

FCC-26-96 08:47A VCI
SENT BY ESU IRUABLE DESR

2-23-96 3:29PM

004 350-0109
FUEL POWER/ESU
804 358 0709: # 3/ 6

Path #	FCC Call Sign 1	Freq. (MHz)	FCC Call Sign 2	Freq. (MHz)
6	WNEK417 Lookout Mtn	1955	WNEK418 Bellingham	1855
7	WNEH712 Talbot Hill	1885	WNEF853 Bellevue	1965
8	WEF234 Yelm	1960	KRN47 Electron	1880
9	WNER541 Mt. Erie	1965	KPD80 Lower Baker	1885
10	WNER541 Mt. Erie	1970	KVF40 Whitehorn	1870
11	WNER541 Mt. Erie	1985	KVF41 Sedro Woolley	1905
12	WNER541 Mt. Erie	1975	KOW41 Cougar Mtn	1915

1. STV/GTE shall pay to Puget Power cash payments totalling Four Million Dollars, U.S. (\$4,000,000.00, U.S.) per the following schedule.

- a. One Million Dollars, U.S. (\$1,000,000.00, U.S.) no later than thirty (30) calendar days after the effective date of the final agreement.
- b. A total of Two Million Dollars, U.S. (\$2,000,000.00, U.S.) in ten (10) monthly payments of Two Hundred Thousand Dollars, U.S. (\$200,000.00, U.S.) each. These monthly payments shall be due on the first day of each month, with the first payment due on the first day of the second month following the effective date of the final agreement.

In the event that all of the subject paths are cleared prior to the completion of these monthly payments, the remaining sum shall be paid no later than thirty (30) days after all of the subject paths have been cleared.

- c. Five Hundred Thousand Dollars, U.S. (\$500,000.00, U.S.) no later than thirty (30) calendar days after Puget Power notifies STV/GTE that Path No. 8, WEF234 (Yelm) - KRN47 (Electron) has been cleared.
- d. Five Hundred Thousand Dollars, U.S. (\$500,000.00, U.S.) no later than thirty (30) calendar days after Puget Power notifies STV/GTE that Path No. 7, WNEH712 (Talbot Hill) - WNEF853 (Bellevue) has been cleared.

2. Puget Power shall vacate Path No. 8, WEF234 (Yelm) - KRN47 (Electron) no later than 90 days after the effective date of the final agreement.

Puget Power shall vacate Path No. 7, WNEH712 (Talbot Hill) - WNEF853 (Bellevue) no later than 180 days after the effective date of the final agreement.

3. Equipment replacement for a system including the following paths (Path Nos. 1, 2, 3, 4, 5, 6, 9, 10, 11, and 12) shall be provided by STV/GTE to Puget Power on a turnkey basis according to Puget Power's specifications.

Capacity:

Path			Capacity
1	White River	Covington	12 T1
2	Oak Harbor	Mt. Erie	12 T1
3	Upper Baker	Lower Baker	8 T1
4	ESO	Cougar Mtn	1 DS3
5	Mt. Erie	Lookout Mtn	1 DS3
6	Lookout Mtn	Bellingham	1 DS3
9	Mt. Erie	Lower Baker	8 T1
10	Mt. Erie	Whitahorn	12 T1
11	Mt. Erie	Sedro Woolley	12 T1
12	Mt. Erie	Cougar Mtn	2 DS3

Channel Banks:

Digital channel banks shall be furnished and installed according to Puget's specifications at the following locations. Puget shall also specify the equipment vendor.

Oak Harbor	Upper Baker
ESO	Mt. Erie
Bellingham	Lower Baker
Sedro Woolley	Cougar Mtn

Puget will not require that STV/GTE provide DACS equipment.

Spare:

Spare shall be furnished according to Puget's specifications.

Physical Plant:

Modifications to battery plant, towers, and passive reflector alignments necessary to accommodate the requirements of the new equipment shall be made according to Puget's specifications.

Microwave Equipment Vendor:

The microwave equipment vendor shall be Harris-Farison.

Microwave Equipment Vendor (cont'd):

The active repeater at Lookout Mountain shall be provided by Peninsula Wireless.

Antenna and Waveguide Vendor:

The antenna and waveguide vendor shall be Andrew.

- 4. Puget Power shall have final approval of all engineering designs and installation procedures, and final inspection and approval of all installations.

- 5. The one-year post construction test period shall not be waived for the replacement system for the 10 paths referenced in Section 3.

- 6. Conversion to the new systems on the 10 paths referenced in Section 3 shall not occur prior to December 1, 1996.

Full performance testing on Path No. 9 (Mt. Erie - Lower Baker) and Path No. 12 (Mt. Erie - Cougar Mountain) shall be satisfactorily completed during the entire August 1 to September 30 time period; these paths will not be cleared by Puget Power prior to December 1 of the year in which satisfactory path tests are completed.

Furthermore, Path No. 12 shall be cleared before any of the other paths referenced in Section 3 can be cleared.

