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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets	)	WT Docket No. 00-230
	)	

To: The Commission

REPLY COMMENTS OF MRFAC, INC.

MRFAC, Inc., by its counsel, hereby offers reply comments on one aspect of the Notice of Proposed Rule Making in the above proceeding (FCC 00-402 released November 27, 2000; hereinafter cited as the "Notice"). In support MRFAC submits the following:

INTRODUCTION

As the Commission is aware, MRFAC and its predecessor-in-interest have been private land mobile coordinators for nearly 50 years. Starting with its roots in the National Association of Manufacturers, and continuing with its creation as an independent, non-profit corporation in 1976, MRFAC has coordinated applications for many thousands of manufacturers and industrial applicants.

Besides its coordination functions MRFAC serves as an advocate for the spectrum needs of private, internal use system operators. These entities are typically large industrial firms which own and operate radio facilities as an integral part of their operations. Their radio facilities are used in all manner of specialized applications in order to enhance employee productivity and safety. Moreover, many large manufacturers utilize their communications facilities to provide emergency public health and safety services to neighboring communities.

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MRFAC offers this reply in response to certain opening comments. In particular, this reply is directed to Nextel Communications, Inc. ("Nextel") which has urged the Commission to relax its eligibility rules so as to allow CMRS leasing of shared private land mobile radio ("PLMR") spectrum. See id. at 6-9.

DISCUSSION

There is no sound basis for Nextel's position, a position which the Commission itself has already addressed and rejected in the Notice. Specifically, the Commission has concluded that "radio services in which licensees share the use of spectrum raise interference and frequency coordination issues that are more complex than for licensees that have exclusive rights to use their licensed spectrum;" thus the Commission is disinclined to allow leasing of shared channels. Id. at para. 65.

The Commission's conclusion is entirely correct. Leasing of shared PLMR spectrum would greatly complicate the process of frequency coordination, as well as the slow but steady progress industry has made in furtherance of the re-farming initiative.

From a frequency coordination standpoint, CMRS leasing would make more difficult the ability to accommodate new and/or modified systems on already occupied channels. Coordinators would not necessarily know whether a shared channel has been leased and, if they did, would not be in a position to gauge the effects of the lessee's usage patterns on the interference environment in a particular area. This would inevitably work against the spectrum efficiency which is characteristic of the PLMR community. From a re-farming standpoint, leasing could make more difficult the transition to narrowband or other newer technology equipment. For example, the fact that a licensee-lessor had entered into a long-term lease with a CMRS tenant could inhibit the ability of neighboring licensees to secure trunking consents.

Just recently in the Balanced Budget Act proceeding, the Commission had occasion to consider a similar issue, i.e. whether to allow the transfer or assignment of PLMR spectrum to

CMRS eligibles. The agency determined to allow such transactions for exclusive PLMR licenses, but expressly declined to extend the dispensation to re-farming (shared) spectrum. Specifically, the agency:

> "emphasize[d] that CMRS use will be limited to the 800 MHz PLMR channels because most of the other PLMR spectrum is shared spectrum. In this context, freer channel transferability in this band is warranted. In addition, the *Refarming* proceeding significantly affected a substantial portion of the PLMR spectrum below 512 MHz. As a result, we are reluctant to introduce additional policy changes with respect to the PLMR spectrum until more time has passed and we have the opportunity to fully analyze the benefits of the licensing reforms that were adopted as part of the *Refarming* proceeding....
>
> The approach we adopt today is new, and we believe that we should examine its results with respect to the availability of spectrum for future PLMR needs before we consider extending this approach to other bands."

Report and Order and Further Notice of Proposed Rule Making, FCC 00-403, released November 20, 2000 at note 307. For the same reasons, the Commission should reject CMRS requests to lease shared PLMR spectrum.

CONCLUSION

Accordingly, the Commission should adhere to the view in the Notice that it is inappropriate to consider CMRS leasing of shared PLMR spectrum.

Respectfully submitted,

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