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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 8, 2002

VIA HAND DELIVERY

EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

EX PARTE OR LATE FILED

Re: Notification of Ex Parte Communication in ET Docket 98-206; RM-9147; RM-9245; Applications of Broadwave USA et al., PDC Broadband Corporation, and Satellite Receivers, Ltd., to provide a fixed service in the 12.2-12.7 GHz Band; Requests of Broadwave USA et al. (DA 99-494), PDC Broadband Corporation (DA 00-1841), and Satellite Receivers, Ltd. (DA 00-2134) for Waiver of Part 101 Rules.

Dear Mr. Caton:

I write on behalf of Northpoint Technology, Ltd. to inform you that the attached documents were faxed today to Paul Margie, Senior Legal Advisor to Commissioner Copps, in response to an inquiry from Mr. Margie.

Eighteen copies of this letter and its attachments are enclosed – two for inclusion in each of the above-referenced files. Please contact me if you have any questions.

Yours sincerely,



J.C. Rozendaal

Counsel for Northpoint Technology, Ltd.

cc: Paul Margie

attachments

File of Copies rec'd
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**Broadwave USA and
Northpoint
Technology**

Fax

To: Paul Margie, Legal Advisor
Office of Commissioner Michael Copps

From: Sophia Collier
Sue.

Fax: 202-418-2802 **Pages:** 16

Phone: 202-418-2000 **Date:** March 8, 2002

Re: **CC:**

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

Paul Margie:

As per your request I am attaching material with relevant sections noted.

Enclosed:

1. Extracts of filings in 98-206 Docket that support Northpoint with citations. I have underlined relevant passages. Page 1-7
2. Page 7-9 are write-ups we prepared on minority ownership highlighting the issue of minority content as well as the composition of our network and current media consolidation.
3. Page 10 - 15 are materials on our system and its features highlighting our ability to carry local television, provide emergency broadcast services as well as broadband and low cost services.

If we can provide further information, please do not hesitate to call.

FCC FILINGS IN SUPPORT OF NORTHPOINT

(Contained in FCC Comments and
Reply Comments -- ET Docket No. 98-206)

Broadcasters:

National Association of Broadcasters (NAB)
National Association of Black Owned Broadcasters (NABOB)
Local Broadcast Station Owners (148 stations):

Joint Comments:

Benedek Broadcasting Corporation
Corridor Television, LLP
Eagle III Broadcasting, LLC
Granite Broadcasting Corporation
Lin Television Corporation

Separate Comments:

Gray Communications Systems
Liberty Corporation
Paxson Communications Corporation
Prime Time Christian Broadcasting, Inc.
Second Generation of Iowa

Consumer and Minority Advocacy Groups:

Consumers Union, *et. al.*
Center for Media Education
Consumer Federation of America
Consumers Union
Leadership Conference on Civil Rights
League of United Latin American Citizens
Media Access Project
National Indian Telecommunications Institute (NITI)

Others:

Tom Hazlett (Economist)

FCC Should Grant Licenses Promptly

"CU, *et al.* urge the Commission to grant the license and waiver applications of Northpoint and its Broadwave Affiliates. . . . The public interest will be best served by prompt approval [of] Northpoint's applications to provide a terrestrially-based Multichannel Video Programming Distribution ("MVPD") service that will bring instant competition and rapid deployment of broadband services to the entire country, including unserved and underserved rural and urban areas. The authorization of a new Multichannel Video and Data Distribution Service ("MVDDS") and possible auctions would delay and possibly undermine the expansion of competition to incumbent cable and satellite companies." (CU, *et al.* Reply Comments, pp. 2-3)

→ "NAB supports [Northpoint's] applications and request for a waiver of the rules. Prompt initiation of Northpoint's plans could: 1) promote much needed competition in the MVPD marketplace. . . ; and 2) facilitate local into local carriage of all local television stations." (NAB Reply Comments, p. 2)

"For the reasons set forth above, the Commission should not proceed with commencement of a new MVDDS service and should terminate its rulemaking proceeding." (NAB Reply Comments, p. 7)

"A one-year delay – assuming lightning fast allocation rules and auction implementation – could (conservatively estimated) result in \$2 billion in lost consumer surplus in cable television service, and another \$250 million lost in reduced competition for high-speed Internet access. A three-year lag would likely exceed \$6 billion in lost (aggregate) consumer surplus." (Hazlett Affidavit, p. 21)

"The short-run interest of consumers is to have service commence quickly. The long-run interest of consumers is to have entrepreneurship rewarded rather than taxed. From either perspective, the public's interest lies in having the FCC grant Northpoint's January 1999 request for permission to commence service without delay." (Hazlett Affidavit, p. 22)

