

June 2, 2004

Ex Parte Memorandum

Marlene Dortch, Secretary
Federal Communication Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: WT Docket No. 02-55 and ET docket No. 00-258

Dear Ms. Dortch:

On Tuesday, June 1, 2004, Billy J. Parrott, President of Private Networks, Inc. (PNI) and a member of AD Hoc Alliance, met with Commissioner Jonathan Adelstein. The parties addressed Ad Hoc's numerous concerns regarding the staff's recent recommendation to relocate MDS 1 & 2 to MMDS Band. Ad Hoc advocated the principle that the upward or downward direction in which MDS 1 & 2 is moved should determine whether the amount of spectrum swapped should be decreased or increased. Mr. Parrott asserted that the relocation in band plan recommended by the staff was upward in direction and, therefore, has inferior propagation characteristics. He stated that it would require 35% to 50% more cell sites to deliver the same level of service to the public. Contrarily, the staff recommendation calls for a 20% reduction spectrum from what we currently have. Thus, Ad Hoc maintains that if the Commission is determined to relocate MDS 1 & 2 in the higher frequency band, then it should increase the amount of spectrum in proportion to amount of degradation we will suffer. Conversely, if the Commission decides to make a true spectrum swap and relocate MDS 1 & 2 to the G Block, it should reduce the amount of our spectrum proportionate to the gain we would receive as a result of the superior propagation of the lower frequency band.

Mr. Parrott also pointed out that should the Commission adopt the staff recommendation in its entirety, it would be taking its third bite at the apple. First, the Commission conducted the BTA auctions in 1996. It already plans to auction our vacated home again in the upcoming AWS auction. And, finally, the present staff recommendation proposes to auction a portion for an unprecedented third time.

Sincerely,

s/Billy J Parrott

Cc: Commissioner Adelstein