

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Amendment of the Commission's	)	
Rules To Establish New Personal	)	GEN Docket No. 90-314
Communications Services,	)	
Narrowband PCS	)	ET Docket No. 92-100
	)	
Implementation of Section 309(j)	)	PP Docket No. 93-253
of the Communications Act – Competitive	)	
Bidding, Narrowband PCS	)	

**REPLY COMMENTS OF SPACE DATA CORPORATION**

Space Data Corporation, a startup company developing new innovative telecommunications messaging services, with emphasis on serving rural and under populated areas, submits reply comments in the Commission's Second Further Notice of Proposed Rulemaking ("FNPRM") in the above captioned proceeding.

In its initial comments in this proceeding, Space Data urged the Commission to:

- Proceed to channelize the one megahertz of narrowband reserve personal communications service ("PCS") spectrum, and to rechannelize the remaining unlicensed PCS spectrum in order to provide maximum flexibility for small operators;
- Proceed expeditiously to license the one megahertz of narrowband PCS reserve spectrum;
- Provide for pairing within the PCS allocations; and
- Provide for licensing on a nationwide basis.

The majority of the commenters support these proposals, and we urge the Commission to adopt expeditiously these proposals.

**I. THE COMMISSION SHOULD ADOPT PCIA’S “CONSENSUS BANDPLAN”**

Space Data has reviewed carefully the “consensus bandplan” developed and submitted by the Personal Communications Industry Association (“PCIA”) in its comments filed in this proceeding and has concluded that it can support the consensus plan. In fact, the majority of comments filed in this proceeding support the channelization elements of PCIA’s consensus bandplan.<sup>1</sup> Although Space Data in its comments suggested 100 kHz channel blocks which could be aggregated to create channels of up to 400 kHz, we are persuaded by PCIA’s comments that 50 kHz channel blocks offer the most efficient and flexible utilization of limited spectrum that must satisfy a large number of potential licensees. Specifically, smaller rather than larger spectrum blocks encourage greater market participation, and spur competition for narrowband PCS services, thus making the market attractive to small, entrepreneurial businesses. Adoption of larger channel blocks, on the other hand, would limit the service’s attractiveness to larger providers that could afford higher start-up costs. In addition, adoption of 50 kHz channel blocks would not have an adverse impact on service providers that need additional spectrum because these providers would have the option to aggregate 50 kHz channel blocks as required by the growth of their service.

**II. THE COMMISSION SHOULD REJECT THE CHANNELIZATION PLAN PROPOSED BY FREESPACE**

Space Data opposes the FreeSpace Communications, LLC (“FreeSpace”) proposal to channelize the reserve and unlicensed narrowband PCS spectrum in a single 1 MHz block or in two 500 kHz blocks. FreeSpace argues that channelization in such large blocks would encourage the development of more efficient technologies.<sup>2</sup>

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<sup>1</sup> See Comments of Motorola at 2; Comments of Weblink Wireless, Inc. at 2 (Weblink’s support was limited to the channelization elements of PCIA’s plan), Comments of Verizon Wireless Messaging Services, LLC at 12; Comments of PCIA at 2.

<sup>2</sup> See Comments of FreeSpace at 6.

FreeSpace further asserts that licensees of these large blocks may simply disaggregate any spectrum they do not need.<sup>3</sup> True operational flexibility and maximum spectrum efficiency, however, can only be achieved with smaller channel blocks combined with the ability to aggregate spectrum blocks.

Moreover, licensees of these larger blocks may not be able to simply disaggregate unneeded frequencies, as FreeSpace suggests, particularly if the unneeded spectrum is inadequate to support another carrier's business plans. In sum, FreeSpace's approach would allow warehousing of spectrum, which presents a panoply of warehousing issues. Such issues would not arise, however, if service providers have access to smaller channel blocks, and are able to aggregate spectrum as their business growth demands.

### CONCLUSION

The vast majority of comments filed in the second FNPRM confirm that this is a timely and urgently needed proceeding. Space Data urges the Commission to move expeditiously to adopt a licensing plan that incorporates the requisite provisions of the PCIA plan. In this way, the Commission will fulfill its stated objectives of encouraging new and innovative technologies and services for the public, as well as fostering participation and competition in the delivery of services.

Respectfully submitted,

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<sup>3</sup> *Id.*