



ORIGINAL

December 18, 1997

EX PARTE OR LATE FILED

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

RECEIVED
DEC 18 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

Dear Ms. Salas:

NextWave Wireless Inc.

On behalf of NextWave Telecom Inc. ("NextWave" or "Company"), Mr. James Madsen and Ms. Charla Rath met December 16, 1997 with Paul Misener, Senior Legal Advisor to Commissioner Harold Furchgott-Roth, to discuss wireless market conditions. The presentation made by the Company's representatives is reflected in the attached materials, which were distributed at the meeting. Although the merits of issues in the above-captioned proceeding were not discussed, the Company respectfully requests that the attached materials be added to the record of the proceeding.

In accordance with the Commission's rules, an original and two copies of this letter and attachment are being filed today. Please direct any questions concerning this matter to me, at 202-347-2771.

Sincerely,

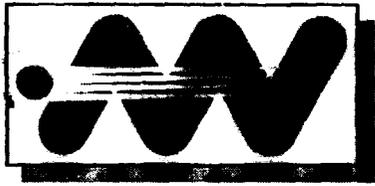
Michael R. Wack
Vice President, Regulation

cc: Paul Misener (w/o attachment)

Attachment

File of filings rec'd
12/18/97

OJZ

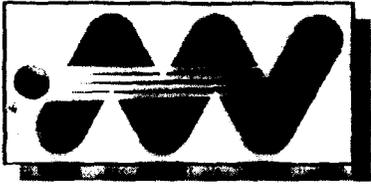


Telecommunications Briefing

**Washington DC
December 1997**

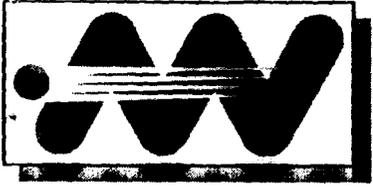
James Madsen
Co-founder & Senior Vice President
NextWave Telecom Inc.
jmadsen@nextwavetel.com

www.nextwavetel.com



Key Messages

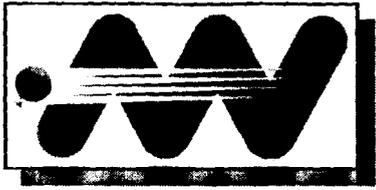
- **Lessons from the Computer Industry**
- **Interesting Changes in Telecom Landscape**
- **CDMA as a Competitive Weapon**
- ***NextWave* , a 21st Century Business Model**



Information is Exploding

- **A weekday of *The New York Times* contains more information than the average person was likely to come across in a lifetime during 17th-century England**
- **There has been more information produced in the last 30 years than during the previous 5,000.**
- **The information supply available to us today doubles every 5 years.**

- Richard Saul Wurman



A New Era

20th Century

- › Industrial Age
- › Molecules
- › Real Estate
- › Factories

21st Century

- › Information Age
- › Bits “1’s and 0’s”
- › Spectrum
- › Networks



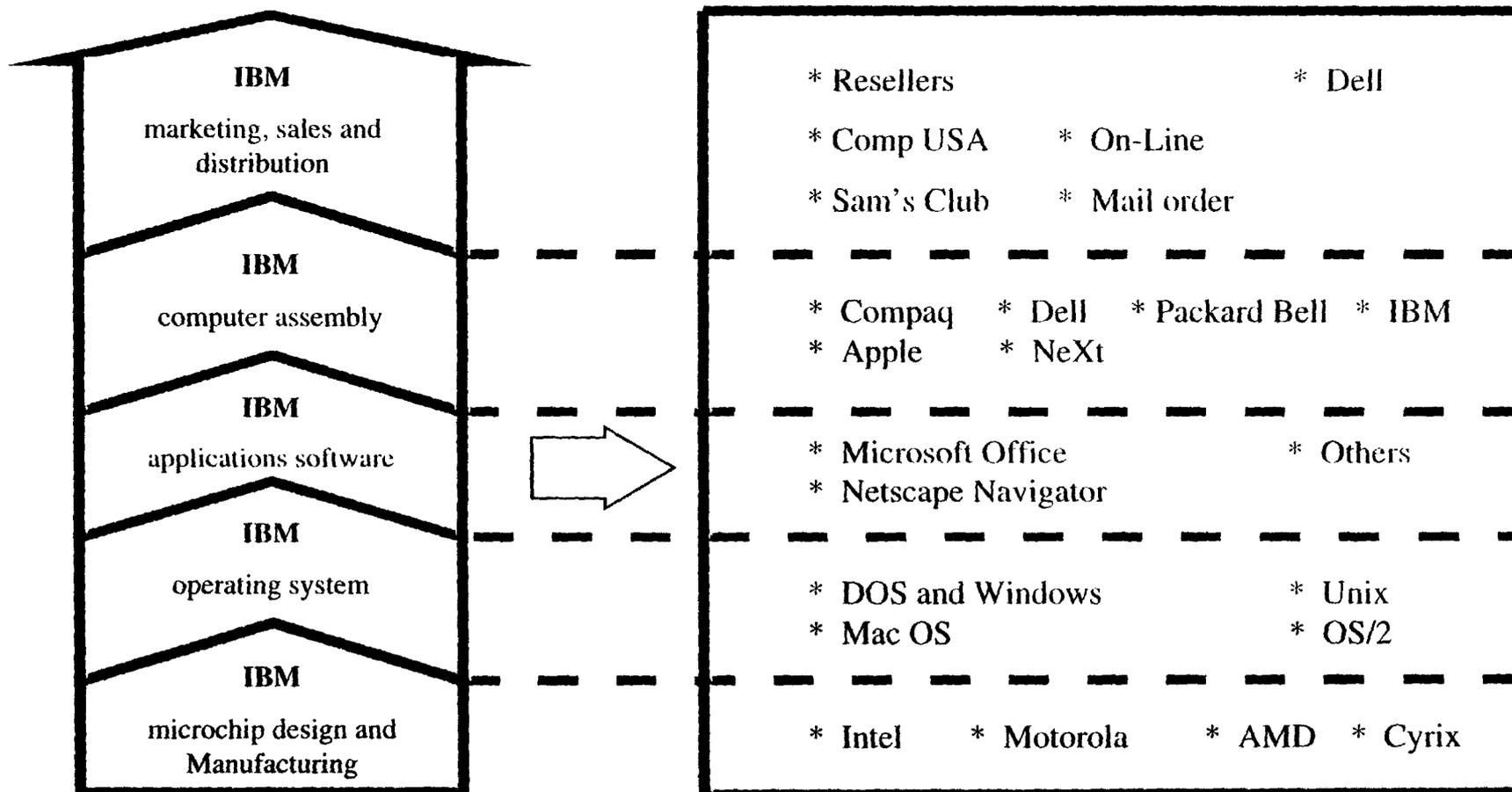
The Computer Industry is the Harbinger for Telecom

