obtain a license to use Rand McNally's copyrighted material pursuant to this agreement upon payment to Rand McNally of \$125.00 per each tenchannel block MTA license a grantee obtains. The agreement, along with the MTA listings and map, are available for public inspection at the Wireless Telecommunications Bureau's public reference room, Room 628, 1919 M Street NW., Washington, D.C. 20554. Copies also can be obtained by contacting Kim McLean, Marketing Coordinator, Rand McNally & Company, 8255 North Central Park, Skokie, IL 60076 (tel. (800) 333-0134) or AMTA, 1150 18th Street N.W., Suite 250 Washington, D.C. 20036 (tel. (202) 331-7773). Grantees are free to negotiate their own licensing arrangement with Rand McNally. Grantees may not, however, rely on grant of an MTAbased SMR license as a defense to any claim of copyright infringement brought by Rand McNally.

5. Channel Blocks. The 900 MHz SMR band is comprised of 20 blocks of 10 contiguous channels each, interleaved with channels assigned to other Part 90 services. The CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994), provides that each 10-channel block would be separately licensed and that applicants would be permitted to aggregate blocks. Eligibility for any channel block would not be restricted, and both incumbents and new entrants would be allowed to bid without restriction for one or more 900 MHz blocks. An MTA licensee will be authorized to construct stations anywhere in its MTA on unoccupied channels that are available for construction, and to expand or modify facilities throughout its MTA provided that the system remains in compliance with the Commission's technical and operational rules, protects incumbents, and the licensee notifies the Commission of such changes. CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994). These rules will afford 900 MHz SMR MTA licensees the same flexibility afforded cellular and PCS licensees.

6. Coverage Requirements. The CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994), provides MTA licensees five years to construct and operate their systems, but deferred adoption of interim requirements to this proceeding. In this Second Report and Order, the Commission will require that MTA licensees provide coverage to one-third of the population of their service area within three years of initial license grant and to two-thirds of the population of their service area within five years. Alternatively, at the five-year mark,

MTA licensees may submit a showing to the Commission demonstrating that they are providing substantial service. In addition, licenses may resell party of their geographic area to help them fulfill coverage requirements. An MTA licensee must satisfy its coverage requirements regardless of the extent of the presence of incumbents within its MTA block, and failure to comply with these requirements will result in forfeiture of the entire MTA license. These standards are similar to those imposed on other wide-area CMRS licensees such as cellular and broadband PCS. The Commission states that these standards will allow for ubiquitous wide-area service to the public and protect incumbents, while deterring competitors from seeking MTA licenses for anticompetitive warehousing.

7. Treatment of Incumbents. In the CMRS Third Report & Order, 59 FR 59,945, (Nov. 21, 1994), the Commission determined that incumbent SMR systems in the 900 MHz MTA blocks are entitled to co-channel protection by MTA licensees, and that mandatory relocation of incumbents was not feasible in the 900 MHz band because no alternative 900 MHz SMR channels were available for relocation. The Commission instead stated that MTA licensees could negotiate mergers, buyouts, frequency swaps, or similar arrangements with incumbent systems on a voluntary basis. In furtherance of that policy, this Second Report & Order requires that MTA licensees afford protection to incumbent SMR systems pursuant to 47 C.F.R. § 90.621(b), by locating their stations at least 113 km (70 mi.) from the facilities of any incumbent, by complying with the cochannel separation standards set forth in our "short-spacing" rule, or by negotiating an even shorter distance with the incumbent licensee. See 47 C.F.R. § 90.621(b)(4). This will adequately protect incumbent operations without hampering the ability of MTA licensees to construct stations throughout their authorized service area.

8. While the CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994), provides full co-channel interference protection for existing facilities, incumbent systems may not expand beyond existing service areas unless they obtain the MTA license for the relevant channels; the Commission did not, however, specifically define an incumbent's "existing service area." To provide incumbent licensees with additional flexibility, the Commission is defining an incumbent licensee's

existing service area by its originallylicensed 40 dBu signal strength contour.

9. Thus, incumbent licensees may add new transmitters in their existing service area without prior notification to the Commission, so long as their original 40 dBu signal strength contour is not expanded. Incumbent licensees will be required to notify the Commission of any changes in technical parameters or additional stations constructed through a minor modification of their license, including agreements with an MTA licensee to expand beyond their signal strength contour. These minor modification applications, however, will not be subject to public notice and petition to deny requirements or mutually exclusive applications. These rules will allow incumbents to continue existing operations without harmful interference and give them flexibility to modify or augment their systems so long as they do not encroach on the MTA licensee's

10. Interference Between Adjacent MTA Licensees. In the CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994), the Commission concluded that co-channel interference criteria for adjacent MTA licensees would be similar to those imposed on the cellular and PCS services in that they would only apply to transmitting locations near the boundaries of each licensee's MTA. Consistent with that objective, this Second Report and Order prohibits MTA licensees from exceeding a signal level of 40 dBuV/M at their service area boundaries, unless all affected parties agree to a higher level. Co-channel adjacent MTA licensees and other affected parties must coordinate frequency usage. To the extent that a single licensee obtains licenses for adjacent MTAs on the same channel block, it will not be required to coordinate its operations in this manner. This approach provides MTA licensees a signal strength level sufficient to operate their systems up to the borders of their MTA licenses while protecting adjacent operations.

11. Secondary Sites. In the CMRS Third Report & Order, 59 FR 59,945 (Nov. 21, 1994), the Commission determined that incumbent systems are entitled to full co-channel interference protection for existing facilities, but are not allowed to expand beyond existing service areas unless they obtain the MTA license for the relevant channels. Several incumbent 900 MHz licensees have been granted authorizations to construct facilities outside of their DFAs on a secondary (i.e., unprotected) basis to link their facilities in different markets. As a practical matter, these