RECEIVED

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

NOV 3 **0** 2000

PEDERAL COMMUNICATIONS COMMISSIONS
OFFICE OF THE SECRETARY

In the Matter of)	OPPICE OF THE SECKETARY
)	
Motorola, Inc.; Motorola SMR, Inc.; and)	DA 00-2352
Motorola Communications and)	
Electronics, Inc.)	Application Nos. 000-224876,
Applications for Consent to Assign)	000-224877,000-224878
900 MHz SMR Licenses to FCI 900, Inc.)	

To: Chief, Wireless Telecommunications Bureau

OPPOSITION OF NEXTEL COMMUNICATIONS, INC. TO SOUTHERN LINC'S COMMENTS

NEXTEL COMMUNICATIONS, INC.

Robert S. Foosaner
Senior Vice President – Government Affairs

Lawrence R. Krevor Senior Director – Government Affairs

Laura L. Holloway

Director - Government Affairs

James B. Goldstein Regulatory Counsel

2001 Edmund Halley Drive Reston, VA 20191 703-433-4141

Date: November 30, 2000

TABLE OF CONTENTS

SUM	MARY	•	•	•	•	•	•	•	•	•	•	ı
I.	INTR	ODUCTIC	N	•	•	•		•	•	•	•	1
II.	DISC	USSION	•	•	•	•	•	•	•	•	•	2
	A.	The Co Market									Rele	vant 2
	B.	Even As Market, Demons	an A strate	nalysi that t	s of t	he Cor	npetit	ive Im	pacts	on th		arket
		Public	Int	erest	•		•	•		•	•	5
	C.	Souther Compet			•						ty to	
		Opportu	ınities	to A	cquire	Additi	ional S	Spectr	um	•	•	10
111.	CON	CLUSION		•	Ē	•				•		13

SUMMARY

Nextel Communications, Inc. ("Nextel") respectfully files this

Opposition to the Comments of Southern LINC ("Southern") regarding
applications to assign Motorola, Inc.'s ("Motorola") 900 MHz Specialized

Mobile Radio ("SMR") licenses to FCI 900, Inc., a wholly owned subsidiary
of Nextel. In its Comments, Southern makes arguments that have been
previously reviewed and rejected by both the Wireless Telecommunications

Bureau ("Bureau") and the United States Department of Justice ("DOJ").

Southern presents no new facts or circumstances that should alter the

Bureau's and DOJ's previous findings. In fact, the structure of today's
wireless telecommunications marketplace only strengthens the bases on
which the Bureau and DOJ reached their earlier conclusions.

Southern's assertion that the trunked dispatch market is the "only" relevant market for analyzing the effects of the subject transactions has been rejected previously and should be rejected here. The 900 MHz SMR licenses subject to this assignment will be deployed in the broader Commercial Mobile Radio Services ("CMRS") marketplace, Nextel operates and competes in the CMRS marketplace and Nextel's services are subject to the regulatory obligations of CMRS providers. Moreover, trunked dispatch services compete with all other CMRS services, including interconnected telephone service. For these reasons, the Bureau cannot ignore the transaction's impact on the broader CMRS marketplace. At a minimum, the

Bureau should analyze the competitive impact of the transaction on both the dispatch market and the interconnected mobile telephone market.

In any case, analyzing the transaction's impact on the trunked dispatch market will demonstrate that no competitive harm will result from the assignment of these licenses to Nextel. Although it increases Nextel's SMR spectrum holdings, it does so vis-à-vis the available spectrum at 220 MHz, 450 MHz, 700 MHz, 800 MHz, 900 MHz, and 1.9 GHz, all of which can be used to provide competitive dispatch services to the public. While most of this spectrum already is licensed, much of it has only been licensed in the previous 12 months (portions of the 800 MHz band and the 700 MHz band), and those licensees are free to deploy systems that offer dispatch services. The 1.9 GHz Personal Communications Services ("PCS") band is set for auction in only a few weeks. Thus, spectrum is available to any entity, including Southern, interested in competing in the dispatch marketplace.

These license assignments will enhance Nextel's service offering by providing it additional spectrum on which to provide a variety of services, thereby enhancing the overall quality of its services and enabling it to better compete in the larger CMRS marketplace. These competitive benefits, coupled with the fact that substantial opportunities exist for licensees to enter the dispatch market, require that the Bureau reject Southern's Comments and approve the transaction.

