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JAMES A. STENGER

July 2, 1998

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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: **Amendment of Parts 21 and 74 To Enable Multipoint Distribution Service and Instructional Television Fixed Service Licensees To Engage In Fixed Two-Way Transmissions -- MM Docket No. 97-217 and RM-9060**

Dear Ms. Salas:

On behalf of Ohio Valley Wireless, Ltd. ("OVW"), we respectfully respond to the Commission's Public Notice of June 12, 1998. OVW operates a wireless cable system serving Evansville, Indiana and the surrounding area.

Two-way rules are insufficient regulatory relief for wireless cable, normal ownership attribution rules are needed.

OVW respectfully submits that the WCA and the Commission to some extent have lost sight of the forest for the trees in this proceeding. While the amount of attention devoted to the minutiae of complex engineering rules may be laudable in terms of balancing many competing interests from a technical standpoint, the Commission needs to refocus on the underlying fact that brought about this proceeding: wireless cable inherently is limited in its ability to compete with hardwired cable and DBS. For example, CAI Wireless, a once promising entrant, currently is in the process of filing for Chapter 11 (see Ex. 1 hereto).

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Two-way is not a panacea that standing alone will rescue wireless cable. The much-touted potential of high speed Internet service ignores the existence of numerous, better financed competitors. See, e.g., Ex. 2 hereto.

Regardless of the two-way rules, wireless cable remains subject to critical limitations as a ground-based line-of-sight service. Ground-based line-of-sight services suffer from inherent limitations due to the curvature of the earth and the existence of terrain, building, and vegetation obstructions. Due to its higher angle of incidence, DBS overcomes many of these obstacles.

Wireless cable can be effective when used in combination with wired cable services. In some areas, wiring homes is less economical than using wireless transmitters to fill in service. In other places, wireless service is not practicable due to the terrain and other blocking issues noted above, but wireless could link to a wired sub-system serving that area. The rules should allow more flexibility for such business combinations.

The Proposals in MM Docket No. 94-150 should be adopted as part of this proceeding.

In the Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests, MM Docket No. 94-150, FCC 96-436 (Nov. 7, 1996) the Commission proposed to do away with the draconian attribution rules imposed upon the wireless cable industry and at a minimum conform those rules with the normal cable attribution rules. See paras. 43-44. The comment period is over in that proceeding. Rather than continue to delay relief for wireless cable while the Commission ponders the changes to the broadcast attribution rules contained in consolidated Dkts 92-51 and 87-154, the Commission should separate the wireless cable relief from the broadcast (and franchised cable) issues, and address wireless cable issues in this proceeding. Doing so will not delay this proceeding since all of the comments have already been filed and considered in Dkt. No. 94-150.

A brief history of the wireless/franchised cable cross-ownership ban.

In 1990 the Commission adopted an MDS (Section 21.912) and an ITFS (Section 74.931(h)-(j)) cross-ownership ban as to franchised cable. The FCC had submitted a Report to Congress recommending a franchised cable/wireless cable cross-ownership ban on the grounds that such a ban was needed to prevent franchised cable from warehousing wireless cable channels and preventing the development of a competing service.

In 1992 - two years after the FCC "jumped the gun" and adopted the cross-ownership rules - Congress passed a cross-ownership ban that only mentions "multichannel multipoint distribution service" and does not mention ITFS channels. See Section 613(a) of the Act, 47 U.S.C. §533(a). The fact that the FCC explained to Congress that wireless cable is comprised of both MDS and ITFS, but Congress chose only to address MDS indicates that the Commission lacked authority to adopt the ITFS/cable cross-ownership rule in Section 74.931(h)-(j), which nevertheless has been left on the books.

The MDS and ITFS rules contain different criteria without any rational explanation for the differences in the rules. Compare Section 21.912(a)-(c) and Notes 1-2 with Section 74.931(h)-(j). Rather, the differences appear to be due largely to the fact that the Commission had delegated authority to two different branches for MDS and ITFS licensing and supervision.