- 7. Although it is intended that this letter is a binding commitment for Puget Power to vacate certain frequencies in exchange for cash and certain turnkey installations, the parties hereto shall enter into a definitive agreement containing terms and conditions consistent with this letter. In the event that the parties do not enter into a definitive agreement within thirty days after the acceptance of this letter, then Puget Power (in its sole discretion) and within thirty days after the acceptance of this letter, then Puget Power shall have the option to terminate this letter and all of its obligations hereunder. Each party shall act in good faith in negotiating the definitive agreement.

Each party agrees that any information it acquires from the other in connection with this letter, other than information which is publicly available, will be kept confidential and will not be disclosed to any other party or used for any purpose except the consummation of the transaction contemplated herein.

This proposal is effective upon delivery to STV/GTE and shall remain in effect for fifteen (15) calendar days thereafter, unless otherwise modified or withdrawn.

Kindly acknowledge your acceptance of the terms and conditions of this letter as set forth above by executing the enclosed copy of this letter in the spaces provided below and returning the executed letter to me.

If you have any questions, please contact me at (206) 882-4455 or Jerry Egashira at (206) 882-4415.

Sincerely,



Ranjan Bhagat,
Manager,
Telecommunications Engineering

cc: Ron Bailey
Mike Hunter
Jerry Egashira

Agreed and Accepted by: _____ Date: _____
Sprint Telecommunications Venture

Agreed and Accepted by: _____ Date: _____
GTE MobilNet

Agreed and Accepted by: _____ Date: _____
Puget Sound Power & Light Company



Vento Communications, Inc.

February 7, 1996

Mr. Ranjan Bhagat
Manager - Telecommunications Engineering
Puget Sound Power & Light Company
13635 NE 80th Street
Redmond, WA 98052-4498

RE: Puget Sound 2 GHz Microwave Relocation

Dear Mr. Bhagat;

This letter is a follow up to our discussions regarding the relocation of certain Puget Sound Power & Light Company's (PSPL) 2 GHz microwave paths by Sprint Telecommunications Venture (STV) and GTE Mobilnet (GTE). As requested by PSPL, STV and GTE and their authorized representatives, VCI and IIN TELECOM, have been working with your staff to provide PSPL with a unified and comprehensive approach to relocate twelve (12) licensed 1.9 GHz paths currently operating in the PCS licensed A, B, and C blocks in the Seattle MTA. After extensive review of your existing network and your future plans, as well as several discussions with your staff and sites visits, STV/GTE are jointly submitting the following proposal to PSPL.

General:

STV and GTE propose a cash buyout for twelve (12) PSPL microwave paths operating in the PCS A, B, and C block frequencies listed below for a combined total of \$2,200,000.00 (Two million two hundred thousands, US dollars). In exchange, PSPL will cease operations of its facilities in the listed microwave paths by the dates shown. Details of this agreement are provided below.

PSPL's 2 GHz Microwave Paths:

The following 2 GHz microwave paths licensed to PSPL will be relocated and decommissioned in accordance with each party's obligations as described.

1110 N. Glebe Road, Suite 850 • Arlington, VA 22201 • Office: 703-741-1300 • Fax: 703-812-8700

Feb. 05 1996 11:53AM P2

PHONE NO. : 804 379 4472

FROM : DEE ALIPRANA VCI RICHMOND

<u>Path #</u>	<u>FCC Call Sign 1</u>	<u>Frequency (MHz)</u>	<u>FCC Call Sign 2</u>	<u>Frequency (MHz)</u>	
-1	KEY31	1940	KYP29	1860	W... ..
-2	WDC47	1865	WNER541	1945	M... ..
3	KPD79	1945	KPD80	1865	B... ..
-4	KOW42	1955	KOW41	1855	E... ..
-5	WNER541	1955	WNEK417	1855	L... .. ✓
6	WNEK417	1955	WNEK418	1855	D... ..
-7	WNEH712	1885	WNEF853	1965	B... .. ✓
-8	WEF234	1960	KRN47	1880	E... .. ✓
-9	WNER541	1965	KPD80	1885	B... .. ✓
10	WNER541	1970	KVF40	1870	W... ..
-11	WNER541	1985	KVF41	1905	S... ..
12	WNER541	1975	KOW41	1915	M... .. ✓

STV/GTE's Obligations:

STV/GTE agree to pay to PSPL a combined total payment of \$1,900,000.00 (One million nine hundred thousands, U.S. dollars) to be paid in four (4) installments as follows:

- 1.) Not later than thirty (30) calendar days after the effective date of the final agreement, STV/GTE shall pay to PSPL, the sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 2.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph A, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 3.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph B, and no earlier than January 31, 1997, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 4.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph C, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 5.) Each payment by STV/GTE shall be effected by wire transfer of immediately available funds to an account designated by PSPL.

PSPL's Obligations:

A. PSPL shall, by July 1, 1996, satisfy the following conditions:

- 1) Cease telecommunications operations in the licensed frequencies on Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) referenced above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies in these paths.
- 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC.
- 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) and provide a copy of such executed document to STV/GTE.

B. PSPL shall, by January 31, 1997, satisfy the following conditions:

- 1) Cease telecommunications operations in the licensed frequencies on Path No.10 (Call Signs WNER541 to KVF40) referenced above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies in this path.
- 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of Path No.10 (Call Signs WNER541 to KVF40) and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC.
- 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies of Path No.10 (Call Signs WNER541 to KVF40) and provide a copy of such executed document to STV/GTE.

