



STATE OF WASHINGTON

WASHINGTON STATE PATROL

General Administration Building, PO Box 42600 • Olympia, Washington 98504-2600 • (360) 753-6540

February 2, 1996

Mr. Stephen R. Vohs, Microwave Relocation Engineer
Sprint Telecommunications Venture
9221 Ward Parkway
Kansas City MO 64114

Dear Mr. Vohs:

I am in receipt of your letter dated January 30, 1996, which contains Sprint Telecommunications Venture's (STV) current offer. The Washington State Patrol is disappointed in the response and believes it is appropriate to reiterate several of the points made at the meeting on January 18, 1996. However, prior to doing that, I need to explain that whatever agreement you believe you reached on December 12, 1995, was in no way a final agreement since the individuals involved lacked the authority to enter into such an agreement.

As stated at the January 18, 1996, meeting, the Washington State Patrol intends to recover all costs associated with relocating its microwave system. I am enclosing a copy of our cost analysis which details the charges associated with this relocation. **These costs are not subject to negotiation.** Due to the political climate, it is incumbent upon the Washington State Patrol to recoup its expenses and not pass off relocation costs to the taxpayers of the state of Washington.

Finally, your attempt to compare the price received from Western Wireless is quite irrelevant to the current discussion. The Washington State Patrol, in that contract, recovered the entire cost of relocating its system. The per-path price was simply a means to calculate the necessary amount and in no way set any precedent for other relocation costs.

During our discussions on January 18, 1996, you indicated you would be forwarding revised language to address some of the concerns raised by your proposed contract. I look forward to receiving that language.

We realize time is of the essence for STV and are willing to quickly facilitate a resolution to this matter based upon the terms outlined in our discussions on January 18, 1996.

I look forward to hearing from you.

Sincerely,

CHIEF ANNETTE M. SANDBERG

A handwritten signature in black ink, appearing to read "Jim S. Stuart".

Lieutenant Jim S. Stuart
Budget and Fiscal Services

JS:glr
Enclosures



Sprint Telecommunications Venture

4121 W. 83rd Street, Prairie Village, KS 66208

February 13, 1996

Washington State Patrol
Budget & Fiscal Services
PO Box 42602
Olympia, WA 98504-2602
Attention: Lieutenant Jim Stuart

Dear Lieutenant Stuart:

We received your letter dated February 2, 1996. Thank you for the detailed cost estimate. STV understands you are working under a sensitive political climate and can in no way pass off the price of microwave relocation on to the taxpayer.

STV is willing to accept the cost of microwave relocation. STV understands microwave relocation to be the comparable replacement of your system. We do not believe microwave relocation includes system upgrade costs which normally would be passed on to the taxpayer.

STV is not prepared to pay for the entire upgrade of your analog system to digital. We are, however, appreciative of the speed which with you are willing to replace your microwave paths for our benefit. We are prepared to pay for some digital upgrades in return for this speed.

Unfortunately, your requirements have forced us to reevaluate our needs in the Seattle MTA. We will not be able to replace all of your 'B' block paths at this time. STV has reduced the number of paths which we wish to relocate from ten 'B' block paths to six 'B' block paths, two 'C/F' block paths, and one 'A/D' block path.

STV is willing to pay for the digital upgrade of these paths if they can be removed by August 31, 1996. The paths we are interested in are as follows:

PATH_NO	WSP CODE	SITE_NAME1	CALLSIGN_1	SITE_NAME2	CALLSIGN_2	FREQ1	FREQ2
3928	4P	CAPITOL PK	KCX59	BAW FAW	KOJ41	1875	1965
4072	1J	EVERETT	KOJ33	SQUAK MTN	KOJ40	1945	1895
4075	1Y	S GARDINER	WBH473	GOLD MTN	WPS76	1885	1965
4076	1X	BREMERTON	KCX68	GOLD MTN	WPS76	1895	1975
4077	1M	BELLVUE	KOJ34	GOLD MTN	WPS76	1875	1935
4197	4H	CULTUS MTN	WNTR403	MARYSVILLE	WNTR402	1885	1985
4198	1H	CULTUS MTN	WNTR403	LITTLT MTN	KOJ38	1985	1885
4199	1G	MT VERNON	KOJ32	LITTLE MTN	KOJ38	1975	1895
4200	1B	GALBRAITH M	KOW59	LITTLE MTN	KOJ38	1935	1875

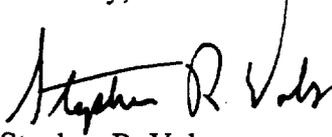
Please again provide us with a fair, detailed cost estimate for replacing only these paths by August 31, 1996. Again, we understand that the taxpayers should not pay for any costs associated with relocating these paths.

