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December 8, 1997

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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"), Ms. Janice Obuchowski, Mr. Michael Regan and undersigned counsel met today with Commissioner Gloria Tristani and her Legal Advisor, Ms. Karen Gulick. The purpose of the meeting was to introduce Commissioner Tristani to NextWave's business case. The attached materials were distributed during the meeting.

NextWave Telecom Inc.

An original and two copies of this memorandum and attached materials 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  
Vice President, Regulation

cc: Commissioner Tristani  
Karen Gulick

Attachment

7700 Little River Turnpike, Suite 604

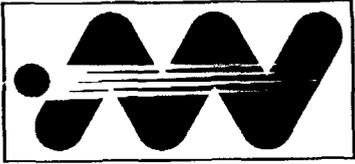
Annandale, Virginia 22003

Tel. 703.642.0077

Fax. 703.642.0184

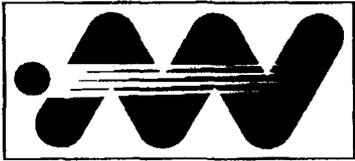
www: nextwavetel.com

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## NextWave Telecom Inc.

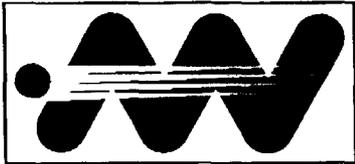
- ➔ Founded in 1995 to build and operate PCS networks
- ➔ Paid \$500 million to U.S. Treasury for licenses thus far
- ➔ Third largest number of licensed POPs among cellular and PCS licensees in the U.S. after AT&T and Sprint
- ➔ 163 million POPs covering 95 markets
- ➔ Highest concentration of POPs in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

