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August 23, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
12th Street Lobby, TW-A325
Washington, DC 20554

***Re*: *Ex Parte* Presentation**
ET Docket No. 00-258

Dear Ms. Salas:

On August 23, 2001, the Cellular Telecommunications & Internet Association ("CTIA"), represented by Diane Cornell and Christopher Guttman-McCabe, along with David Wye, AT&T Wireless and Robert Calaff, VoiceStream Wireless, met with Commissioner Martin and his wireless advisor, Monica Desai. The parties discussed issues related to the allocation rules for the 2500 – 2690 MHz ITFS/MDS band. In particular, the parties discussed the attached presentation.

Pursuant to Section 1.1206 of the Commission's Rules, an original and one copy of this letter is being filed with your office. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

Christopher Guttman-McCabe

Attachment(s)

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CTIA PRESENTATION ON THE ALLOCATION RULES FOR THE 2500 – 2690 MHz ITFS/MDS SPECTRUM

- **It would be premature for the Commission to make an allocation decision now regarding mobile use in the 2500-2690 band, before addressing related issues in the Advanced Services rulemaking.**
  - > All possible spectrum options for advanced services should be considered in a comprehensive manner in the final order in the Advanced Services proceeding.
  - > The issue of whether to give incumbent MDS/ITFS licensees the flexibility to offer mobile services should be considered in the context of the broader advanced services proceeding, because this issue affects the entire package of decisions in that docket.
- **The CMRS industry generally supports flexible use allocations for terrestrial spectrum.**
  - > In this proceeding, however, the record generally does not support flexibility for the MDS/ITFS band at this time.
- **Allowing CMRS in this band raises significant interference and service quality concerns.**
  - > The record indicates that a licensee must choose between an MDS/ITFS system and a CMRS system; it cannot effectively operate both in the same geographic area. Sharing between advanced services and MDS/ITFS systems is not feasible – even to achieve segmentation, large separation distances are required.
  - > MDS/ITFS operators have said that they require the entire 2500-2690 MHz band to provide adequate quality of service.
- **Permitting flexibility to provide entirely new services AFTER spectrum is auctioned raises significant issues that should be more fully addressed in a rulemaking focused on this issue.**
- **Permitting CMRS use in this band will result in substantial inequities.**
  - > Prospective bidders did not have a fair chance to bid on spectrum for <u>mobile</u> services.
    - – The MDS spectrum was auctioned as a fixed service, with no mobility component. With a mobility component allowed, the spectrum would garner significantly more revenue at auction.
  - > Allowing CMRS in this band will result in an unfair competitive advantage for a very small number of licensees.
  - > Permitting CMRS in this band instead of auctioning the spectrum will result in the loss of substantial revenue for the U.S. Treasury.
- **Providing for flexible use in this band will not alleviate the spectrum shortage.**
  - > MDS licensees have existing contractual relationships with ITFS licensees, making a large percentage of this spectrum unavailable for other spectrum-constrained CMRS carriers.
  - > Given MDS licensees' representations that they need ALL this spectrum for MDS, there is no assurance they will use it for CMRS, or sell it to other carriers who desperately need additional spectrum for mobile uses.