Vertical

1985

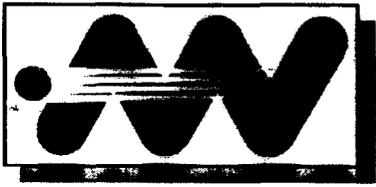
Today

Horizontal

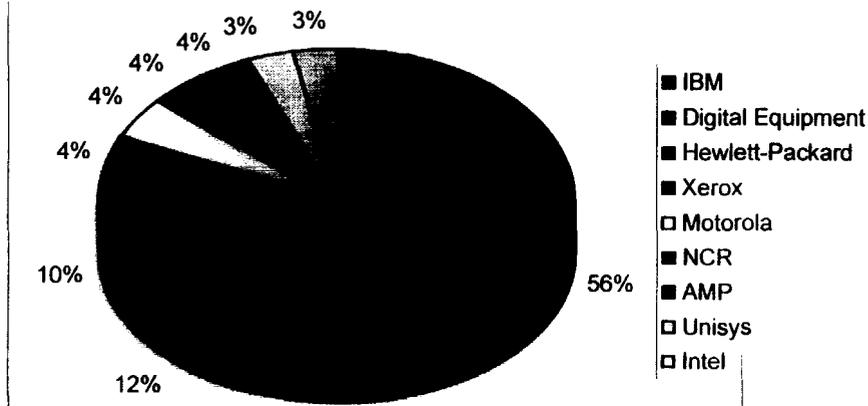


Source: The Boston Consulting Group

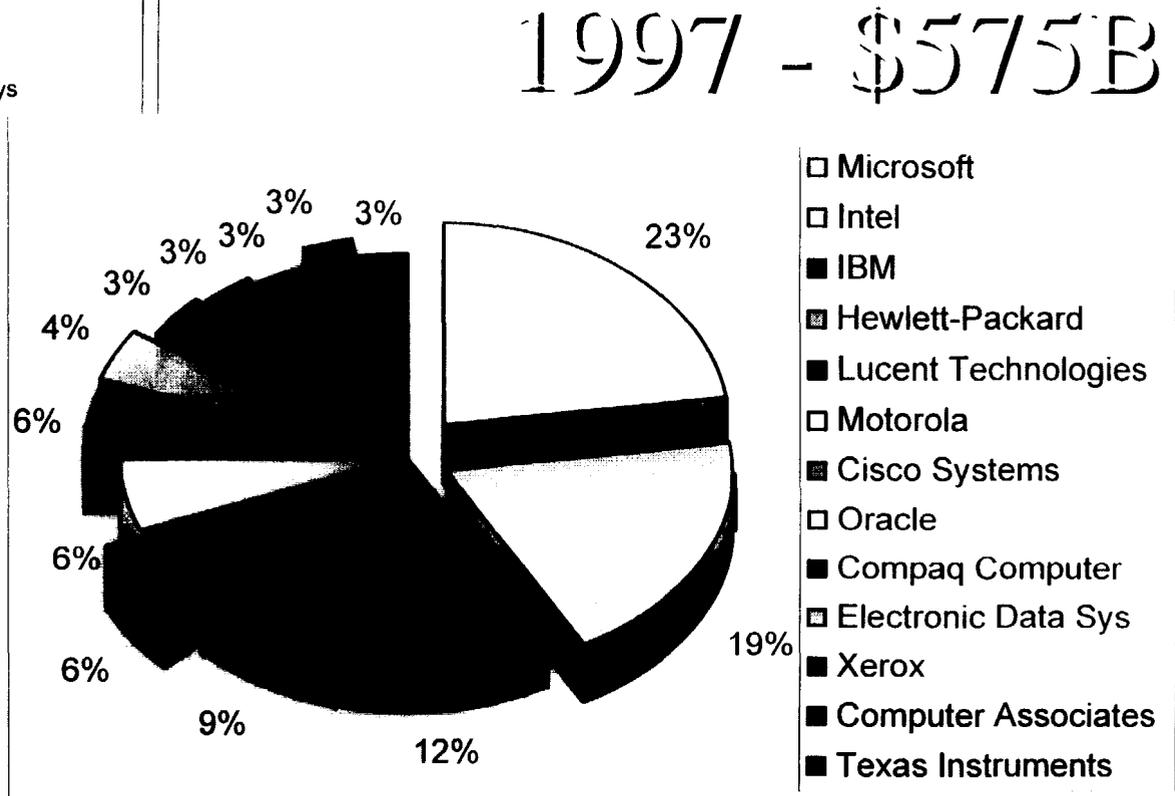
www.nextwavetel.com



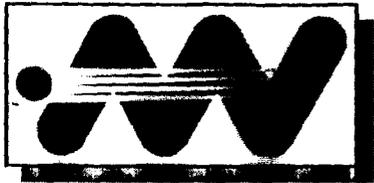
\$300B+ Growth of Computer Industry Value has Come from New Entrants



1987 - \$245B



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Sweeping Forces are reshaping Telecom...

Vertical



1 2 3

Telecom Providers

Horizontal

Retail

Agents	Internet	VAR
MLM		Retail

Applications/
Content/

Voice	GPS	AMR
Recognition	JAVA	PointCast

Enhanced
Services

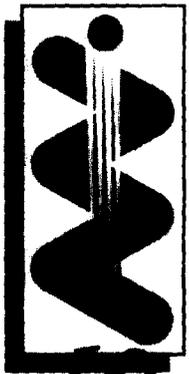
Pre-pay	WIN	One-Number
	NC	SMS

Network

	Paging	Landline
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...& new value will be created

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Sweeping Forces are reshaping

Telecom...



RETAIL

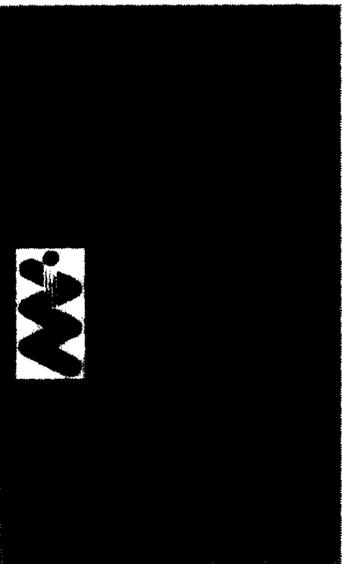
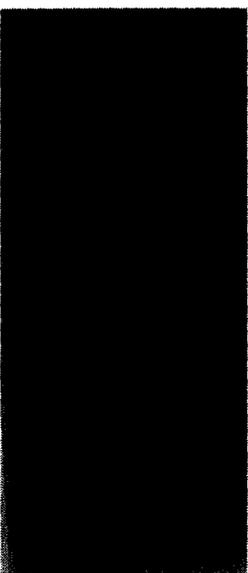
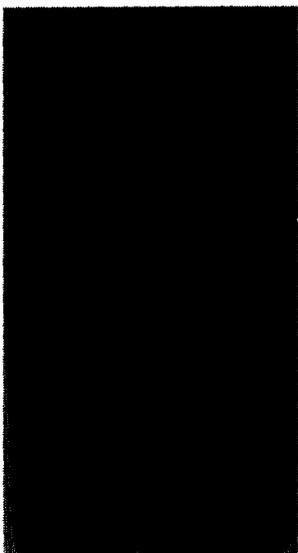
- Sales / Marketing
- Account Management
- Billing