Call for Auctions Should be Rejected

"[A]uctions will only serve to delay and possibly even destroy, competition and innovation." (CU, *et al.* Reply Comments, p. 4)

"As Northpoint correctly observes, auctions could postpone for many more years the delivery of local broadcast signals to rural users, and it would delay the emergence of new competitive alternatives to cable." (NAB Reply Comments, p. 3)

"There are several reasons why the Commission should decline to hold auctions here. The first is a matter of equity. . . . The second is a matter of law." (CU, *et al.* Reply Comments, pp. 6-7)

"Moreover, Section 309(j)(3) of the Communications Act obligates the Commission to avoid mutual exclusivity and auctions when there are public interest reasons for doing so. What the incumbent MVPDs do not and cannot, dispute is that significant public interest benefits will flow from the grant of the Northpoint applications." (CU, *et al.* Reply Comments, p. 5)

Only Northpoint Can Deploy Technology

"Northpoint – and only Northpoint – has developed a technology for video programming delivery that may quickly be implemented across the country to provide competition to cable and direct broadcast satellite (DBS)." (Joint Broadcasters Comments, p. 2)

"Northpoint would be the only terrestrial provider in the 12.2-12.7 GHz band because only Northpoint has invested the creativity and resources to develop the technology to use this particular spectrum for terrestrial video delivery." (Joint Broadcasters Comments, p. 7)

"If other terrestrial competitors eventually develop, then they can make the same applications and the same showings of technical compatibility as Northpoint, and the Commission may consider them on a case-by-case basis." (Joint Broadcasters Comments, p. 7)

→ Northpoint Would Bring Price Competition, Promote Local TV

"Northpoint plans to deliver 96 channels of video programming, including all local broadcast signals, for fees that are 10%-15% below existing cable television rates. If we assume that Northpoint's entry succeeds in pushing cable rates down 5% nationally, the annual savings for U.S. households exceeds \$2 billion." (Hazlett Affidavit, p. 17)

"If its applications are approved, Northpoint could provide instant MVPD competition to all 210 DMAs in the United States. Because its services are almost certain to be comparable with cable and DBS yet far less expensive, competitors will be pressured to lower their prices. The final result: more choice, better service and lower cost for all Americans." (CU, *et al.* Reply Comments, pp. 14-15)

"Joint Broadcasters enthusiastically support the introduction of another competitor and another carrier of their signals in this highly concentrated market to help benefit the public with price, service, and innovation competition." (Joint Broadcasters Comments, p. 2)

→ "Paxson notes that Northpoint and its local Broadwave affiliates are committed to carrying the analog and digital signals of local television stations to the same extent required of cable systems by the FCC and Paxson believes that the final rules adopted by the FCC will mandate full digital must carry for all local stations. This will certainly provide additional competition in the multi-channel video programming market, will assist local television station in their DTV transition efforts and strengthen the role of free, over-the-air television broadcasting." (Paxson Reply Comments, pp. 1-2) ←

- “Gray believes that it is imperative that the Commission facilitate the introduction of another competitor and another carrier of local television signals in this highly concentrated market to help benefit the public with price, service, innovation and competition as quickly as possible.” (Gray Reply Comments, p. 2)

Northpoint Serves Broad Range of Public Interests

- “[I]t is difficult for us to imagine a potential licensee that could make a stronger public interest showing warranting its license. Northpoint brings to the table the prospect of immediate competition, an immediate increase of minority ownership in the MVPD marketplace, and immediate deployment of advanced services to rural and underserved areas. We ask the Commission to reject the incumbents’ claims that the public interest would best be served by embarking on a lengthy new process that may not lead to more MVPD competition, and instead grant Northpoint’s license without delay.” (CU, *et al.* Reply Comments, p. 3)

- “[No commenters in this docket] refute the fact that Northpoint’s proposed service would result in numerous public interest benefits, including: Increased competition in the market for multiple video program distribution and other broadband services; lower priced MVPD and broadband services for all Americans; greater and more rapid deployment of broadband services, especially to unserved and underserved communities; and a significant increase in the number of minority and female owners and employees in the media industry.” (NABOB Reply Comments, p. 2)

→ **Northpoint Promotes Minority and Female Media Industry Ownership**

“The Northpoint application provides an opportunity for the Commission to promote minority ownership and employment and its benefits without reliance on disfavored regulatory mechanisms.” (CU, *et al.* Reply Comments, p. 20)

“No participant to this proceeding denies the fact that, should Northpoint obtain the approval it seeks from the Commission, the landscape of minority media ownership in this country would be altered dramatically. Not only are the majority of Northpoint’s Broadwave affiliates minority and female owned, they are overwhelmingly so.” (NABOB Reply Comments, p. 5)

