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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 4, 1997

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Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Notice of Ex Parte Communication;
Broadband PCS C and F Block Installment
Payment Restructuring; WT Docket No. 97-82

Dear Ms. Salas:

On behalf of NextWave Telecom Inc. ("NextWave"), Janice Obuchowski and Michael Regan met yesterday with Commissioner Harold Furchtgott-Roth, and his Legal Advisor, Paul Misener. The purpose of the meeting was to introduce the Commissioner to NextWave's business case. The attached material was distributed during the meeting.

An original and two copies of this memorandum and attached material are being filed in the above-captioned docket today. Please direct any questions concerning this matter to me, at 202-347-2771.

Sincerely,

Michael R. Wack

Michael R. Wack
Vice President, Regulation

cc: Commissioner Furchtgott-Roth
Paul Misener

Attachment

Next*Wave* Telecom Inc.

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Annandale, Virginia 22003
Tel. 703.642.0077
Fax. 703.642.0184
www: nextwavetel.com

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Next*Wave* Telecom Inc.

- Founded in 1995 to build and operate PCS networks
- Paid $500 million to U.S. Treasury for licenses thus far
- Third largest number of licensed POPs among cellular and PCS licensees in the U.S. after AT&T and Sprint
- 163 million POPs covering 95 markets
- Highest concentration of POPs in major cities of any wireless carrier

Convergence of Developments

- ➡ Telecom Reform Act
- ➡ New PCS Spectrum
- ➡ Low Cost, Fixed Government Financing
- ➡ CDMA Commercialized
- ➡ Trend for Brands to Bundle

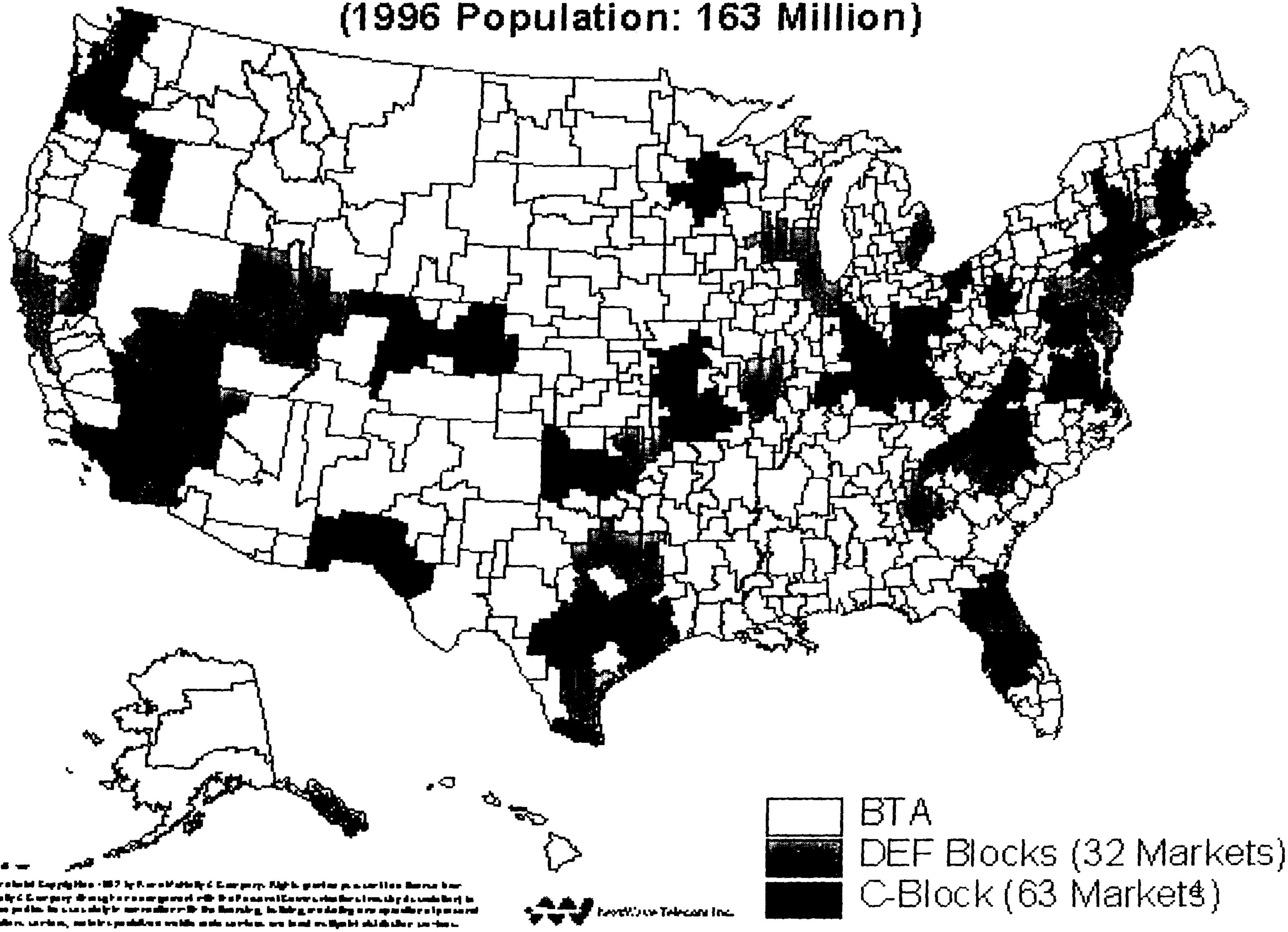
Result: Strong, unsatisfied demand for resale minutes. Mission to wholesale low cost, high quality wireless MOUs