It is instructive to review what the Communications Act actually says:

> Ownership Restrictions
>
> Section 613 [47 USC Section 533]. - (a) It shall be unlawful for a cable operator to hold a license for multichannel multipoint distribution service, or to offer satellite master antenna television service separate and apart from an franchised cable service, in any portion of the franchise area served by that cable operator's cable system. The Commission --
>
> (1) shall waive the requirements of this paragraph for all existing multichannel multipoint distribution services and satellite master antenna television services which are

> owned by a cable operator on the date of enactment of this paragraph;
>
> (2) may waive the requirements of this paragraph to the extent the Commission determines is necessary to ensure that all significant portions of a franchise area are able to obtain video programming; and
>
> (3) shall not apply the requirements of this subsection to any cable operator in any franchise area in which a cable operator is subject to effective competition as determined under Section 623(l).

Communications Act, Section 613(a), 47 U.S.C. §533(a). Several points bear mention as this statute is compared with the rules and the manner in which the rules have been applied.

Congress did not direct or permit the Commission to adopt a draconian attribution standard for wireless cable.

The Commission adopted a "Note 1" to the MDS cross-ownership rule that strips wireless cable alone of the attribution rule exceptions allowed to all of the other services. 47 C.F.R. §21.912, Note 1. No statutory basis exists for this extraordinary Note. Rather, in adopting statutory language phrased as normal, Congress would have expected the normal attribution rules to apply. The anomalous attribution standard of Note 1 should be deleted and the wireless cable attribution rules thereby conformed to the normal cable attribution rules, as proposed in Dkt. 94-150.

Congress intended for the Commission to waive the cross-ownership ban where necessary to ensure that all parts of a franchise area are able to obtain video service.

Section 613(a)(2) of the Act allows cooperative ventures between franchised and wireless operators so that wireless and wired transmissions can be used where most suitable from the standpoint of density, terrain, vegetation, etc. The Commission paid lip service to this exception in Note 2 to the MDS rule and in a "rural exemption" to the ITFS rule. See Sections 21.912, Note 2 and 74.931(i). However, in practice the Commission appears to have eliminated the exception by an apparent supposition that common ownership is <u>never</u> necessary to provide video service to <u>any</u> area because DBS covers the entire country and always exists as an alternative.

At a minimum, the Order in this proceeding should correct any such blanket refusal to consider Section 613(a)(2) relief and clarify that the Commission will apply this exception so long as wireless cable and wired cable are actually going to be used in concert to provide service. The Commission's concern regarding warehousing may be somewhat ameliorated as the rules already provide for forfeiture of unused channels. E.g., 47 C.F.R. §21.44(a)(3). Also, the "rural exemption" of Section 74.931(i) needs to be re-written to conform it to Section 613(a)(2) of the Act as the Act does not limit the exception to rural areas.

The above changes are advisable notwithstanding the effective competition exception.

Section 613(a)(3) of the Act provides an exception where the cable operator is subject to effective competition. This allows a cable over builder to use a combined wired/wireless strategy, as is being done in certain markets, because "effective competition" exits in an overbuild situation under Section 623(l)(1)(A) of the Act.

In practical terms, many areas where one might want to combine wired cable and wireless cable service may not be economically viable areas for overbuild. Sparsely populated or terrain difficult areas where cable and MMDS could be used under joint ownership to provide more effective service may be areas where an over build is not economically feasible. Under these circumstances, the effective competition exception is insufficient and the Commission needs to take the additional actions noted above.

The Commission's goals in attempting to stimulate competition in the multi-channel video service delivery business are laudable. However, this rulemaking inherently recognizes that wireless cable has limitations as a standalone competitor. The public interest also dictates that the Commission's rules permit operators to make good use of spectrum to provide actual service to the public on a significant scale. The sporadic existence of wireless cable service signals that the existing rules may overly restrict investment options. While technical rules to be adopted in this proceeding may confer a theoretical ability to offer high speed Internet or fixed local loop services, the Commission simultaneously should reconsider those regulatory shackles that artificially have constrained ownership and investment.

Should additional information be necessary in connection with this matter, kindly communicate directly with the undersigned.