Northpoint Promotes Specific Needs of Minority Consumers

- “Commission approval of the Broadwave applications is the only realistic course of action that will enable tribal communities and other low-income, high-cost communities to receive digital audio, video and data services in the near future.” (NITI Comments, p. 6)

"Northpoint's low-cost digital wireless system would offer many Native Americans their first opportunity for broadband access to the Internet." (NITI Comments, p. 6)

Northpoint Will Bring Broadband to Many

"Should the Commission thwart Northpoint's attempts to deploy broadband services by instituting auctions for terrestrial MVPD licenses, it would run contrary to Section 706's mandate that the Commission 'utiliz[e]...regulatory forbearance, measures that promote competition in the local telecommunications market or other regulating methods that remove barriers to infrastructure investment' to encourage broadband deployment." (CU, *et al.* Reply Comments, p. 17) ←

"Entry by Northpoint could considerably speed the "race for bandwidth." In creating a first, second or third broadband high-speed access option for residential customers, millions of additional Internet users could avail themselves of broadband services." (Hazlett Affidavit, p. 19)

Opponents' Motivation is Not in the Public Interest

"The Commission must take the opposition to Northpoint's applications and the subsequent support for auctions for what it really is – an attempt by incumbent MVPDs to misuse governmental processes to delay and eventually destroy a low-cost, innovative competitive broadband MVPD service. Once the victims of cable operators' attempts to block their service, the two DBS providers now employ similar tactics in seeking governmental protection for their duopoly. The Commission should not allow a legitimate license distribution process for new spectrum – auctions – to be misused for anticompetitive purposes in this secondary licensing proceeding." (CU, *et al.* Reply Comments, p. 4)

"The majority of commenters supporting auctions in this proceeding have done so not with the public interest in mind, but to protect themselves from competition. The Commission has the authority to declare that auctions for MVDDS licenses are not in the public interest and that grant of Northpoint's applications is in the public interest. It should do so without further delay." (NABOB Reply Comments, p. 7)

"While cable and DBS basically built their industries by retransmitting broadcast signals . . . both industries have fought tooth and nail against must carry, carry one carry all, retransmission consent, program exclusivity rules and virtually every other regulatory provision Congress or the FCC has considered to preserve the very free over-the-air broadcast system . . . Now, like a breath of fresh air, comes Northpoint Technology, Ltd., and its local Broadwave affiliates (collectively, "Northpoint"). Northpoint too wants to retransmit broadcast signals. But it also appears willing voluntarily to undertake the full signal carriage and program exclusivity protection that its larger competitors have so steadfastly resisted." (NAB Reply Comments, p. 2) ←

