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Federal Communications Commission
1919 - M Street, N.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Circ 1974).

Report No. WT 98-20

WIRELESS TELECOMMUNICATIONS ACTION July 14, 1998

FCC ADOPTS AUCTION RULES FOR LMS SERVICES (PR Docket No. 93-61)

The Commission has adopted rules and procedures for the future auction of Location and Monitoring Service (LMS) licenses. LMS refers to advanced radio technologies designed to support the nation's transportation infrastructure and facilitate growth of Intelligent Transportation Systems. These systems are intended to improve the efficiency and safety of the highways of the United States.

LMS systems can be used, for example, by trucking companies to track individual vehicles, by municipalities to pinpoint the location of their buses, or even by private entrepreneurs developing subscriber-based services for recovery of stolen vehicles.

The Commission has taken various steps in developing procedures to license LMS. In its *LMS Report and Order*, the Commission adopted rules governing the licensing of LMS in the 902-928 MHz frequency band and also created a new section in Part 90 of its Rules for Transportation Infrastructure Radio Services, which include LMS and similar services. In the decision released today, the Commission adopts many of the proposals set forth in the *LMS Further Notice of Proposed Rulemaking*. Specifically, the Commission took the following steps to implement competitive bidding for LMS systems:

- Adopted the general competitive bidding rules and procedures included in Part 1 of the Commission Rules for the LMS auction.
- Noted in the *Part 1 Third Report and Order*, delegated authority to the Wireless Telecommunications Bureau to determine the appropriate auction design and auction procedures.
- Adopted bidding credits for eligible small businesses. "Small businesses" with average annual gross revenues not to exceed \$15 million are eligible for a 25 percent bidding credit, and "very small businesses" with average annual gross revenues not to exceed \$3 million are eligible for a 35 percent bidding credit.



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Determined that LMS licensees will be allowed to partition their geographic licenses and disaggregate portions of their spectrum, provided that a qualified small business that applies to partition or disaggregate its license to a non-small business entity will be required to repay any benefits it received from special small business provisions as a condition of approval.

By Public Notice, the Wireless Telecommunications Bureau will schedule an auction of LMS licenses to begin on a date approximately five months after release of these rules.

Action by the Commission, July 9, 1998, by Second Report and Order (FCC 98-157).
Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell and Tristani.

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News Media contact: Meribeth McCarrick at 202-418-0654

Wireless Telecommunications Bureau contact: Kenneth Burnley at (202) 418-0600,

TTY at (202) 418-7233