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
)	
Motorola, Inc.; Motorola SMR, Inc.; and)	DA 00-2352
Motorola Communications and)	
Electronics, Inc.)	Application Nos. 000-224876,
Applications for Consent to Assign)	000-224877,000-224878
900 MHz SMR Licenses to FCI 900, Inc.)	

To: Chief, Wireless Telecommunications Bureau

OPPOSITION OF NEXTEL COMMUNICATIONS, INC. TO SOUTHERN LINC'S COMMENTS

I. INTRODUCTION

Pursuant to the Public Notice of the Wireless Telecommunications Bureau ("Bureau") of the Federal Communications Commission ("Commission"), ¹ Nextel Communications, Inc., on behalf of its wholly-owned subsidiary FCI 900, Inc. (collectively "Nextel"), hereby responds to the Comments of Southern LINC ("Southern") in the above-captioned proceeding.

On September 23, 2000, Nextel and Motorola, Inc., Motorola SMR, Inc., and Motorola Communications and Electronics (hereinafter collectively "Motorola") filed applications to assign 58 900 MHz Specialized Mobile Radio ("SMR") licenses from Motorola to Nextel.² Included in the applications was a Public Interest Statement demonstrating that the proposed transaction is in the public interest as required by Section 31 O(d) of the Communications Act of 1934, as amended ("Act"). ³ Nextel

¹ Public Notice, "Motorola, Inc. and Nextel Communications, Inc. Seek Consent To Assign 900 MHz Licenses," DA 99-2352, released October 19, 2000.

² On October 17, 2000, Nextel and Motorola filed an amendment to the application, deleting one of the 59 licenses, call sign WKNL351. Thus, Nextel is seeking to acquire 58 900 MHz SMR licenses from Motorola.

³ 47 U.S.C. Section 31 O(d); see *also* Nextel/Motorola Public Interest Statement, submitted September 23, 2000 (hereinafter "Nextel/Motorola Public Interest Statement").

responds herein to the issues raised in Southern's Comments, most of which are merely repetitions of arguments previously reviewed and rejected by the Bureau and the Department of Justice.

- II. DISCUSSION

A. The Commercial Mobile Radio Services Market is the Relevant Market for Analyzing the Proposed Transaction

Southern asserts in its Comments that the trunked dispatch market is the "only relevant market" for analyzing Motorola's proposed license assignments to Nextel.⁴ Southern asserts this position despite years of Bureau findings to the contrary. First, in proceedings reviewing Nextel's acquisition of 800 MHz SMR licenses from Dial Call, Inc., Onecomm, Inc. and Motorola, the Bureau concluded that all Commercial Mobile Radio Services ("CMRS") services made up the relevant. product market for a Section 310(d) competitive analysis. ⁵ Later, in reviewing Nextel's applications to acquire the 800 MHz licenses of Pittencrieff Communications, Inc. ("PCI") and the 900 MHz licenses of Geotek

Communications, Inc. ("Geotek"), the Bureau decided to analyze the impact on two separate product markets: the dispatch market and the interconnected mobile telephone market.⁶ Southern now asks the Commission to ignore any potential impact on the interconnected mobile telephone market and look only to the impact

⁵ See In re Applications of Dial Page, Inc. DA 95-2379, released November 22, 1995, at para. 24; In re Applications of Nextel Communications, Inc. for Transfer of Control of OneComm Corp, N.A. and C-Call Corp., 10 FCC Rcd 10450 (1995) at para. 31; In re Applications of Motorola, Inc., IO FCC Rcd 7783 (1995) at para. 17.

⁴ Comments of Southern at p. i; see a/so p. 3-6.

⁶ In re Pittencrieff Communications, Inc., DA 97-2260, released October 24, 1997 (hereinafter "PCI Order") at para. 23; In re Geotek Communications, Inc., DA 00-89, released January 14, 2000 (hereinafter "Geotek Order") at para. 26 ("[F]or analytical convenience," the Bureau employed the PCI Order's product market analysis.)

the transaction may have on trunked dispatch service. ⁷ Reviewing only the impact on the narrow trunked dispatch service market is not appropriate. First, these services compete with interconnected mobile services and other CMRS services, as the Commission concluded in 1994. ⁸ If trunked dispatch services compete with interconnected mobile services and are saddled with the attendant CMRS regulatory burdens, the Commission cannot ignore the transaction's impact on this larger set of competing services.

