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MAY - 6 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

NANCY J. VICTORY
(202) 429-7388

May 6, 1998

FACSIMILE
(202) 429-7049

The Honorable William E. Kennard
The Honorable Susan Ness
The Honorable Michael K. Powell
The Honorable Harold W. Furchtgott-Roth
The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed please find the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,


Nancy J. Victory

cc: service list on attached document

No. of Copies rec'd 1
List ABCDE

MOBILEMEDIA CORPORATION
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(201) 969-4686
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May 6, 1998

The Honorable William E. Kennard
The Honorable Susan Ness
The Honorable Michael Powell
The Honorable Harold W. Furchtgott-Roth
The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation et al. (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly report as to the progress of its bankruptcy proceedings. Because the most recent monthly report was submitted on April 14, 1998, this report addresses only the last two weeks of April 1998.

I. PROGRESS TOWARD A CONFIRMED PLAN OF REORGANIZATION

As reported in the April 14 report, in light of continuing discussions regarding a stand-alone plan of reorganization or certain possible third-party business combinations involving MobileMedia under a plan of reorganization, MobileMedia, the unsecured Creditors' Committee and the steering committee for MobileMedia's pre- and post-petition secured lenders agreed to adjourn the hearing on the adequacy of the information contained in the Disclosure Statement that was originally scheduled for April 14, 1998. This hearing is currently scheduled for May 12, 1998.

Discussions regarding both a stand-alone reorganization and certain possible third-party business combinations involving MobileMedia continued during the last two weeks of April and are ongoing.

II. OTHER PROCEEDINGS IN THE BANKRUPTCY COURT

At a hearing held on April 14, 1998, the Bankruptcy Court approved MobileMedia's motion to assume the lease for the space occupied by its Dallas call center, the Company's main customer service center. This Dallas call center occupies approximately 108,000 square feet under a lease that expires in 2006.

As noted in last month's report, on March 20, 1998, certain securities law plaintiffs filed a motion in the Bankruptcy Court requesting discovery of MobileMedia and other parties. On March 27, 1998, MobileMedia submitted an objection to this motion. On April 7, 1998, the Bankruptcy Court held a telephonic hearing on this motion, and granted, in part and with certain important limitations, the relief requested by the securities plaintiffs. The Court ruled that subsequent to signing an agreement barring them from (a) using any of the obtained information outside of MobileMedia's bankruptcy proceedings and (b) disclosing any of the information to third parties, the securities plaintiffs could have access to the documents produced to, and participate in the depositions conducted by, the unsecured Creditors' Committee.

On April 22, MobileMedia filed a motion seeking authority to enter into those contracts necessary to, and to undertake, the buildout of its nationwide two-way NPCS network. The Company believes that its nationwide NPCS licenses are a valuable asset of its estate, and that the contemplated buildout is the appropriate business strategy for preserving and realizing upon this asset. A copy of this motion and of the accompanying declaration is attached hereto as Exhibit A. On April 22, MobileMedia also filed a motion to sell a parcel of real property and a motion to settle litigation brought by a former (now deceased) employee. Hearings are scheduled to be held on these motions on May 12, 1998.

III. FINANCIAL PERFORMANCE

As previously reported, MobileMedia is required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to MobileMedia's financial performance for the prior month. MobileMedia's Monthly Operating Report for March 1998 is attached hereto as Exhibit B.

We hope that this information is helpful. We very much appreciate the Commission's patience as MobileMedia proceeds through the final steps of the bankruptcy

process. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi
Chairman-Restructuring

cc: Daniel Phythyon, Esq.
David Solomon, Esq.
Rosalind K. Allen, Esq.
Gary Schonman, Esq.
John J. Riffer, Esq.
John Harwood, Esq.
Philip Spector, Esq.
Ky E. Kirby, Esq.
David Spears, Esq.
Ms. Magalie Roman Salas (for inclusion with WT Docket No. 97-115)

ALL-STATE LEGAL 800-222-0510 FUSION RECYCLED



Hearing Date: 5/12/98 at 9:30 a.m.
(Standby)
Objection Deadline: 5/6/98 at 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
MOBILEMEDIA COMMUNICATIONS,) Case No. 97-174 (PJW)
INC., et al.,)
) (Jointly Administered)
Debtors.)

