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August 11, 1997

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FEDERAL COMMUNICATIONS COMMISSION  
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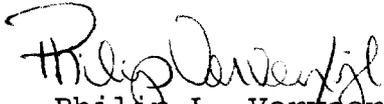
Mr. William F. Caton  
Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Re: WT Docket No. 97-82

Dear Mr. Caton:

Please place the attached letters in the above-referenced docket.

Best regards,

  
Philip L. Verveer

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Honorable James Quello  
Commissioner  
Federal Communications Commission  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: WT Docket No. 97-82

Dear Commissioner Quello:

During the course of a telephone conference with Anthony Chase and Richard McDugald of Chase Telecommunications, Inc., Jon Garcia of the Commission's Office of Plans and Policy raised two possible approaches to adjusting C block licensee installment payment obligations. The purpose of this letter is to indicate that ChaseTel finds both possibilities helpful. It believes that both meet the criteria relevant to the circumstances: fairness to consumers, taxpayers, and licensees; credibility in terms of the Commission's processes; and promotion of competition sooner rather than later. However, ChaseTel believes that the first of the alternatives is generally preferable to the second because it is less complicated and thus more readily administered.

As ChaseTel understands the first alternative, it would permit licensees to return 10 MHz of the 30 MHz they obtained in the C block auction. Licensees would be permitted to do this on a market-by-market basis. Licensees doing so would forfeit one-third of the deposit attributable to the particular market and would have one-third of their outstanding debt to the Commission canceled. Licensees would not be allowed to bid for spectrum which they returned, nor would they be allowed to acquire spectrum which they returned in a secondary market transaction for some time--perhaps one year--following its reauction.

ChaseTel regards this first option as potentially very helpful. It believes that the Commission also should consider permitting licensees to return 20 MHz in return for commensurate deposit forfeitures and debt forgiveness. It also believes that permitting licensees to participate

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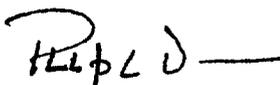
in the reauction bidding of spectrum they have returned would be appropriate and consistent with the Commission's policy interests in the C block.

As ChaseTel understands the second alternative, which Mr. Garcia indicated had been suggested by General Wireless, Inc., licensees would be permitted to return all of their licenses in return for complete debt forgiveness. The licensees would be extended a bidding or "store credit" of some fraction of their deposit to be used in a reauction of spectrum to designated entities. Should a licensee not use its store credit in the reauction, it would receive an amount equal to some fraction of the deposit as a breakup fee. In addition, licensees returning spectrum would be subject to penalty payments calculated as a fraction of the difference between the original bid and the reauction bid. This penalty payment would be due five years after the reauction.

The exact fractional amounts available as bidding credits, breakup fees, and potential penalties are highly material. In particular, ChaseTel believes that the level of the "store credit" will be important in terms of preserving the viability of C block licensees and permitting them to secure additional funding for a reauction. Nevertheless, the company believes that this option also would enable many of the Commission's original objectives in establishing the C block licensing procedures to be met. The option has certain evident limitations in terms of delays in the provision of service using C block spectrum and is relatively complicated, but overall it appears to be a useful and workable approach to the challenges the C block licensees confront.

ChaseTel appreciates the effort that you and the other commissioners, Mr. Garcia, Mr. Phythyon, and other members of the Commission staff have devoted to the C block issues. Mr. Chase would be very happy to elaborate upon these views if you would find it helpful.

Sincerely

  
Philip L. Verveer

cc: Rudy Baca  
William Caton  
Jon Garcia  
Daniel Phythyon

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable Rachelle Chong  
Commissioner  
Federal Communications Commission  
Washington, D.C. 20554

Re: WT Docket No. 97-82

Dear Commissioner Chong:

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Honorable Rachelle Chong  
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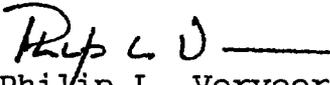
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ChaseTel appreciates the effort that you and the other commissioners, Mr. Garcia, Mr. Phythyon, and other members of the Commission staff have devoted to the C block issues. Mr. Chase would be very happy to elaborate upon these views if you would find it helpful.

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Philip L. Verveer

cc: Suzanne Toller  
William Caton  
Jon Garcia  
Daniel Phythyon

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Honorable Susan Ness  
Commissioner  
Federal Communications Commission  
Washington, D.C. 20554

Re: WT Docket No. 97-82

Dear Commissioner Ness:

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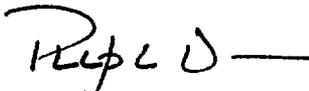
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Sincerely

  
Philip L. Verveer

cc: David Siddall  
William Caton  
Jon Garcia  
Daniel Phythyon

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FEDERAL COMMUNICATIONS COMMISSION  
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Honorable Reed Hundt  
Chairman  
Federal Communications Commission  
Washington, D.C. 20554

Re: WT Docket No. 97-82

Dear Chairman Hundt:

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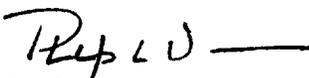
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Philip L. Verveer

cc: Jackie Chorney  
William Caton  
Jon Garcia  
Daniel Phythyon