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January 18, 2000

VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
TW-B204
Washington, D.C. 20554

Re: *Ex Parte* Presentation
ET Docket No. 98-206, RM-9147, RM-9245;
IB Docket No. 98-172, RM-9005, RM-9118

Dear Ms. Salas:

On Friday, January 14, 2000, Nicholas Pagon, President of Pegasus Development Corporation ("Pegasus"), John Hane, Senior Vice President of Pegasus, and Bruce Jacobs, counsel for Pegasus, met with Donald Abelson, Linda Haller, Joseph Heaps, Fern Jarmulnek, Thomas Tycz, and Douglas Webbink of the International Bureau to discuss issues that Pegasus has previously addressed in its filings in the above-captioned proceedings. The materials presented to the Bureau staff during this meeting are attached.

Two copies of this notice for each of the above-captioned proceedings are being submitted to the Secretary of the FCC in accordance with the Commission's Rules. Please direct any questions regarding this matter to the undersigned.

Very truly yours,

Stephen J. Berman

Stephen J. Berman

cc: Donald Abelson
Linda Haller
Joseph Heaps
Fern Jarmulnek
Thomas Tycz
Douglas Webbink

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FEDERAL COMMUNICATIONS COMMISSION

International Bureau

January 14, 1999

Pegasus Today

Digital television today, full suite of digital services to underserved rural areas tomorrow

- 8th largest multichannel video provider in US
- 1.1 Million DBS subs
- Exclusive Rural Focus
  - 41 states
- Strong Distribution Platform
  - 2,500+ Pegasus retailers

Pegasus Commitment

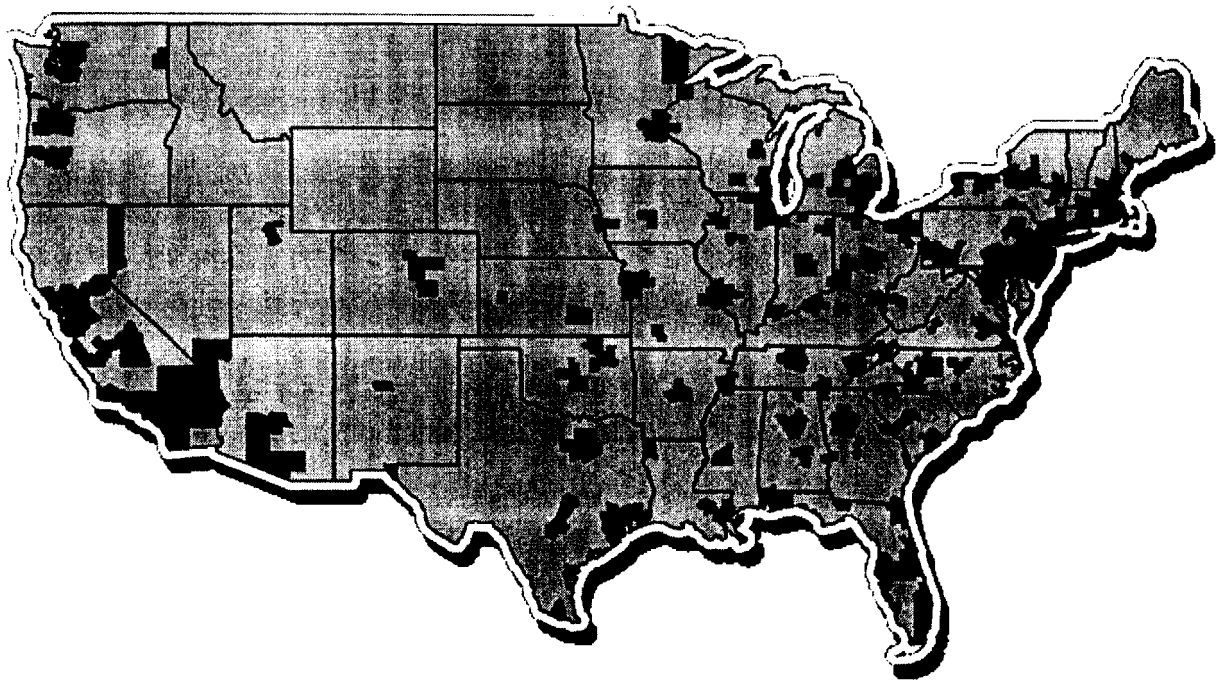
Bringing advanced digital services to underserved rural areas

"By increasing our scale . . . we are positioning ourselves to be a dominant provider of broadband services to rural households in the US."