MOTION TO LIMIT NOTICE

The above-captioned debtors (the "Debtors"), by and through their undersigned counsel, hereby move this Court, pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and section 102 of title 11, United States Code (the "Bankruptcy Code"), for an order providing that notice of the attached Motion for an Order Under Section 363 of the Bankruptcy Code Authorizing The Debtors to Undertake the Construction of a Nationwide Two-Way Narrowband PCS Network (the "Motion") be given only to the parties designated below.

In support of this motion, the Debtors represent that to give notice of the Motion to each and every creditor and interested party would require a mailing to numerous addresses at a significant expense to the estates. The Debtors believe that notice to (i) the United States Trustee for the District of Delaware, (ii) counsel for the Agent for the Debtors' pre-petition secured lenders, (iii) counsel for the Agent in connection with the Debtors' post-petition debtor-in-possession financing, (iv) counsel for the Official Committee of Unsecured Creditors ("Committee"), and (v) all parties

requesting notice under Bankruptcy Rule 2002 will be sufficient for entry of an order on the Motion.

WHEREFORE, the Debtors respectfully request the entry of an order approving the attached form of notice and providing that notice of the attached Motion shall be limited to those parties designated above.

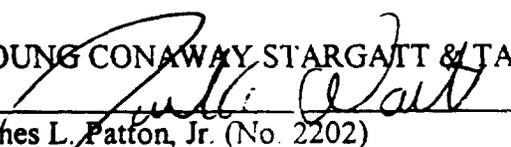
Dated: April 22, 1998

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LATHAM & WATKINS
Samuel A. Fishman
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- and -

YOUNG CONAWAY STARGATT & TAYLOR, LLP


James L. Patton, Jr. (No. 2202)
Joel A. Waite (No. 2925)
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Wilmington, Delaware 19899-0391
(302) 571-6688

Co-Counsel for Debtors and
Debtors-in-Possession

SO ORDERED this ___ day
of April, 1998.

United States Bankruptcy Judge

Hearing Date: 5/12/98 at 9:30 a.m.
(Standby)
Objection Deadline: 5/6/98 at 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
)
MOBILEMEDIA COMMUNICATIONS,) Case No. 97-174 (PJW)
INC., et al.,)
) (Jointly Administered)
Debtors.)

NOTICE OF HEARING

PLEASE TAKE NOTICE that on April 22, 1998, MobileMedia Communications, Inc. ("MobileMedia"), MobileMedia Communications ("Communications") and certain subsidiaries of Communications (collectively, the "Debtors") served the attached Motion for an Order Under Section 363 of the Bankruptcy Code Authorizing The Debtors to Undertake the Construction of a Nationwide Two-Way Narrowband PCS Network (the "Motion").

PLEASE TAKE FURTHER NOTICE, that a hearing on the Motion will be held before the Honorable Peter J. Walsh, United States Bankruptcy Court, 6th Floor, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware 19801 on May 12, 1998 at 9:30 a.m. (Standby).

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be in writing and filed with the United States Bankruptcy Court for the District of Delaware, 5th Floor, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware

19801, and served so as to be received by the undersigned counsel to the Debtors, by no later than 4:00 p.m. on May 6, 1998. Only those objection which are timely filed and served in accordance with the foregoing will be considered at the hearing.