Respectfully submitted,

OHIO VALLEY WIRELESS, LTD.

By: James A. Stenger

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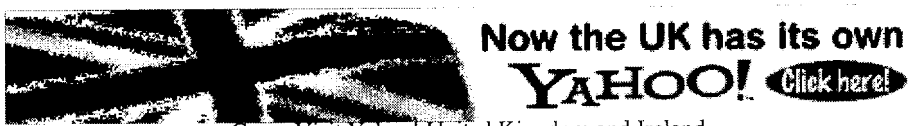

Tuesday June 30, 7:23 pm Eastern Time

Company Press Release

CAI Wireless Systems, Inc. Commences Solicitation for Pre-packaged Chapter 11 Plan

Announces Fiscal 1998 Fourth Quarter and Year-end Results

ALBANY, N.Y.--(BUSINESS WIRE)--June 30, 1998--CAI Wireless Systems, Inc. (OTC: CAWS - news; ``CAI" or the ``Company") today announced that it has commenced a solicitation of votes with respect to a pre-packaged reorganization plan (the ``Reorganization Plan"), pursuant to which CAI will restructure its financial obligations. The solicitation is being sent to the holders of CAI's 12 1/4% Senior Notes due 2002 (the ``Senior Notes") and certain other impaired creditors. The Company announced that it has not yet commenced a reorganization case under Chapter 11 of the U.S. Bankruptcy Code. If it receives the requisite votes indicating acceptance of the Reorganization Plan, however, CAI intends to file a voluntary petition under Chapter 11 of the Bankruptcy Code. Although the Reorganization Plan was developed in the course of discussions and negotiations with the Company's senior lender and an Unofficial Committee representing approximately 73% of the outstanding Senior Notes, the Plan has not yet been approved or endorsed by any creditor or the Unofficial Committee.

Under the Company's proposed Reorganization Plan, holders of the Senior Notes will receive approximately $16,400,000 in cash, $100,000,000 of new Senior Notes due 2004 and 91% of the equity of the reorganized CAI. The holder of CAI's $30,000,000 12% Subordinated Note and the holders of CAI's Subordinated Promissory Notes due September 29, 2000 issued by CAI in connection with the acquisition of wireless cable assets in the Baltimore and Washington markets will receive their pro rata share of the remaining 9% of the new common stock of the reorganized CAI. The Reorganization Plan does not provide any recovery for CAI's current common shareholders or other equity-based interest holders. CAI's trade creditors, including all ITFS or MMDS licenseholders that lease excess capacity to CAI's various subsidiaries, will remain unimpaired and be paid in the ordinary course of CAI's operations. CAI intends to continue to pay its employees wages and benefits.

The Company has arranged for debtor-in-possession (DIP) financing in the principal amount of $60,000,000, $48,000,000 of which will be used to repay CAI's pre-petition senior secured loan. The balance, approximately $12,000,000, will be provided to the Company to allow CAI to operate through the Chapter 11 case. In connection with the solicitation, the Company has received an extension of the maturity date of the 13% Senior Secured Notes to July 30, 1998. CAI, in conjunction with BT Alex. Brown Incorporated, its financial advisor, is also seeking commitments for an exit facility intended to provide the reorganized CAI with working capital for at least one year following the consummation of the bankruptcy.

Jared E. Abbruzzese, Chairman and Chief Executive Officer of CAI said, ``Over the last 12 months, CAI has examined several alternatives to a pre-packaged bankruptcy. With limited financial resources and the weight of its existing capital structure, CAI has been hampered in its ability to implement its business plan. The Reorganization Plan will provide CAI a fresh start and a streamlined balance sheet intended to permit the Company to attract one or more strategic partners and exploit the value of its spectrum."

``CAI will continue its day-to-day operations in the ordinary course," added John J. Prisco, President and Chief Operating Officer of CAI. ``The Reorganization Plan provides that all of CAI's trade creditors will be paid and the restructuring will have no adverse effect on CAI's spectrum lessors."

