

MEMORANDUM

Date: January 9, 1995
To: Senator Dole
From: Alec Vachon/David Wilson *N*
RE: SIGN ON TO FCC LETTER RE AUCTION PREFERENCES FOR PEOPLE
W/DISABILITIES

- * Attached for your signature is a letter to the FCC from Senator Murkowski. As you may recall, in August you signed a letter from Murkowski to the FCC asking that people with disabilities be included among disadvantaged groups given preference in certain spectrum actions -- as the FCC is required to do for women and other minorities by a provision in OBRA-93.
- * There is, of course, a legitimate question of whether Congress should grant preferences to any group, or whether such preferences actually promote economic opportunity for disadvantaged groups. However, given that Congress has decided to award such preferences, people with disabilities are certainly a disadvantaged group and deserve equal consideration.
- * The attached letter essentially restates the August letter, with further details about the disadvantages encountered by people with disabilities.

United States Senate

WASHINGTON, DC 20510

January 9, 1995

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Dear Chairman Hundt:

We are writing to thank you for your interest in including people with disabilities in the auction of Personal Communication Spectrum (PCS) as designated entities.

As you know, when Congress passed the legislation authorizing these auctions, it included a provision to promote economic opportunity for, among others, businesses owned by minorities. For reasons listed below, we believe that people with disabilities should be regarded as minorities to enable them to participate in the auctions as designated entities.

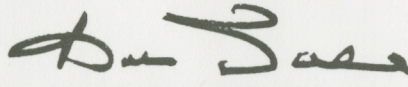
First, people with disabilities often face at least as many difficulties as other minorities in entering communications businesses. Senator Murkowski has provided you with data and other information that documents the difficulties that businesses owned by people with disabilities have in accessing capital that are unique to their status. Disabled persons who wish to become entrepreneurs often cannot accumulate capital as a result of their difficulty in obtaining employment.

Second, when people with disabilities decide to start their own businesses, they face higher start-up capitalization costs, which inhibit their ability to meet relevant industry lending guidelines and to compete in the marketplace. Borrowers with disabilities frequently cannot obtain life insurance and other credit guarantees required by commercial lending institutions. Firms owned by persons with disabilities are dramatically underrepresented in the telecommunications industry.

In summary, the Commission's designated entity rules are designed to assist groups that are similarly situated with disabled persons in overcoming traditional difficulties in entering the marketplace. We hope that the Commission will act to include people with disabilities among the categories entitled to the benefits associated with being a designated entity under the broadband PCS auction rules.

January 9, 1995
Page 2

Sincerely,



Frank H. Murkowski
United States Senator

Robert Dole
United States Senator

Tom Harkin
United States Senator

cc:

Commissioner Andrew C. Barrett
Commissioner Rachelle Chong
Commissioner Susan Ness
Commissioner James Quello