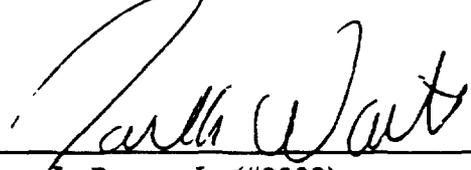
Dated: April 22, 1998
Wilmington, Delaware

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Wilmington, Delaware 19899-0391
(302) 571-6600

Co-Counsel for Debtors and
Debtors-In-Possession

Hearing Date: 5/12/98 at 9:30 a.m.
(Standby)
Objection Deadline: 5/6/98 at 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
MobileMedia Communications,)	Case No. 97-174 (PJW)
Inc., <u>et al.</u> ,)	
)	(Jointly Administered)
Debtors.)	

**MOTION FOR AN ORDER UNDER SECTION 363 OF THE BANKRUPTCY CODE
AUTHORIZING THE DEBTORS TO UNDERTAKE THE CONSTRUCTION OF A
NATIONWIDE TWO-WAY NARROWBAND PCS NETWORK**

MobileMedia Corporation, a Delaware corporation ("MobileMedia"),
MobileMedia Communications, Inc., a Delaware corporation ("Communications"), and the
subsidiaries of Communications, each a debtor and debtor-in-possession herein (collectively, the
"Debtors"), hereby move that this Court enter an order, pursuant to section 363(b)(1) of title 11
of the United States Code (the "Code"), authorizing the Debtors to undertake the construction of
a nationwide two-way narrowband PCS network (the "NPCS Buildout"). The facts and
circumstances supporting this Motion are set forth in the Declaration of Joseph A. Bondi,
Chairman-Restructuring of MobileMedia (the "Bondi Declaration") filed concurrently herewith.
In support of this motion, the Debtors allege:

BACKGROUND

1. On January 30, 1997 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Code, and motions or applications seeking certain typical "first day" orders.

2. The Debtors have continued in possession of their respective properties and have continued to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Code.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. No request has been made for the appointment of a trustee or examiner in these cases. An official committee of unsecured creditors (the "Committee") was appointed by the United States Trustee on February 10, 1997.

5. MobileMedia is a public company and is primarily a holding company for 100% of the stock of Communications. Communications is one of the largest providers of paging and wireless messaging services in the United States.

PRELIMINARY STATEMENT

6. By this Motion, the Debtors seek an order from this Court authorizing them to construct a nationwide two-way narrowband PCS ("Personal Communications Services") network. Constructing a nationwide narrowband PCS network will enable the Debtors (a) to offer two-way paging services (such as guaranteed receipt paging) directly to their national subscriber base, a capability they do not currently have, and (b) to make far more efficient and less costly use of radio spectrum than they currently do. The NPCS Buildout is

expected to take place over a period of approximately two years, and will be comprised of a series of contracts with numerous vendors, the identity of some of which is not yet known.

Although the Debtors believe that the NPCCS Buildout -- many components of which serve the dual purpose of upgrading the Debtors' existing one-way network -- is being undertaken in the ordinary course of their business, the magnitude of projected expenditures relating thereto, currently projected to be \$37 million, is substantial, making Court approval a necessity.

7. Because of the numerous advantages that will be provided by NPCCS, the NPCCS Buildout has been a critical component of the Debtors' long-term business strategy since well prior to the Petition Date. Moreover, failure to undertake an NPCCS buildout at this time would require the Debtors to forfeit the two sets of valuable nationwide narrowband PCS licenses that they acquired in 1994 and 1996. For this reason, the NPCCS buildout was an important component of the five-year business plan delivered to the Committee and to the Debtors' pre and post-petition secured lenders in October 1997 and of the Debtors' revised business plan delivered to various parties-in-interest in April, 1998. The Debtors believe that the NPCCS Buildout is in the best interests of these estates and should be approved.

