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August 6, 1997

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EX PARTE PRESENTATION

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: General Wireless, Inc.  
Docket No. ET 97-82  
Notice of Ex Parte Presentation

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

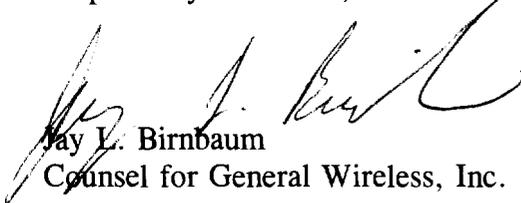
Dear Mr. Caton:

Pursuant to Section 1.1206(a)(2) of the Commission's rules, General Wireless, Inc. ("GWI") hereby submits this Notice of Ex Parte Presentation.

On August 5, 1997 the undersigned had a telephone conversation with Thomas Zagorski of Commissioner Chong's Office outlining GWI's most recent C block PCS debt restructuring proposal. Enclosed herein is a copy of such proposal, which was submitted to Mr. Zagorski yesterday, and which was previously submitted by GWI in its Notice of Ex Parte Presentation dated August 4, 1997.

A copy of this Notice of Ex Parte Presentation has been provided to the above-referenced Commission representative, as required by Section 1.1206(b)(2) of the Commission's rules. An original and one copy has been submitted to the Secretary's office.

Respectfully submitted,

  
Jay L. Birnbaum  
Counsel for General Wireless, Inc.

Enclosure

cc: (w/encl.) Thomas Zagorski

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## ***Basic Approach: Re-Auction with “Store Credit” of 100% of Down Payment***

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- Cash only re-auction with “Store Credit” of 100% of down payment to DEs who opt for putting all their licenses back into the auction pool
- Deposit credit not available for “cherry picking” within current DE license portfolio

# *Deferred Penalties for DEs Who Elect Re-Auction (With 100% of Down payment as “Store Credit”)*

## **Cash Penalty:**

- (A) Sliding Success Penalty: Up to 100% of the down payment paid as penalty after the auction if participating DE wins 100% or more of current Pops in a Re-auction using down payment money. If a DE wins zero Pops in a re-auction, the penalty is zero but down payment not refundable. Proportional sliding scale for all other outcomes (i.e., if 50% of current Pops are won in a re-auction with down payment money, the penalty is 50% of the down payment).
- (B) Terms: 5 years, no interest but accelerated payment provision at the rate of 10% of positive EBITDA.
- (C) New Money: Not “penalized” in auction

## **Equity Penalty:**

- (A) Existing minimum 15% Qualifying Investor obligations: to the extent currently held in options or "cheap" stock must be reduced to a maximum of 5% prior to a re-auction, or ...
- (B) Alternatively, amount of reduction of equity envisioned in (A) could be transferred to the federal government, universal service fund, etc.

# Cash Re-Auction With Deferred Penalties