Broadband PCS Payments To-Date

Rank	Company Name	AB-Block Amount Paid	C-Block Amount Paid	DEF-Block Amount Paid	TOTAL
1	Sprint	$ 2,211,622,053	$ -	$ 544,200,663	$ 2,755,822,716
2	AT&T Wireless	$ 1,684,418,000	$ -	$ 406,773,532	$ 2,091,191,532
3	PCS PrimeCo	$ 1,103,373,896	$ -	$ -	$ 1,103,373,896
4	PacTel	$ 695,650,000	$ -	$ -	$ 695,650,000
5	**NextWave**	**$ -**	**$ 474,364,803**	**$ 30,419,950**	**$ 504,784,753**
6	Powertel	$ 416,343,449	$ -	$ 31,250,616	$ 447,594,065
7	Aerial	$ 289,140,034	$ -	$ -	$ 289,140,034
8	BellSouth	$ 82,056,001	$ -	$ 205,144,775	$ 287,200,776
9	Cox Communications	$ 256,996,526	$ -	$ -	$ 256,996,526
10	Omnipoint Communications	$ 40,000,000	$ 50,913,326	$ 121,963,235	$ 212,876,561
11	Western Wireless	$ 88,636,090	$ -	$ 80,862,731	$ 169,498,821
12	Ameritech	$ 158,100,000	$ -	$ -	$ 158,100,000
13	Pocket Communications	$ -	$ 142,676,289	$ -	$ 142,676,289
14	GTE	$ 106,355,002	$ -	$ -	$ 106,355,002
15	General Wireless, Inc.	$ -	$ 105,965,775	$ -	$ 105,965,775