RELIEF REQUESTED

8. The Debtors currently own five regional licenses purchased through the FCC's auction of narrowband PCS licenses in 1994, which licenses provide the equivalent of a nationwide 50 kHz outbound/12.5 kHz inbound PCS system. Additionally, as part of the purchase on January 4, 1996 of Mobile Communications Corporation of America, the paging division of BellSouth Corporation (the "MobileComm Acquisition"), the Debtors acquired a second two-way narrowband PCS license for a nationwide 50 kHz outbound/12.5 kHz inbound system (collectively, the "NPCCS Licenses"). The NPCCS Licenses, which were purchased for

over \$100 million, constitute valuable assets in the hands of the Debtors, and will allow the Debtors to realize significant future revenues, cost savings and other benefits associated with the ability to offer an array of NPCS products to subscribers and to operate with a technically more efficient and cost-effective network. Moreover, the Debtors have concluded that they cannot sell the NPCS Licenses for a price commensurate with the value they would realize through the NPCS Buildout.

9. In order to retain the five regional licenses obtained in the 1994 FCC auction, the Debtors are required to undertake a minimum buildout of an NPCS system to cover either 150,000 square kilometers or 37.5% of each of the five regional populations by April 27, 2000, and either 300,000 square kilometers or 75% of each of the five regional populations by April 27, 2005. Regarding the nationwide NPCS license acquired as part of the MobileComm Acquisition, the Debtors must, in order to retain the license, undertake a minimum buildout of the related PCS system to cover either 750,000 square kilometers or 37.5% of the U.S. population by September 29, 1999, and either 1,500,000 square kilometers or 75% of the U.S. population by September 29, 2004. The Debtors estimate that the aggregate cost of these minimum buildouts could be as much as \$9 million.

10. A variety of factors have led the Debtors to conclude that undertaking only the minimum buildouts necessary to retain the NPCS Licenses is not the appropriate business strategy. If this course of action were chosen, the Debtors would not have an operational NPCS network in many areas and would be forced to pay other paging carriers to provide the Debtors' customers with narrowband PCS products. In light of the expected high demand for nationwide alphanumeric paging services (which run far more efficiently and cheaply over NPCS networks) and for guaranteed receipt services (for which two-way NPCS

networks are essential), such dependence on other carriers would put the Debtors at a significant competitive disadvantage. Moreover, the high costs associated with the minimum buildout of NPCS networks and of the Debtors' existing paging network also strongly support the Debtors' decision to construct a fully operational NPCS network. The minimum buildout outlined above would require the Debtors to spend millions of dollars, yet would result in little tangible benefit other than avoiding forfeiture of the NPCS Licenses. In addition, the Debtors believe that in light of synergies with their existing nationwide network infrastructure, they are in a position to undertake the NPCS Buildout relatively economically. Indeed, many of the steps that will need to be taken in order to complete the NPCS Buildout (such as technical upgrades and new equipment purchases) would be required even in the absence of the NPCS Buildout, as part of the Debtors' continuous upgrade of their technical capabilities to meet customer demand in numerous individual markets.

11. In order to facilitate the NPCS Buildout, the Debtors will be required to enter into a series of contracts with a variety of vendors -- the culmination of a planning process that has been underway for over two years. To this end, the Debtors have been negotiating with a number of parties to obtain the best possible pricing on the various components of the NPCS Buildout. The NPCS Buildout will require the execution of agreements relating to, among other things: (1) physical construction of new facilities and the extension of existing facilities, (2) the purchase of hardware (such as transmitters and receivers), (3) the design and implementation of software, (4) securing technical support for both the hardware and software and (5) obtaining satellite services.

12. Given the sheer number of contracts that will together constitute the NPCS Buildout (many of which, taken alone, unquestionably would be in the ordinary course of

the Debtors' business and would be required in any event) the Debtors believe that it would be inefficient and costly to these estates, as well as burdensome to this Court, individually to seek authority from this Court to enter into each such agreement. Accordingly, the Debtors request Court approval of the NPCB Buildout -- projected to cost approximately \$37 million -- in toto.