Second, limiting the analysis to trunked dispatch services presumes that the 900 MHz SMR spectrum is useful only for the provision of these services, ignoring the fact that licensees may choose to deploy more advanced technologies and services on this spectrum – a possibility that the Commission previously recognized when it stated that 900 MHz SMR frequencies "present11 significant opportunities for the development of certain types of wide-area mobile voice and data services that could compete with [CMRS] services." The Commission, therefore, clearly contemplated that the 900 MHz SMR band would be used for far more than only trunked dispatch services. To apply such a narrow analysis, moreover, would be in stark contrast to the Commission's November 27, 2000 Notice Of Proposed Rulemaking on promoting efficient use of spectrum. ¹⁰ There, the Commission

-

⁷ Comments of Southern at p. 5. Southern previously asked the Commission to use only the dispatch market in reviewing Nextel's acquisition of the Geotek licenses. See Petition to Deny of Southern Communications Services, Inc., filed June 28, 1999 in DA 99-I 027 ("Southern's Geotek Comments") at p. 8. As noted herein, the Bureau rejected Southern's position and analyzed the impact of the transaction on both the dispatch and interconnected mobile telephone markets.

⁸ Third Report and Order, 9 FCC Rcd 7988 (1994) at para, 73.

⁹ *Id.* at para. 113.

¹⁰ Notice Of Proposed Rulemaking, WT Docket No. 00-230, FCC 00-402, released November 27, 2000.

stated that it is attempting, among other things, to achieve "[m]ore intensive use of spectrum that is already licensed but is underutilized or inefficiently utilized. . ." 11 Analyzing the proposed transaction with the presumption that 900 MHz spectrum "competes" only-with trunked dispatched services, therefore, would be wholly at odds with the Commission's spectrum policies and the realities of the wireless telecommunications marketplace.

Nextel has asserted many times before, and continues to assert herein, that the CMRS market is the relevant market for analyzing the assignment of SMR licenses to a CMRS provider. ¹² Nextel competes in the CMRS marketplace, and it is the marketplace in which the subject 900 MHz SMR licenses will be deployed; thus, it is the marketplace by which Nextel's competitiveness is measured, and it is the relevant market for examining the potential benefits and harms of the proposed transaction.

Nonetheless, at a minimum, the Bureau should reject Southern's suggestion that the trunked dispatch market is the only relevant market, and analyze the impact of the proposed transaction on both the trunked dispatch market and the interconnected mobile telephone market. This analysis will demonstrate that the proposed assignments will result in pro-competitive benefits to telecommunications consumers, thus justifying approval of the transaction under Section 310(d) of the Act.

¹¹ *Id.* at para. 8.

¹² See, e.g., Opposition of Nextel Communications, Inc. to Petitions to Deny, submitted July *15,* 1999, in DA 99-1027, at pp. 14-20.

B. Even Assuming that Trunked Dispatch Service is the Relevant Market, an Analysis of the Competitive Impacts on that Market Demonstrate that the Proposed Transaction Is In the Public Interest

Nextel's acquisition of the subject 58 licenses will enhance its ability to compete in the CMRS marketplace. The fact that it also increases the amount of SMR spectrum Nextel currently holds does not have an adverse impact on the trunked dispatch services marketplace because, as the Commission and the United States Department of Justice ("DOJ") have previously recognized, there are other avenues for providing such services.