The Voting Deadline for the solicitation is July 27, 1998. If CAI receives the requisite number of acceptances from the impaired creditors, CAI intends to commence its Chapter 11 case shortly thereafter.

CAI also announced today results for the fourth quarter and year ended March 31, 1998.

For the fourth quarter ended March 31, 1998, sales were $6,644,000 versus $8,589,000 for the comparable year-ago quarter. The decrease was primarily due to the Company's strategy of not pursuing analog-based video subscriber growth. Operating loss before depreciation and amortization for the most recent fiscal quarter increased to $(17,009,000), versus $(4,688,000) for the comparable year-ago quarter due to the decrease in sales previously mentioned, and the absence of a commensurate decrease in licensing fees for CAI's MMDS spectrum due to minimum payment requirements contemplated by many of the spectrum access leases maintained by CAI. The fourth quarter for the year ended March 31, 1998 also includes restructuring costs totaling $5,033,000, which were not included in the comparable year-ago period. Net loss for the most recent fiscal quarter was $(131,537,000) or $(3.31) per common share, versus $(24,805,000) or $(0.70) per common share, for the comparable year-ago quarter.

For the year ended March 31, 1998, sales were $28,622,000 versus $36,327,000 for the year ended March 31, 1997, primarily due to the Company's strategy of not pursuing analog-based video subscribers while it evaluates its business opportunities. Operating loss before depreciation and amortization increased to $(29,120,000) versus $(12,954,000) for the comparable year-ago period. Net loss for the most recent fiscal year was $(230,073,000) or $(6.02) per common share, versus $(82,298,000) or $(2.38) per common share, for the fiscal year ended March 31, 1997.

Additionally, for the fiscal year ended March 31, 1998, CAI realized a net extraordinary gain of $5,300,000, consisting of a $10,000,000 gain as a result of the termination of the interests in the Company held by affiliates of Bell Atlantic Corporation [NYSE:BEL - news], including the exchange of securities issued by CAI to Bell Atlantic affiliates and the forgiveness of accrued interest on a portion of such securities, offset, in part, by a $4,700,000 non-recurring extraordinary charge related to the write-off of the unamortized costs arising from the early termination of a credit facility obtained by CAI from Foothill Capital Corporation and affiliates of Canyon Capital Management. The Company took a fourth quarter write-down of goodwill equal to $73,500,000 as a result of the Company's ongoing review of its long-lived assets and certain identifiable intangibles in accordance with Statement of Financial Accounting Standards No. 121, and a $23,600,000 write-down of the goodwill portion of CAI's investment in CS Wireless Systems, Inc.

CAI, based in Albany, NY, currently operates six analog-based MMDS subscription video systems in New York City, Rochester and Albany, NY, Philadelphia, PA, Washington, DC and Norfolk/Virginia Beach, VA, and provides Internet access services in Rochester, New York City and Boston. CAI also owns a portfolio of MMDS channel rights in eight additional markets, including Long Island, Buffalo and Syracuse, NY, Providence, RI, Hartford, CT, Boston, MA, Baltimore, MD and Pittsburgh, PA. In addition, CAI owns approximately 60% of CS Wireless Systems, Inc., an MMDS operator based in Plano, TX.

The statements contained in this press release relating to CAI's plans and objectives of management for future operations, including plans or objectives relating to CAI's products and services, constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Actual results of the Company may differ materially from those in the forward-looking statements and may be affected by a number of factors including the receipt of the requisite acceptances from certain impaired creditors in connection with the Company's pre-packaged bankruptcy solicitation, receipt of regulatory approvals for alternative uses of its MMDS Spectrum, the Companies' ability to attract one or more new strategic partners and their willingness to enter into arrangements with CAI on a timely basis, the terms of such arrangements, the success of CAI's trials in various of its markets, the commercial viability of any alternative use of MMDS Spectrum, consumer acceptance of any new products offered or to be offered by CAI, subscriber equipment availability, tower space availability, absence of interference and the ability of CAI to redeploy or sell excess equipment, as well as other factors contained herein and in CAI's securities filings. Furthermore, the financing obtained by the Company to date will not enable CAI to meet its future cash needs.