AUTHORITIES

13. Governing law strongly supports the relief sought by the Debtors in this motion. Section 363(b)(1) of the Code authorizes a debtor-in-possession, after notice and a hearing, to use property of the estate "other than in the ordinary course of business." 11 U.S.C. § 363(b)(1). Courts reviewing section 363(b) motions have typically required that a good business justification exists for the request. Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983); Stephens Industries, Inc. v. McClung, 789 F.2d 386, 390 (6th Cir. 1986); In re Titusville Country Club, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991). As Judge Balick noted in In re Phoenix Steel Corp., 82 B.R. 334, 335-36 (Bankr. D. Del. 1987), in the context of an asset sale, section 363 requires that a transaction be fair and equitable, have a good business reason, and be in good faith. "Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." Committee of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

14. If a valid business justification exists -- as it surely does in this case -- the law vests the debtor's decision to use property out of the ordinary course of business with a strong presumption "that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best

interests of the company.'" Integrated Resources, 147 B.R. 650, 656 (S.D.N.Y. 1990) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)). Accordingly, parties challenging a debtor's decision must make a showing of "bad faith, self-interest or gross negligence."

Integrated Resources, 147 B.R. at 656 (citations omitted).

15. The Debtors believe that the NPCS Buildout as contemplated herein is the most appropriate means of fulfilling the FCC's buildout requirements and avoiding forfeiture of the valuable NPCS Licenses. Furthermore, given the substantial future benefits that are expected to flow from the NPCS network when completed (and the high fixed costs that would have to be incurred even if only the minimum buildout were undertaken), the NPCS Buildout is in the best interests of the Debtors and their estates and constitutes a sound and prudent business decision.

NOTICE

16. Notice of this Motion will be given by mailing a copy of this Motion (with the attached Declaration) and the proposed order to (i) the United States Trustee for the District of Delaware, (ii) counsel for the Agent for the Debtors' pre- and post-petition secured lenders, (iii) counsel for the Committee, and (iv) those parties that have filed appearances and requests for notice in this case. In light of the nature of the relief requested herein, the Debtors submit that no further notice need be given. Accordingly, the Debtors request that the Court waive and dispense with the requirement of any further notice.

17. No application for the relief requested herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors hereby respectfully request entry of an order approving the Debtors' motion to undertake the NPCB Buildout, and granting such other and further relief as may be just and proper.

Dated: Wilmington, Delaware
April 22, 1998

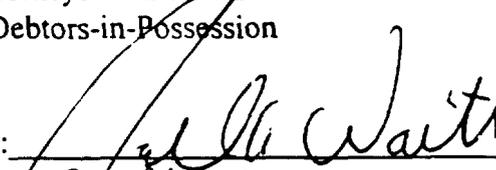
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(212) 902-1200

Attorneys for Debtors and
Debtors-in-Possession

By:


One of their attorneys

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
MobileMedia Communications,) Case No. 97-174 (PJW)
Inc., et al.,)
) (Jointly Administered)
Debtors.)

**DECLARATION OF JOSEPH A. BONDI IN SUPPORT OF THE DEBTORS'
MOTION FOR AN ORDER UNDER SECTION 363 OF THE BANKRUPTCY
CODE AUTHORIZING THE DEBTORS TO UNDERTAKE THE CONSTRUCTION
OF A NATIONWIDE TWO-WAY NARROWBAND PCS NETWORK**

State of New York)
) s.s.:
County of New York)

Joseph A. Bondi declares as follows:

1. I am the Chairman-Restructuring of MobileMedia Corporation, a Delaware corporation ("MobileMedia"), the corporate parent of MobileMedia Communications, Inc., a Delaware corporation ("Communications"), and the ultimate corporate parent of the subsidiaries of Communications, each a debtor and debtor-in-possession herein (collectively, the "Debtors"). I submit this declaration in support of the Debtors' Motion for an Order Authorizing the Debtors to Undertake the Construction of a Nationwide Two-Way Narrowband PCS Network (the "Motion").

