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October 13, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

By Hand Delivery

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W., TW-A325
Washington, D.C. 20554

Re: Notification of *Ex Parte* Presentation in WT Docket No. 97-81

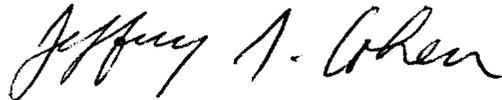
Dear Ms. Salas:

Pursuant to section 1.1206(b)(1) of the Commission's rules, CellNet Data Systems, Inc., by its attorneys, hereby submits for inclusion in the record for WT Docket No. 97-81 two copies of a written *ex parte* presentation submitted today to D'wana Terry, Chief, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau.

Should you have any questions, please contact the undersigned.

Sincerely,

WILKINSON BARKER KNAUER, LLP



By: Kathleen Q. Abernathy
Jeffrey S. Cohen

Enclosures

cc: D'wana Terry, Chief, Public Safety and Private Wireless Division (w/o enclosure)

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October 11, 1999

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BEN H. LYON
Vice President &
General Counsel

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CELLNET
DATA SYSTEMS

D'wana Terry
Chief, Public Safety and Private Wireless Division
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20054

Re: CellNet Data Systems, Inc. — Petition for Relief from MAS Applications Freeze
WT Docket No. 97-81

Dear Ms. Terry:

On September 13, 1999, Steve Divney and I (from CellNet Data Systems, Inc.) ("CellNet"), and our attorneys Kathleen Abernathy and Jeffrey Cohen (of Wilkinson Barker Knauer, LLP), met with you and Scot Stone to discuss CellNet's "Petition for Relief from MAS Applications Freeze," filed August 17, 1999. During that meeting, you asked that we provide you with a description of the steps taken by CellNet in connection with the contract expansion with our customer Northern States Power Company ("NSP") prior to July 1, 1999, the date on which the Commission expanded the freeze on Multiple Address System ("MAS") applications. You also asked that we provide you with CellNet's anticipated roll-out schedule over the next six to nine months.

For almost a year prior to the July 1, 1999 expansion of the freeze, CellNet and NSP were negotiating an extension to our September 1996 contract for the provision of network meter reading services. By May 28, 1999, NSP had reached an agreement with CellNet for the expansion of the data services contract to cover approximately 800,000 additional meters within NSP's service territory, and to provide network meter reading services to nearly two million NSP customers. The May agreement was conditioned on the satisfaction of certain minor conditions, and on the completion of final contract documentation. By mid-June 1999, CellNet and NSP had completed negotiation of the material business terms for the contract extension. CellNet anticipated that the actual signing would occur prior to the end of September 1999, and knew of no reason why the date of the actual signing would need to be expedited.

Consistent with CellNet's agreement and commitment to NSP, in mid-June 1999, Steve Divney, CellNet's Spectrum Resources Manager, initiated our routine steps to prepare applications for additional MAS sites to accommodate the network extension. Specifically, Mr. Divney and CellNet's RF design technician for the NSP project discussed the areas that would be rolled out earliest (beginning late fourth quarter 1999 and early first quarter 2000) based on meter density data from NSP. Also in mid-June 1999, given the roll out schedule, Mr. Divney informed the technician that we would need to apply for the licenses not later than mid-July (based on CellNet's experience that it takes three to four months to obtain a grant), in order to deploy our system and meet our existing commitment to NSP.



D'wana Terry
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Within a day or so of informing the technician of our need to apply for MAS licenses, Mr. Divney had chosen center points for each of the five license applications in question. Within a week of choosing those center points (in late-June 1999), Mr. Divney had researched the FCC's license database on-line and determined the availability of spectrum in all locations.

Mr. Divney then chose the specific channels for which we would apply for each license, considering our existing licenses in or near those areas, and any Canadian coordination issues that might arise. Additionally, Mr. Divney determined that the use of short-space agreements with third parties was not needed to apply for and obtain these licenses. On June 30th, the day before the freeze went into effect, Mr. Divney completed the five applications and submitted the five center points to Mr. Ron Franklin at ITA, our frequency coordinator, to perform frequency coordination and the prior coordination notice ("PCN") procedures, as required by the Commission's rules. Based on his research, Mr. Divney believed (correctly) that the coordination and PCN would not be problematic. Mr. Franklin informed Mr. Divney that the PCNs would be available by July 12, 1999, which would have met our schedule for applying by mid-July. However, the next day, on July 1, 1999, the extended freeze went into effect.

With respect to your question regarding CellNet's plans for new service roll-outs in the next six to nine months, CellNet does not currently anticipate a need for additional MAS spectrum during that time period. As we explained during our meeting, CellNet's pending request is specifically tailored to CellNet's known and immediate needs. However, we note that the network meter reading industry is market-driven, and must adjust depending on the changing requirements of electric, gas, and water utilities. The industry also is affected by de-regulatory actions taken by the various states that are introducing competition in the delivery of electric utility services. Therefore, CellNet must recognize the possibility that future opportunities may arise with existing or new customers for network meter reading services which may not be capable of satisfaction with our existing licenses. And as the freeze continues in effect, and CellNet's business continues to develop, that possibility is more likely to become a reality. Should such a situation arise, we will notify you as soon as possible.

If we can provide any further information, or be of more assistance, please do not hesitate to contact either of our FCC attorneys, Kathleen Abernathy or Jeffrey Cohen, Wilkinson Barker Knauer, LLP, 2300 N Street, N.W., Washington, D.C. 20037-1128, at (202) 783-4141. Thank you for your continued consideration.

Sincerely,

Ben H. Lyon
Vice President and General Counsel