CAI WIRELESS SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended March 31,		(Unaudited) Quarter Ended March 31	
	1998	1997	1998	1997
Revenues	$28,621,710	$36,326,816	$6,644,326	$8,589,060
Expenses:				
Programming and license fees	15,459,663	16,051,094	4,485,729	4,061,742
Marketing	1,373,265	2,033,107	166,650	242,373
General and administrative	35,875,749	31,196,446	13,967,271	8,972,885
Restructuring costs	5,033,316	-	5,033,316	-
	57,741,993	49,280,647	23,652,966	13,277,000
Operating loss before depreciation, amortization and write-downs	(29,120,283)	(12,953,831)	(17,008,640)	(4,687,940)
Depreciation and amortization	34,713,610	32,345,327	8,560,771	7,615,341
Write-down of goodwill	73,500,000	-	73,500,000	-
Operating loss	(137,333,893)	(45,299,158)	(99,069,411)	(12,303,281)

Other income (expense):

Interest expense	(47,226,574)	(40,805,791)	(7,098,069)	(10,489,178)
Equity in net loss of affiliates	(31,747,268)	(17,600,000)	(8,629,260)	(4,600,000)
Write-down investment in affiliate	(23,570,000)	-	(23,570,000)	-
Other income	4,458,782	6,406,742	1,484,356	1,087,491
	(98,085,060)	(51,999,049)	(37,812,973)	(14,001,687)
Loss before income tax benefit and extraordinary item	(235,418,953)	(97,298,207)	(136,882,384)	(26,304,968)
Income tax benefit	-	15,000,000	-	1,500,000
Loss before extraordinary item	(235,418,953)	(82,298,207)	(136,882,384)	(24,804,968)
Extraordinary net gain from early extinguishment of debt	5,345,699		5,345,699	
Net loss	$(230,073,254)	$(82,298,207)	$(131,536,685)	$(24,804,968)
Preferred stock dividends	(13,891,025)	(13,011,270)	(2,765,572)	(3,434,903)
Loss applicable to common shareholders	$(243,964,279)	$(95,309,477)	$(134,302,257)	$(28,239,871)
Loss per common share:				
Before extraordinary item	$ (6.15)	$ (2.38)	$ (3.44)	
Extraordinary net gain	0.13	-	$ 0.13	
Net loss	$ (6.02)	$ (2.38)	$ (3.31)	$ (0.70)
Weighted average common shares outstanding	40,540,731	40,069,258	40,541,317	40,540,539

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More Quotes and News:
- Bell Atlantic Corp (NYSE:BEL - news)
- CAI Wireless Systems Inc (OTC BB:CAWS - news)

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Exhibit 2

YAHOO! FINANCE — PR NEWSWIRE

Tuesday June 30, 4:50 pm Eastern Time

Company Press Release

SOURCE: @Home Network

@Home Network Broadens Reach With New North American and International Cable Affiliate Relationships

Ten New Affiliate Deals Solidify @Home as the High-Speed Internet Leader

REDWOOD CITY, Calif., June 30 /PRNewswire/ -- Ten new distribution agreements reached with North American and International cable operators, representing more than 10 million new homes, in the second quarter 1998 highlights @Home Network's (Nasdaq: ATHM - news) accelerated momentum and strong commitment to widespread deployment of high-speed Internet services. These new affiliate agreements when combined with @Home's existing cable affiliates, gives @Home exclusive access to more than half of all homes passed by cable in North America, making @Home the undisputed leader in high-speed Internet services via the cable infrastructure.

In North America, @Home Network recently entered into distribution agreements with Century Communications Corp. (Nasdaq: CTYA - news), Insight Communications, Bresnan Communications Company, Lenfest Communications, Jones Intercable, Cogeco, and Garden State Cable. Under these agreements, @Home Network will deliver high-speed Internet services in Los Angeles, Colorado Springs, Indiana, Illinois, the upper Midwest, Philadelphia, Delaware, Washington, D.C. region, Quebec, Ontario, and Southern New Jersey. The respective services will be named Century@Home(TM), Insight@Home(TM), Bresnan@Home(TM), Suburban@Home(TM), Jones@Home(TM), Cogeco@Home(TM) and Garden State Cable@Home(TM). The services are planned to begin deployment by the end of 1998. In addition, @Home gained access to the former Prime Cable properties in Las Vegas and Illinois that were acquired by Cox Communications.