Southern's Comments are nothing more than a reiteration of arguments recently reviewed and rejected by the Commission and the DOJ. For example, in Nextel's proceeding to acquire certain Geotek 900 MHz SMR licenses, which involved both a Commission proceeding and a Consent Decree Modification with the DOJ before the United States District Court for the District of Columbia ("the Court"), 13 a number of parties raised the very same arguments Southern now poses. 14 In the proceeding before the Court, the DOJ addressed these arguments, concluding that it had become "apparent . . . that concentration in the relevant markets is likely to be mitigated by other significant entry. Although the [DOJ] cannot predict with precision when this entry will occur, its likely advent within the

¹³ In 1995, Nextel entered into a Consent Decree with DOJ which limited the combined 900 MHz channel holdings of Nextel and Motorola in fifteen major markets. See Consent Decree, U.S. v. Motorola *et al.*, Case No. 1:94CV02331 (D.D.C July 25, 1995). In the proceeding to modify the Consent Decree, which was approved by the Court on December 16, 1999, Nextel and Motorola were permitted to increase their combined holdings in these 15 markets to as much as 108 channels per market, and the Consent Decree was set to expire on October 30, 2000. See United States v. Motorola, Civ. No. 94-2331 (released December 16, 1999).

¹⁴ See Geotek Order at paras. 26, 31, 33 et seg.

next couple of years" justified modifying the Consent Decree that then governed Nextel's 900 MHz SMR holdings to permit Nextel to acquire additional 900 MHz SMR channels in major markets throughout the Nation. 15

In January-2000, the Bureau reiterated DOJ's conclusion, rejecting arguments that "alternative sources of capacity suitable for dispatch use [would] be insufficient to meet projected growth in market demand." ¹⁶ To the contrary, the Bureau found that "while dispatch demand has grown, dispatch supply appears to have been growing even more rapidly." ¹⁷

In the Geotek proceeding, the DOJ further recognized, just as the Bureau previously had concluded, that "the regulatory restrictions that constrained entry into the dispatch market" by Personal Communications Services ("PCS") and cellular providers had been eliminated. ¹⁸ Contrary to Southern's unsupported assertions, there are no "technology constraints" to deploying dispatch services on spectrum other than "SMR" spectrum. ¹⁹ As the Bureau concluded in the PCI Order, "entry into the dispatch market is not inherently costly, technically challenging, or unduly time-consuming."* Thus, despite Southern's claims, it simply is not accurate to

¹⁵ Response of the United States To Public Comments On The Proposed Modified Consent Decree, filed August 27, 1999, <u>United States v. Motorola, Inc., et al.</u>, Case No. 1:94CV02331, United States District Court for the District of Columbia (hereinafter the "DOJ Brief"). Interestingly, the proposed transaction herein would not violate the Consent Decree even *if it were still in effect* because DOJ, in its antitrust analysis of Nextel's and Motorola's 900 MHz holdings had already concluded that their combined holdings are not in violation of the antitrust laws. Thus, the mere transferring of licenses from one entity to the other has no impact on this analysis since the combined holdings remain static.

¹⁶ Geotek Order at para. 41.

^{17 14}

¹⁸ DOJ Brief at pp. 8-9.

¹⁹ See Comments of Southern at p. 6.

²⁰ PCI Order at para. 54.

state that "carriers using iDEN technology cannot now incorporate PCS spectrum in their systems even if [spectrum] were readily available." ²¹ The fact is that there are no technical impediments to providing dispatch service in bands other than 800 and 900 MHz, and mobile systems can be developed to provide dispatch services on the 220 MHz, 450 MHz, 700 MHz or 1.9 GHz PCS spectrum. If Southern's assertions were true, it is not likely that Nextel would be an applicant in the C and F Block PCS reauction, seeking to acquire 1.9 GHz PCS spectrum. ²²

Moreover, it is not necessarily true that incumbent cellular and PCS providers would have to retrofit their systems to include a dispatch feature in their menu of wireless services. As the DOJ recognized last year, there are equipment vendors currently researching and developing technologies that would add the dispatch function to existing cellular and/or PCS systems. Because technology drives innovation in the telecommunications industry, the Bureau's decision herein should not presume that technology will not achieve cellular or PCS competitive entry into the dispatch market. As the Bureau stated in the Geotek Order, development of "group-calling services are just what should be expected from a policy allowing flexible use of spectrum licenses." Cellular and PCS licensees have the flexibility to introduce dispatch services on their existing allocations; thus, if they identify a

_

²¹ Comments of Southern at p. 6.

²² This is the second time Southern has made this unsupportable argument regarding technological limitations on using non-SMR spectrum bands to provide dispatch services. See Southern's Geotek Comments at p. 13. There were no technological barriers to providing dispatch services on non-SMR bands at that time, and there are none today.