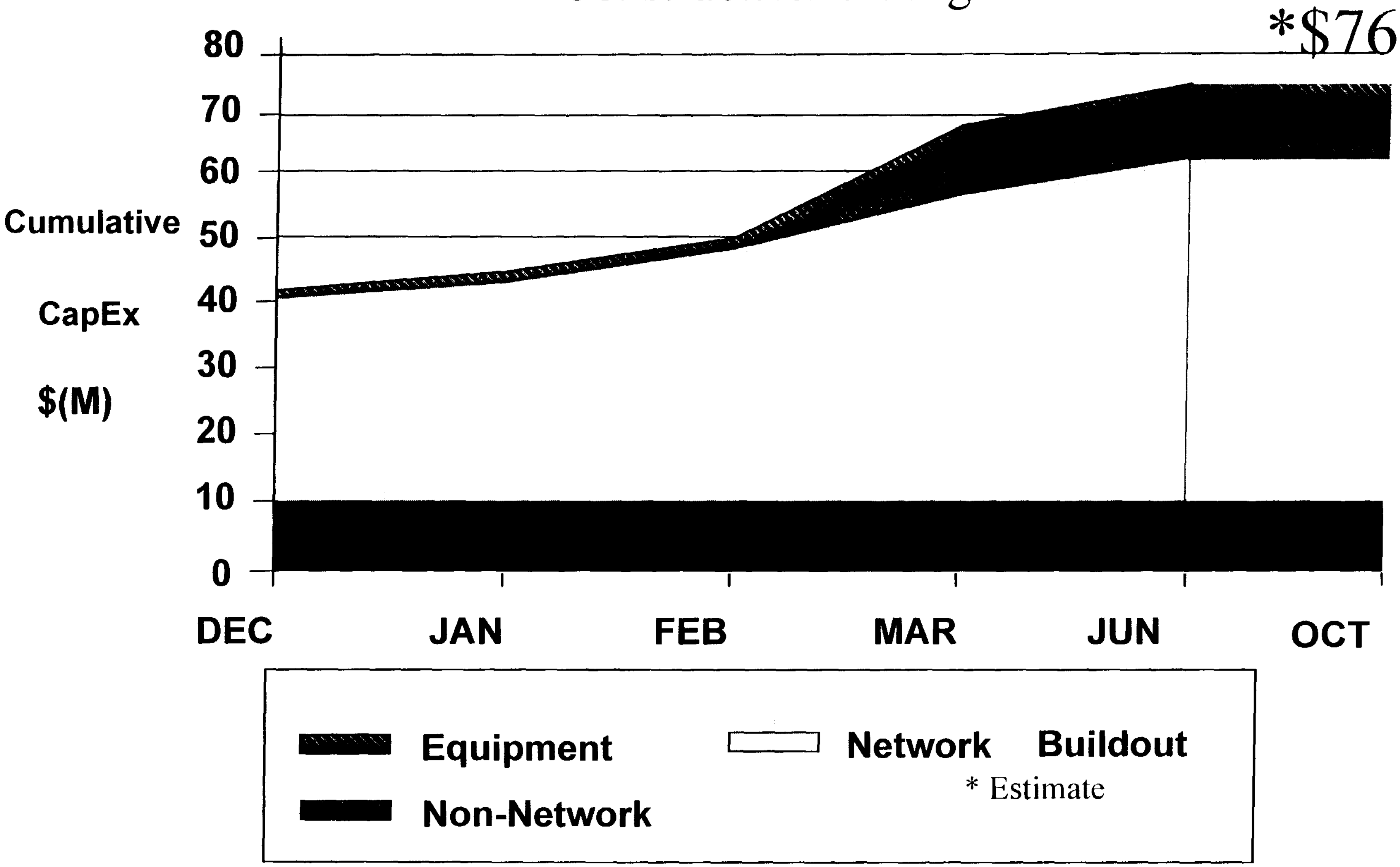
Next*Wave's* PCS Markets

(1996 Population: 163 Million)



NextWave Capital Investment

Construction in Progress



Network Buildout Plan

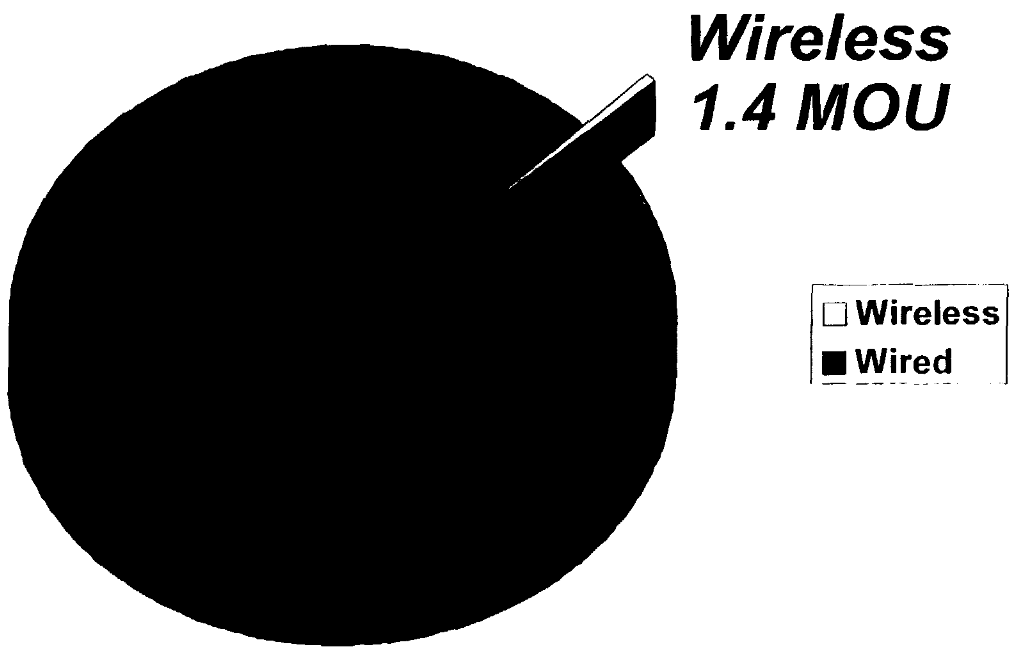
1995 | 1996-7 | 1998 | 1999 | 2000 | 2001 | 2002

