amended the Communications Act in 1993 to give the FCC explicit authority to use auctions to choose among mutually exclusive applications for initial licenses to use radio spectrum, it did so with a specific goal in mind. This was to ensure participation in auction and in the provision of spectrum-based services by small businesses, rural telephone companies, and women and minority-owned businesses. These are often referred to as "designated entities".

Since that time, the FCC has continued its policy of maintaining a "set aside" of PCS spectrum for qualified small businesses and entrepreneurs, which has by and large met with great success. In April of 1999, the FCC completed a successful re-auction of Entrepreneur's Block licenses in a manner consistent with the aforementioned goals. 339 C-Block licenses were subsequently reintroduced rapidly and efficiently back into the wireless marketplace.

Given the success to date of this policy, I believe that it would be most inappropriate at this time for the FCC to consider altering its practice of maintaining a portion of PCS spectrum for "designated entities". Promoting competition, diversity, and efficient uses of wireless spectrum in the marketplace (as required by Congress) remains an important goal, and helps to roll out new services and lower costs to U.S. consumers. Having said this, I would urge you to retain the designated entity status of those C and F-block PCS licenses which are due to be re-auctioned by the FCC in the future.

Thank you in advance for your consideration.

Sincerely,

Brian Bilbray
Member of Congress

Congress of the United States
Washington, DC 20515

April 6, 2000

Chairman William E. Kennard
Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Gloria Tristani
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Dear Commissioners:

We are writing to inform you of our strong opposition to the elimination of the existing reservation of a portion of airwave spectrum for small businesses. Specifically, we believe that any C- and F- Block PCS licenses which are re-auctioned should continue to be restricted to small businesses or "designated entities." The policy behind the reservation of a portion of airwave spectrum for small businesses -- to encourage economic opportunity, innovation, competition and diversity in telecommunications -- is as vital today as it was in 1993, when Congress passed the legislation which led to the FCC rules restricting certain spectrum to small businesses.

In our view that policy has been a great success. It has promoted the growth of dynamic start-up companies, which have created thousands of new jobs, brought advanced communications services to areas which were unserved or underserved by the established telecommunications giants, and created vibrant competition in the telecommunications market.

Despite the notoriety of a few failures which arose from the original C-Block auction, it is important to note that these companies have been quite successful overall. Indeed, only eight of the 141 designated entities which won spectrum licenses have filed for bankruptcy -- and none of those that first obtained their spectrum after the FCC corrected the shortcomings which were identified in the original C-Block auction.

Bidding credits, in our view, are not sufficient to achieve these same results. The smaller licensees have a much greater incentive to bring their services to market in underserved areas than do the larger companies, with their established revenue streams.

competition.

The thousands of jobs created as a result of the small business designation, the diversification of the market and the innovation that is taking place, as well as the clear benefits to consumers from active competition in this industry lend strong support to keeping the small business designation intact.

Sincerely,

Rob Boucher

Steve Largent

Cliff Pichay

Erick L. Engel

Brian A. Thompson

Ralph M. Hall

Ronnie Shaws

CONGRESS OF THE UNITED STATES

Washington, DC 20515

March 10, 2000

Mr. William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Kennard:

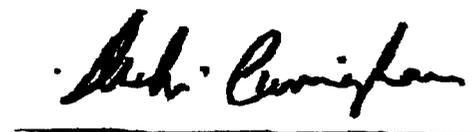
We are writing to express our opposition to any requests for a waiver of the designated entity set-aside in the upcoming spectrum auction scheduled for July 26, 2000. When Congress amended the Communications Act in 1993, we directed the Federal Communications Commission (FCC) to "develop methodologies that promote the development and rapid deployment of new technologies; promote economic opportunity and competition and ensure that new and innovative technologies are available to the American people by avoiding excessive concentration and by disseminating licenses among a wide variety of applicants..." (House Conference Report 103-213 pg 482). As a result, the FCC established a set aside category during spectrum auctions for designated entities to ensure the goals of the 1993 Act were accomplished.

