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March 14, 2000

VIA HAND DELIVERY

Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: QUALCOMM Incorporated
Ex Parte Presentation, WTB Docket No. 99-168, DA 00-219

Dear Ms. Salas:

On March 13, 2000, Kevin Kelley and the undersigned, representing QUALCOMM Incorporated, met with representatives of the Commission to discuss QUALCOMM's Petition for Declaratory Ruling requesting that the Commission satisfy the mandate of the Court in *QUALCOMM v. FCC*, 181 F.3rd 1370 (D.C.Cir. 1999) by setting aside the 700 MHz Block D license in the Economic Area Grouping 3 ("EAG 3"). Present at the meeting on behalf of the Commission were James Schlichting, James Carr, Rodney Small, Blaise Scinto and Walter Strack.

QUALCOMM began the meeting by reminding the Commission of the facts leading to the present state, including the filing of QUALCOMM's Petition and the discussion of options other than a set aside of EAG 3. QUALCOMM indicated that its ranking of possible outcomes was, first, EAG 3, followed by some sort of bidding credit, followed by C Block licenses subject to bankruptcy proceedings. QUALCOMM indicated that its ranking of C Block licenses was a distant third because of QUALCOMM's conviction that those licenses would be subject to lengthy litigation.

Mr. Schlichting then gave the staff view of the Commission's ranking, which was C Block licenses first, and as a distant second, transferable bidding credits. In addition, Mr. Schlichting said that the staff believed that the Commission was not inclined to grant QUALCOMM's Petition. QUALCOMM requested that the Commission act quickly to deny the

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Petition so that QUALCOMM would have opportunity to appeal that decision and seek a stay of the scheduled May 10 auction.

Mr. Schlichting then provided greater details on the staff's view of a proposed C Block solution and provided the attached list of three possible groups of licenses that might be set aside for QUALCOMM. The payment QUALCOMM would make for the licenses would be calculated, according to this suggestion, by determining which would be the 20 most reasonably comparable licenses after the July 26 auction and applying the formula found in Section 309 (E) of the Communications Act. Mr. Kelley asked if any consideration would be given to the advantages that the other pioneers' enjoyed, such as being first to the market. Mr. Schlichting answered that he thought not, he thought that the Commission would adhere to the formula for payment in the Act, but not add any additional benefit not spelled out in the Act.

Mr. Kelley asked whether the licenses listed in the Commission's suggestion were all licenses that had originally been won at auction by NextWave. Mr. Schlichting answered that he thought there perhaps might be other licensees, but the majority of the suggested licenses had certainly been held by NextWave and were proposed to be auctioned on July 26. Mr. Kelley asked whether there would be clear title to the licenses. Mr. Schlichting answered that the Commission was confident that it would prevail in currently pending litigation. Mr. Kelley pointed out that the principals involved in this litigation were highly tenacious and would not likely give up, but would pursue the matter to the Supreme Court. This would have the effect of putting a cloud on QUALCOMM's title to those licenses. QUALCOMM could not make a multi-million dollar deployment of its technology based on licenses that QUALCOMM might have taken from it.

With regard to valuation, it was pointed out that a valuation based on the July 26 auction might result in some anomalies highly disadvantageous to QUALCOMM. For example, some have estimated that the bidding in that auction might go as high as \$50 a pop. If that were the case, and valuation based on that auction, then QUALCOMM might be forced to pay 85%, or \$42.50 a pop, for spectrum that would presumably be comparable to spectrum for which the other pioneers paid under \$14.00.