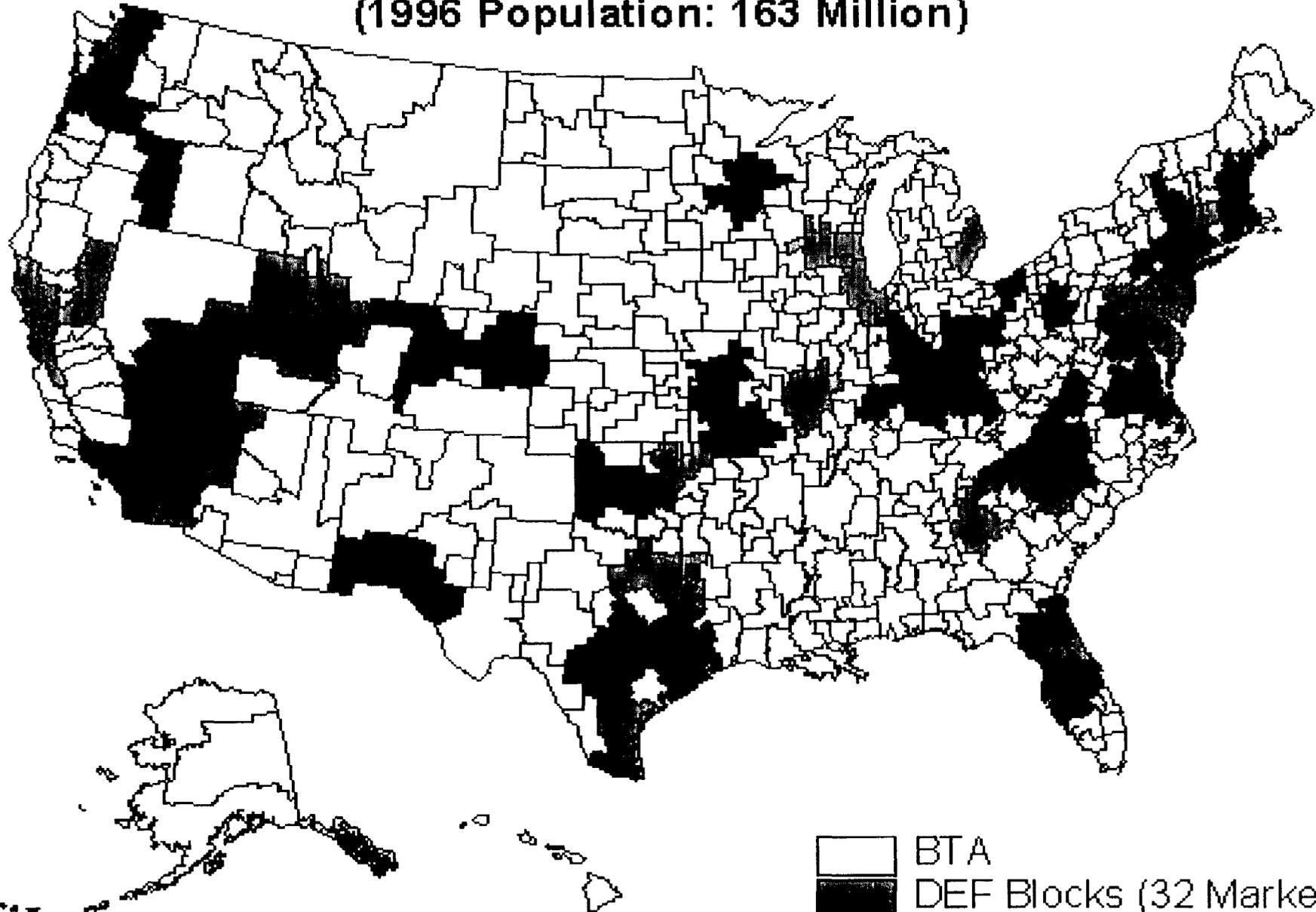


# Broadband PCS Payments To-Date

<u>Rank</u>	<u>Company Name</u>	<u>AB-Block Amount Paid</u>	<u>C-Block Amount Paid</u>	<u>DEF-Block Amount Paid</u>	<u>TOTAL</u>
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	<b>NextWave</b>	\$ -	\$ <b>474,364,803</b>	\$ <b>30,419,950</b>	\$ <b>504,784,753</b>
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

# NextWave's PCS Markets

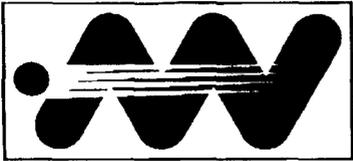
(1996 Population: 163 Million)



BTA  
 DEF Blocks (32 Markets)  
 C-Block (63 Markets)