- C. PSPL shall, within three hundred sixty (360) calendar days of the effective date of the final agreement, satisfy the following conditions:
- 1) Cease telecommunications operations in the licensed frequencies on all remaining paths listed above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies of these paths;
 - 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of all remaining paths listed above and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC; and
 - 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies of the above referenced paths and provide a copy of such executed document to STV/GTE.
- D. PSPL shall, after payment has been made for satisfactions of conditions listed in paragraph A, and prior to the expiration of the three hundred sixty (360) day time period, allow STV and GTE to operate on cochannel frequencies with PSPL on the frequencies specified above. Such operation by STV and GTE on these frequencies will only be initiated by STV and GTE after prior coordination notice has been provided to PSPL with respect to those microwave links still in operation.
- E. PSPL shall, within fifteen (15) calendar days of receipt of the Final Agreement, sign and execute such agreement and return a copy of the executed Final Agreement, via certified mail, to STV/GTE.
- F. PSPL agrees to a penalty in the amount of \$50,000.00 (Fifty thousands, US dollars) per month for every month that PSPL does not comply with the conditions set forth under its obligations. Such amount shall be pro-rated for periods of less than one month.

This proposal is effective upon delivery to PSPL, and shall remain in effect for fifteen (15) calendar days thereafter, unless otherwise modified or withdrawn. Upon acceptance by PSPL, this proposal shall remain in effect until superseded by the definitive agreement or other similar agreement.

This proposal is not intended to be a legally-binding agreement or a substitute for a definitive agreement setting forth the terms of the PSPL's relocation, removal and other rearrangement of its 2 GHz microwave system. All parties will be bound only if and when a final Agreement is signed and delivered.

Mr. Ranjan Bhagat
Puget Sound Power & Light

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February 7, 1996

In considering and reviewing this proposal, please note that it is fully subject to the confidentiality obligations set out in any non-disclosure agreements signed earlier between parties.

If this proposal is acceptable, please sign and return an original of this letter to me. Upon receiving PSPL's concurrence to this proposal, STV/GTE will proceed with drafting the final agreement and the first payment to PSPL. Meanwhile, if you have any questions or need additional information, please call me at (703) 741-3694.

Sincerely,



Dee Alipanah
Vice President - VCI

cc: Mr. Don Mueller - Sprint Telecommunications Venture
Mr. John Woodward - GTE Mobilnet
Mr. F. John Arnold - HN TELECOM

Authorized by: _____
Sprint Telecommunications Venture

Date: _____

Authorized by: _____
GTE Mobilnet

Date: _____

Accepted by: _____
Puget Sound Power & Light Company

Date: _____

Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name: **Guadalupe Valley Electric Co-op**

Market / MTA: **San Antonio**

Market freq. block: **A**

Number of paths required for initial system:	2	Number of paths requested by incumbent for relo:	4
Estimated comparable cost per path:	\$152,958	A paths:	2
		B paths:	1
		C - F paths:	1
		Non PCS paths:	
Total estimated comparable cost:	\$305,915	Per path cost requested by the incumbent:	\$326,104
		Additional payments requested by the incumbent:	
		Total requested relocation cost by the incumbent:	\$1,304,416

Chain of events:

<u>Date</u>	<u>Action</u>
10/11/95	First meeting with incumbent-Alexander Engineering/Cox&Smith (Engineering and legal consultants)
11/1/95	GVEC asks Harris to look at Capote Twr-Kokernot path- 36 mile path - question will it work at 6.7 GHz
12/29/95	Harris completed report submitted-will work with SD
1/16/95	GVEC sends letter requesting PCS licensees conduct joint negotiations with PrimeCo. as single point of contact
1/22/96	GVEC/Alexander Engineering present Draft network Planning Report outlining their system requirements. Engineering check conducted by CSM indicates system price overstated by \$315,100.

Additional Comments:

GVEC is presently playing waiting game to see which Licensee will blink first and step forward to do entire system. They are attempting to force the licensees into a time crunch based on our launch dates.

Columbia Spectrum Management: Negotiator Report

October 12, 1995

Client: STV
Incumbent: Guadalupe Valley Electric Coop, Inc. (MTA 33B)
Meeting Date: 10-11-95
Meeting Attendees: Steve Slaughter, Engineering Manager, GVEC
Michael A. Morell; Attorney, Cox & Smith
Don Pobanz; Wireless Communications Manager, Alexander Engineering, Inc.
Dan R. Banks; V.P. Communications, Alexander Engineering, Inc.
Les Byrd; Technical Project Manager, Alexander Engineering, Inc.
Franklin Berger; Communication & Instrumentation Technician, GVEC
Sam R. Calder; Communication & Instrumentation Technician, GVEC
Eric Kocian; Staff Engineer, GVEC
Tom Leddo; Columbia Spectrum Management, Negotiator.

