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September 23, 1997

**BY HAND DELIVERY**

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

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**RECEIVED**  
SEP 23 1997  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Ex Parte Communication in Docket No. ET 97-101

Dear Mr. Caton:

Pursuant to Section 1.1206(b)(1) of the Commission's rules, General Wireless, Inc. ("GWI") hereby submits an original and two copies of this Notice of Ex Parte Communication.

On September 22, 1997, Dennis Spickler, GWI's CFO, spoke via telephone with Blair Levin and Jackie Chorney of the Chairman's Office and Jon Garcia of the Office of Plans and Policy regarding the "full price buy-out" proposal set forth in a September 16, 1997 letter to Chairman Hundt from Representatives W.J. Tauzin and Edward J. Markey. The above-mentioned Commission representatives asked for GWI's opinion regarding the discount rate to be applied, the amount of downpayment licensees should be allowed to apply toward buying back their licenses, and the extent of participation in a re-auction licensees should be afforded. GWI sent via facsimile the enclosed submission to the Commission representatives discussing the proposal.

Respectfully submitted,

*Jay L. Birnbaum / JLT*

Jay L. Birnbaum  
Counsel for General Wireless, Inc.

Enclosure

- cc (w/encl.): Blair Levin  
Jackie Chorney  
Jon Garcia  
Rudy Baca  
Suzanne Toller  
David Siddall

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**MEMORANDUM**

**TO:** Federal Communications Commission  
**FROM:** Roger Linnquist  
**SUBJECT:** Comments on "Full Price Buy-Out" Proposal  
**DATE:** September 22, 1997

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The "full price buy-out" proposal outlined in the Tauzin-Markey letter of September 16, 1997, could be considered by the General Wireless Board of Directors on no less attractive terms than the following:

1. Full credit for licensees' existing down payment deposit (100%).
2. Net present value calculated on the "net cash bid" prices for licensees on a BTA by BTA basis.
3. The discount rate must be at least 15%.
4. "New money" could be used, together with the down payment, within at least 180 days from the date of the final order.
5. Licensees should not be restricted in any manner from participating in a re-auction for any licenses, including their own in order to achieve sufficient scale for raising money for operations.

Anything that effectively increases net present value of the net cash bid, such as reducing the discount rate (which should be the industry's cost of debt financing) or the amount of down payment available to the licensees (other than 100 percent), would not be an alternative to bankruptcy.

The above proposal, as it stands, can only be viewed as marginal in that the fundamental issue of valuation in current financial markets is not addressed.