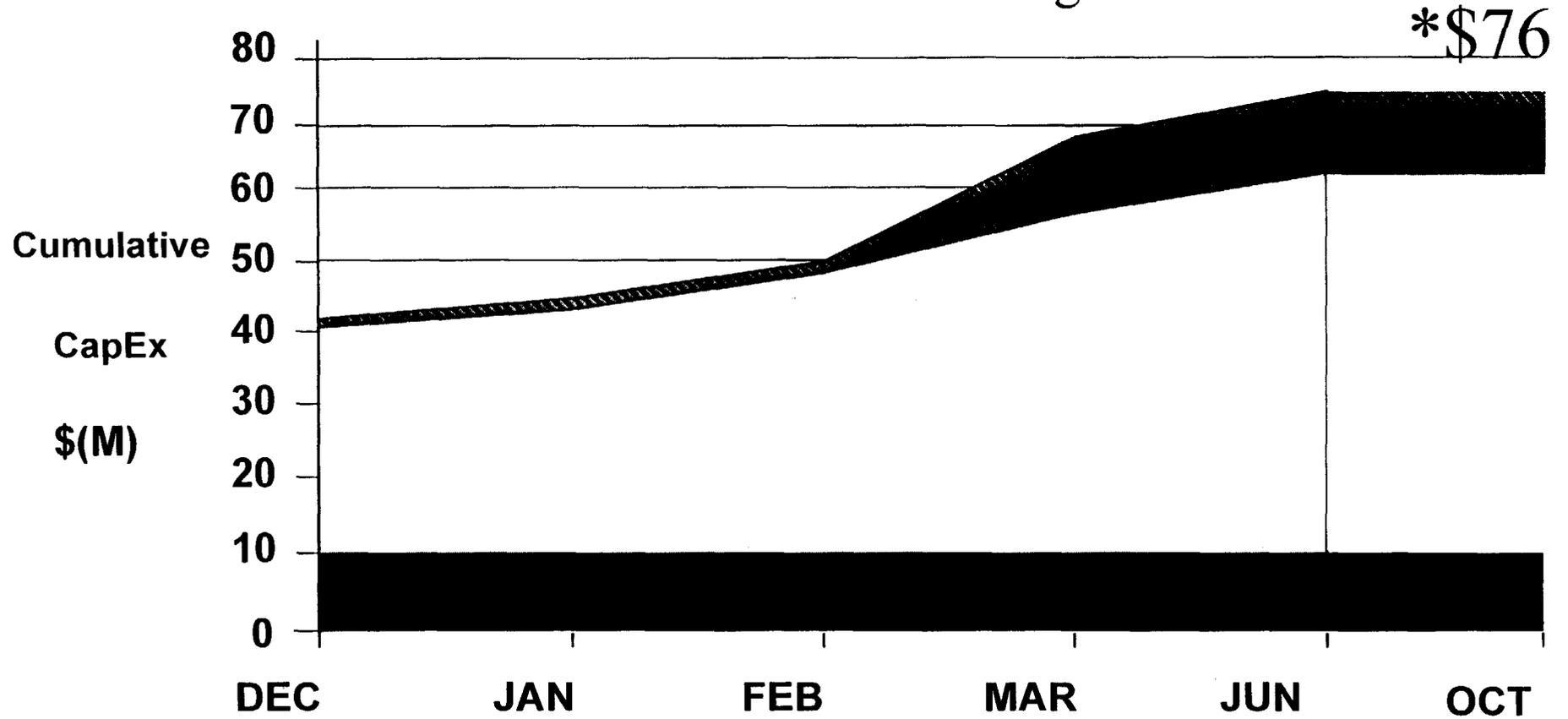
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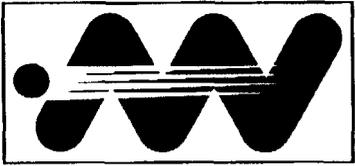


