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**MDS/ITFS Industry Seeks
to Reshuffle Spectrum**

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Leading players in Multipoint Distribution Service (MDS) and Instructional Television Fixed Service (ITFS) have presented the FCC with a White Paper outlining a dramatic reorganization of their spectrum and licensing rules. Both services originally carried one-way video using interleaved channels at 2500-2690 MHz: commercial "wireless cable" in MDS, and instructional and teacher-training materials in ITFS. Rule changes since then have enabled two-way data transmission, including Internet access, but the industry has not advanced as quickly as proponents had hoped.

Several industry groups have now collaborated on a detailed plan that would separate out the various MDS and ITFS channels, thus aggregating larger blocks of contiguous spectrum that could be used more readily in cellular configurations. The middle portion of the joint spectrum would be reserved for traditional high power, tall antenna operations. A good deal of regulatory underbrush would also be cleared away, including some current operating and build-out requirements.

As often happens in spectrum reorganizations, much of the controversy centers on who will pay to replace or retune equipment presently in use. Under the industry plan, the cost of reconfiguring ITFS equipment would fall on the party first seeking rearrangement of the spectrum in that market. But incumbent MDS licensees would have to bear their own costs, a sore point with many such operators, who together serve about a million receivers.

The FCC is expected to set out these ideas in a notice of proposed rulemaking early in 2003.