These new affiliates join @Home Network's existing partners: Tele-Communications, Inc., Comcast Corporation [Nasdaq:CMCSA - news], Cox Communications, InterMedia Partners, Marcus Cable, Rogers Cablesystems and Shaw Communications. @Home's footprint encompasses major metropolitan markets in the US including: Los Angeles, San Francisco Bay Area, New York, Philadelphia, San Diego, Baltimore and Phoenix.

On the International front, @Home Network announced agreements in principle with Dutch cable operators CasTel and Palet Kabelcom and United Kingdom cable and telecommunications operator ComTel. @Home Network, CasTel, and Palet will form a new entity, @Home Netherlands, to develop and market a Dutch version of @Home's high-speed cable Internet service in the Netherlands and the Flemish-speaking parts of Belgium. With ComTel, @Home Network will develop a British version of @Home's high-speed Internet service. ComTel will market the service to its approximately 1 million homes passed, which are nearly 100 percent upgraded to two-way hybrid fiber coaxial cable. ComTel's franchise areas include the Thames Valley -- the ``Silicon Valley'' of the U.K. and base of many high-tech companies and their employees.

@Home(TM) is changing the way consumers view and use the Internet by transforming the traditional Internet experience into one that is unique in style, service and content. Users experience lavish multimedia features that would drag phone connections down to a mind-numbing crawl, including: Video-on-Demand -- users can get the news, up to the minute financial updates and information from respected sources such as CNN and Bloomberg at the click of a mouse; Near-CD Quality Audio -- @Home lets users experience near-CD quality audio, sportstalk and concerts via its TuneIn(TM) feature; Enhanced Games -- gamers can take advantage of the extremely low latency multi-player gaming network to battle opponents all over the globe; ``Fastest Software Store on Earth'' -- users have the freedom to test, rent and purchase a broad range of software products through SoftwareNow(TM). @Home's ``always on'' connection provides users with instant access to check stock prices, sports scores or traffic updates throughout the day.

@Home Network

Based in Redwood City, California, @Home Network distributes high-speed interactive services to residences and businesses using its own network architecture and a variety of transport options including the cable industry's hybrid-fiber coaxial infrastructure. The cable connection provides users significant increases in speed over conventional Internet services. Leveraging the ``always on'' attributes of cable, @Home allows for unique multimedia applications that go beyond current Web experiences. Individuals seeking additional information about availability and subscription can refer to the @Home Network Web site (www.home.net). Since its founding in 1995, @Home Network has reached affiliate agreements with fifteen leading cable companies in North America, including Tele-Communications Inc. [Nasdaq:LBTYA - news], Cablevision Systems Corp. [AMEX:CVC - news], Comcast Corporation, Cox Communications, Bresnan Communications Company, Insight Communications, Jones Intercable, Garden State Cable, Cogeco, Lenfest Communications, InterMedia Partners, Marcus Cable, Century Communications, Rogers Cablesystems Limited and Shaw Communications.

NOTE: @Home Network, @Home, SoftwareNow, TuneIn and the @ logo are trademarks of At Home Corporation and may be registered in certain jurisdictions. All other brands and products are trademarks of their respective companies.

