

May 28, 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 Thursday, May 27, 2004, Billy J. Parrott, President of Private Networks, Inc. (PNI) and a member of AD Hoc Alliance, met in separate meetings with Ms. Jennifer Manner, Legal Advisor to Commissioner Abernathy, and Mr. Sam Feder, Legal Advisor to Commissioner Martin. In these meetings, Mr. Parrott expressed Ad Hoc's concerns about the staff's recent proposal to relocate MDS 1 & 2 to MMDS Band. The proposed relocation is not, by a long shot, comparable spectrum. It has inferior propagation characteristics, which requires 35% to 50% more cell sites to deliver the same level of service to the public. It is 20% less spectrum than we currently have. And it is not as clean as our present location. Thus, Ad Hoc maintains that if the Commission is determined to relocate MDS 1 & 2 in a 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 it would be taking its third bite at the apple. First, it conducted the BTA auctions in 1996. It already plans to auction our vacated home again in the upcoming AWS auction. And, unbelievably, the present staff recommendation proposes to auction a portion for an unprecedented third time.

Finally, Mr. Parrott asked that the Commission consider establishing a small business advocacy unit within the Commission. Due to the extremely large legal, publicity and engineering budgets expended by large companies to sway decisions, the Commission has become a hostile environment for small and minority businesses. While there are no hostile intentions at the Commission, small business simply cannot afford to participate at the same intensity and, consequently, cannot gain equal mind share.

Sincerely,

s/Billy J Parrott

Cc: Jennifer Manner, Sam Feder