VALUE-ADD

- Service Creation
- Network Intelligence
- Value-Added Services

NETWORK

- Design/Built
- Operations / Maintenance
- Resale / Interconnection

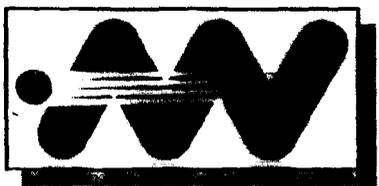


* Network Intelligence

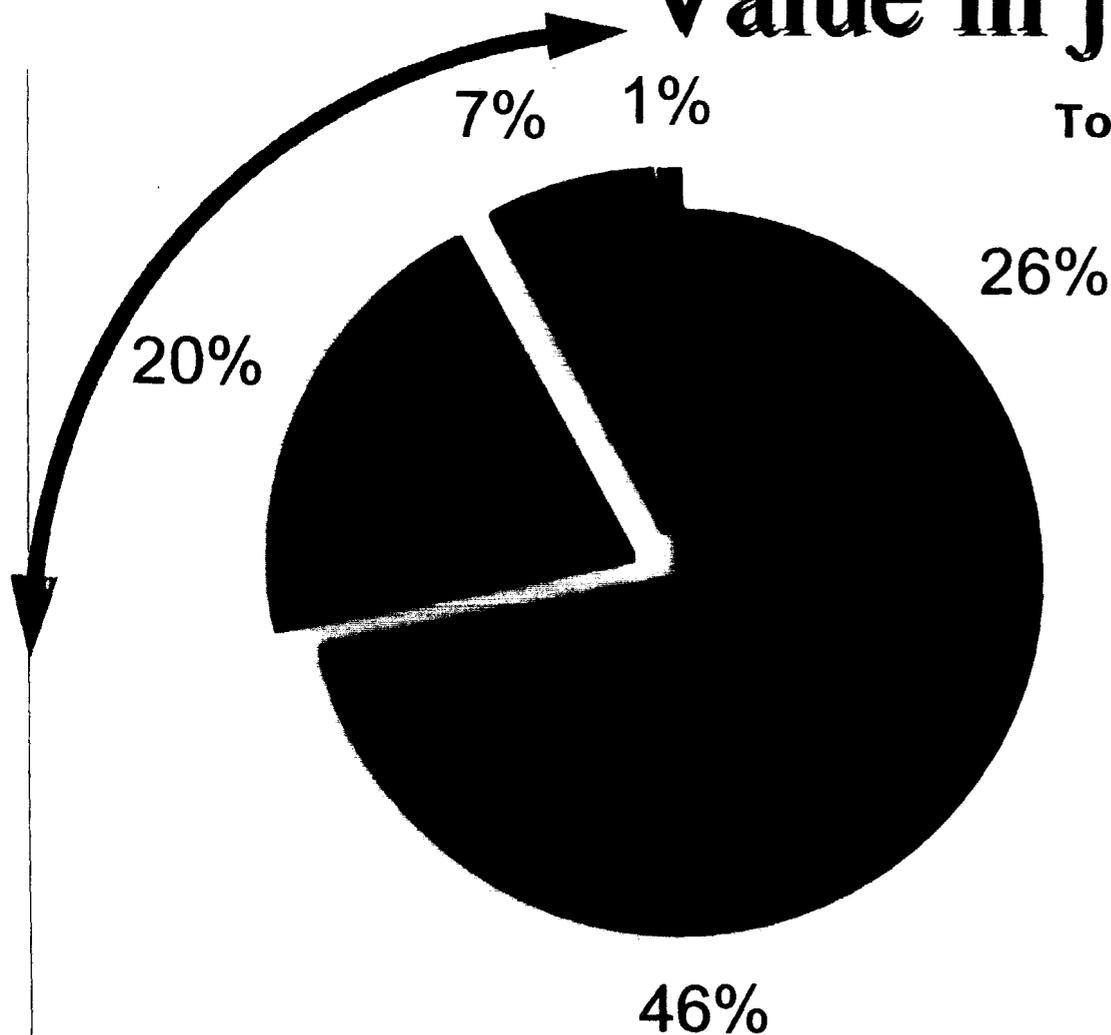
* Value-Added Service



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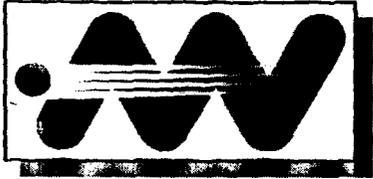