²³ See Comments of Southern at p. 7.

²⁴ DOJ Brief at p. 11.

²⁵ Geotek Order at para. 38.

profitable niche in providing those services, they will "enter that niche to compete away excess profits." 26

In the interim, some cellular and PCS providers have developed pricing plans designed to compete directly with the services provided by the push-to-talk dispatch functionality – as the Bureau and DOJ already have recognized. ²⁷ These plans, despite Southern's assertions to the contrary, ²⁸ are providing real competition to Nextel's iDEN services. ²⁹ Whether or not these providers currently are providing dispatch services, the fact that they are providing competition to those services is a key public interest consideration that should be recognized by the Bureau in this Section 31 O(d) analysis.

In addition to trunked dispatch competition currently and prospectively generated by cellular and PCS providers, Nextel and Motorola noted that the 220 MHz spectrum offers fertile ground for the introduction of such services. ³⁰ Although the Bureau and the DOJ also have concluded that 220 MHz offers new entry opportunities in the trunked dispatch market, ³¹ Southern's Comments do not acknowledge the existence of 220 MHz spectrum, focusing primarily on 800 MHz and 900 MHz SMR spectrum. ³² To the extent there is demand for trunked dispatch services, 220 MHz licensees will construct dispatch systems and offer those

21

²⁶ id.

²⁷ See, e.g., Geotek Order at para. 36; DOJ Brief at p. 10.

²⁸ Comments of Southern at p. 5.

²⁹ See Report of First Union Securities, November 13, 2000, at www.cnetinvestor.com/yahoonews/newsitem-yahoo.asp?SYMBOL_R657350, stating "For example, Voicestream and Verizon Wireless are offering free unlimited mobile-to-mobile minutes. While we acknowledge these do not offer the same advantages as Nextel's direct connect systems, we believe this will give the 'typical Nextel user' more of a reason to pause when making a decision on which mobile device to purchase."

³⁰ Nextel/Motorola Public Interest Statement at pp. 12, 14, 17, and 18.

³¹ See, e.g., DOJ Brief at pp. 1 I-I 2; Geotek Order at paras. 39-41.

³² Comments of Southern at pp. 7-9.

services to the public in competition with the trunked dispatch services currently provided by Nextel, Southern and other licensees,

After DOJ and the Bureau had concluded that there are these additional avenues for new-entry into the dispatch market, the Commission licensed more spectrum that will likely be used to provide trunked dispatch services – the 700 MHz Guard Band licenses. ³³ Although Nextel was the high bidder on a number of the 700 MHz Guard Band licenses, Nextel will act only as the "Band Manager," leaving the introduction and deployment of services to a number of Guard Band lessees. ³⁴ These licenses, moreover, will likely be used for trunked dispatch services because the Commission explicitly prohibited the introduction of cellular-like services on these particular channels. ³⁵ Thus, the auction of 700 MHz Guard Band added yet another mechanism for new entry into the trunked dispatch market. ³⁶

Given that there continue to be numerous avenues for new entry into the trunked dispatch market, the Bureau should recognize that Southern's arguments raise no new issues and do not change the fact that there is opportunity for additional competition in the trunked dispatch market – whether it be provided on 800 MHz, 900 MHz, 220 MHz, 700 MHz or 1.9 GHz channels by "SMR" licensees, cellular licensees, PCS licensees or Band Managers and their lessees. Southern

³³ Second Report and Order, 15 FCC Rcd 5299 (2000)("Guard Band Order").

The Guard Band Order requires that Nextel, as a Guard Band licensee, lease at least 50.1% of its licensed spectrum to non-affiliates. Guard Band Order at para. 59.
 See *Id.* at paras. 19-24.

