

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Promoting Efficient Use of Spectrum Through	)	WT Docket No. 00-230
Elimination of Barriers to the Development of	)	
Secondary Markets	)	
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	)	
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**COMMENTS OF  
DIRECT WIRELESS CORPORATION**

**I. Introduction**

Direct Wireless Corporation (“Direct Wireless” or “Company”), by undersigned counsel, hereby submits these comments on the Commission’s *Notice of Proposed Rulemaking* (“*Secondary Markets NPRM*”) in the above-captioned proceeding.<sup>1</sup> Direct Wireless is pleased to offer the Commission these comments from the vantagepoint of a new entrant to the wireless telecommunications industry.

In its *Secondary Markets NPRM*, the Commission seeks information and comment on its proposals to change existing rules and implement new policies to facilitate third party access to previously licensed spectrum. Direct Wireless is an ardent supporter of the Commission's proposals and submits these comments to emphasize the genuine need for permitting spectrum leasing arrangements. As a new entrant in the wireless telecommunications industry, Direct Wireless has a significant interest in such matters, and offers these comments to assist the Commission as it considers the appropriate policies to advance the development of secondary spectrum markets.

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<sup>1</sup> Promoting Efficient Use of the Spectrum Through the Elimination of Barriers to the Development of Secondary Markets, *Notice of Proposed Rulemaking*, WT Docket No. 00-230, FCC 00-402 (rel. Nov. 27, 2000) (“*Secondary Markets NPRM*”).

## **II. Background on Direct Wireless Corporation**

Direct Wireless was formed in 1997 to develop and distribute a new telecommunications technology called the Direct Wireless Communication System (“DWCS”), a patented communication system that will allow direct talk between wireless telephones in full-duplex mode without the need to pass each call through traditional switching systems. DWCS uses a unique, proprietary signaling protocol that allows the integration of traditional switching functions into the wireless handset. By placing the intelligence in the handset, Direct Wireless is able to drastically reduce infrastructure costs commonly associated with cellular and personal communication systems.

Direct Wireless plans to market its technology in rural communities that currently lack mobile wireless service. Because Direct Wireless' patented system drastically reduces infrastructure costs in comparison to traditional wireless systems, Direct Wireless sees its technology as the ideal solution for rapid deployment of wireless telecommunication services in rural markets, where wireless services are not universally available.

## **III. Discussion**

Direct Wireless enthusiastically supports the Commission’s tentative plans to allow “broader use of spectrum leasing in wireless markets,” as well as the proposal to modify the *Intermountain Microwave* standard for transfers to permit spectrum leasing in the common carrier wireless services. In practical terms, obtaining wireless spectrum in the secondary market is extraordinarily difficult. A change in the Commission's policies would give new entrants such as Direct Wireless a viable option for obtaining spectrum for new wireless endeavors. New entrants, in turn, will provide choices for consumers. In the rural areas that Direct Wireless seeks to serve, businesses and individuals often have no choice at all for mobile wireless services, although there may be multiple licenses issued for mobile spectrum covering their communities.

Direct Wireless, as a new entrant in the wireless telecommunications industry, has first-hand experience with the difficulties in obtaining spectrum on the secondary market. Over the past year, Direct

Wireless has been in the process of seeking spectrum from existing licensees, but has found it difficult to obtain such spectrum. Most wireless licensees are not interested in partitioning or disaggregating a portion of their spectrum because they do not want to permanently relinquish rights to the spectrum; in other instances, licensees need to recoup their costs for purchasing the spectrum at auction.

Spectrum leasing, on the other hand, if permitted by the Commission, could be a viable option for Direct Wireless because in a leasing scenario, wireless licensees would not be required to permanently relinquish their spectrum. In addition, Direct Wireless supports Commission acknowledgment of lessee system build-out as counting toward the construction obligations of licensees. Such a policy would provide additional necessary incentives to licensees to permit third party access to unused spectrum.

Direct Wireless is particularly frustrated with the current status of the secondary spectrum market because the Company is seeking to obtain spectrum to provide wireless services in unserved areas. If wider use of spectrum leasing were allowed, companies such as Direct Wireless would have greater ability to obtain wireless spectrum to provide new services to rural communities. Thus, leasing could be a valuable tool through which new and existing entrants would bring the benefits of competition to those who have been left out of the revolution.

Accordingly, Direct Wireless supports the Commission's proposals in this proceeding to open up the secondary spectrum market by allowing broader use of spectrum leasing and by modifying the *Intermountain Microwave* standard for license transfer to facilitate access to spectrum. Such changes in current Commission policies will likely boost competition and encourage the provision of new wireless services in underserved areas of the country.

#### IV. Conclusion

Direct Wireless applauds the Commission's efforts in this proceeding to facilitate the development of secondary wireless spectrum markets and to foster efficient spectrum use. Direct Wireless urges the Commission to continue along this worthwhile path by changing its policies, including the *Intermountain Microwave* standard, to allow broader use of wireless spectrum leasing. The key beneficiaries of flexible spectrum policies will be the unserved and underserved communities of our nation, who will be able to obtain, perhaps for the first time, high quality, low-priced wireless services.

Respectfully submitted,

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