Wireless in USA has created \$120B of New Shareholder Value in just 10 years

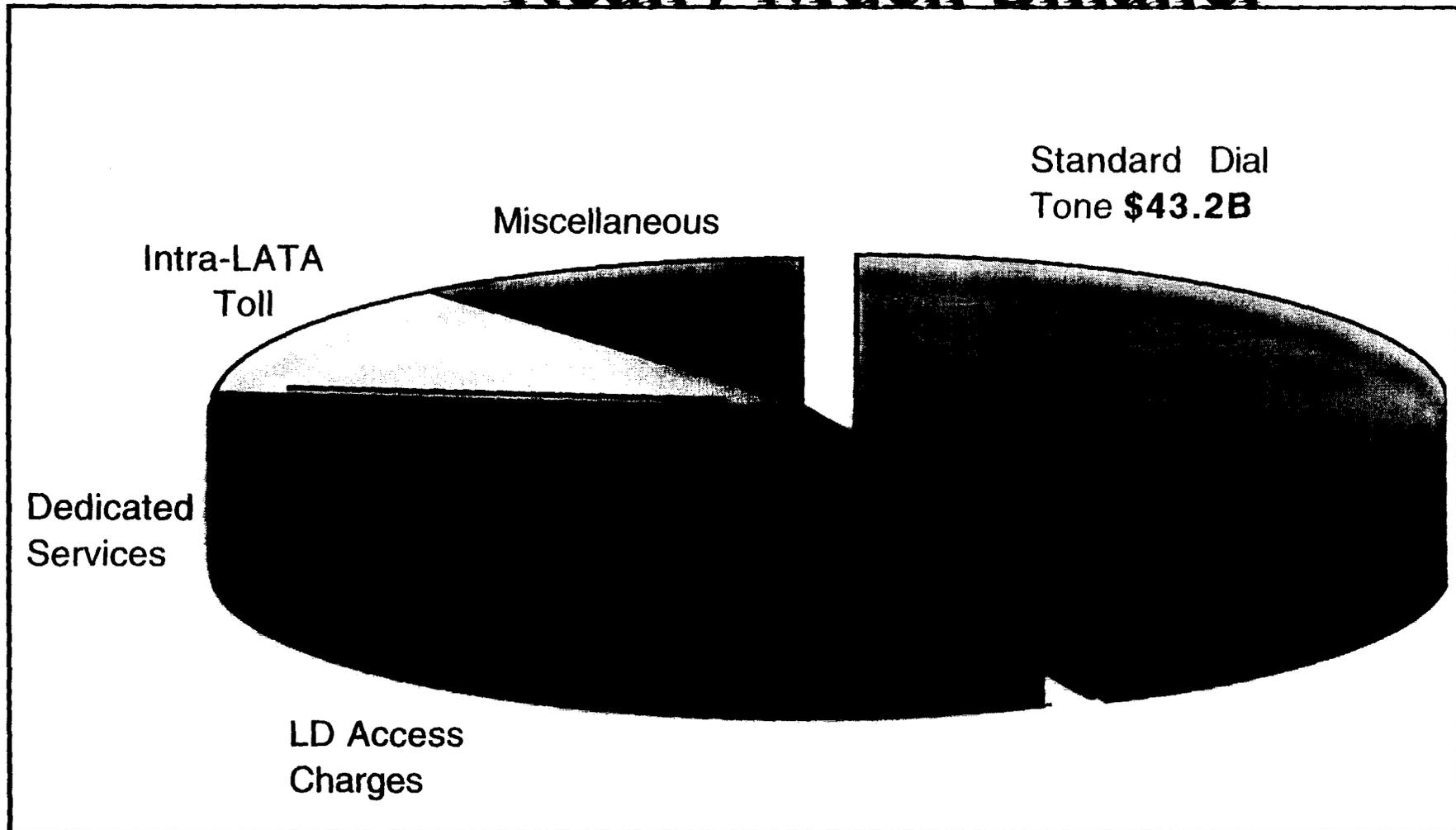