2. I received a Bachelor of Arts from Cornell University in 1965 and a Juris Doctor from Harvard University in 1968. I began my career as an attorney at Shea & Gould. From 1974-1988 I worked in various capacities at Timex Corporation, including service as a vice

president and assistant general counsel. From 1986-1988 I served as a vice president, responsible for business development of Timex. From 1988 until the present I have been employed by Alvarez & Marsal, Inc., where I am currently a Managing Director. During my time with Alvarez & Marsal, I have been involved in the restructuring of several major corporations, including Pharmor, Inc., where I served as Senior Vice President-Chief Administrative Officer, Republic Health Corporation, where I served in the same capacity, and Phillips College, Inc., where I served as Chief Executive Officer and President.

3. I have been the Chairman-Restructuring of MobileMedia since February 10, 1997, and have been involved with the Debtors since December 1996. As Chairman-Restructuring, my duties and responsibilities relate to the operational and strategic direction of the Debtors, and include ensuring that the Debtors develop the proper strategy to compete in the paging industry and have the proper technological resources to implement that strategy.

4. By the Motion, the Debtors seek an order from this Court authorizing them to undertake the construction of a nationwide two-way narrowband PCS network (the "NPCS Buildout"). It is my belief that constructing a nationwide narrowband PCS network will enable the Debtors to offer two-way paging services (such as guaranteed receipt paging) directly to their national subscriber base, a capability they do not currently have, and to make far more efficient and less costly use of radio spectrum than they currently do. The NPCS Buildout is expected to take place over a period of approximately two years, and will be comprised of a series of contracts with numerous vendors, the identity of some of which is not yet known.

5. Because of the numerous advantages that will be provided by NPCS, the NPCS Buildout has been a critical component of the Debtors' long-term business strategy since well prior to the Petition Date. Moreover, failure to undertake an NPCS buildout at this time

would require the Debtors to forfeit the two sets of valuable nationwide narrowband PCS licenses that they acquired in 1994 and 1996. For this reason, the NPCS buildout was an important component of the five-year business plan delivered to the Committee and to the Debtors' pre and post-petition secured lenders in October 1997 and of the Debtors' revised business plan delivered to various parties-in-interest in April, 1998.

7. The Debtors currently own five regional licenses purchased through the FCC's auction of narrowband PCS licenses in 1994, which licenses provide the equivalent of a nationwide 50 kHz outbound/12.5 kHz inbound PCS system. Additionally, as part of the purchase on January 4, 1996 of Mobile Communications Corporation of America, the paging division of BellSouth Corporation (the "MobileComm Acquisition"), the Debtors acquired a second two-way narrowband PCS license for a nationwide 50 kHz outbound/12.5 kHz inbound system (collectively, the "NPCS Licenses"). The NPCPS Licenses, which were purchased for over \$100 million, constitute valuable assets in the hands of the Debtors, and will allow the Debtors to realize significant future revenues, cost savings, and other benefits associated with the ability to offer an array of NPCPS products to subscribers and to operate with a technically more efficient and cost-effective network. Moreover, the Debtors have concluded that they cannot sell the NPCPS Licenses for a price commensurate with the value they would realize through the NPCPS Buildout.

8 In order to retain the five regional licenses obtained in the 1994 FCC auction, the Debtors are required to undertake a minimum buildout of an NPCPS system to cover either 150,000 square kilometers or 37.5% of each of the five regional populations by April 27, 2000, and either 300,000 square kilometers or 75% of each of the five regional populations by April 27, 2005. Regarding the nationwide NPCPS license acquired as part of the MobileComm

Acquisition, the Debtors must, in order to retain the license, undertake a minimum buildout of the related PCS system to cover either 750,000 square kilometers or 37.5% of the U.S. population by September 29, 1999, and either 1,500,000 square kilometers or 75% of the U.S. population by September 29, 2004. The Debtors estimate that the aggregate cost of these minimum buildouts could be as much as \$9 million.