PATH DATA:

	<u>Site 1</u>	<u>Call sign 1</u>	<u>Freq.</u>	<u>Site 2</u>	<u>Call sign 2</u>	<u>Freq.</u>	<u>Band</u>
1.	Capote Twr	WNEF702	1945	Kokernot	WNEF701	1865	A & D
2.	Gonzales SU	WNEF703	1985	Kokernot	WNEF701	1905	C
3.	Schertz	WNEF700	1855	Capote Twr	WNEF702	1935	A
4.	Seguin DO	WNEF704	1875	Capote Twr	WNEF702	1955	B

CURRENT STATUS:

- 1. Equipment** - They indicated prior to the meeting that they are planning to upgrade their entire system (4 hops) to digital and that they wanted to do a path study prior to making any decisions. They also indicated prior to the meeting that they want Harris-Farison 12DSI, 288 channel radios. However Don Pobanz indicated that this is not final and that they will make no decisions or move any further along without a study on their system. They obviously want the licensees to pay for the study. Through this study they plan to determine the exact needs of path #1. This is a 36.6 mile path which they believe will need a repeater in the middle. They indicated that all their old equipment is Harris Farison analog and that they are leaning toward them again, however, they want to also consider Alcatel.
- 2. Cost** - It was agreed that a cash settlement with partial payments tied to specified timeline criteria is probably the best way to go in this case. However, Pobanz would not commit. He wants to "thoroughly consider all GVEC's options." I made clear that any cash settlement would be equivalent to a comparable 6GHz system, no more. Pobanz says GVEC needs a system that would meet their needs for the next ten years. I asked if their current system would meet their needs for the next ten years and Steve Slaughter said "it would be a stretch." Thus I pointed out that if a new system meets their ten years objectives, then it would be considered an upgrade and they would have to contribute to its cost. They also want to include in a cash settlement the initial path studies, and what they called "reimbursable costs" such as "system engineering/ consulting fees (Alexander's fees), legal council, GVEC administrative costs, training, spares and test equipment." Pobanz is to fax me a list of their predetermined "reimbursable costs."
- 3. Timeline** - Pobanz indicated the sooner the better. A definitive date could be negotiable, but that he expected it to be about six months after completion of an agreement. I made it clear that we preferred to move faster. However, I was hesitant to overemphasize this issue at this time because I expect them to ask for a cash/time trade-off.
- 4. Program Management** - GVEC wants to PM themselves with assistance from Alexander Engineering and which ever radio manufacturer they chose. It was made clear that if they PM themselves, they would have to execute a waiver of their one year right to return to their old system.

5. Objections to overcome -

- GVEC insists on a system deal. This can be met by participation of both licensees. See Recommendations below.
- Expectations are for a cash contribution over our definition of a comparable system. Though they were careful never to ask for additional money. They indicated that there was still a lot of work left to define "comparable."
- Determining what reimbursable costs will be included.

6. Areas for further negotiation -

- Defining a comparable system, they will not even discuss this issue until after their path studies.
- Defining reimbursable soft costs and placing reasonable limits on these.
- Once reimbursable costs and comparable system are defined we will have to work hard on a cash amount. (assuming they do not change directions and ask the licensees to program management).

7. Other Issues - GVEC aggressively seeks to have an agreement for co-location, use of excess capacity, substations, right-of-ways, easements...with the licensees. I told them that the parties may be interested but that it would be at a separate agreement down the road. They brought it up two more times. I believe they are trying to hook the licensees into upgrading their systems "in order to meet PCS requirements". They remained adamant and even had a secretary prepare a system map including all 22 substations for the licensees to review. They approached this issue like a used car salesman.

8. Recommendations -

- Accommodate their request for a systemic relocation. STV has verbally indicated they will grant CSM authority to negotiate for paths # 1 & 3. PrimeCo also verbally agrees to cover paths #2 & 4. An amended Purchase order will be needed by CSM from both STV & PrimeCo before we can proceed.
- Stay firm with our offer of a comparable system. This is the first time dealing with Alexander Engineering and Cox & Smith Attorneys. We will see these guys again in the future and need to lower their expectations now. A little patience now will reap financial rewards down the road.
- Even if the licensee is interested in co-location, use of sub-stations, etc. stay away from this issue at this time. I am not sure what their hook is, but their definitely is one.
- Allow them to do a path analysis study for their system. Require them to pick a third party subject to our approval. GVEC will not proceed in the negotiations without this analysis.
- Allow them a reasonable amount of soft cost to be included. However this must be pre-determined.

9. Action Items -

For licencsc:

- GVEC requires letter of authority acknowledging CSM as STV's designated negotiator for this project. Please send to: Steve Slaughter, Guadalupe Valley Electric Coop, Inc, P.O. Box 118, Gonzales, TX 78629.
- Issue an amended Purchase Order to CSM.
- GVEC requests an "official response" regarding the licensees' interest to reach a co-location agreement at this time.
- Define what soft costs you will allow GVEC to include in the deal.

For CSM:

- I need to get all information from licensees as mentioned above and relay it to Pobanz on behalf of GVEC.

For GVEC/Alexander Engineering:

- Select a third party engineering firm to conduct the path studies. Then to decide what system they desire verses what is comparable. They claim this can not be done without the path study.