-Marshall Pagon
Wall Street Journal
January 12, 2000

Rural Market is Significant

30% of US homes & businesses are in rural areas



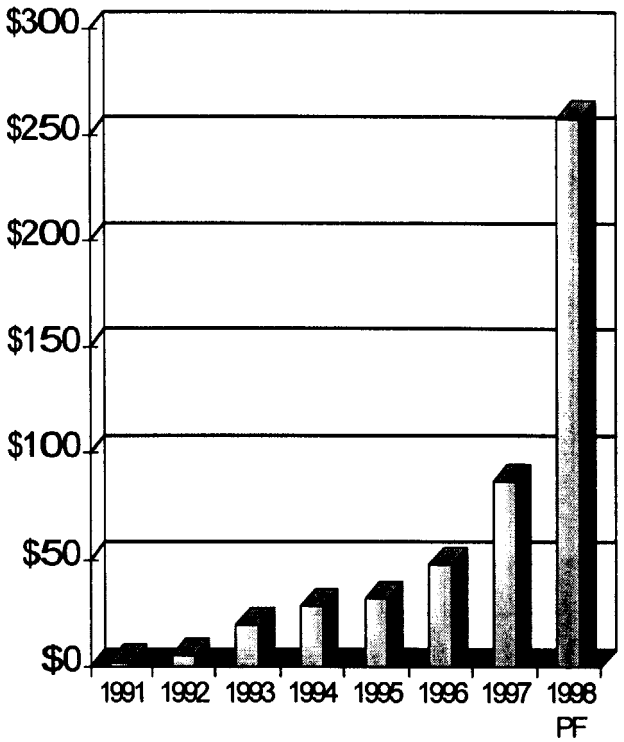
	Metro (A&B) Counties	Rural (C&D) Counties
Total Homes	70mm	30mm
Density (homes/sq. mile)	160	11

A, B, C, and D county designations as defined by AC Nielsen & Co.

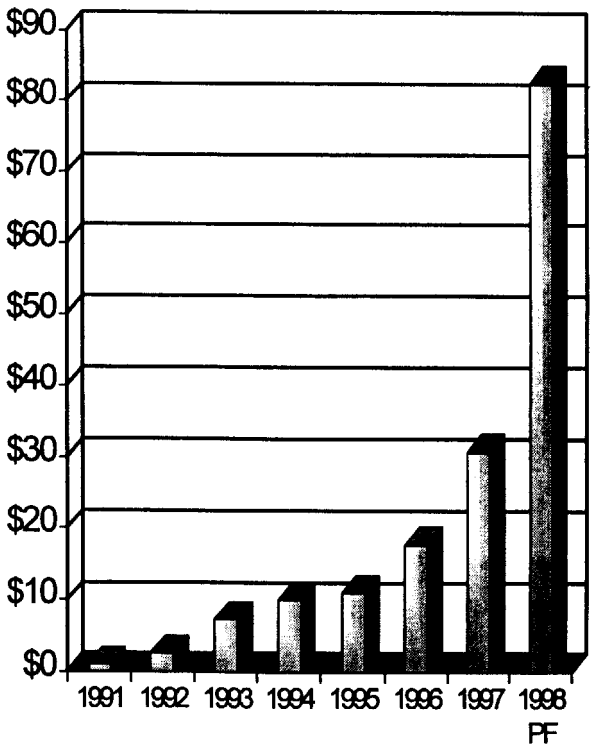
Pegasus Track Record
in millions

Pegasus has doubled every year since inception

Net Revenue
CAGR 100%



Pre-Marketing Cash Flow
CAGR 90%



Rural/Urban "Digital Divide"

Unique Rural Issues

- Small, rural cable systems & telcos won't upgrade for digital video or broadband
- Major DBS providers targeting largest markets for local-into-local signals
- Satellite is only solution for enhanced digital services & local-into-local in rural areas
- Pegasus is the only major player exclusively focussed on rural areas

BSS Issues

What the International Bureau Can Do

- Keep DBS Competitive
  - oppose Northpoint operations in BSS downlink bands
- Enable DBS Growth
  - complete 17 GHz “reverse band” proceeding and begin licensing

Broadband and Local/Local TV

What the International Bureau Can Do

- Facilitate 2nd Round Ka Band Settlement
  - ISL order
  - Immediate enforcement of milestones on all first round licensees
  - Issue order on 93 and 103
- Keep Ka band open to small, inexpensive user terminals
  - At least 750 MHz essential for blanket licensing & small market local into local service
  - Reject FS push into FSS primary band