# NextWave Capital Investment

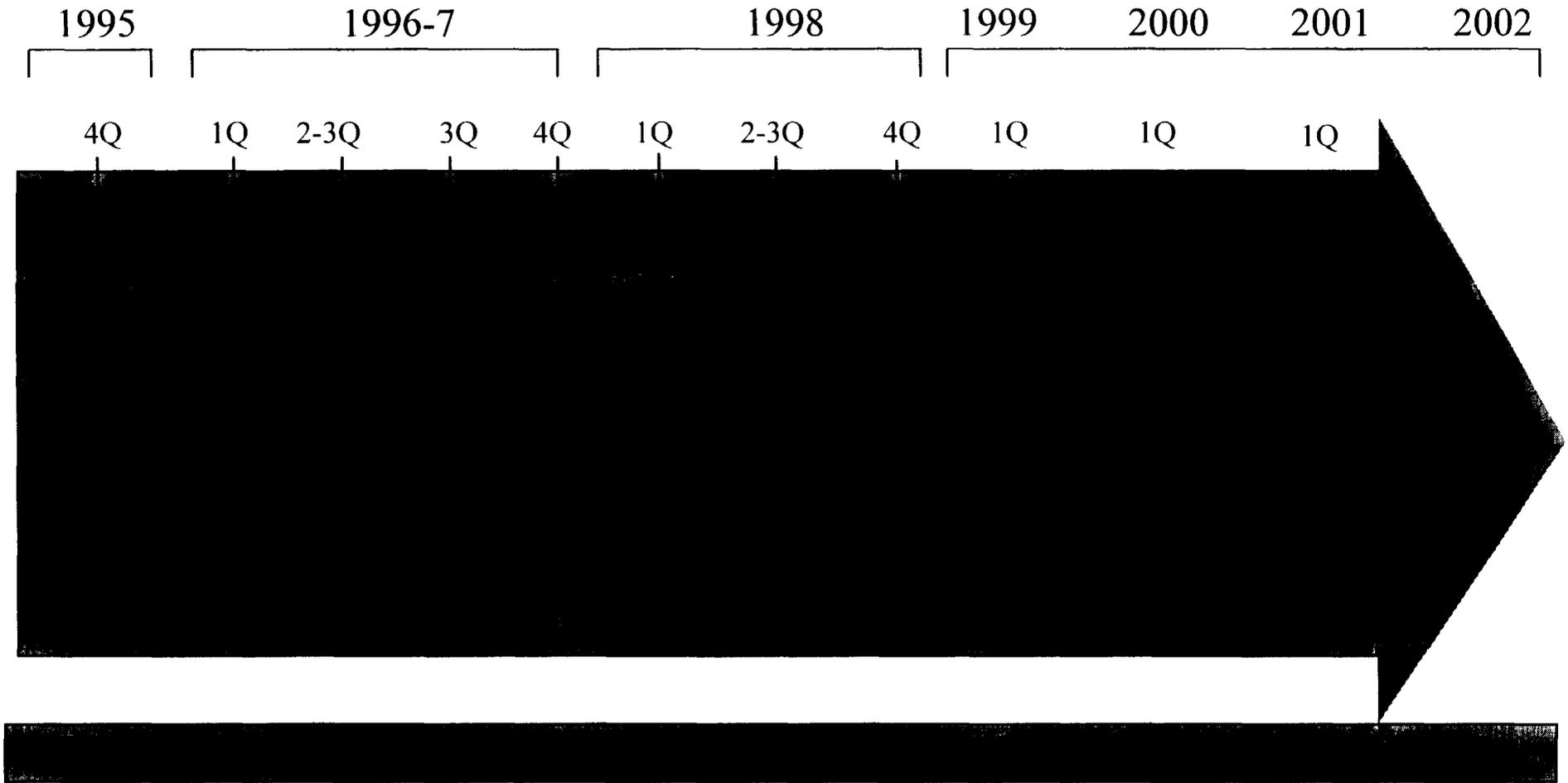
## Construction in Progress

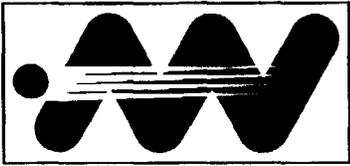


Equipment	Network Buildout
Non-Network	* Estimate

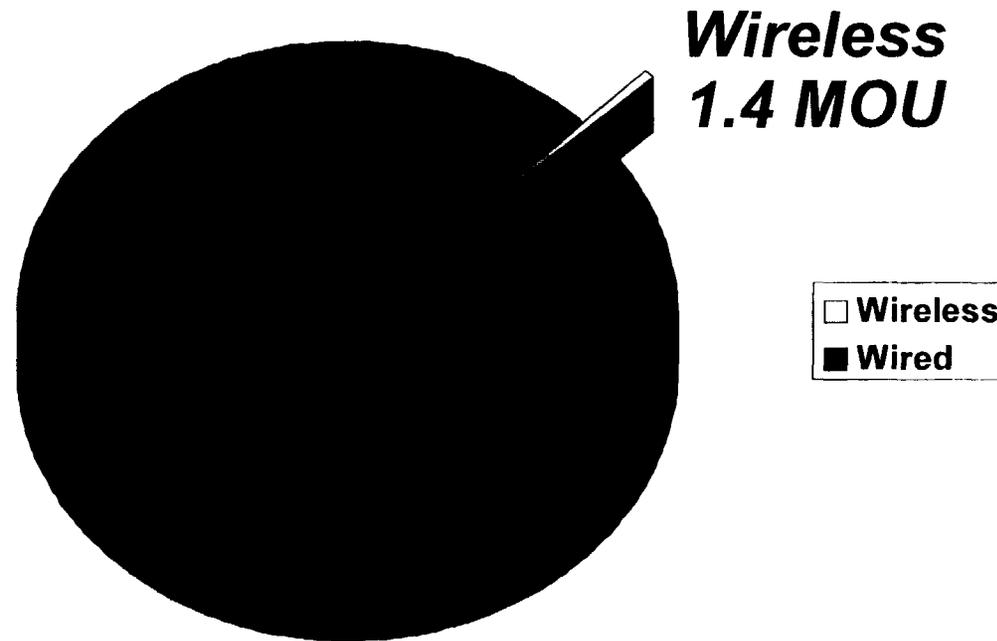


# Network Buildout Plan

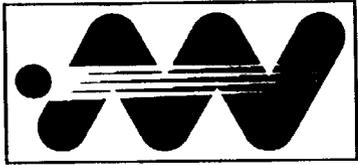