³⁶ The assignment of licenses in the 700 MHz and 220 MHz bands directly addresses Southern's assertions that the Commission has not "regulated" the SMR industry to assure the existence of more than one competitor. Comments of Southern at p. 10. The "SMR industry" includes providers offering for profit communications services to the public such as dispatch services -- whether they are provided on 800 MHz and 900 MHz "SMR" channels or not. Therefore, the Commission's continued allocation and assignment of

mistakes the "SMR" regulatory classification as the only avenue for providing dispatch services. Such a conclusion is manifestly incorrect, as the Bureau and DOJ have previously recognized. For these reasons, the Bureau should conclude that Nextel's acquisition of 58 additional 900 MHz SMR licenses will not adversely impact competition in the trunked dispatch market. No new entrant will be harmed by the transaction and no existing provider will find itself disadvantaged by Nextel's acquisition of the channels. Therefore, because the additional 58 licenses will enhance the critical mass of spectrum necessary for Nextel to construct and operate a competitive CMRS system at 900 MHz, the Bureau should reject Southern's Comments and grant the applications.

C. Southern Claims that Spectrum is "Critical" to Its Ability to Compete; Yet, Southern Has Passed on Numerous Opportunities to Acquire Additional Spectrum

On more than one occasion in its Comments, Southern asserts that "spectrum availability is the single most critical issue in determining whether robust competition can develop in the trunked dispatch market." ³⁷ Yet, given numerous opportunities in just the previous twelve months to acquire additional spectrum, Southern, which is wholly owned by The Southern Company (with a market cap of over \$20 billion and a return on equity of 13.43%) has chosen not to add significantly to its spectrum capacity. The Commission has auctioned the 700 MHz Guard Band, which clearly is available for dispatch services, the Lower 150 General Category 800 MHz channels and the Lower 80 800 MHz SMR channels, and the

spectrum that can be used for dispatch services has protected against the existence of only one "SMR" provider while also providing avenues for new entry into this marketplace.

37 Comments of Southern at p. 2;see a/so Comments of Southern at p. 6 ("Southern would re-emphasize that the availability of spectrum is the single most critical factor in sustaining competition in the dispatch market.") and p. 7 ("No new product line or company can be successful if competitors do not have spectrum available on which to provide service.")

.

Commission is prepared to re-auction the 1.9 GHz C and F Block PCS licenses in December.

Additionally, just as Nextel used the secondary marketplace to privately negotiate purchases of additional spectrum from Geotek, Motorola and Chadmoore Communications, Southern also could have negotiated transactions with any of these or other Commission licensees to expand and enhance its iDEN network to provide dispatch services. ³⁸ The mere fact that Nextel has accessed additional spectrum pursuant to the Commission's rules and auction processes --while Southern has not chosen to do so -- does not warrant a finding that the subject transaction should be denied. Southern does not state any interest in acquiring Motorola's 900 MHz licenses, ³⁹ and has demonstrated only limited interest in previous spectrum opportunities. Southern's intervention in this proceeding is merely an attempt to engage regulatory pressure to remedy its own spectrum shortsightedness. ⁴⁰

Southern's claims of Nextel's spectrum "dominance," moreover, are misguided. Nextel has acquired this spectrum in conformance with its business plan to compete with the Nation's largest cellular and PCS providers. If Southern

3

³⁸ It appears that Southern has chosen to deploy a business strategy that relies on its utility status to acquire private spectrum, convert it to commercial use and then depend on regulatory intervention achieve its business goals. It pursues this strategy instead of using the plentiful resources of its parent company, one of the Nation's leading utility holding companies with a captive customer base, to compete in the open market for spectrum resources.

³⁹ Interestingly, Southern's Comments do not even assert that it is interested in acquiring the Motorola 900 MHz spectrum – perhaps because most of the subject licenses are outside the areas of its self-defined limited coverage area.

⁴⁰ This is particularly true of Southern's claim that Nextel is refusing to enter into roaming agreements with Southern. Comments of Southern at p. 7, fn. 17. The issue of automatic roaming agreements is currently the subject of a separate Commission proceeding. With respect to manual roaming, Nextel currently is considering the myriad technical and operational issues involved in accomplishing manual roaming between iDEN systems and will be communicating these matters directly to Southern in the very near future.

had intended to compete more aggressively in the CMRS marketplace – or only in the narrower trunked dispatch market – Southern had the resources to obtain additional spectrum through the very same channels used by Nextel. It is for that very reason – competition – that Nextel, unlike Southern, has committed significant resources to adding spectrum capacity to enhance its competitiveness in the marketplace. As Nextel's competitiveness is enhanced, the overall public interest is served by ensuring the continued introduction of new, advanced services, increased service options, and more competitive pricing of those service alternatives.