Mr. Schlichting then turned to the other suggestion, a transferable bidding credit that would be available to QUALCOMM for use in any auction in the next three years. The credit would be like a "spectrum voucher," transferable to any party. Mr. Schlichting was not prepared to say whether the voucher would be usable in more than one auction or on more than one property. With regard to the amount of the voucher, Mr. Schlichting was not prepared to name a number but asked QUALCOMM if it would do so. Mr. Kelley replied that QUALCOMM would not accept less than the average discount enjoyed by the pioneers who were awarded their licenses when QUALCOMM was unfairly denied one. That amount is \$148,734,207. There followed some discussion on appropriate methods of valuation. QUALCOMM agreed that there were many ways to consider how to put QUALCOMM in the position it should have been in had

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the Commission acted fairly in 1994, but the least amount that appears reasonable is \$150,000,000. The undersigned requested that the Commission be consulted as to whether there would be a possibility of a spectrum voucher in that amount. The Commission staff was unable to say when they would be able to determine whether that amount would be possible. Mr. Schlichting expressed concern that the higher the voucher amount, the more likely that some party would appeal the Commission's grant of a spectrum voucher.

A discussion ensued about whether awarding a spectrum voucher would be consistent with the Court's mandate and whether it would be appealed by any parties. QUALCOMM expressed its view that the standing of any party to appeal the Commission's award of a spectrum voucher would be highly attenuated, particularly if the voucher were available for use in several auctions and on several properties.

The meeting adjourned after approximately one hour.

NOTE: It is QUALCOMM's understanding that as a result of this meeting the staff will expeditiously determine whether a bidding credit/spectrum voucher of no less than \$150,000,000 is a possible outcome and inform QUALCOMM of that determination forthwith.

Respectfully submitted,



Veronica M. Ahern
Attorney for
QUALCOMM Incorporated

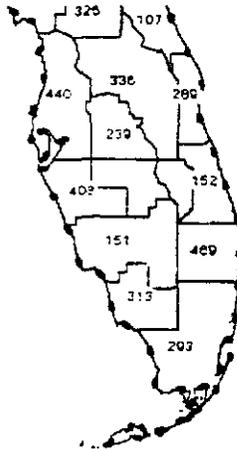
Attachment

cc: James Schlichting
James Carr
Rodney Small
Blaise Scinto
Walter Strack

Miami MTA and Suitable Spectrum Alternatives (30 MHz C-Block Licenses)

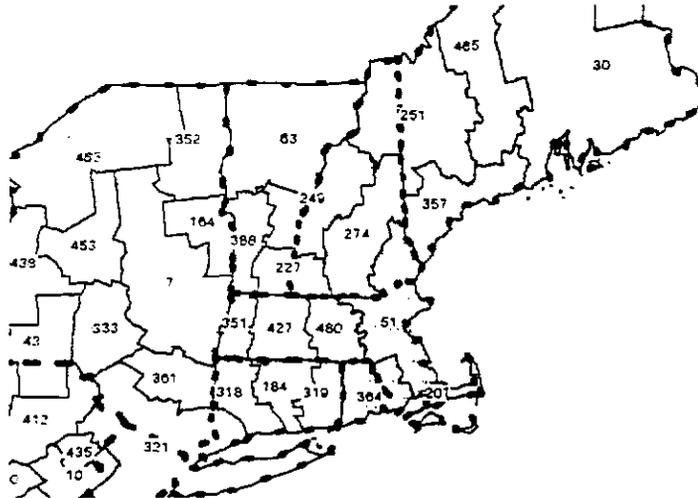
Miami

BTA	Name	'90 Pops.	'95 Pops.
151	Ft. Myers, FL	479,452	540,541
152	Ft. Pierce, FL	341,279	380,696
293	Miami, FL	3,270,606	3,525,351
313	Naples, FL	152,099	181,381
469	W. Palm Beach, FL	893,145	1,002,315
		5,136,581	5,630,284



Boston and Providence

BTA	Name	'90 Pops.	'95 Pops.
51	Boston, MA	4,133,895	4,187,901
364	Providence, RI	1,509,789	1,502,431
		5,643,684	5,690,332



Houston

BTA	Name	'90 Pops.	'95 Pops.
196	Houston, TX	4,054,253	4,516,219
59	Bryan, TX	150,998	161,032
		4,205,251	4,677,251