Local Broadcast Stations That Have Urged the FCC to Approve Northpoint

WPXH	Gadsden	AL	WYMT	Hazard	KY	KPXG	Salem	OR
WSFA	Montgomery	AL	KPLC	Lake Charles	LA	WQPX	Scranton	PA
WTVY	Dothan	AL	KPXJ	Minden	LA	WJPX	San Juan	PR
KAIT	Jonesboro	AR	WPBX	Boston	MA	WJWN	San Sebastian	PR
KBPX	Flagstaff	AZ	WDPX	Vineyard Haven	MA	WKPV	Ponca	PR
KPPX	Tolleson	AZ	WWLP	Springfield	MA	WPXQ	Block Island	RJ
KBWB	San Francisco	CA	WMPX	Waterville	ME	WIS	Columbia	SC
KKPX	San Jose	CA	WDWB	Detroit	MI	WNPX	Cookeville	TN
KNTV	San Jose	CA	WILX	Lansing	MI	WPXK	Jellico	TN
KPXF	Porterville	CA	WOOD	Grand Rapids	MI	WVLT	Knoxville	TN
KPXN	San Bernardino	CA	WOTV	Battle Creek	MI	KAUZ	Wichita Falls	TX
KSEE	Fresno	CA	WPXD	Ann Arbor	MI	KBTX	Bryan	TX
KSPX	Sacramento	CA	WZPX	Battle Creek	MI	KCBD	Lubbock	TX
KKCO	Grand Junction	CO	KBJR	Duluth	MN	KGBT	Harlingen	TX
KKTV	Colo. Springs	CO	KDLH	Duluth	MN	KLTV	Tyler	TX
KPXC	Denver	CO	KPXM	St. Cloud	MN	KMLM	Odessa	TX
WHPX	New London	CT	KHQA	Hannibal	MO	KPCB	Snyder	TX
WTNH	New Haven	CT	KMIZ	Columbia	MO	KPTB	Lubbock	TX
WCTV	Thomasville	FL	KPXE	Kansas City	MO	KPTF	Farwell	TX
WJHG	Panama City	FL	WLBT	Jackson	MS	KPXB	Conroe	TX
WOPX	Melbourne	FL	WLOX	Biloxi	MS	KPXD	Arlington	TX
WPXM	Miami	FL	WTOX	Meridian	MS	KPXL	Uvalde	TX
WPXP	Lake Worth	FL	WEPX	Greenville	NC	KTRE	Lufkin	TX
WXPX	Bradenton	FL	WFPX	Fayetteville	NC	KWTX	Waco	TX
WALB	Albany	GA	WGPX	Burlington	NC	KXAM	Llano	TX
WBSG	Brunswick	GA	WITN	Washington	NC	KXAN	Austin	TX
WPXA	Rome	GA	WPXU	Jacksonville	NC	KXII	Sherman	TX
WRDW	Augusta	GA	WRPX	Rocky Mount	NC	KUPX	Provo	UT
KPXO	Kaneohe	HI	WWAY	Wilmington	NC	WAVY	Portsmouth	VA
KFPX	Newton	IA	KGIN	Grand Island	NE	WHSV	Harrisonburg	VA
KFXA	Cedar Rapids	IA	KOLN	Lincoln	NE	WPXR	Roanoke	VA
KPXR	Cedar Rapids	IA	KSTF	Scottsbluff	NE	WPXV	Norfolk	VA
WCPX	Chicago	IL	WOWT	Omaha	NE	WPXW	Manassas	VA
WEEK	Peoria	IL	WPXB	Merrimack	NH	WPXO	Christiansted	VI
WHOI	Peoria	IL	WPXG	Concord	NH	KGPX	Spokane	WA
WIFR	Freeport	IL	KAPX	Albuquerque	NM	KWPX	Bellevue	WA
WPXS	Mt. Vernon	IL	KRPV	Roswell	NM	WEAU	Eau Claire	WI
WANE	Fort Wayne	IN	WIVB	Buffalo	NY	WMTV	Madison	WI
WFIE	Evansville	IN	WKBW	Buffalo	NY	WPXE	Kenosha	WI
WIPX	Bloomington	IN	WPXJ	Batavia	NY	WSAW	Wausau	WI
WISH	Indianapolis	IN	WPXN	New York	NY	WTPX	Antigo	WI
WLFI	West Lafayette	IN	WSPX	Syracuse	NY	WLPX	Charleston	WV
WPTA	Fort Wayne	IN	WTVH	Syracuse	NY	WTAP	Parkersburg	WV
KAKE	Wichita	KS	WYPX	Amsterdam	NY	WTRF	Wheeling	WV
KLBY	Colby	KS	WTOL	Toledo	OH	WWPX	Martinsburg	WV
KUPK	Garden City	KS	WVPX	Akron	OH	KGWC	Casper	WY
WIBW	Topeka	KS	WYTV	Youngstown	OH	KGWL	Lander	WY
WAVE	Louisville	KY	KOPX	Okla. City	OK	KGWN	Cheyenne	WY
WBKO	Bowling Green	KY	KTPX	Okmulgee	OK	KGWR	Rock Springs	WY
WKYT	Lexington	KY						

Northpoint Technology/Broadwave USA Will Dramatically Increase Minority Media Ownership

see
Comments

→ "The kind of infusion of minority and female participation in media ownership and operation that Northpoint would provide is especially critical at this point in time."
(Consumers Union, Leadership Council on Civil Rights, Center for Media Education, The League of United Latin American Citizens and the Media Access Project, Reply Joint Comments p. 18)

In a highly concentrated broadcast industry where the top three cable operators enjoy approximately 50% of the market share, and two Direct Broadcast Satellite providers are about to merge, the entrance of Broadwave offers ownership diversity.

Broadwave is a new high quality, digital multi-channel video and high-speed Internet service based on Northpoint technology, an innovative patented wireless system that operates on a small, currently underutilized portion of the radio spectrum. Northpoint technology uses a ground-based system that broadcasts on the same frequencies as DBS satellites, without interference. It would allow consumers regardless of where they live to view local television stations over the same dish they use to receive video programming and Internet access. This is significant because, after being in operation for more than a decade, DBS presently carries only a quarter of the local stations in the country.

content

Broadwave and its network of affiliates are committed to building a diverse local ownership model. Access to the media by the broadest section of society as possible is essential to ensure that viewpoints are diverse and that all sectors of society are accurately depicted. Studies have shown that minority owned and managed stations lead to considerably more minority oriented content, greater attention to community concerns, and greater employment opportunities for minorities and women.

Northpoint's technology is licensed to 68 affiliate operators in local markets across the country. Women and minorities constitute 80% of all participants. Of the minorities represented in the Broadwave affiliates, 38% are African Americans, 6% are Latinos, 4% are Asian Americans and 3.4% are Native Americans. Women represent 32% of the affiliates. Women and minorities would control or have substantial equity participation in the majority of the nation's top media markets including nine of the top 10 markets and 18 of the top 20 markets through ownership of Broadwave affiliates.

