



August 14, 2003

Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW A-325
Washington, DC 20554

Re: **Ex Parte Notice – WT Docket No. 02-55**
Improving Public Safety Communications in the 800 MHz Band

To the Secretary:

This is to provide notice that, on August 13, 2003, representatives of the City of Baltimore, Maryland, Cellular Telecommunications & Internet Association (CTIA), United Telecom Council (UTC), Cingular Wireless, and utility company members of the 800 MHz User Coalition met with Chairman Powell and Senior Legal Advisor Bryan Tramont concerning the above-referenced docket. The purpose of the meeting was to discuss the merits of the 800 MHz Users Group Coalition proposal filed with the FCC on May 29, 2003.

The User Coalition members noted the funding weaknesses of the so-called "Consensus Plan" filed by Nextel Communications, some public safety associations and private wireless groups, as well as some of the legal infirmities of the plan. The Coalition parties also urged that the FCC not mandate a band plan for the 800 MHz band that would restrict the ability of licensees of all types to deploy advanced technology: in many states, this band is being used to develop multi-agency, interoperable systems, some of which are a mix of high-site and low-site installations. The parties also stressed that the Coalition plan is proactive, in that it not only guarantees elimination of current interference at the cost of the interfering party, but would prevent future interference through rules requiring better system engineering as well as notification and coordination procedures.

Provided at the meeting was a handout summarizing the differences between the Nextel and 800 MHz User Coalition plans, as well as a summary of the difference in market value between the 1.9 GHz spectrum sought by Nextel and the 700/800/900 MHz licenses it is offering in exchange. Copies of the materials are attached to this Notice.

This Notice is being filed pursuant to Section 1.1206 of the Commission's Rules and Regulations, 47 C.F.R. § 1.1206. If there are any questions concerning this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jill M. Lyon", with a long horizontal flourish extending to the right.

Jill M. Lyon
Vice President and General Counsel

Cc: Hon. Michael K. Powell
Bryan Tramont, Esq.

800 MHz User Coalition

**Presentation to
Chairman Michael K.
Powell**

August 13, 2003

800 MHz User Coalition

- ◆ More than 40 signatories and supporters, including representatives from Public Safety; electric, gas and water utilities; large business and industrial users; SMR licensees; equipment manufacturers; and the commercial wireless community.

The Nextel Proposal Is Unworkable

- ◆ Too complex and too lengthy
- ◆ No guarantee of interference resolution
- ◆ No long-term solution – separating “like” from “unlike” assumes no future change
- ◆ No guaranteed funding over life of process
- ◆ Inequitable treatment of licensees based on outmoded type categories
- ◆ Legal infirmities

800 MHz User Coalition – A Forward-looking Solution

- ◆ More immediate, more effective, less disruptive and less costly
- ◆ Guarantees elimination of current interference problems *and* prevention of future interference
- ◆ Treats all licensees fairly; permits all licensees to migrate to advanced technology as desired
- ◆ Solution within 800 MHz band
- ◆ No legal infirmities

Balanced Approach Proposal

I. Resolve Existing Interference Quickly

- Specific, short timeline for consultation, analysis and resolution
- CMRS, CI licensees offer technical expertise to assist – good faith required of complainant
- Enhanced mitigation techniques – expands on Best Practices by building on successful approaches, adding other technical measures, new technology fixes
- Interfering party *must* resolve, must pay for resolution, including any necessary steps (frequency swaps, equipment replacement)

Balanced Approach Proposal

II. Prevent Future Interference (proactive)

- Updated technical rules – better engineering makes all systems compatible (Coalition has provided specific recommendations)
- Detailed notification, coordination requirements involve other licensees prior to possible problem
- Improved equipment (see, e.g., Motorola filings) to reduce problem over long term

Balanced Approach Proposal

III. Long-term Review of Process

- Independent consultant working with committee of stakeholders
- To begin immediately, testing efficacy of mitigation procedures
- Consideration of other resolution/prevention methods *if necessary*, including funding mechanism

Balanced Approach is Better Spectrum Policy

- ◆ Private market agreements meet local needs of parties
- ◆ Flexibility in spectrum use encourages shared systems, advanced technology (efficiency) and interoperability among emergency responders
- ◆ No funding uncertainties
- ◆ This band is too important to *all* users – FCC must not over-regulate, create spectrum backwater of old technology

CELLULAR TELECOMMUNICATIONS
& INTERNET ASSOCIATION

1.9 GHz VALUATION

800 MHz Proceeding
WT Docket 02-55

Verizon – Northcoast Communications Transaction

Purchase Price	\$750,000,000
POPs	47,400,000
MHz	10
Price/POP/MHz	\$1.58

Cingular – NextWave Transaction

Proposed Purchase Price*	\$1,400,000,000
POPs	83,000,000
MHz	10
Reported Price/POP/MHz	\$1.69

(34 Markets—2 mkts at 20MHz, 32 mkts at 10MHz)

Valuation of 1.9 GHz

	Using Verizon-Northcoast	Using Cingular-NextWave
US Population (2000 Census**)	285,230,516	285,230,516
Price/POP/MHz	\$1.58	\$1.69
Price per MHz	\$450,664,215	\$482,039,572
1.9 GHz Spectrum Block	10 MHz	10 MHz
Total Estimated Price	\$4,506,642,150	\$4,820,395,720

* Based on Press and Analyst Reports (NY Times, UBSW, Legg Mason, Credit Suisse/FB 5/28, Goldman 5/28)

** Excludes Puerto Rico

“In addition, some argue that the NorthCoast transaction was somewhat of a fire-sale, and in addition, wireless valuations (hence spectrum values) have picked up significantly since that period. We concur with the last point that the rally among both wireless equity and debt may indicate spectrum may be worth substantially more than it was in December 2002 (when the Northcoast transaction was announced).”

NextWave Spectrum: Coming Down to the Wire?
Bear Stearns June 12, 2003

We now project NextWave's total spectrum assets to be worth at least \$8.4 billion, which is higher than we previously thought and the market may still perceive. We believe calculations based on the reported sale to Cingular of about 20% of NextWave's spectrum rights (\$1.4 billion x 5 = \$7 billion) are skewed by the fact that its prized New York license is not included. We believe that NextWave is actually selling licenses worth no more than 16% of its total spectrum value (and maybe less), meaning we conservatively believe the multiplier should be closer to 6 (and maybe higher), which yields the \$8.4 billion figure (and maybe more).

NextWave-Cingular Deal: Near-Term Upside Potential for NextWave
Legg Mason August 6, 2003