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August 12, 1999

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RECEIVED

AUG 12 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Twelfth Street, Lobby, TW-A325
Washington, D.C. 20554

Re: Notification of *Ex Parte* Contact in IB Docket No. 98-172

Dear Ms. Salas:

On August 12, 1999, Joe Sandri and Barry Ohlson of WinStar Communications, Inc., along with Jack Richards and Randy Young of Keller and Heckman, met with Diane Cornell, Ron Netro, Michael Pollak, Ramona Melson and Ted Ryder of the FCC's Wireless Bureau. The purpose of the meeting was to discuss matters pertaining to the relocation of Fixed Service licensees in the 18 GHz band, the substance of which is covered in comments Winstar previously filed in the proceeding. A written presentation which summarizes the points we discussed is attached.

Pursuant to section 1.1206 of the Commission's rules, two copies of this letter have been filed with your office. Please contact me with any questions.

Sincerely,

Jack Richards

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Enclosure

WinStar Communications, Inc.
Ex Parte Meeting with FCC
18 GHz Proceeding (IB Docket No. 98-172)
August 12, 1999

Talking Points

Overview of WinStar's competitive services and operations.

WinStar is different from most other FS commenters in that 18 GHz spectrum is used to provide competitive and advanced telecommunications services, not for private internal use.

WinStar is similar to many new satellite services in that it is providing alternatives to LECs, and is rapidly deploying advanced telecommunications services, increasingly in outlying suburban areas and office parks/campuses. However, the FCC should not favor *means of delivery* of competitive and advanced services by satellite to the detriment of terrestrial; rather, both must be accommodated.

Principles adopted in the *Emerging Technology* and *Cost Sharing* proceedings provide an appropriate model for 18 GHz relocation, including voluntary/mandatory negotiation periods, and payment for necessary and reasonable expenses for relocation to comparable facilities. Prior relocation procedures worked well for all — incumbents, new entrants and the Commission.

Commission should reject suggestions that relocation payments be based on depreciated equipment values plus 2% of hard costs for engineering and installation; rather, replacement cost should be basis for compensation.

The Commission should identify a relocation band that offers similar characteristics to the 18 GHz band and comparable thruput. *Where* relocation spectrum is made available is not critical; rather, the Commission should designate *sufficient, exclusive* relocation spectrum for the FS. Spectrum in the millimeter wave band (above 17 GHz) is preferable.

Sunset for relocation should not begin to run until unencumbered spectrum is identified, and an equitable cost reimbursement scheme is developed.

WinStar Communications, Inc.

- 1) Introduction to WinStar Communications, Inc.
 - Facilities-based Competitive Local Exchange Carrier (CLEC) certifications granted in 38 jurisdictions.
 - Competitive Access Provider (CAP) certification in 44 jurisdictions nationwide.
 - 38 GHz licenses: approx. 280 *area* licenses, each covering up to 10,000 square miles
 - LMDS licenses: third highest bidder at first LMDS auction
 - Total coverage of over 200 million people
 - Average of 750 MHz in the top 50 markets
 - Approximately 3,200 employees worldwide (1,000+ in Tysons Corner area)
 - \$388 million revenue run rate.

- 2) The Telecommunications Act of 1996 was crafted to promote competition in the local exchange by companies like WinStar.
 - Currently deployed in 31 U.S. cities
 - Will be deployed in 45 cities by end of 1999; 60 cities by 2001
 - Hub Networks attached to Lucent Class 5 Switches
 - 97 hub sites in operation; 43 hub sites currently under construction.
 - Will serve 50 major international markets by 2004
 - Will deploy in six international cities by the year 2000.
 - Already have spectrum rights in Argentina, Japan, The Netherlands and the United Kingdom.

- 3) Recent WinStar commercial developments.
 - \$2 billion strategic relationship with Lucent
 - \$1 billion transaction with Williams Communications
 - New point-to-multipoint system deployed in Washington, D.C. in 1998
 - Nationwide roll-out in 1999
 - Roof rights to 5,500 buildings.
 - Target of 8,000 by end of 1999