COLUMBIA SPECTRUM
MANAGEMENT

December 29, 1995

Mr. James T. Snodgrass
Sprint Telecommunications Venture
9221 Ward Parkway, 3rd Floor
Kansas City, MO 64114

Dear Jim:

Pursuant to our conversation today, the enclosed is a copy of the of the Microwave Path Report that Harris Farinon did on the 36 mile path in the Guadalupe Valley Electric Coop system. As noted in the report, Harris states the path will work at 6 GHz, but will require space diversity. Please keep this information for your records.

I will contact you as soon as I know more or have a meeting scheduled. If you have any questions or comments, please contact me directly at:

Columbia Spectrum Management
9449 Briar Forest Drive #2213
Houston, TX 77063
(713) 974-0414

Sincerely,



Thomas E. Leddo
Negotiations Manager

GVEC

Guadalupe Valley Electric Cooperative, Inc.

HEADQUARTERS OFFICE
P.O. Box 118 — 825 E. Sarah DeWitt-Dr.
Gonzales, Texas 78629-0118
210-672-2871 — FAX 210-672-9841

January 16, 1996

Mr. Robert C. Stedman
Sprint Telecommunications Venture
9221 Ward Parkway, Suite 100
Kansas City, Missouri 64114

Re: Microwave Relocation Joint Negotiations

Gentlemen:

Guadalupe Valley Electric Cooperative, Inc. ("GVEC") requests PCS PrimeCo and Sprint Telecommunications Venture ("STV"), as the current PCS licensees in the area of GVEC's existing microwave system, to conduct joint negotiations with GVEC regarding the relocation of certain microwave paths in order to prevent fragmentation of GVEC's relocated system, and to promote an orderly relocation of GVEC's microwave communications system.

Specifically, GVEC requests that PCS PrimeCo and STV conduct joint discussions on the relocation of GVEC's microwave communications system, and develop a single proposal for GVEC. GVEC further specifically requests that PCS PrimeCo be designated as the single point of contact with GVEC for further discussions on the relocation of GVEC's microwave communications system. If PCS PrimeCo or STV wish to do so, they may each send a representative or representatives to meetings with GVEC dealing with the relocation of GVEC's microwave system.

If you have any questions concerning the above, please so advise. I can be contacted at 210-672-2871.

Very truly yours,


Steve Slaughter
Gonzales Division Manager and
Chief Operating Officer

SS:dc

TO: Tom Leddo

Subject: Guadalupe Valley Electric Cooperative Inc. desired system pricing

FROM: Milton Lutz

DATE: January 23, 1996

This analysis is based upon the Alexander Utility Engineering Estimate you provided.

1st: GVEC is presently running less than 32 channels on a system licensed for 300, which may be in violation of the FCC rules. Harris Farinon priced DVM6-12T or 288 equivalent channels on all four hops. A digital radio with 8 DS1 or 196 digital channels would provide present loading with 500% growth for GVEC. This adds a radio cost of \$25,000 not counting the antennas, tower stress etc.

2nd: The DSC CP800 is an intelligent digital multiplex which provides DAX and High Speed DATA, Frame Relay, capabilities, is an overkill for voice and data traffic. This multiplex alone adds \$95,000 and also increases the overall installation complexity.

The Incumbent and their consultant Alexander Engineering added this to provide future LAN connectivity between GVEC locations.

3rd: The DS1 timing system is not required for voice and slow speed data. It is required for synchronization of High Speed LAN connectivity and adds \$32,000.

4th : The new DC power systems are not required. Our site survey indicates the present systems are adequate to power the digital replacement provided the equipment remains within 100 feet of the existing facilities. This added cost is \$44,500.

5th : Test equipment is priced using laboratory grade instruments from Hewlett Packard. Using less expensive field type test sets would save \$10,000.

6th: The \$ 28,600 Spectrum Analyzer test set is not normally required for operations and maintenance.