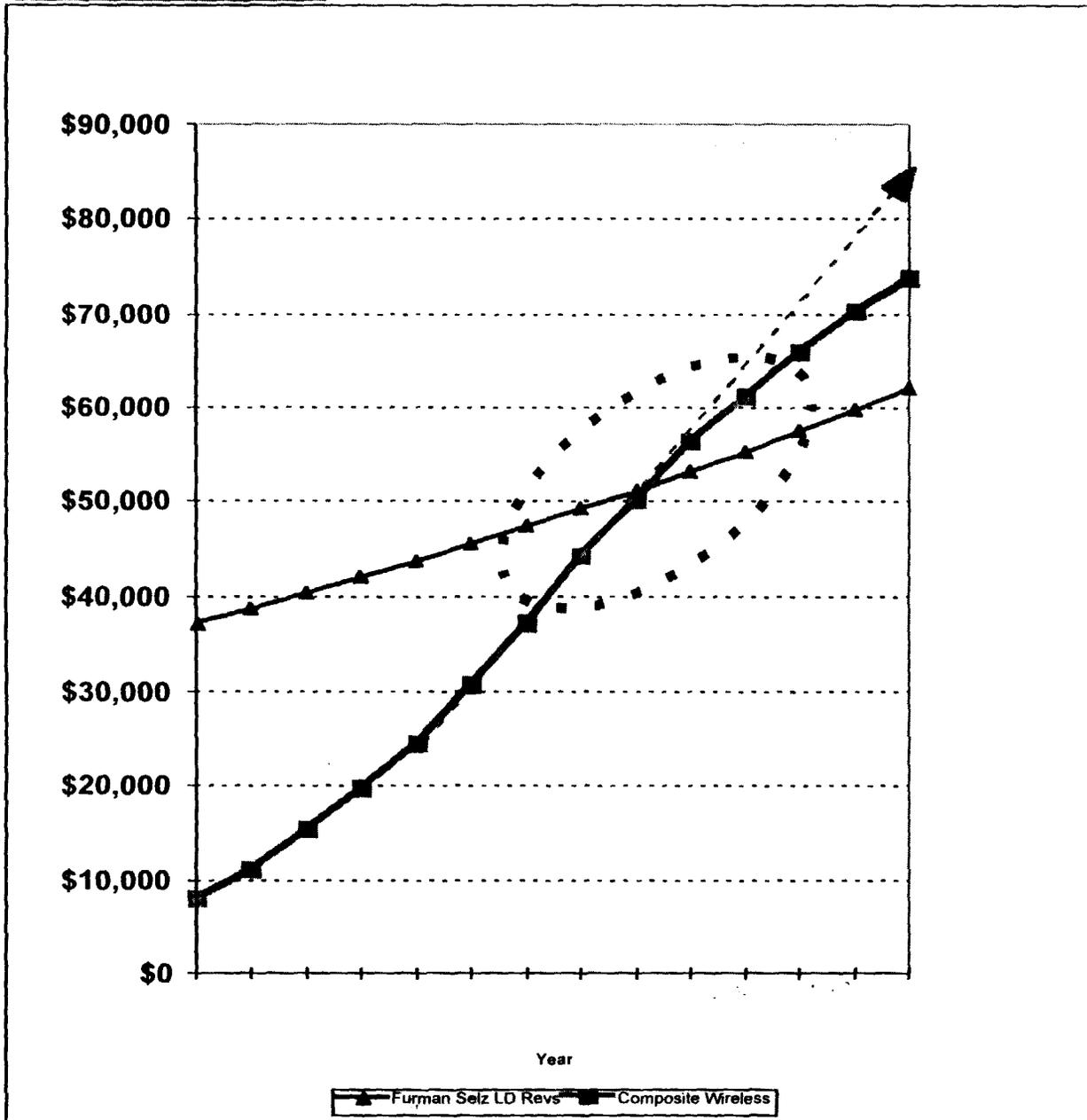
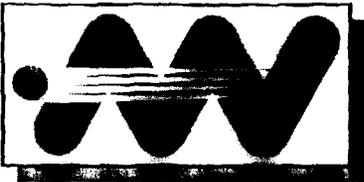
Total Telecom Industries Market Cap.
(1996)