Sprint Telecommunications Venture

4121 W. 83rd Street, Prairie Village, KS 66208

If you have any questions regarding our position, please feel free to call Steve Vohs at (913)385-1627. We look forward to hearing from you.

Sincerely,



Stephen R. Vohs

Microwave Relocation Engineer

cc: Patrick E. Buller (Washington State Patrol)
Ross Morris (Washington State Patrol)
Carol A. Smith (Assistant Attorney General, State of Washington)
Robert Stedman
Don Mueller
Ken Cashman

Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name: **Western Resources**

Market / MTA: **Wichita/46**

Market freq. block: **B**

Number of paths required for initial system:	2	Number of paths requested by incumbent for relo:	2
Estimated comparable cost per path:	\$261,851	A paths:	
		B paths:	2
Total estimated comparable cost:	\$523,702	C - F paths:	
		Non PCS paths:	
		Per path cost requested by the incumbent:	\$420,818
			\$295,318
		Additional payments requested by the incumbent:	\$104,000
		Total requested relocation cost by the incumbent:	\$820,136

Chain of events:

<u>Date</u>	<u>Action</u>
1/12/96	First meeting with incumbent. Willing to move by 5/31/96.
1/26/96	Incumbent is moving most of his system to fiber. Fiber is in place for 1.78 mi. path. Incumbent said they would move by 6/01/96 if cash settlement was fair. Cash offer made for comparable analog replacement.
2/5/96	Letter from Western Resources listing monetary requirements (See enclosed ltr)

Additional Comments:

The "Total estimated comparable cost" quoted above is for digital replacement using DVM6-8T1 radios.

The incumbent desires a new 300' heavily loaded tower to replace a 250' tower which already supports an adequate load for relocation if dual band (2 GHz/6 GHz) antennas are used for the project. Western Resources is using the process of microwave relocation to pay for a new supporting structure designed for their current and future loading of equipment which has nothing to do with PCS microwave relocation.

**COLUMBIA SPECTRUM
MANAGEMENT**

Memorandum

DATE: 1-15-1996

TO: Don Mueller

FROM: WILLIAM L. BOYT

RE: WESTERN RESOURCES

CC: KATIE GRAMMES, MELISSA CONWAY

My meeting with Ray Hildebrand, Manager of Mobile Networks, with Western Resources went very well. As you know I meet with him on 1-12-96 at his office in Topeka and the results of the meeting are as follows;

1. Western is looking for a cash settlement.
2. Willing to move by 5-31-96 and will probably go with fiber as he has had discussions with the local cable operator's and knows its available at least for the short hop (East Central to Wichita) and maybe available for the longer hop (Beaumont to El Dorado aka Mididan).
3. The paths in question are 300 channel Analog and are approximately 70 % loaded. The system was designed to be a loop system but was not completed due to the PCS/2GHz uncertainty. The radios are GTE Lenkurt 778F2, hot stand-by with Granger DTL channel equipment. The system supports customer calls, field 2-way radio control and substation control.
4. According to Mr. Hildebrand many multipoint circuits exist around the network that will require special treatment. He also said the existing system must remain until any replacement is completed and certified.
5. Western will do its own engineering .

I told Mr. Hildebrand I would talk this over with you and get back to him very soon.

Memorandum

To: Don Mueller
CC: William L. Boyd
From: William L. Boyd
Date: January 26, 1996
Re: Incumbent Report Market 46 B

Butler County Community College- Incumbent has indicated that they will accept replacement equipment. The equipment I suggested to them was CMI TS 6G-4DS1. They currently have Co System 4T1 HEL3ABDR2L-2 radios. I did not give them a relocation cost number. A site visit will be necessary as a new shelter may be needed at the South Haverhill site. I have requested a date when this can be done and Joe Hosterler said he would let me know no later than 1-29-96. He felt he could be off in three to four months. Preparing a term letter.

Western Resources- Incumbent is moving most of his system to fiber. Fiber is in place on one hop, the short 1.78 mile hop in downtown Wichita, the other 25 mile hop is the problem. Ray Hilderbrand said they would move by 6-1-96 if the cash settlement was "fair". Based on numbers supply to me by our engineering I told Ray that the cash amount was \$139,322. For the long hop and \$133,936. For the short hop. He said he would give this to his boss Clyde Hill and be back to me this week. As of this afternoon I have not heard from Ray. I called and left message on his voice mail to call me over the weekend if necessary.