# The True Measure of Penetration is MOUs

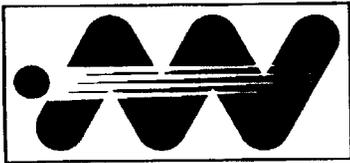


***For every wireless minute consumed,  
100 landline minutes are consumed***

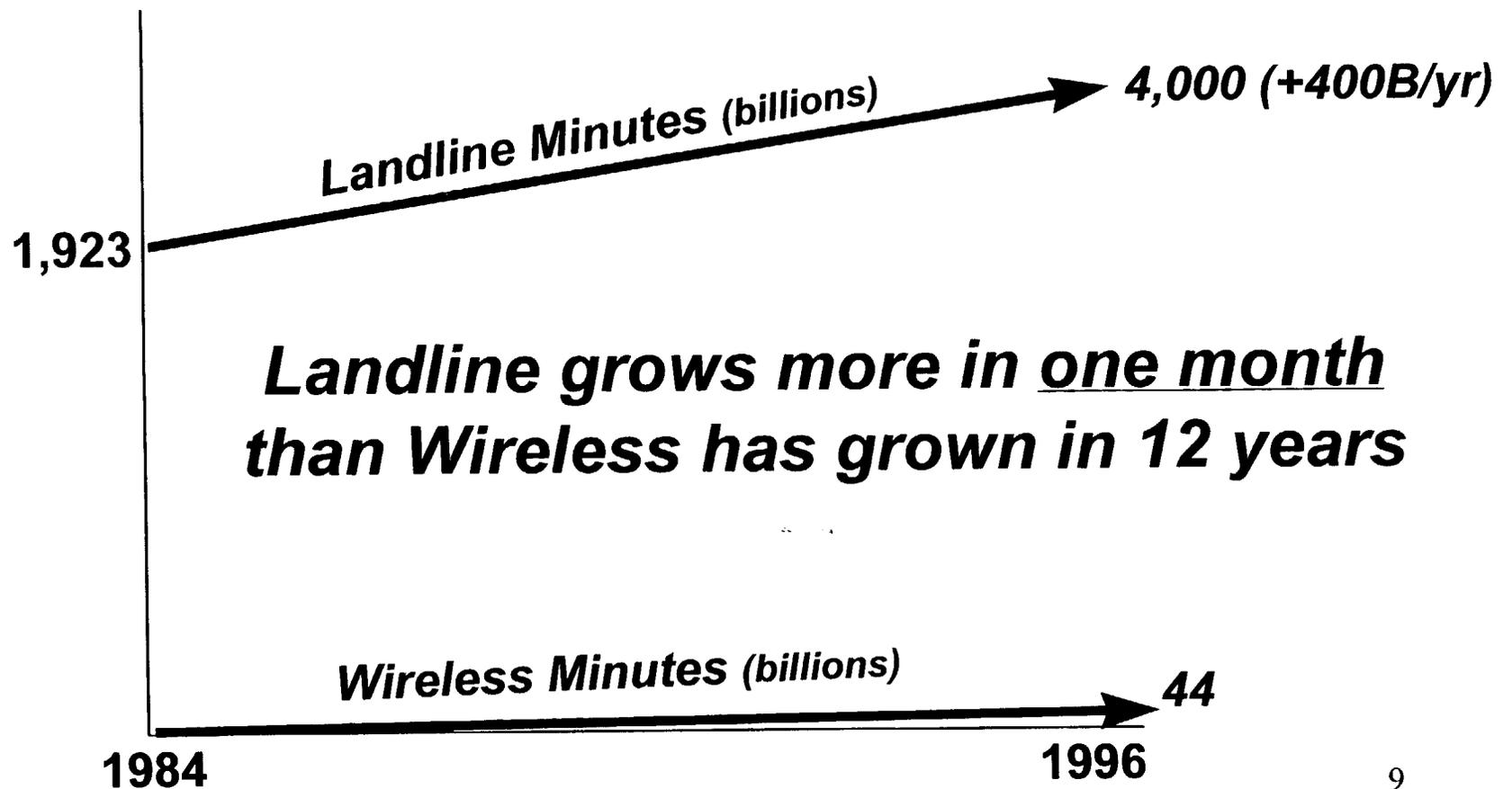


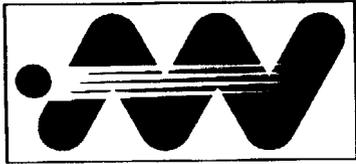