- Total LD Market Cap.
- Fixed
- Wireless Owned By Fixed
- Independent Wireless
- Paging



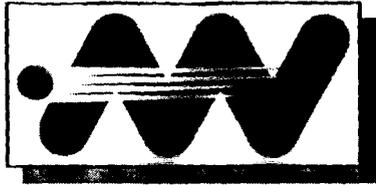
The so-called \$100B Local Telephone Resale Business is Really Much Smaller





**Within 3
years,
Wireless
revenue will
pass Long
Distance!**

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1996 Significant Telecom Milestones

- **Other Long Distance carriers surpass AT&T's market share**
- **In 1996, for the first time, worldwide growth of new wireless lines equaled fixed lines, and**
- **In 1996, for the first time, absolute value of Wireless revenue growth surpassed fixed**
- **In 1996, Worldwide fixed service revenue grew <7%; for wireless, revenue growth was 43%**

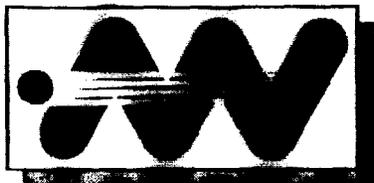
Source: ITU "World Telecommunications Development Report"



A Fundamental Shortcoming

**After almost a full century of development
and \$300 billion investment, the telephone
still has a very fundamental shortcoming:**

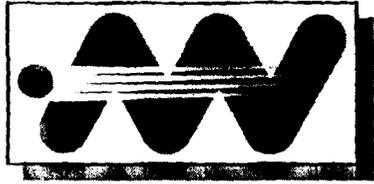
Telephone wires don't move. People do.



The Exploding Wireless Market

<u>U.S. Industry</u>	<u>Years to 25M Customer</u>	<u>50M</u>
Landline Phones	68	77
Pagers	45	N.A.
Cable TV	31	N.A.
Radio	N.A.	34
TV	N.A.	24
Wireless	11	14

Yet even today, two-thirds of the world's population has never made a phone call.



Fixed & Wireless PCS

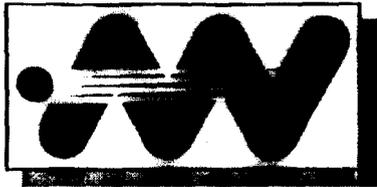
Fixed

- › Here yesterday
- › monopoly
- › inflexible
- › \$1500/line + phone
- › high maintenance
- › Sexy Enhanced Service (3-way calling)