This press release contains forward-looking information within the meaning of Section 27A of the Securities Exchange Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the safe harbors created by those sections. These forward-looking statements include statements related to: the new cable partners' ability to deploy the @Home service on schedule in the relevant markets; the successful deployment of a customized version of the @Home Service for the Belgian, Dutch and UK markets; consumer demand for the service; and the extent to which the service will transform the way consumers view and use the Internet. Actual results may differ materially due to a number of risks. In particular, the successful and timely introduction of the service and the scope of its deployment is subject to: numerous technological, operational and financial challenges; potential competition from other broadband Internet providers; and the degree of customer and cable operator acceptance of the service in the relevant markets. In addition, certain transactions described in this press release are contingent upon the parties' success in executing definitive agreements and/or obtaining corporate approvals, and there can be no assurance that such transactions will be completed. The matters discussed in this press release also involve risks and uncertainties described from time to time in @Home Network's filings with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in @Home Network's Form 10-Q for the quarter ended March 31, 1998; Form 10-K for the year ended December 31, 1997 and the Final Prospectus for @Home Network's initial public offering. @Home Network assumes no obligation to update the forward-looking information contained in this press release.

SOURCE: @Home Network

More Quotes and News:

- At Home Corp (Nasdaq:ATHM - news)
- Cablevision Systems Corp (AMEX:CVC - news)
- Century Communications Corp (Nasdaq:CTYA - news)
- Comcast Corp (Nasdaq:CMCSA - news)
- Tele-Communications Inc (Nasdaq:LBTYA - news)

Related News Categories: computers, internet, telecom

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Wednesday June 17, 10:00 am Eastern Time

Company Press Release

SOURCE: Sprint Corp.

Sprint Announces Network Agreements with Local Phone Companies for Initial Rollout of Revolutionary New Services

Sprint ION to Deliver High-Speed, High-Bandwidth Services to Businesses in Seven Major U.S. Cities

KANSAS CITY, Mo., June 17 /PRNewswire/ -- Sprint today announced that it has secured key network access agreements with Southwestern Bell, GTE, BellSouth and Ameritech that will enable it to begin delivering advanced, high-speed, high-bandwidth services through Sprint ION, Integrated On-Demand Network. Additionally, Sprint unveiled the first major markets that will have access to the revolutionary new Sprint ION services as part of the first phase of its rollout.

This fall, Sprint will deliver unprecedented communications capabilities to large businesses in Chicago, Atlanta, Dallas, Houston and Kansas City. In addition, Sprint said agreements in New York and Denver are being finalized. ``On June 2, we announced a vision for the future of communications, and today we are taking another step toward bringing that vision to life," said William T. Esrey, Sprint's chairman and chief executive officer. ``We have the technology and the customers in place to begin making Sprint ION a reality in these major markets."

Sprint ION is the innovative new network that will enable Sprint to consolidate a business' disparate networks and to provide homes and businesses with virtually unlimited bandwidth over a single existing connection, delivering simultaneous voice, video calls and data services. The result of five years of confidential work, Sprint ION is a combination of numerous technological advances that Sprint has been privately testing with both businesses and consumers for the past year.

``We've already built the network that will handle the advances we've announced. These agreements enable us to deliver the unique, high quality services and network intelligence that is at the heart of Sprint ION to our first customers," Esrey said. ``While today's announcement is an important first step, it illustrates only the beginning of our deployment of Sprint ION. More cities and more features will soon be announced as our rollout builds momentum around the country."

Sprint has been privately testing the revolutionary Integrated On-Demand Network capability with both businesses and consumers for the past year. Today's announcement launches the large business rollout of Sprint ION, which will continue throughout 1998. The service will be generally available to medium and small businesses in mid-1999, with consumer availability late in 1999.

Infrastructure in Place in Seven Key Cities

New York, Chicago, Atlanta, Dallas, Houston, Denver and Kansas City have several key elements in place that made them logical choices for the initial deployment of Sprint ION. Those elements include broadband metropolitan area networks (BMANs) and a strong, established business customer base that can immediately benefit from Sprint ION.

While Sprint's long distance network is already built and covers the entire United States, BMANs are high-bandwidth fiber optic rings that encircle cities. These BMANs already enable Sprint to provide a variety of advanced services and are now being enhanced to enable new Sprint ION services to pass within proximity of 70 percent of large businesses in these cities.