State of Kansas- Incumbent system is in bad need of repair and or upgrade. Has no money budgeted for either in 1996. Does not want a cash settlement as he feels the money would go in the state general fund and he would not have the resources to move. Also the Kansas State Police use one of his sites as their main control point and cannot be off the air at all. I made an offer to the Incumbent that we would supply him with new analog radios and do the engineering for them. The attorney for them asked that I provide them with a list of other state's were we have done this same type of relocation. Working on this with CSM in Va.

CONFIDENTIAL

RAY HILDEBRAND
Manager WAN & Mobile Networks
(913) 675-1628



618 Kansas Avenue
P.O. Box 889
Topeka, Kansas 66601
Phone (913) 575-6300

February 5, 1996

Columbia Spectrum Management
10855 Turtlewood Court
Suite 514
Houston, Tx 77072

Re: Enclosed path information summary dated January 4, 1996.

Attn: William Boyt

Dear Bill,

You recently contacted me in regard to relocating two of our 2GHz microwave paths in the Wichita area.

1. Wichita SCC (WGS30) to Wichita SC (KAZ94)
2. Midian (KAZ95) to Beaumont (WCE934)

Although these sites have served the Company well for several years, the reality of PCS and the 90's is that we must be prepared to relocate some of our facilities. I understand that you prefer we vacate the frequencies by May 31, 1996. In order to accomplish this I must perform a considerable amount of temporary work, and will have to start within the next couple of weeks.

After examining the impact to our system of your request, we feel that the following is a fair and accurate summary of our costs to vacate the paths you have requested:

1. Wichita SCC (WGS30) to Wichita SC (KAZ94)

Description	Cost
DS-3 Radio (2 ea)	\$80,000
Newbridge 3600 Node (2 ea)	\$85,000
Antennas and Coax	\$20,000
Tower	\$148,798
Removal of old tower	\$15,000
Equipment Shelter	\$24,770
Site Development	\$34,210
Labor	\$18,000
Licensing	\$5,000
Total	<u>\$420,818</u>

2. Midian (KAZ95) to Beaumont (WCE934)

Description	Cost
DS-3 Radio (2 ea)	\$80,000
Newbridge 3600 Node (2 ea)	\$85,000
Antennas and Coax	\$20,000

KPL • Gas Service • KGE

Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name: **BNSF**

Market / MTA: **Dallas**

Market freq. block: **B**

Number of paths required for initial system: **1**
Estimated comparable cost per path: **\$201,489**
Total estimated comparable cost: **\$201,489**

Number of paths requested by incumbent for relo: **2**
A paths: **1**
B paths: **1**
C - F paths:
Non PCS paths:
Per path cost requested by the incumbent: **\$1,000,000**
Additional payments requested by the incumbent:
Total requested relocation cost by the incumbent: **\$2,000,000**

Chain of events:

<u>Date</u>	<u>Action</u>
10/8/95	Recieved BNSF Letter proposal
10/27/95	Recieved BNSF Tulsa to Ft Worth Sub-system Map

Additional Comments:

We have not responded to this proposal since STV has begun to work well with BNSF in other MTAS and BNSF will only negotiate a single sub-system at a time. It is expected that this sub-system will be next for negotiation and STV plans to use the good faith precedence set in other sub-systems for the negotiation of our single path for relocation.



Maurice E. Foster
Consulting Engineer
Telecommunications Engineering

176 E. 5th St. Suite 250
St. Paul, Minnesota 55101
Telephone (612) 298-2771
FAX (612) 298-2611

October 8, 1995

Mr. Robert Smith
Columbia Spectrum Management
12819 Cricket Hollow Lane
Cypress, TX 77429
FAX 713/383-3580

Dear Mr. Smith:

Reference our previous meetings and telephone conversations regarding Burlington Northern Railroad's 2 GHz microwave in the Dallas / Ft. Worth area. The stations of CSM's concern are WIA915, Irving, WIA916, Ft. Worth Deen Road, and WNEF727, Ft. Worth Continental Plaza. These stations are part of the railroad's backbone microwave system from Tulsa to Ft. Worth.