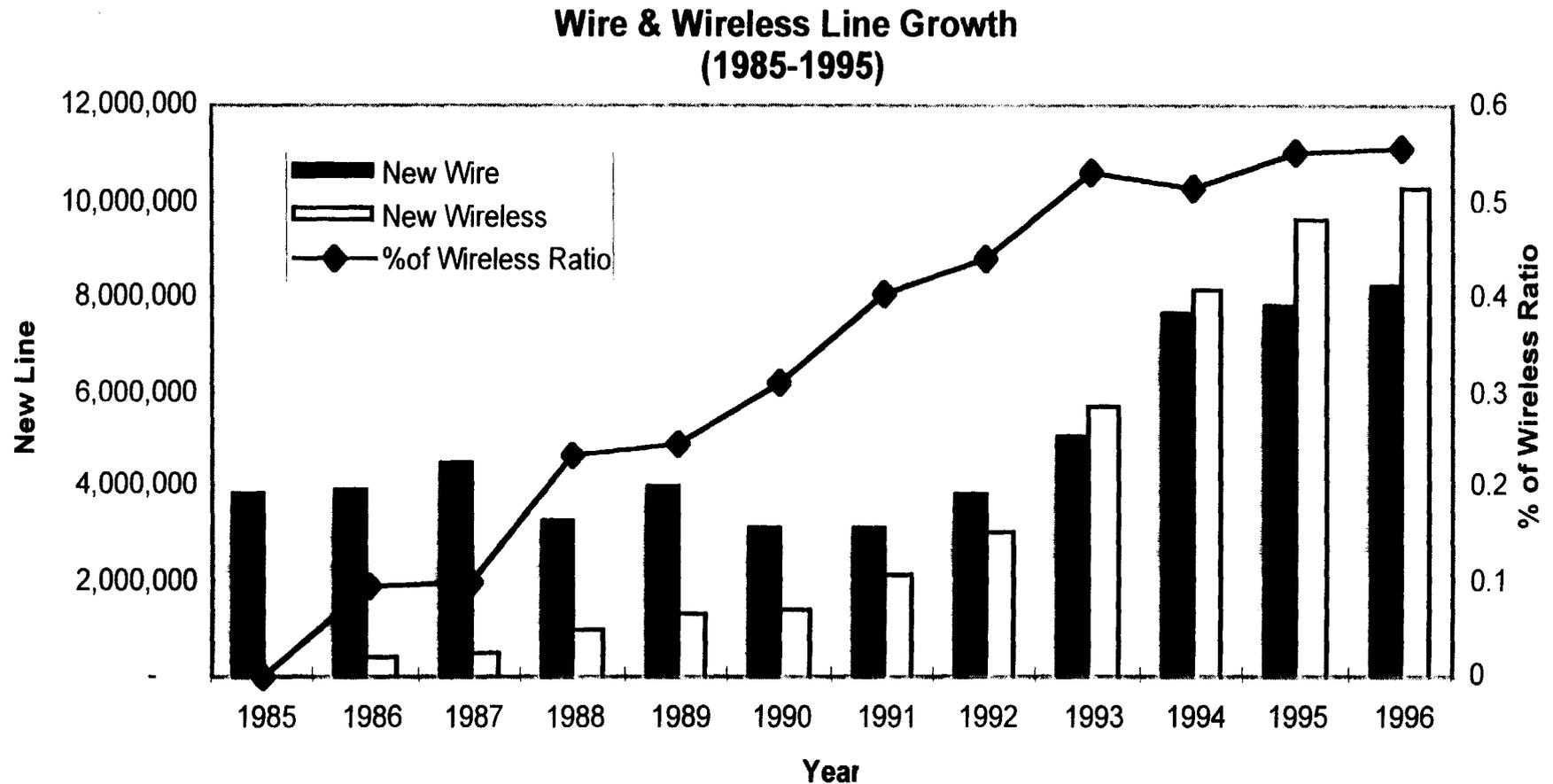
PCS

- › Coming today
- › competition
- › flexible
- › \$500/line + phone
- › much less maintenance
- › Sexy Enhanced Service (on-line restaurant guide, personal voice mail, personal messaging)

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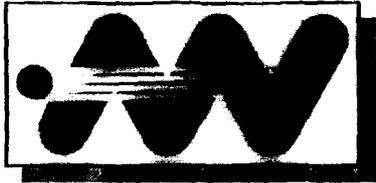


New Wireless lines exceed Fixed for 5 straight Years!



Source: FCC & CTIA

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Wireless

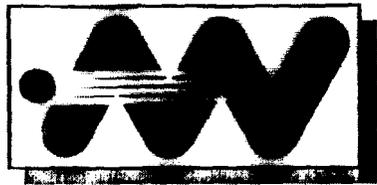
-what was and will be-

Analog Cellular

- › Analog
- › Expensive
- › Luxury
- › Complicated
- › Fraud, eavesdropping
- › Poor Quality Voice
- › Battery life in minutes
- › Regional

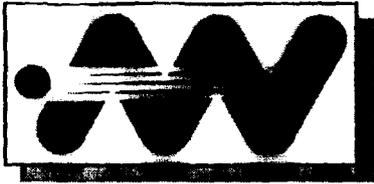
Digital CDMA-based PCS

- › All digital
- › Affordable
- › Basic, essential
- › Easy to use
- › Secure
- › Clear Voice & much more
- › Battery life in days
- › National