The FCC has continued its policy of keeping a portion of PCS spectrum set aside for qualified entrepreneurs and small businesses. Notwithstanding a few well-publicized cases, this policy has been a success. In April 1999, the FCC completed a successful re-auction of Entrepreneur's Block licenses consistent with these goals. Three hundred thirty nine C-Block licenses were successfully reintroduced rapidly and efficiently back into the wireless marketplace. This re-auction provides a case study of the benefits the American public receives as a result of entrepreneurial competition and innovation that the FCC has worked so hard to promote and what Congress originally intended.

Now is not the time for the FCC to change its policy of keeping a portion of the PCS spectrum for designated entities. Promoting competition, diversity and efficient use of the spectrum in the wireless marketplace via the participation of small business in PCS is a goal worth achieving. It brings new service and lower costs to U.S. consumers. We urge you not to abandon or alter that policy and to retain the designated entity set aside for those C and F Block PCS licenses being re-auctioned in the future.

Sincerely,


Duncan Hunter, M.C.


Randy "Duke" Cunningham, M.C.

21.50. Bureau of Representations
Committee on Commerce
Room 2125, Marston Trade Office Building
Washington, DC 20515-6115

March 6, 2000

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Kennard:

I am writing to express my strong opposition to the request for waiver of the designated early end spectrum cap rules for the personal communications service (PCS) auction scheduled to begin July 26, 2000. This request was filed by SBC Communications, Inc. on January 31, 2000. For the reasons discussed below, I urge the Commission to deny SBC's request.

In enacting Section 309(i) of the Communications Act of 1934, as amended, Congress directed the Commission to "develop methodologies that promote the development and rapid deployment of new technologies, promote economic prosperity and competition and ensure that new and innovative technologies are available to the American people by avoiding excessive concentration and by disseminating benefits among a wide variety of applicants. . ." H.R. Conf. Rep. No. 103-213, at 482 (1993) (emphasis added); see also 47 U.S.C. § 309(i)(3)(B).

As recently as September of last year, the Commission wisely decided to eliminate the spectrum cap for commercial mobile radio service (CMRS). After conducting its biennial review of spectrum aggregation limits, the Commission returned the rule, stating its purpose was, in part, "to ensure that licenses would be distributed among a diverse group of entities." The Commission noted that "competition is increasing in CMRS markets," but that "there remain significant reasons to be concerned about the effects of undue concentration of CMRS spectrum."

This proceeding was concluded less than five months ago. Since that time there have been several significant mergers and alliances within the wireless industry that have reduced the number of licensees and increased market concentration. In my view, the Commission should

The Honorable William E. Kennard
Page 2

need to its proven policy of fostering more vigorous competition, and reject the efforts of large operators to reduce the competitive pressures they must face in the marketplace.

The Commission has a fine track record in making sure PCS licenses were disseminated widely in order to encourage robust competition in this developing market. Consumers have benefited greatly from the Commission's actions to date. Prices for wireless service are declining, and consumers have a vast array of options from which to choose. However, this tremendous progress is susceptible to reversal, and is likely to be negatively affected if large, entrenched operators are permitted to participate in the upcoming PCS auctions, particularly if they were permitted to further consolidate wireless holdings in individual markets.

Despite the rhetoric contained in the comments of these large operators, if the Commission waives existing eligibility requirements, these companies would be in a position to exclude efficient competitors; reduce the quantity and quality of services provided; and increase prices to the detriment of consumers.

The public deserves better than this.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER

cc: Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani

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2080 AIRPORT ROAD, SUITE D
COLUMBUS, MS 39701
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CHIP PICKERING
THIRD DISTRICT, MISSISSIPPI

Congress of the United States
House of Representatives
Washington, DC 20515-2403

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CONSUMER PROTECTION
ENERGY AND POWER
HEALTH AND ENVIRONMENT

ASSISTANT WHIP AT LARGE
REPUBLICAN POLICY COMMITTEE

March 22, 2000

The Honorable William E. Kennard
Federal Communications Commission
445 12th Street, SW
Washington, D.C.