These numbers find few parallels in a highly concentrated media industry in which mergers and consolidation have all but eliminated minority ownership. Consolidation creates higher barriers to entry for minorities who generally do not have access to the kind of capital necessary to compete with large conglomerates. With recent announcements of further mergers in the cable (AT&T Broadband/Comcast) and satellite (EchoStar/DirecTV) industries, markets may be further consolidated and chances for minority ownership rendered a nullity.

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www.broadwave.com (202) 737-5711

Not surprisingly, although minorities represent more than a quarter of the nation's population, they own just 23, or 1.9% of the 1288 licensed broadcast television stations operating in the United States. This is six fewer minority owned stations than in 1990. The total number of licensed broadcast television owners also decreased from 16 to 12 between 1998 and 2000. Consolidation in radio has also resulted in a dramatic reduction in women and minority owners.

How did we arrive at this state of affairs? The Federal Communications Commission (FCC) and Congress have traditionally favored policies that encourage competition and ownership diversity. But since passage of the 1996 Telecommunications Act, we have witnessed more media concentration rather than openness and competition. At the same time, the courts have struck down some FCC rules aimed at increasing diversity, and the FCC itself is poised to eliminate many remaining ownership rules.

Although the FCC has found that Northpoint's technology works and will not interfere with others in the DBS band (12.2-12.7 GHz), it has yet to license the technology. Instead at the urging of telecommunication entities, principally of satellite operators, it is considering auctioning the use of the spectrum to the highest bidder. If that occurs, it may write an end to Northpoint/Broadwave's innovative technology and business plan. If the FCC were to pursue an auction, it would delay introduction of this new service for years and increase the cost to consumers. What is worse, Northpoint, a start-up with limited resources, would be forced to compete with deep-pocketed competitors for use of the spectrum.

Numerous civil rights organizations including the Leadership Council on Civil Rights, the National Association of Minority Broadcasters, and The League of United Latin American Citizens have urged the FCC to license Northpoint immediately so that it can begin operating in local markets across the nation. As per their comments:

"... [Northpoint's service] will vastly increase the numbers of women and minorities participating in media ownership and employment, bringing with it the benefits of editorial diversity, economic empowerment and service to the underserved communities that Congress and the Commission have long sought to promote." (CU et al Reply Comments, p. 12)

The challenge now is to build awareness around the importance of licensing Northpoint's Broadwave affiliates immediately. If the FCC fails to do so, it will deprive millions of Americans of low cost access to video and high speed Internet services and destroy a bright hope for minority ownership.


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Northpoint Technology Benefits Native Americans

NITI (National Indian Telecommunications Institute) is convinced that Northpoint's technology will help close the digital divide by enabling the Broadwave affiliates to offer high-bandwidth Internet access services in addition to video and audio programming. Northpoint's low-cost digital wireless system would offer many Native Americans their first opportunity for broadband access to the Internet.

→ National Indian Telecommunications Institute, Comments to the FCC

The Problem: High Cost & Limited Access

A report issued by the National Congress of American Indians in October 2001, "Connecting Indian Country: Tribally-Driven Telecommunications Policy," discussed discouraging statistics about computer and Internet access penetration in Native American households, especially those in rural areas. Among the findings discussed:

- Only between 8-19% of Native American rural households had Internet access.
- Only 22% of Native American households subscribe to cable television services.
- Only 20-70% of Native American reservation households have basic telephone services.

→ A report released by the Federal Communications Commission in August 2000, The "Deployment of Advanced Telecommunications Capability: Second Report," indicated that most Indian tribal lands lack access to broadband Internet services. According to the report, only 44% of zip codes associated with tribal territories included a subscriber to high-speed Internet access services, compared with a national average of 59%.

A Solution: Northpoint Technology

Northpoint's business plan includes serving Native Americans as a major component. The local affiliate structure offers excellent business opportunities for Native Americans, and 3.4% of current Northpoint affiliate owners are Native Americans, including Wilma Mankiller, former Principal Chief of the Cherokee Nation. Through relatively inexpensive transmitters and repeaters, Northpoint will be able to serve Native American reservation communities with low population densities at a low cost, without government subsidy.


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Broadwave Will Be a New Nationwide Competitor to Cable and DBS

- The Broadwave affiliate network will use low-cost Northpoint technology to “over-build” the cable system and “under-build” DBS in every market in the United States.

