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October 28, 1996

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

Dear Mr. Caton:

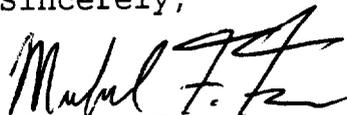
Re: Notice of Ex Parte Presentation  
ET Docket No. 95-183 and RM-8811

Dear Mr. Caton:

Today, representatives of WinStar Communications, Inc. ("WinStar") met with Michael Marcus, Ronald Netro, and David Horowitz to discuss issues raised in the above-referenced proceedings. Representatives of WinStar included Joe Sandri, Phil Verveer, Jack Dicks, and the undersigned.

During the meeting, WinStar discussed its positions in the above-captioned proceedings. WinStar also submitted and discussed the attached document.

Sincerely,

  
Michael F. Finn

cc: Michael Marcus  
Ronald Netro  
David Horowitz

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# PacTel to Buy Wireless Links From WinStar

By GAUTAM NAIK

*Staff Reporter of THE WALL STREET JOURNAL*

Pacific Telesis Group agreed to buy wireless-transmission capacity from an outside carrier to cope with heavy Internet usage that is clogging its phone lines and to offer local services in areas outside its franchised area.

PacTel's local phone unit, Pacific Bell, signed a three-year agreement with WinStar Communications Inc. of New York for the wireless links that will carry phone and Internet traffic to business customers. Terms weren't disclosed.

PacTel said the wireless links will help it reach customers in areas of California where it was previously barred from offering local phone service. But the San Francisco Bell is also counting on the extra capacity to meet surging demand for Internet connections that its current traditional phone network can't meet.

Other Bell companies are said to be facing similar network-capacity problems, as they scramble to keep up with heavy Internet use from residential and business customers. The Bells' phone networks were built to carry voice calls — which typically last a few minutes — but a person using the Internet can tie up a phone line for hours at a time. This causes capacity constraints on a phone company's network, and other customers find that their regular phone calls don't always go through on the first attempt.

WinStar, which provides wireless services over the 38 gigahertz radio band, said it will help PacTel meet demand for "several thousand" high-capacity phone connections in order to carry voice, data and video traffic.

Using wireless links at the 38 gigahertz band may be a risky proposition because rain and other weather conditions could affect signals. But Pacific Bell said it had extensively tested WinStar's technology and found the quality of the wireless link would match that of its traditional "wired" service. PacTel will begin using WinStar's system to carry local phone traffic by the end of the year.

"This gives us the opportunity to reach customers rapidly with high bandwidth" necessary for voice, data and Internet traffic, said Lee Bauman, a Pacific Bell vice president.

Shares of WinStar rose 76.5625 cents, to close at \$20.625 in trading on the Nasdaq Stock Market Friday. Investors may be betting that other Bells could now acquire WinStar's wireless service as a way to boost their network capacity.