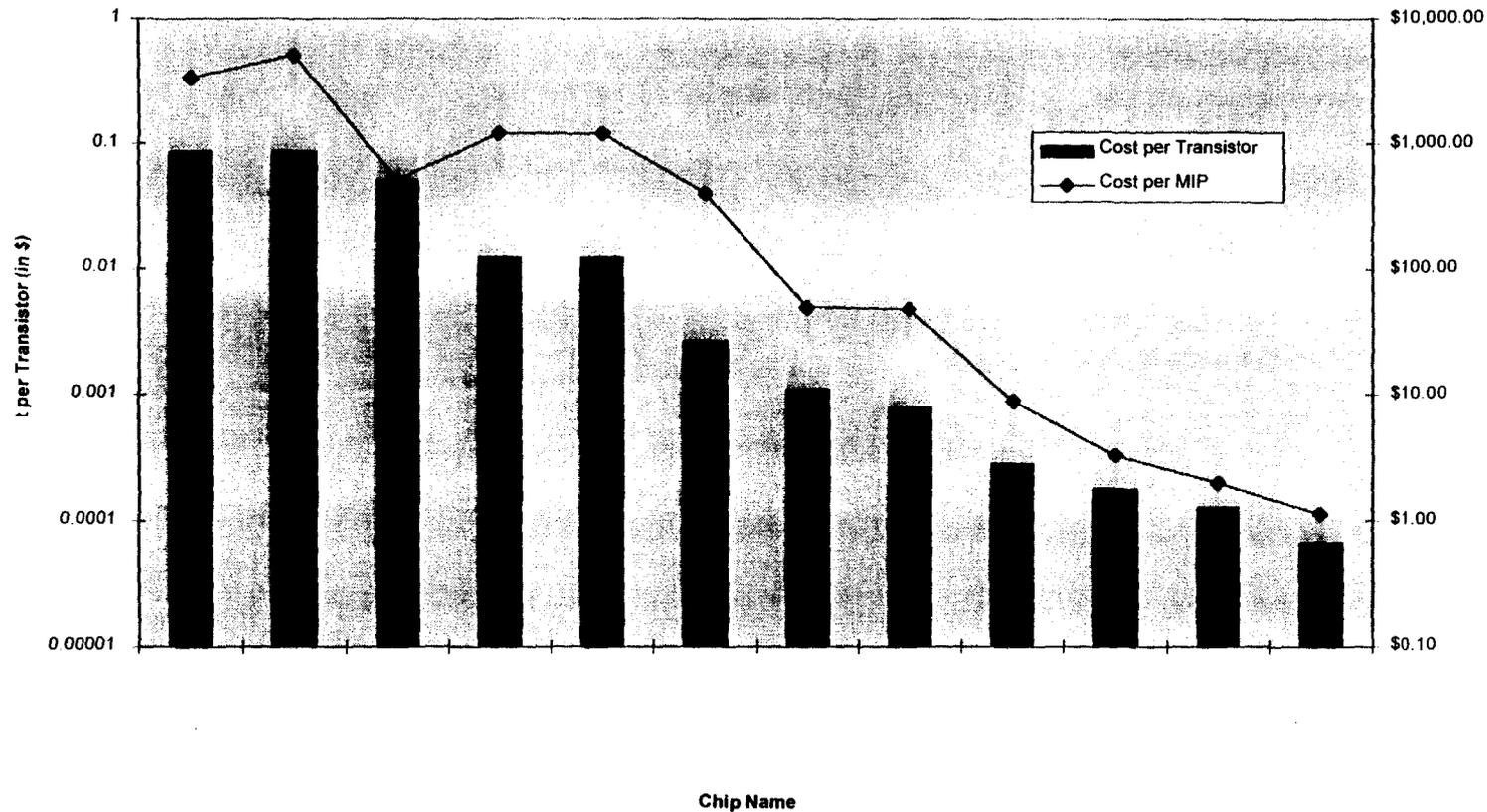


Computers & Greeting Cards

- **Let's say you're going to a party, so you pull out some pocket change and buy a little greeting card that plays "Happy Birthday" when it's opened. After the party, someone casually tosses the card into the trash, throwing away more computer power than existed in the *entire* world before 1950.**

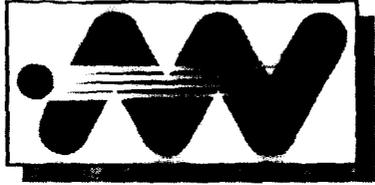


Moore's Law, the cost of transistors and MIPs



Source: Intel Corp., Dataquest Inc.

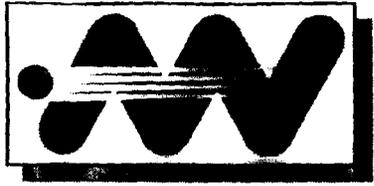
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Moore's Law for Cars

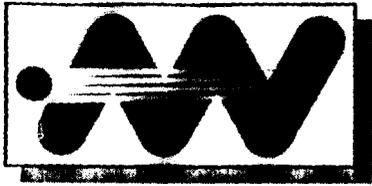
- **If we had similar progress in automotive technology, today you could buy a Lexus for about \$2. It would travel at the speed of sound, and go about 600 miles on a thimble of gas.**

-John Naisbitt



Computers are now your CDMA Phone

- A CDMA PCS phone has more transistors than an Intel 486 computer. In 1989, would you have believed that your desktop computer in 1997 would weigh 140g., fit in your hip pocket, bring the Internet to you, and let you talk to anyone in the world...all for 5% of the cost of your 1989 desktop?
- In the coming 8 years, now imagine what the *next wave* of technologies is bringing!



Technology as a Competitive Weapon

“Choosing technology strategies is akin to taking a quantum leap. You’re standing on the precipice. If you don’t jump, you have to have faith and you have to be right. You have no choice but to anticipate change and make your bets.”

**Eric Schmidt
Chairman & CEO, Novell, Inc.
Former CTO, Sun Microsystems**

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The "Network" is the "Computer"!

- › The wireless device is the "Network" user interface
- › Convergence of computer, communications, consumer applications and contents means that leading growth companies will not be defined simply as "software" or "hardware" or "content" companies, but as Information Companies ("InfoCo's")
- › The Wireless Network with the Wireless Network Computer ("WNC") will be key drivers in the future directions of the InfoCo's

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Wireless Today and Tomorrow

Today-cdmaOne

- › Wireline quality voice--nearly optimal
- › Short Message Service
- › Alternative for Landline

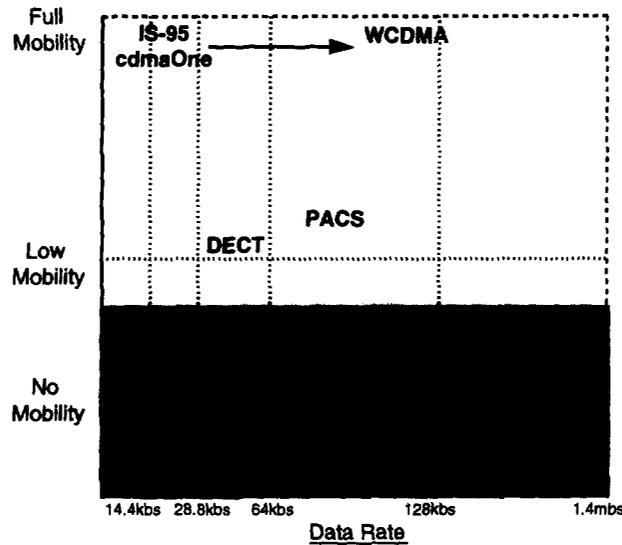
Tomorrow-3G Systems (WCDMA)

- › No tangible improvement for voice
- › NOT a substitution for Today's Services
- › Instead for Very High Speed Data & Multimedia

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Wireless Technology vs. Wireline Application Matrix



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3G System Goals

Key Goal: Scalable Bandwidth on Demand

- › In-building 2 Mbps
- › Neighborhood
 - Pedestrian 384 kbps
 - Fixed 2 Mbps
- › Wide Area Mobile 144 kbps

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