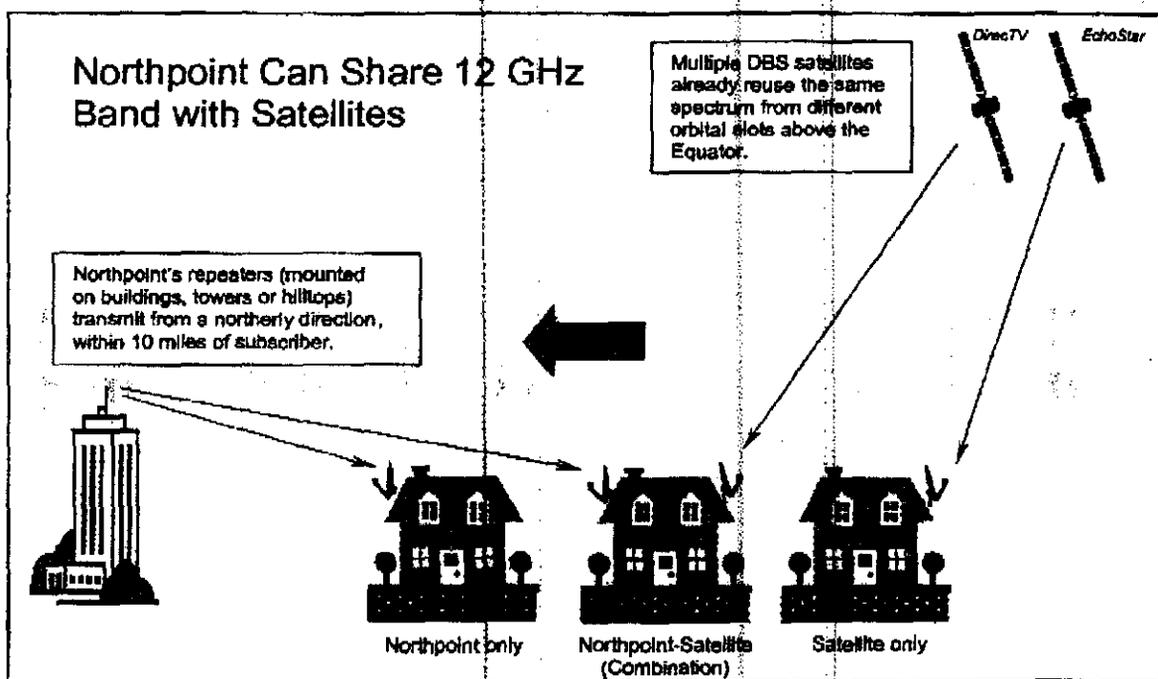
— **Broadwave will offer:**

- 96 channels of multi-channel video including all local channels for under \$20 per month
 - High speed internet access with a telephone or wireless return for an additional \$20
 - A combined \$39 package will offer both - for a price less than cable or DBS alone
- Southwest Airlines model – everyday low prices using a different business model and operating strategy (technology).

Northpoint Technology

Bringing New Competitive Services to Consumers

Northpoint is a revolutionary, low-cost wireless technology that can be deployed rapidly to consumers throughout the entire United States. The patented system employs a series of low-power, ground-based microwave repeaters that operate in the same spectrum band as satellites. Northpoint subscribers would use the same type of set-top box and reception dish used for DBS.



Services Northpoint Will Offer:

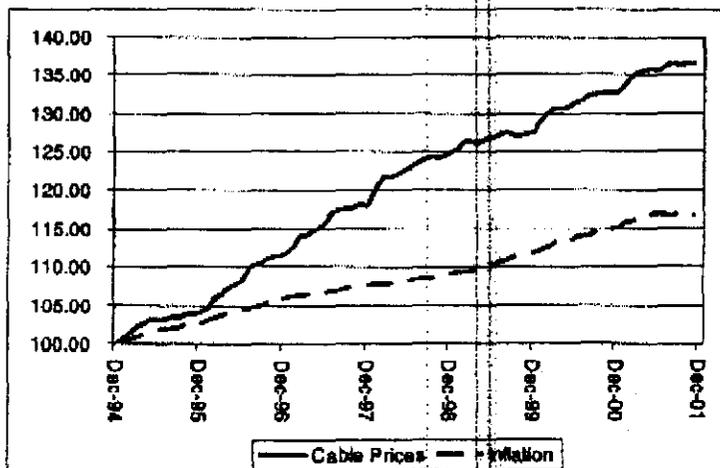
- **Access to Local Channels** – Northpoint will carry all local TV channels in all 210 local television markets. (DBS fails to provide local service to 80% of the local markets.)
- **High Speed Internet** – In addition to video programming, Northpoint's digital system will offer broadband access to the Internet, reaching geographic areas not served by cable or DSL.
- **Robust Competition** – Incumbents will be forced to lower their prices and improve their services to compete with Northpoint's monthly rates of \$20 for 96 video channels and \$20 for high-speed Internet service.
- **Emergency Alert System** – Unlike DBS, Northpoint will ensure that viewers are presented with vital EAS alerts, regardless of what channel is being viewed.