COLUMBIA SPECTRUM MANAGEMENT
 GUADALUPE VALLEY ELECTRIC COOPERATIVE
 AOR: 64-5014.01

PRICE SUMMARY

Item No.	Description	Alcatel Part Number	Quantity by Station						Total
			Undist.	Gonzales	Kobernot	Capote	Seguin	Schertz	
1.0	BASIC SYSTEM								
1.1	MDR-6000								
1.101	MDR-6906-4 HS (4 DS1, 32 TCM, +15 dBm)	MDR-6906-04-15-HS		1	1	1		1	4
1.102	MDR-6906-4 HSSD (4 DS1, 32 TCM, +15 dBm)	MDR-6906-04-15-HSSD				1			2
1.103	Orderwire Interface w/DTMF Signaling	MDR-6000-01		1	1	2		1	6
1.104	Orderwire Handset	MDR-6000-05		1	1	1		1	5
1.105	Relay Alarm Interface	MDR-6000-02		1	1	2		1	6
1.106	Wire Wrap Adapter (alarm interface)	695-7805-001		1	1	2		1	6
1.107	Service Channel Interface Cable, 50-ft	372-0546-070				1			1
1.108	Audio Interface Cable, 50-ft	695-7803-003			1	1			2
1.109	RS232 Interface Cable, 50-ft	695-7804-003			1	1			2
1.110	Radio DS1 Cable Interface, 50-ft	695-7806-000		1	1	2		1	6
1.2	MDR-5000								
1.21	MDR-5606 HSSD (1 DS3, 64 QAM, +29 dBm)	MDR-5606-1-29-HSSD			1	1			2
1.22	Initial Audio Channel (4 Wire E&M)	MDR-5000-01			1	1			2
1.23	Second Audio Adapter	MDR-5000-04			1	1			2
1.24	Service Channel Muxdem	822-0349-001			1	1			2
1.25	Controller	822-0351-001			1	1			2
1.26	US1 Software V1.X	695-5985-100			1	1			2
1.27	Relay Alarm Interface	MDR-5000-11			1	1			2
1.28	Wire Wrap Adapter (alarm interface)	695-4171-001			1	1			2
1.3	DMX-3003N								
1.31	Multiplexer, without M12	DMX-3003N-B-HS			1	1			2
1.32	DS1 Interface Card (4 DS1)	DMX-3003N-C-XX			1	1			2
1.33	Alarm Card	DMX-3003N-01			1	1			2
1.34	Configuration Module	DMX-3003N-02			1	1			2
1.35	DS1 Interface Cable EMI (50-ft)	DMX-3003N-06			1	1			2
1.4	D448								
1.41	D448 Pre-Wired Bay, 4 Di-Groups, Mode 3 Common Units			1	1	1		1	5
1.42	2-Wire Foreign Exchange, Office, 600 ohms	628180-000-101		16				16	32
1.43	2-Wire Foreign Exchange, Subscriber, 600 ohms	628190-000-101			8	8		8	24
1.44	Office Channel Unit Dataport, Multi-rate	628357-000-003		2				2	4
1.5	D61/DS0 Patch Panels								
1.51	36 Ckt. DS1 Panel	DSX-Best36			1	1			2
1.52	8 Ckt. DS1 Modular + Panel	Mini-DSX-1/W		1			1	1	3
1.53	8 Ckt. DS1 Modular	Mini-DSX-1/W/M							
1.54	24 Ckt. 4-Wire VF Jack Panel	1B4/24M		1	1	1		1	5
1.6	Badger Alarm System								
1.61	Badger 1725 RTU, 16 Alarms, 8 Controls, RS-232			1	1	1		1	5
1.62	Badger 481 Minimaster, RS-232/422			1					1
1.63	Bistate Alarms 17-32								
1.64	Control Relays 9-16								
1.65	Bistate Expansion Shelf, 32 Additional Alarms								

COLUMBIA SPECTRUM MANAGEMENT
 GUADALUPE VALLEY ELECTRIC COOPERATIVE
 AOR: 64-501401

PRICE SUMMARY

Item No.	Description	Allocated Part Number	Quantity by Station						Total
			Umlist.	Cronzales	Kelernot	Capote	Sepala	Schertz	
1.7	Antenna & Waveguide								
1.71	Antenna & Waveguide Materials (Reference: Antenna & Waveguide List of Materials)								
1.8	Services								
1.81	Installation, Testing and Commissioning								
1.9	Path Engineering	SERVICES-01	1						1
1.901	Field Survey, First Hop	SERVICES-02				1			1
1.902	Field Survey, Additional Hop	SERVICES-03							3
1.903	Field Survey, Additional Map-Day Rate	SERVICES-04							4
1.904	Path Map Study, per Path	SERVICES-05							4
1.905	Path Design/Profile, per Path	SERVICES-06							4
1.906	Path Performance Calculations, per Path	SERVICES-07							4
1.907	Survey Report, First Hop	SERVICES-08							1
1.908	Survey Report, Each Additional Hop	SERVICES-09							3
1.909	System Map, 1-25 Paths	SERVICES-10							1
1.910	System Map, More than 25 Paths	SERVICES-11							1
1.911	Frequency Selection, per Path	SERVICES-12							4
1.912	Frequency Prior Coordination, per PCN	SERVICES-13							4
1.913	PCN Response & Resolution, 1st Path	SERVICES-14							1
1.914	PCN Response & Resolution, Each Additional Path	SERVICES-15							1
1.915	Field Service Engineer On-Site, Per Day	SERVICES-16							3
1.916	FCC Form 499/402 Technical Data, Per Site								

**CSM INCUMBENT REPORT
STV**

**Negotiator: T. Leddo
January 27, 1996**

SAN ANTONIO MTA:

GUADALUPE VALLEY ELECTRIC COOPERATIVE: Alexander Engineering sent CSM, PrimeCo and STV all a packet of information requesting a platinum plated digital systemic upgrade. CSM Engineer, Milt Lutz, has thoroughly reviewed this information and shown where several corners can be cut. STV is willing to provide a reasonable digital upgrade for their two paths. PrimeCo is considering doing all four paths on an accelerated time frame, then cost sharing with STV. Both licensees must work together or one party will have to step up to do the entire deal.

Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name: **New Jersey Turnpike Authority**

Market / MTA: PHI, NY

Market freq. block: B,B

Number of paths required for initial system:	4	Number of paths requested by incumbent for relo:	4
Estimated comparable cost per path:	\$170,000	A paths:	4
		B paths:	
Total estimated comparable cost:	\$680,000	C - F paths:	
		Non PCS paths:	
		Per path cost requested by the incumbent:	\$625,000
		Additional payments requested by the incumbent:	\$0
		Total requested relocation cost by the incumbent:	\$2,500,000

Chain of events:

<u>Date</u>	<u>Action</u>
10/10/95	AT&T, Omnipoint, and STV all present individual proposals to NJTA for relocation. Incumbent indicates time is needed to review.
11/6/95	NJTA indicates they cannot obtain help from their own legal counsel, and is going to utilize a third party.
12/8/95	STV receives a letter from NJTA's law firm demanding \$5 Million in cash and or equipment for the removal of XXXXX links.
12/12/95	STV requests a cost breakdown of NJTA's proposal.
1/29/96	NJTA furnishes STV with a cost breakdown, changing the amount of compensation to \$2.5 Million. This is contingent upon Omnipoint paying \$2.5 Million, and AT&T paying another \$5 Million.

Additional Comments:

NJTA has already purchased all of the necessary equipment for a 6GHz migration. The cost of this equipment was \$4,798,988.75. This equipment is currently somewhere in storage.

It is clear that the NJTA already planned a migration from 2 GHz analog to 6 GHz digital and, in fact, had already started work on the replacement system when the prospect of a free upgrade became available through the FCC rules for microwave relocation. The NJTA is now attempting to have the affected PCS licensees pay for the entire system upgrade as opposed to only those paths which affect PCS. They have notified us that it will take the full allotted time allowed by the FCC rules to remove them from the spectrum if we do not pay their demands.

JAMIESON ◊ MOORE ◊ PESKIN & SPICER

A PROFESSIONAL CORPORATION ◊ COUNSELLORS AT LAW

December 8, 1995

Christian H. Hillabrant
Negotiations Manager
Columbia Spectrum Management
8300 Boone Boulevard
Suite 800
Vienna, VA 22182

RE: New Jersey Turnpike Authority 2 GHz Microwave
Service Licenses

Dear Mr. Hillabrant:

I am writing to follow up our conversation earlier this week regarding the negotiations between the New Jersey Turnpike Authority (the "Authority") and Sprint/Omnipoint ("Sprint") for the voluntary relocation and early relinquishment by the Authority of its rights to use certain 2 GHz frequencies pursuant to FCC licenses. It is my understanding that Sprint purchased, at public auction, the right to utilize the three microwave paths identified on Schedule "A" attached to this letter, which paths are presently utilized by the Authority.

As you are aware, the FCC has developed a regulatory framework to encourage incumbent 2 GHz licensees to negotiate voluntary and early relocation agreements from the 2 GHz frequency band to alternate frequencies. For public safety licenses (such as the Authority), the FCC orders establish a four year voluntary negotiation/relocation period, and a one year mandatory negotiation period thereafter. The Authority is a "public safety licensee" because the Authority uses the microwave frequencies for police and emergency medical services operations.

The Authority has reviewed its current operations on these 2 GHz frequencies, its costs for equipment, facility repair, facility construction, and the other factors that would affect the transfer of its operations. The Authority has determined that fair compensation for its voluntary relinquishment of its use of those bandwidths listed in Schedule "A" is \$5 million. The

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Christian H. Hillabrant
December 8, 1995
Page 2

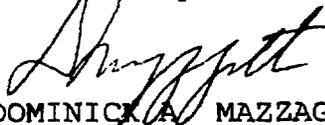
Authority would be willing to enter into an agreement with Sprint for its early and voluntary removal from these frequencies, by no later than June 30, 1996, upon the payment of \$5 million or a combination of cash, credits, and equipment totalling \$5 million.

According to the regulatory framework, if voluntary relocation negotiations fail, then Sprint can request an involuntary relocation of the Authority, but only after the voluntary period expires. In such case, Sprint would need to make a payment to the Authority for all costs of relocating to comparable facilities, including engineering, equipment, and site costs. Based upon estimates already obtained by the Authority, the cost of equipment for the 6 GHz frequencies, the need to build new towers, and the need to reinforce existing towers will approach \$10 million along the Authority's complete system. For this reason, we believe that the proposed offer for the Authority's early relinquishment of these frequencies is reasonable and will serve the needs of both the Authority and Sprint.

I have been instructed to advise you that this offer will remain outstanding until December 31, 1995. After that date, the Authority will reassess its position as to the ability to reach a voluntary relocation agreement.

I look forward to your prompt response.

Yours truly,


DOMINICK A. MAZZAGETTI
For the Firm

DAM/kss

142248

<u>Site 1</u>	<u>Call Sign 1</u>	<u>Freq.</u>	<u>Site 2</u>	<u>Call Sign 2</u>	<u>Freq.</u>
Newark	KED42	1885.0000V	Jersey City	KBX86	1965.0000V
Windsor	KEG77	1885.0000H	Chesterfield	KED45	1965.0000H
Chesterfield	KED45	1875.0000H	Florence	KEG76	1985.0000H

JAMIESON ◊ MOORE ◊ PESKIN & SPICER

A PROFESSIONAL CORPORATION ◊ COUNSELLORS AT LAW

January 29, 1996

Christian H. Hillabrant
Negotiations Manager
Columbia Spectrum Management
8300 Boone Boulevard
Suite 800
Vienna, VA 22182

RE: Relocation of New Jersey Turnpike Authority's 2 GHz
Microwave System

Dear Mr. Hillabrant:

I understand that you have received a letter from Ann Monica, Assistant Director of Law of the New Jersey Turnpike Authority, confirming my authorization to negotiate on behalf of the Authority for the relocation of its 2 GHz microwave system to the 6 GHz frequency.