Today, Nextel has acquired an average of approximately 16 MHz of non-contiguous spectrum in most markets throughout the Nation. This 16 MHz non-contiguous spectrum position pales in comparison to the 30-45 MHz of contiguous spectrum held by many of Nextel's CMRS competitors, e.g., Verizon, Sprint PCS, AT&T Wireless. Thus, Southern's much-used and misleading assertion that Nextel's ability to achieve the mobile telephone industry's highest average revenue per unit per month ("ARPU") is somehow related to its spectrum position is nonsensical. Of the five nationwide "mobile telephone" providers, Nextel has the smallest spectrum position, yet achieves the highest ARPU. Nextel achieves this industry-leading ARPU because it provides users an array of service options and features that enhance Nextel's overall service package. Additionally, Nextel's ARPU likely is higher than Southern's ARPU because Nextel's iDEN service offering is technologically superior to Southern's offering. Specifically, Southern uses a less

4

⁴¹ Southern is merely restating an assertion that was made by the Alliance for Radio Competition ("ARC") in the Geotek proceeding. See Petition to Deny of ARC, filed June 28, 1999 in DA 99-1027, at para. 18, and ARC's Response to the Opposition of Nextel Communications, Inc. to Petitions to Deny, filed July 30, 1999 in DA 99-I 027, at para. 11.

expensive variant of the iDEN digital mobile system that provides 6:1 interconnect capability while Nextel has deployed a higher voice quality 3:1 interconnect capability. Nextel believes that its higher ARPU results from its superior service.

III. CONCLUSION

For the reasons discussed herein, Nextel respectfully requests that the Commission reject Southern's Comments and grant the subject applications.

Respectfully submitted,

NEXTEL COMMUNICATIONS, INC.

Robert S. Foosaner

Senior Vice President - Government Affairs

Lawrence R. Krevor Senior Director – Government Affairs

Laura L. Holloway

Director - Government Affairs

James B. Goldstein Regulatory Counsel

2001 Edmund Halley Drive Reston, VA 20191 703-433-4141

Date: November 30, 2000

CERTIFICATE OF SERVICE

I, Rochelle L. Pearson, hereby certify that on this 30th day of November 2000, caused a copy of the attached Opposition of Nextel Communications, Inc. to Southern LINC to be served by hand delivery to the following:

Chairman William Kennard Federal Communications Commission 445 12th Street, SW Room 8-B201 Washington, D.C. 20554

Commissioner Susan Ness Federal Communications Commission 445 12th Street, SW Room 8-B115 Washington, D.C. 20554

Commissioner Michael Powell Federal Communications Commission 445 12th Street, SW Room 8-A204 Washington, D.C. 20554

Commissioner Harold Furchtgott-Roth Federal Communications Commission 445 12th Street, SW Room 8-B201 Washington, D.C. 20554

Commissioner Gloria **Tristani**Federal Communications Commission 445 12th Street, SW
Room 8-C302
Washington, D.C. 20554

Thomas J. Sugrue, Bureau Chief Wireless Telecommunications Bureau Federal Communications Commission 445 12th Street, SW Room 3-C207 Washington, D.C. 20554 Lauren Kravetz
Policy and Rules Branch
Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
445-12th Street, SW
Room 4-A163
Washington, D.C. 20554

John Branscome
Policy and Rules Branch
Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Room 4-A163
Washington, D.C. 20554

Pieter T. van Leeuwen Chief Economist Wireless Telecommunications Bureau Federal Communications Commission 445 12th Street, SW Room 3-C254 Washington, DC 20554

Susan Singer, Economist
Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Room 4-C121
Washington, D.C. 20554

Office of Media Relations
Reference Operations Division
Federal Communications Commission
445 12th Street, SW
Room CY-A257
Washington, D.C. 20554

*Michael Rosenthal
Director of Regulatory Affairs
Southern **LINC**5555 Glenridge Connector
Suite 500

Atlanta, GA 30342

*Karen A. Kincaid Wiley, Rein & Fielding 1776 K Street, NW Washington, DC 20006

Rochelle L. Pearson

*Via First Class Mail