Having received new quotes from microwave radio vendors, I have revised the estimate for replacing the above hops from Ft. Worth to Tulsa. The estimate for implementing a digital replacement system is \$2,000,000 (two million dollars). This estimates includes the following:

- All engineering handled by Burlington Northern Railroad (BN).
- All radio, antenna, and battery equipment purchased / supplied by BN.
- All installation work arranged by BN.
- All frequency coordination and licensing handled by BN.
- All necessary antenna, waveguide, tower work arranged and completed by BN.
- All transportation and state / local taxes paid by BN.
- Arrangement of necessary lease circuits handled by BN.
- BN will agree to relinquish 1 year testing period of new radio paths and system.
- BN will agree to vacate the 2 GHz frequencies presently in use on the Irving to Ft. Worth microwave segment by the end of 1995 if the above estimate is accepted in a timely manner.

Timing of the last item is crucial in implementing a successful goal of vacating the 2 GHz frequencies by December 31, 1995. With the lead times required for ordering T1 lease circuits, we must receive a positive reply from you by November 13, 1995.

Sincerely,

M. E. Foster

cc: Mr. J. P. Hatton
Mr. R. C. Dahl
Mr. M. L. Christensen

File: PCS Ft. Worth

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
Total estimated comparable cost:	\$305,915	C - F paths:	1
		Non PCS paths:	
		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-Farinon 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 there old equipment is Harris Farinon 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 licensee:

- 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
			Lindal	Gonzales	Kohersot	Capote	Seguin	Schertz	
1.0	BASIC SYSTEM								
1.1	MDR-6000								
1.101	MDR-6506-4 HS (4 DS1, 32 TCM, +15 dBm)	MDR-6506-04-15-HS		1	1	1		1	4
1.102	MDR-6506-4 HSSD (4 DS1, 32 TCM, +15 dBm)	MDR-6506-04-15-HSSD				1		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 DS1, 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	DS1/DS0 Patch Panels								
1.51	56 Ckt. DS1 Panel	DSX-Best56			1	1			2
1.52	8 Ckt. DS1 Modular + Panel	Mini-DSX-1/W		1				1	3
1.53	8 Ckt. DS1 Modular	Mini-DSX-1/W/M		1				1	3
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								

Jan-24-96 03:01P CSM HOUSTON TX

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	Kokernot	Capote	Sequim	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								
1.901	Field Survey, First Hop	SERVICES-01		1					1
1.902	Field Survey, Additional Hop	SERVICES-02				1	1	1	3
1.903	Field Survey, Additional Man-Day Rate	SERVICES-03							
1.904	Path Map Study, per Path	SERVICES-04		1		1	1	1	4
1.905	Path Design/Profile, per Path	SERVICES-05		1		1	1	1	4
1.906	Path Performance Calculations, per Path	SERVICES-06		1		1	1	1	4
1.907	Survey Report, First Hop	SERVICES-07		1					1
1.908	Survey Report, Each Additional Hop	SERVICES-08				1	1	1	3
1.909	System Map, 1-25 Paths	SERVICES-09							
1.910	System Map, More than 25 Paths	SERVICES-10	1						1
1.911	Frequency Selection, per Path	SERVICES-11		1		1	1	1	4
1.912	Frequency Prior Coordination, per PCN	SERVICES-12		1		1	1	1	4
1.913	PCN Response & Resolution, 1st Path	SERVICES-13		1					1
1.914	PCN Response & Resolution, Each Additional Path	SERVICES-14				1	1	1	3
1.915	Field Service Engineer On-Site, Per Day	SERVICES-15							
1.916	FCC Form 494/402 Technical Data, Per Site	SERVICES-16							

Jan-24-96 03:01P CSM Houston, TX

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
Total estimated comparable cost:	\$680,000	B paths:	
		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

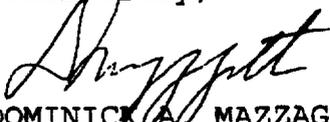
Authority would be willing to enter into an agreement with Sprint for its early and voluntary removal from these frequencies, by no later than June 30, 1996, upon the payment of \$5 million or a combination of cash, credits, and equipment totalling \$5 million.

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

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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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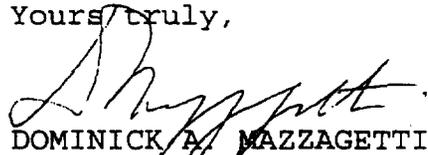
Christian Hillabrant
January 29, 1996
Page 3

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 a 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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