9. A variety of factors have led the Debtors to conclude that undertaking only the minimum buildouts necessary to retain the NPCPS Licenses is not the appropriate business strategy. If this course of action were chosen, the Debtors would not have an operational NPCPS network in many areas and would be forced to pay other paging carriers to provide the Debtors' customers with narrowband PCS products. In light of the expected high demand for nationwide alphanumeric paging services (which run far more efficiently and cheaply over NPCPS networks) and for guaranteed receipt services (for which two-way NPCPS networks are essential), it is my opinion that such dependence on other carriers would put the Debtors at a significant competitive disadvantage. Moreover the high costs associated with the minimum buildout of NPCPS networks and of the Debtors' existing paging networks also strongly support the Debtors' decision to construct a fully operational NPCPS network. The minimum buildout outlined above would require the Debtors to spend millions of dollars, yet would result in little tangible benefit other than avoiding forfeiture of the NPCPS Licenses. In addition, I believe that in light of synergies with their existing nationwide network infrastructure, the Debtors are in a position to undertake the NPCPS Buildout relatively economically. Indeed, many of the steps that will need to be taken in order to complete the NPCPS Buildout (such as technical upgrades and new equipment purchases) would be required even in the absence of the NPCPS Buildout, as part of the Debtors'

continuous upgrade of their technical capabilities to meet customer demand in numerous individual markets.

10. In order to facilitate the NPCCS Buildout, the Debtors will be required to enter into a series of contracts with a variety of vendors -- the culmination of a planning process that has been underway for over two years. To this end, the Debtors have been negotiating with a number of parties to obtain the best possible pricing on the various components of the NPCCS Buildout. The NPCCS Buildout will require the execution of agreements relating to, among other things: (1) physical construction of new facilities and the extension of existing facilities, (2) the purchase of hardware (such as transmitters and receivers), (3) the design and implementation of software, (4) securing technical support for both the hardware and software and (5) obtaining satellite services.

11. I have been advised by counsel that given the sheer number of contracts that will together constitute the NPCCS Buildout (many of which, taken alone, unquestionably would be in the ordinary course of the Debtors' business and would be required in any event), it would be inefficient and costly to these estates, as well as burdensome to this Court, individually to seek authority from this Court to enter into each such agreement. Accordingly, the Motion requests Court approval of the NPCCS Buildout -- projected to cost approximately \$37 million -- in toto.

12. Based on the foregoing, I believe that the decision to undertake the NPC
Buildout is in the best interests of the Debtors and their estates and constitutes a sound and
prudent business decision by the Debtors.

Dated: April 21, 1998



Joseph A. Bondi
Chairman-Restructuring
MobileMedia Corporation

\\ODMA\PCDOCS\NEWYORK\46322\2 April 21, 1998 (10:48am)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
MobileMedia Communications,) Case No. 97-174 (PJW)
Inc., et al.,)
) (Jointly Administered)
Debtors.)

**ORDER UNDER SECTION 363 OF THE BANKRUPTCY CODE AUTHORIZING
THE DEBTORS TO UNDERTAKE THE CONSTRUCTION OF A
NATIONWIDE TWO-WAY NARROWBAND PCS NETWORK**

Upon the motion dated April 22, 1998 of MobileMedia Corporation, a Delaware corporation ("MobileMedia"), MobileMedia Communications, Inc., a Delaware corporation ("Communications"), and the subsidiaries of Communications, each a debtor and debtor-in-possession herein (collectively, the "Debtors"), for an order authorizing the Debtors to undertake the construction of a nationwide two-way narrowband PCS network (the "Motion"); and upon the Declaration of Joseph A. Bondi in support of the Motion (the "Bondi Declaration"); and proper notice having been given; after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Debtors be, and hereby are, authorized to undertake the construction of, and to enter into the agreements necessary to construct, a nationwide two-way narrowband PCS network as described and set forth in the Motion without further application to this Court.

Dated: Wilmington, Delaware
_____, 1998

The Honorable Peter J. Walsh
United States Bankruptcy Judge