Northpoint Will Provide Needed Competition to Cable and Satellite

→ FCC Finds 99% of Americans Lack Choice for Cable Service

- FCC's 8th Annual Report on Video Competition (January 2002) found 99% of American communities lack an effective competitor to the incumbent cable provider.
- Potential competitors to cable incumbents – ILECs, wireless cable operators, and cable overbuilders – are leaving the marketplace.
- When incumbents do face competition, they respond by lowering prices or by adding channels without raising rates.

→ Cable Rate Increases Outpace Inflation



Since the introduction of DBS in 1994, cable rates increased 2.2 times faster than the Consumer Product Index.

Consumers pay \$15.8 billion more in total charges per year than is justified by the inflation rate.

→ Northpoint Brings Consumers Lower Prices and Competition

- Northpoint's affiliates will offer 96 video channels – including all local channels – for just \$20/month.
- This aggressive pricing will challenge all incumbents to actually lower their excessive rates to remain competitive.

→ An Overlooked Issue ←

Northpoint Provides Access to Emergency Alert System that DBS Doesn't

Americans Depend on the Emergency Alert System

The Emergency Alert System (EAS) provides Americans with critical information concerning local, state and national emergencies. EAS warnings have been documented to save lives, for instance by alerting television viewers to seek shelter from sudden, violent weather events.

→ DBS Operators Do Not Provide EAS Warnings

Unlike cable operators and local broadcasters, DBS operators do not participate in the EAS program. Their sixteen million subscribing households are cut off from this important public safety program.

→ Northpoint Technology Can Extend the Reach of the EAS

Northpoint's affiliates will carry EAS warnings throughout all fifty states. These new systems can operate in full competition to DBS, or complement DBS service with a supplemental local channel offering. In this latter configuration, Northpoint can preempt DBS channels with EAS warnings.

Americans Cut Off From EAS Warnings

15
million
++

AK	27,454	14.9	KY	377,550	24.9	NY	899,017	13.8
AL	381,029	22.7	LA	281,749	17.7	OH	707,315	16.4
AR	282,354	28.9	MA	198,775	8.5	OK	290,500	22.5
AZ	435,609	23.0	MD	300,253	15.6	OR	257,050	20.1
CA	2,068,887	17.9	ME	107,020	21.9	PA	548,921	12.0
CO	384,154	23.4	MI	673,920	18.2	RI	36,805	9.8
CT	100,420	8.1	MN	379,958	20.8	SC	350,514	24.0
DC	23,247	10.7	MO	553,633	26.2	SD	62,780	22.8
DE	41,952	14.4	MS	304,734	30.4	TN	503,356	23.5
FL	1,199,337	19.4	MT	121,825	36.2	TX	1,794,430	24.7
GA	742,130	25.3	NC	784,605	26.3	UT	190,801	28.0
HI	9,251	2.4	ND	62,606	25.4	VA	623,886	23.9
IA	242,617	21.7	NE	130,298	20.3	VT	86,689	38.1
ID	130,881	28.6	NH	73,319	18.0	WA	394,436	17.8
IL	762,584	17.2	NJ	358,509	12.1	WI	429,204	21.3
IN	550,702	24.3	NM	151,502	24.4	WV	171,361	24.3
KS	195,326	19.2	NV	130,643	16.6	WY	58,264	32.3

Source: SkyTrends (January 1, 2002)



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Northpoint Will Carry All Local TV Channels

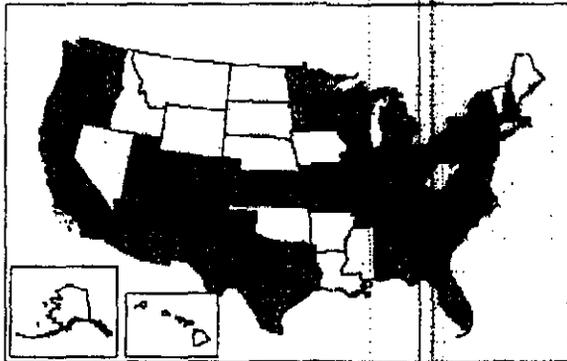
Northpoint's Pledge to Local Broadcasters and Consumers

On the first day of operations, Northpoint and its local Broadwave affiliates are committed to carry all local television stations in all 210 local television markets in compliance with the FCC's cable must-carry rules.

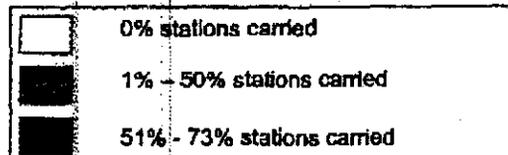
Satellite Industry Fights Statutory Must Carry Obligation

The DBS industry doesn't share Northpoint's commitment to local broadcasting, describing local programming it doesn't want to carry as "of limited interest and viewership . . . or otherwise not in harmony" with DBS objectives. Despite a recent federal appeals court decision affirming the must carry law, the satellite industry is still contesting the statute.

