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May 18, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
The Portals
445 12th Street, S.W.
Room 8-A204C
Washington, D.C. 20554

EX PARTE OR LATE FILED

Dear Chairman Powell:

I want to personally thank you, the members of your office staff, Roy Stewart and the Mass Media Bureau and Tom Sugrue and the Wireless Telecommunications Bureau for all the time and FCC resources that have been focused on our proposal to create a framework that would enable broadcasters and wireless carriers to voluntarily reach agreements for clearing the 700 MHz spectrum. I am personally comfortable in trusting your judgement in evaluating the merits of our proposal. You have heard from us on how broadcasters have been placed in a difficult position: on the one hand, we are being asked to consider band-clearing agreements in order to benefit the wireless industry; and, on the other hand, we are attempting to comply with an aggressive, government-mandated digital build-out schedule. I know that you understand our situation and that you have created an atmosphere at the FCC in which our proposals for a successful band-clearing will be evaluated and ruled on with the possibility that the 700 MHz is freed up for wireless uses. This is important for the Nation's economy and for this country's 3-G competitiveness.

Concerns have been expressed about the band-clearing proposal of the Alliance and its possible impact on the DTV transition. Let me directly address that matter. Will the Alliance's band-clearing proposal have some negative impact on the DTV transition? The answer is yes. But will that impact be significant? I truly believe the answer is that the impact on the DTV transition from the Spectrum Clearing Alliance plan will be miniscule. Our discussions with senior staff at the White House, OMB and many members of the telecommunications subcommittees of both the House and the Senate give me this comfort level.

The DTV transition is moving at a snail's pace because the interoperability issues remain unresolved, copyright protection is still being debated, full digital must carry remains an open issue and there needs to be a dual standard television receiver rule put in place.

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As you know, we have been in touch with the White House and OMB and can report to you that the FCC has the authority to adopt the timetable and procedures set forth by the Spectrum Clearing Alliance in its Petition.

I am available to discuss these most important issues at your convenience.

Very truly yours,

A handwritten signature in black ink that reads "Lowell W. Paxson". The signature is written in a cursive, flowing style.

Lowell W. Paxson
Chairman
Paxson Communications Corporation

Enclosure



CTIA

Cellular Telecommunications & Internet Association

Thomas E. Wheeler

May 10, 2001

May 10, 2001

The President
The White House
Washington, DC 20500

Dear Mr. President:

The Cellular Telecommunications & Internet Association represents all elements of the wireless communications industry – carriers, manufacturers of wireless telecommunications equipment, providers and manufacturers of wireless data services and products.

Previous Administrations ignored this issue until it finally reached crisis proportions, leaving your Administration to inherit the crisis and make the tough decisions. This lack of leadership has given wireless telecommunications competitors in Europe and Asia an edge in the race to become world leaders in offering new high-tech wireless telecommunications services. Urgent action is needed to protect critical national security and public safety interests, to protect America's high-tech economic edge, to encourage competition, and to protect taxpayers and consumers.

The lifeblood of this competitive industry is spectrum, an asset that is owned by U.S. taxpayers, managed by the Federal government and leased by U.S. companies. We are a cutting edge, competitive, high-tech industry. For a growing number of consumers, wireless devices -- mobile phones, hand-held personal digital assistants, and laptop computers -- are becoming the preferred point of entry for the information superhighway. The "next-Net" is the wireless Internet, but the lack of sufficient spectrum here in the U.S. hinders our ability to develop, deploy, and deliver the wireless Internet to American consumers.

While both Europe and Japan have made available more than 300 MHz of spectrum for commercial mobile uses, the U.S. lags far behind with less than 190 MHz. Both Europe and Japan are expected to deploy the next generation of high-speed wireless data (3-G) services this year. America will not because America cannot.

The wireless industry's ability to meet the growing demand for broadband digital voice, data, and video services is hamstrung by the lack of sufficient spectrum here in the U.S. Without sufficient spectrum, our industry will have no reason to invest \$35-\$40 billion in new equipment to deploy the wireless Internet. The cost to American consumers is far greater – with a potential loss of \$550 billion to \$1 trillion over the next decade, according to the Council of Economic Advisors.



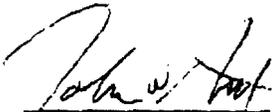
The leading engineers and scientists in our industry correctly point out that the lack of effective planning threatens critical national security communications capabilities in the near-term. Actions by foreign governments place commercial uses around the globe in the spectrum bands that are home to some key U.S. national security communications tools.

Mr. President, with your leadership, a win-win solution is possible - one that enhances communications capabilities for national security and other critical government functions, protects the U.S. taxpayers, and provides our industry an opportunity to invest billions of dollars to offer advanced wireless services. Our industry is prepared to pay all that is necessary for national security communications replacement and modernization if sufficient internationally harmonized spectrum is made available on a timely basis.

Without Presidential leadership, U.S. national security interests will face mounting interference in spectrum around the globe, the U.S. wireless industry will lag further and further behind its European and Asian competitors, capital and investment dollars will continue to flow from the U.S. to foreign wireless markets, and U.S. consumers will lose as much as \$1 trillion in potential value over the next decade.

Secretary Evans is on the right track. We urge you to support his efforts. To ensure that Secretary Evans has sufficient time to gather the facts necessary to make an informed decision on this important issue and to give him the appropriate flexibility, we urge you to delay proceedings related to pending spectrum auctions until his analysis is completed this summer.

Respectfully,



John W. Stanton
Chairman of the Board



Thomas E. Wheeler
President & CEO



Richard P. Ekstrand
Vice Chairman

cc: The Honorable Richard B. Cheney
The Honorable Donald L. Evans
The Honorable Donald H. Rumsfeld
The Honorable Colin L. Powell
The Honorable Mitchell E. Daniels, Jr.
The Honorable Michael K. Powell