Dear Chairman Kennard:

I am writing in regards to the Commission's pending proceedings addressing potential changes in the Commission's rules designed to protect small businesses regarding the conduct of PCS auctions. I urge you to maintain the Commission's well-established record of preserving spectrum for small businesses.

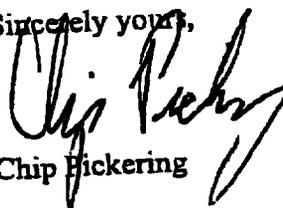
PCS spectrum has been viewed as having recently increased substantially in value. In this context, several of the nation's largest telecommunications carriers have recently urged the Commission to make available to them spectrum that the Commission has already allocated specifically to small businesses. Among other things, these carriers assert that meaningful small business eligibility protections are not necessary because the Commission could instead utilize bidding credits. Bidding credits, while helpful in theory, will not provide the needed protection to small businesses that will enable the Commission to comply with its statutory mandate to avoid undue concentration of licenses and to assure that small businesses have an opportunity to compete meaningfully in these spectrum auctions. Should the Commission determine that bidding credits will be the only relief afforded to small businesses, the Commission should recognize that such action is tantamount to abandoning small businesses entirely.

History has demonstrated that, except where spectrum is either newly allocated or of questionable value, spectrum set asides are necessary to enable small businesses to compete for licenses. The FCC's A/B Band auction and it's 800 MHz SMR auction both demonstrate that which the Commission previously foresaw: in the absence of separate eligibility restrictions, small businesses have virtually no chance of outbidding larger carriers seeking to obtain strategic or otherwise valuable licenses. In addition, should small business entities not be able to acquire medium-sized markets, they will not be able to provide service to outlying areas in that they will not have a high density population base from which to extend operations into smaller markets. Small businesses have to date been vital in providing service to rural and lowly populated areas throughout the country. An inability to obtain more licenses would both undermine their license investment to date and inhibit the ability of subscribers in rural areas to receive service.

3-22-00; 5:45PM; CONG. PICKERING

In closing, I appreciate your attention to this matter and look forward to your response. Please feel free to contact me personally at 202-225-5031 if you have any questions. With best wishes, I am

Sincerely yours,



Chip Pickering

CWP:mc

- cc: Commissioner Susan Ness
- Commissioner Harold Furchgott-Roth
- Commissioner Michael Powell
- Commissioner Gloria Tristani

RON PACKARD

4814 DISTRICT, CALIFORNIA

COMMITTEE
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SUBCOMMITTEE
ENERGY AND WATER DEVELOPMENT
CHAIRMAN
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Congress of the United States

House of Representatives

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February 17, 2000

Mr. William H. Kennard, Chairman
Federal Communications Commission
445 12th Street SW
Room 8R201
Washington, DC 20554

Dear Mr. Chairman:

I am writing regarding potential changes to the FCC's policy of reserving a portion of spectrum for "designated entities." In 1993, Congress amended the Communications Act to authorize the FCC to auction licenses for portions of the radio spectrum. In so doing, Congress sought to ensure participation in these auctions, and in the provision of spectrum-based services generally, by small businesses.

The FCC has continued its policy of reserving a portion of spectrum for qualified entrepreneurs and small businesses. Notwithstanding a few well-publicized cases, the system has been quite successful. In April 1999, the FCC completed a re-auction of entrepreneur's block licenses consistent with this goal. 206 30 MHz C-block licenses and 133 15 MHz C-block licenses were successfully reintroduced into the wireless marketplace.

I am concerned by reports that the FCC may alter its policy of setting aside spectrum for designated entities. Promoting competition, diversity, and efficient use of the spectrum in the wireless marketplace through the participation of small businesses is a goal worth achieving. I encourage you to give serious consideration to how any proposed changes to the designated entity policy would affect small businesses and American consumers.

Thank you for taking the time to review my concerns. Please do not hesitate to contact me if I or my staff can be of assistance to you in this or any related matter.

Sincerely,

Ron Packard
Member of Congress

RP/alw