In my letter to you of December 8, 1995, I indicated that the Authority has reviewed the operation of its 2 GHz system and the costs for equipment, facility upgrades, facility construction, and other factors that would affect its relocation to the 6 GHz system. The Authority has also reviewed its ability and desire to relocate in advance of the dates set by the FCC. Based on this review, I advised you that the Authority will voluntarily relocate from the affected frequencies at an early date for payment of \$5 million by Sprint/Omnipoint. You have asked me to provide the method by which the Authority reached that figure and appropriate support materials.

As you know, the Authority presently operates at a 2 GHz frequency throughout the entirety of the Turnpike, running north and south for the entire length of New Jersey and on several spurs. This system is used for a variety of purposes including, most importantly, public safety access by the New Jersey State Police operating on and around the Turnpike. Any relocation of frequencies for part of the Turnpike system, of necessity, requires the relocation of frequencies throughout the entire system. For this reason, compensation for a comparable 6 GHz system should cover the costs of design, equipment,

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Christian Hillabrant
January 29, 1996
Page 2

◇ tower upgrades, tower replacement and new towers for the length of the system, and not just for the paths affected by the Sprint/Omnipoint PCS licenses granted by the FCC.

The Authority has determined that \$10 million will compensate the Authority for the relocation from a 2 GHz to a 6 GHz system. As you are aware, a 6 GHz system requires more closely spaced towers than a 2 GHz system, substantially stronger tower structures, and all new equipment throughout to operate effectively.

I enclose with this letter a number of exhibits. The first exhibit is a spreadsheet which delineates the costs of the new system "tower-by-tower" and "item-by-item." This spreadsheet covers the entirety of the New Jersey Turnpike system as it would be constituted at 6 GHz. The total out-of-pocket cost to the Authority for this relocation equals \$6,505,208. We have excluded the cost of upgrades and construction of several new towers which were recently completed and which can accommodate the 6 GHz system without upgrade. This would include the towers located at Deepwater, Woodbury, Bordentown, Hightstown, Cranbury, New Brunswick, and Seacaucus.

The second exhibit is the Motorola estimate for the upgrade and/or replacement of towers (other than those excluded) to accommodate the 6 GHz system. This estimate is broken down tower-by-tower and split between north and south regions. The Motorola estimate (\$1,262,887.50) is included within the costs set forth in the spreadsheet.

The third exhibit is the invoice for all of the equipment necessary to relocate from a 2 GHz to a 6 GHz system. Also included is a complete listing of that equipment item-by-item and tower-by-tower. The total equipment cost (\$4,798,988.75) is included in the spreadsheet.

The fourth exhibit is an invoice for tower analysis and reports and for site work yet to be completed at various sites to accommodate the 6 GHz system. The total cost of this work (\$322,801) is also included in the spreadsheet analysis.

The enclosed exhibits establish the "hard" costs incurred and to be incurred by the Authority for relocation from a 2 GHz to a 6 GHz system. As mentioned above, these hard costs total \$6.5 million. As I indicated in my December 8, 1995 letter to you, the

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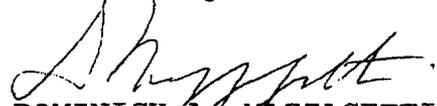
Christian Hillabrant
January 29, 1996
Page 3

◇ Authority should be compensated for the early and voluntary relocation from these paths so that Sprint/Omnipoint can take immediate advantage of the license allocations that were purchased from the FCC. As you are aware, the FCC's regulations permit the Authority to utilize the PCS frequencies that Sprint/Omnipoint purchased up to four years from August of 1995. However, the Authority is receptive to voluntarily relinquishing the affected frequencies at an earlier date and will agree to switch to the 6 GHz as soon as such a system can be made operational. Of course, an early resolution of this matter would greatly benefit Sprint/Omnipoint.

The Authority will relocate its entire system to 6 GHz and accept early abandonment, for \$10 million. As you may be aware, one other PCS licensee has received 2 GHz frequency allocations in the northern section of the Turnpike, which frequencies have about the same value as Sprint/Omnipoint's. To reach an early resolution, therefore, we have divided the cost in half and ask that Sprint/Omnipoint compensate the Authority for \$5 million.

At this point, I believe we should meet to discuss in detail the pricing for the Authority's voluntary relocation and early abandonment of its 2 GHz licenses to Sprint/Omnipoint. Please call me to set a meeting date at my office in Princeton, New Jersey. I look forward to meeting with you.

Yours truly,


DOMINICK A. MAZZAGETTI
For the Firm

DAM/kss
Enclosures

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