4Q | 1Q | 2-3Q | 3Q | 4Q | 1Q | 2-3Q | 4Q | 1Q | 1Q | 1Q

[redacted]

[redacted]

The True Measure of Penetration is MOUs



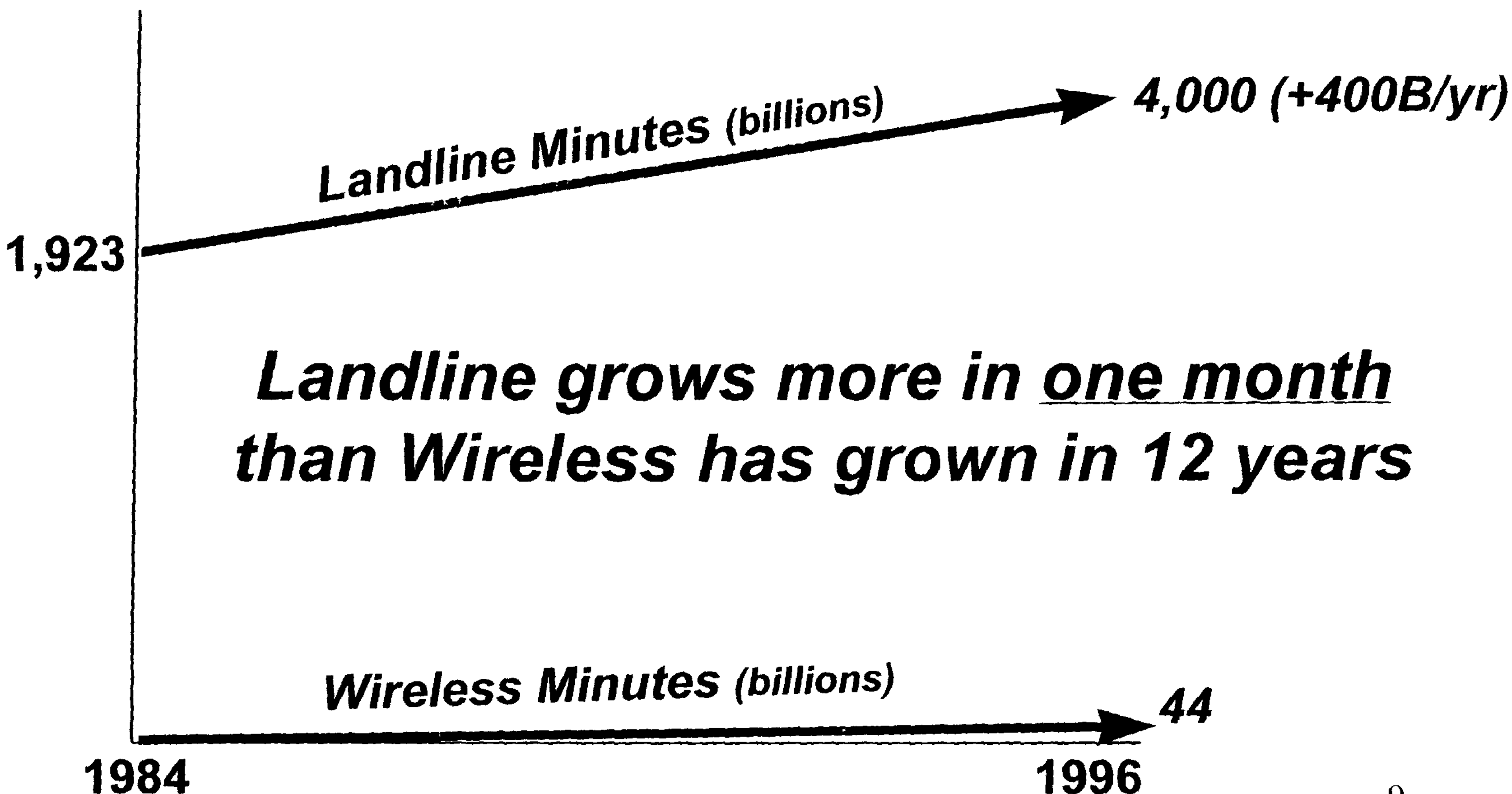
For every wireless minute consumed, 100 landline minutes are consumed

Why is Wireless only 1.4% of Total Minutes?