# Why is Wireless only 1.4% of Total Minutes?

- ➔ Can't be insufficient demand (Service is highly price elastic)
- ➔ It's the distribution bottleneck (97% of all subscribers via carrier's own brand, marketing/sales very inefficient, highest cost of operation)

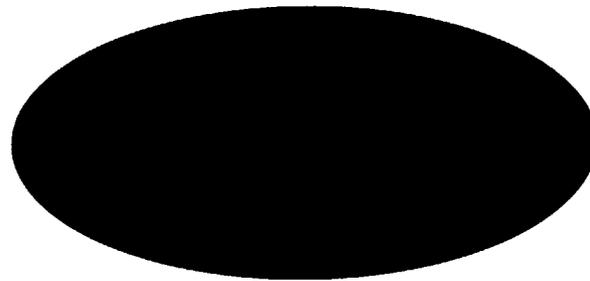
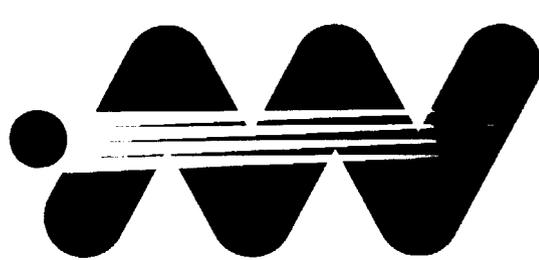