→ Every State Has Local TV Stations Not Carried by DBS ←



As of January 1, 2002, the effective date of the "carry one, carry all" local channel requirement, DirecTV and EchoStar have left behind local TV stations in every state in the country.



EchoStar's Latest Claim to Serve All Markets – Oh, Really?

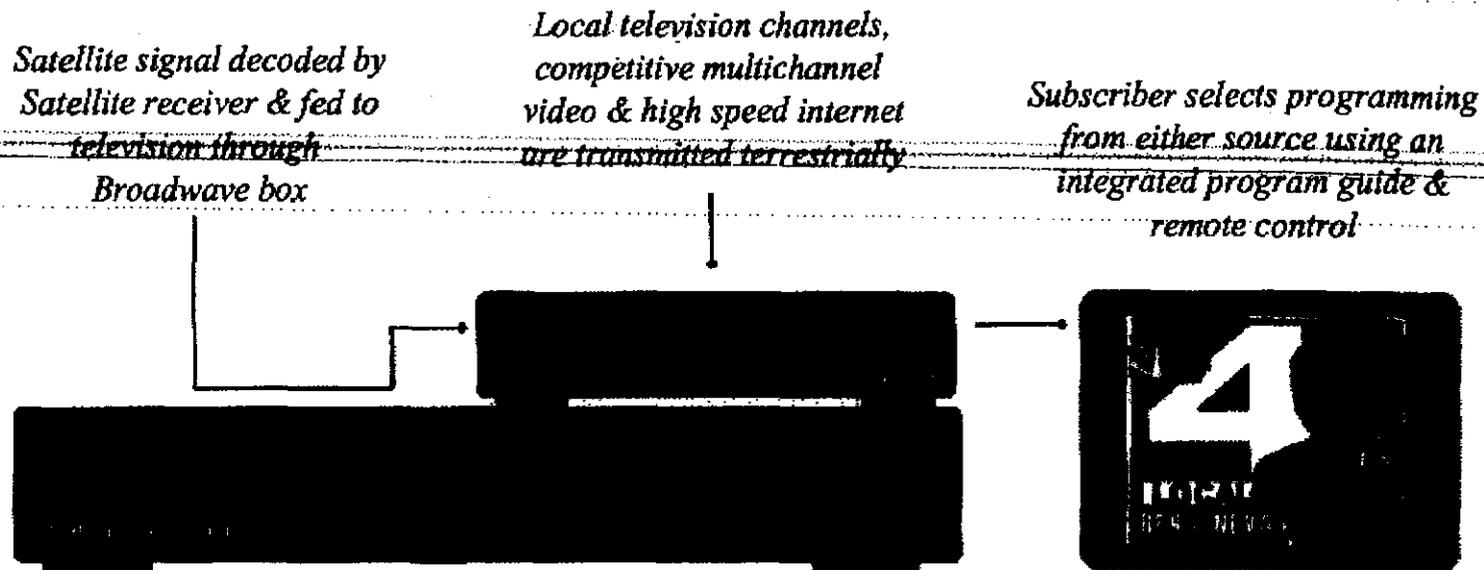
Desperate to win approval for its acquisition of DirecTV, and directly refuting its own earlier position, EchoStar now claims it will carry local channels in all markets. Don't buy it. On January 1, 2002, EchoStar said it complied with the must carry law in all 36 markets in which it delivers local stations. In truth, it has not complied in a single market, leaving behind a total of 203 stations.

EchoStar Would Rather Serve Mexico City than Smaller U.S. Markets

EchoStar's new, yet-to-be-launched spot beam satellite will focus one of its 15 spot beams on Mexico City (population: 20 million). EchoStar's claim that it is impossible to fit in all the beams over America is belied by DirecTV's existing spot beam satellite, which directs all 25 of its spot beams to U.S. markets.

The Broadwave Network

- Broadwave has applied to the FCC to create a new nationwide video and data distribution system based on Northpoint technology.
- This low cost digital, wireless system can be deployed rapidly and will provide local channels, cable competition and internet access throughout the United States, including in the most rural areas.



CERTIFICATE OF SERVICE

I, Shonn Dyer, hereby certify that on this 8th day of March, 2002, copies of the foregoing were served by hand delivery* and/or first class United States mail, postage prepaid, on the following:

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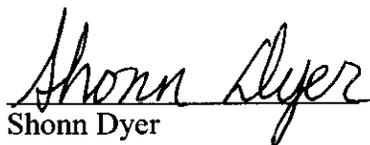
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