- Can't be insufficient demand (Service is highly price elastic)

- It's the distribution bottleneck (97% of all subcribers via carrier's own brand, marketing/sales very inefficient, highest cost of operation)

NextWave's Fresh View of Market Share (MOUs)



Landline grows more in <u>one month</u> than Wireless has grown in 12 years

Carriers' Carrier Business Model

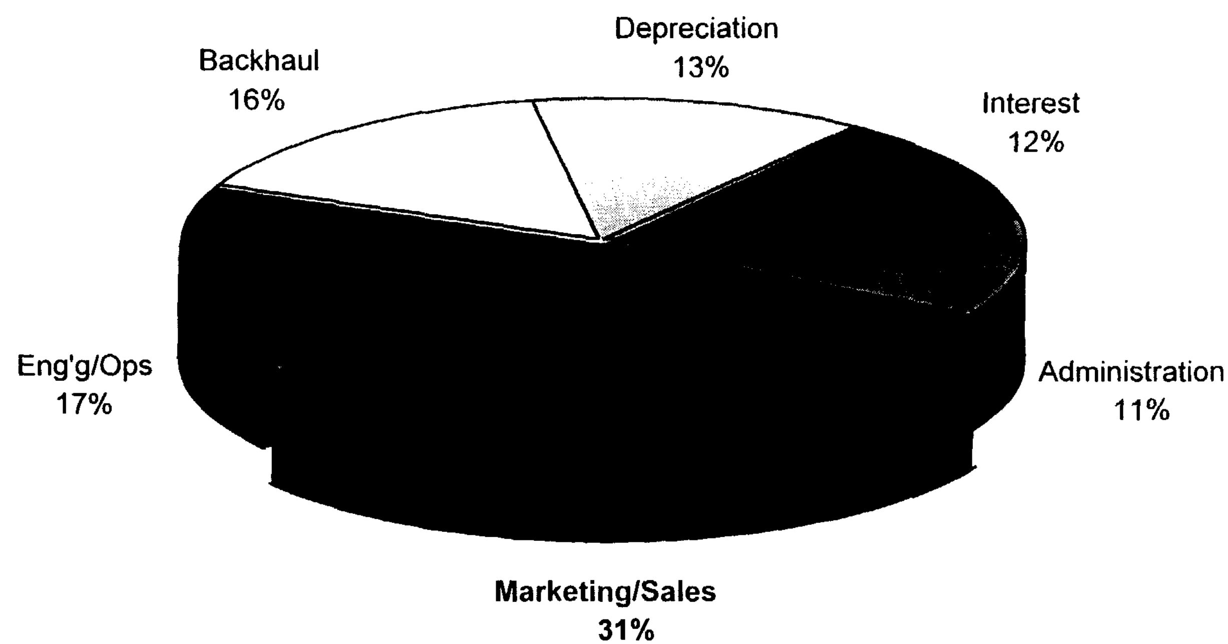
[redacted]

Subscribers

- Network Operator
- High Volume, Low Cost
- Enhanced Services

- Brand Name
- Marketing, Sales, Distribution
- Billing, Customer Care, Enhanced Services

Resale Strategy Reduces Market Entry Barriers for Small Businesses, Women and Minorities



Typical PCS Expenses after 5 Years

Reseller Account Summary

Reseller	Expected Operations Base
2001 Personal Communications	TX
American Cellular Rental	CA
CalTech International	Southwest/MidWest
Cellexis	Nationwide
Cellnet of Ohio	OH
COMAV	North East, OH
CX Systems	FL
Digital Comm. Network	CA
ECC/PCN	North East
Excel	Nationwide
Federal Network	Nationwide
Florida Wireless	FL
Fox Communications	Nationwide
MCI	Nationwide
New Wave	NY
OneStop	Nationwide
Preferred Cellular	CA
Prepay Technologies	CA
Prime Matrix	CA
RFW	MO, NY
SmarTalk	Nationwide
United Calling Network	Nationwide
Wireless Nation	NY
Wireless Outlet	Nationwide
Wireless Ventures	OH, NY

PCS Opportunity for Resellers

- PCS and long distance, for example, are perfect bundled offering; 90%+ of AirTouch, GTE and Bell Atlantic wireless subcribers choose their long distance product
- Significant new source of revenue
- Good margins are possible
- Many types of differentiated service (mobile, fixed, voice, data, enhanced services)
- Demonstrably better service than cellular
- Friendly PCS wholesalers are emerging

The Next*Wave* Philosophy

- Resellers are <u>our</u> customer
- We want to do business cooperatively
- We succeed only if our resellers succeed

Bottom Line

- **C-block licensees collectively possess comparable talent to national carriers**

- **C-block licensees collectively add value to wireless market**

- **Next*Wave* has made the fifth largest payment of over $500 million to the FCC among all the bidders in all PCS auctions**

- **Next*Wave*'s business plan and business strategy are viable and financable**