Sprint has secured key BMAN access agreements from Southwestern Bell in Dallas, Kansas City and Houston. Sprint also has an additional agreement for BMAN access in Dallas from GTE. In Atlanta, Sprint has secured BMAN from BellSouth and Ameritech is providing BMAN to Sprint in Chicago. Agreements in New York and Denver are still being finalized and announcements will be made when appropriate. In total, Sprint already has access to BMANs in 25 major markets nationwide, and will have BMANs in a total of 36 major markets by the end of the year. For smaller business locations, telecommuters, small/home office users and consumers who may not have access to BMANs, Sprint ION supports a myriad of the emerging broadband access services, such as Digital Subscriber Line (DSL).

Customers Already on Board

Several major corporations already have committed to beta test Sprint's Integrated On-Demand Network services in the months to come, including Hallmark Cards, Sysco Corp. [NYSE:SYY - news], Coastal States Management, Ernst & Young LLP, Silicon Graphics, St. Luke's-Shawnee Mission Health System, and Tandy.

Kansas City-based Hallmark Cards will be among the first to implement Sprint ION. ``This is the kind of technological innovation that can truly deliver bottom-line results and give Hallmark a competitive advantage," said Jim Miller, vice president of information technology at Hallmark Cards. ``Sprint's ION technology has the exciting potential to move Hallmark even closer to our customers by way of enhanced services, expanded communications, and lower costs. This potential is the driving force behind our decision to be one of the first customers to take advantage of the Sprint ION offering."

Said Larry Hardin, director of operations and communications, information services, for Houston-based Sysco Corp., ``This will enable us to combine all of our traffic -- voice, data and video -- onto one path. Sprint is the first company to come to us with revolutionary technology like this that can be a reality so soon."

For these businesses, and others like them, Sprint ION offers a significantly more efficient communications solution than today's model. High-speed, integrated communications will be available to corporate locations, branch offices, small businesses and the small office/home office worker. The result is an enhanced virtual private network that enables applications such as collaborative product development, supply-chain management, distance learning and telecommuting.

What Does Sprint ION Do?

Businesses will no longer be required to manage numerous complex networks but can rely on a truly integrated network that consolidates voice, video and data traffic while reducing costs. Sprint's ION allows businesses to expand dramatically their local and wide area networks and dynamically allocate bandwidth, thus paying only for what they use rather than having to purchase a set high-bandwidth capacity that often sits idle. Sprint ION will also set a new industry benchmark for service reliability, utilizing Sprint's pervasive deployment of synchronous optical network (SONET) rings across the United States.

At home, customers will be able to conduct multiple phone calls, receive faxes, run new advanced applications and use the Internet at speeds up to 100 times faster than today's conventional modems -- all simultaneously through a single connection. The need for multiple phone lines will be eliminated, and applications such as high-speed online interactive services, video calls and telecommuting will be readily accessible. Use of the Internet will be so fast that typical pages on the World Wide Web will pop up almost instantaneously.

Sprint is able to deliver this revolutionary new capability because its network supports a seamless, integrated service to the desktop over an Asynchronous Transfer Mode (ATM) backbone network. This network fabric provides the speed, flexible bandwidth, scalability, service consistency, security and telephone voice quality that no other protocol currently can deliver.

Sprint ION provides customers with robust voice, video and data services, along with the capability to customize multiple services, all combined with access to virtually unlimited bandwidth, available on demand, all the time, whether they are across town or across the country.

More information on Sprint ION is available at www.sprint.com or by calling 1-800-308-2140.

About Sprint

Sprint is a global communications company -- at the forefront in integrating long distance, local and wireless communications services and one of the world's largest carriers of Internet traffic. Sprint built and operates the United States' only nationwide all-digital, fiber optic network and is the leader in advanced data communications services. Sprint has $15 billion in annual revenues and serves more than 16 million business and residential customers.

SOURCE: Sprint Corp.

More Quotes and News:
- Sprint Corp (NYSE:FON - news)
- Sysco Corp (NYSE:SYY - news)

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CERTIFICATE OF SERVICE

I, Magdalene Copp, a secretary of the law office of Ross & Hardies, do hereby certify that I have this 2nd day of July, 1998, served by first-class mail, postage pre-paid, a copy of the foregoing "Letter" to:

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