# NextWave's Fresh View of Market Share (MOUs)





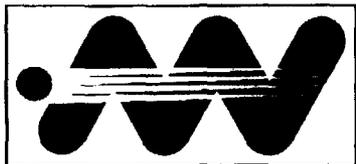
# Carriers' Carrier Business Model



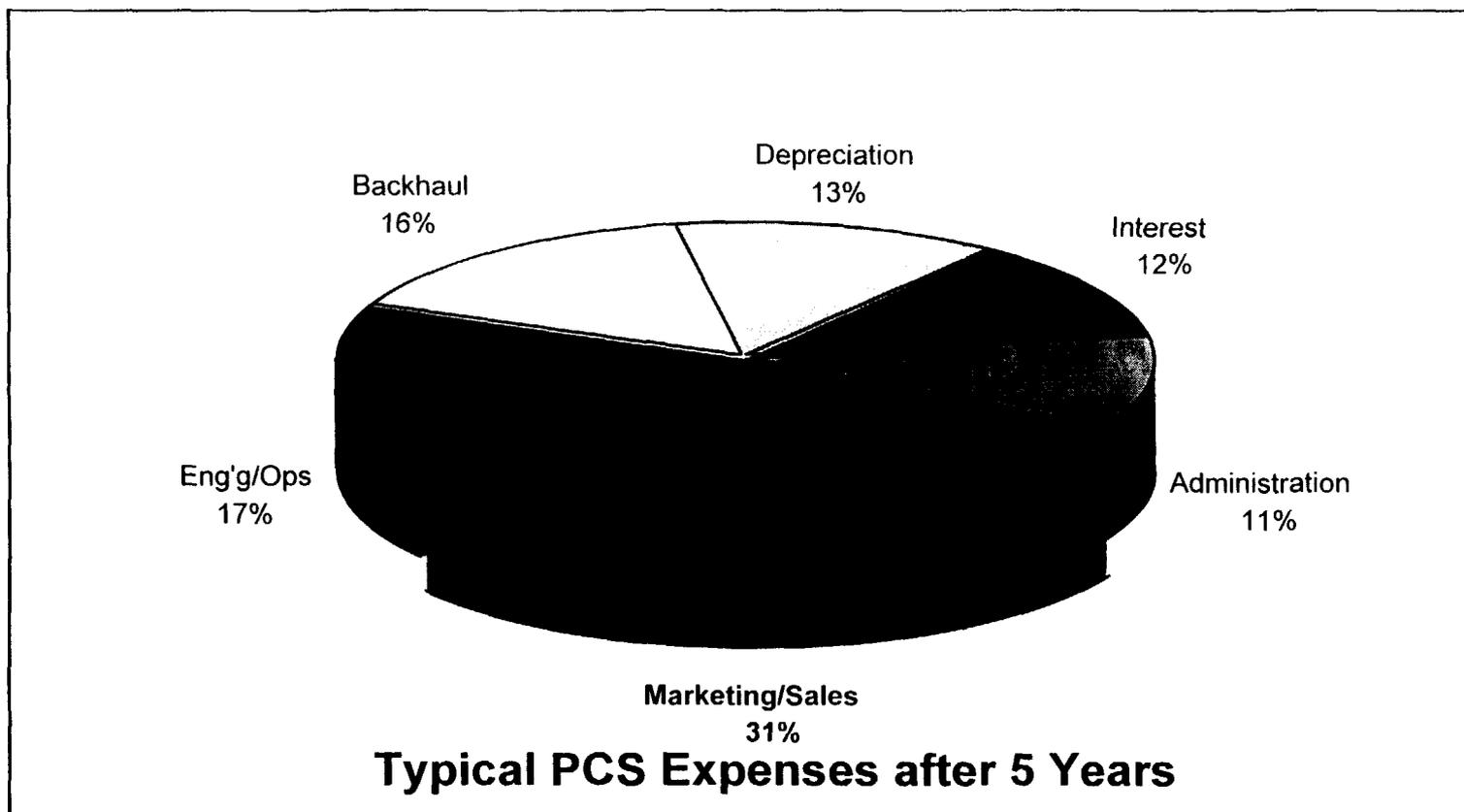
Subscribers

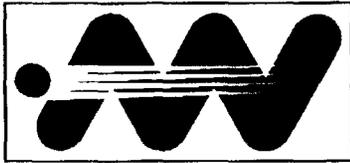
- ➔ Network Operator
- ➔ High Volume, Low Cost
- ➔ Enhanced Services

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



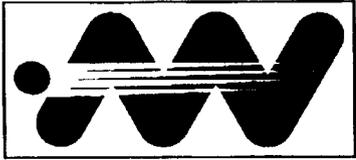
# Resale Strategy Reduces Market Entry Barriers for Small Businesses, Women and Minorities





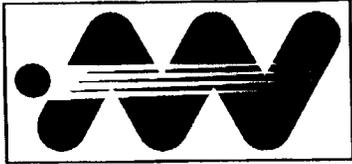
# Reseller Account Summary

<b>Reseller</b>	<b>Expected Operations Base</b>
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 subscribers 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



# Bottom Line

- ➔ **C-block licensees collectively possess comparable talent to national carriers**
- ➔ **C-block licensees collectively add value to wireless market**
- ➔ ***NextWave* has made the fifth largest payment of over \$500 million to the FCC among all the bidders in all PCS auctions**
- ➔ ***NextWave's* business plan and business strategy are viable and financable**