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SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

ORIGINAL

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007.51 16
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TEL. (212) 973-0111
FAX (212) 891-9598

March 12, 2003

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Notice of *Ex Parte* Meeting of MDS America, Incorporated
ET Docket No. 98-206; RM-9147; RM-9245**

Dear Ms. Dortch:

On March 11, 2003, Nancy Killien Spooner and Helen Disenhaus of Swidler Berlin Shereff Friedman, on behalf of MDS America, Incorporated ("MDS America"), met with Margaret Wiener, Chief of the Auctions and Industry Analysis Division of the Wireless Telecommunications Bureau ("WTB"), and John Branscome, Legal Advisor to the Chief of the Wireless Telecommunications Bureau.

The meeting participants discussed the substance of two MDS America *ex parte* filings submitted to the Commission in the above-referenced docket. The first filing, submitted October 15, 2002, concerns the importance of higher rural power limits for Multichannel Video Distribution and Data Service ("MVDDS"). MDS America explained that higher power limits are very important for the provision of low-cost MVDDS in rural areas. MDS America also described how allowing higher rural power limits would provide greater flexibility for avoiding interference to Direct Broadcast Satellite ("DBS") service through use of tall towers and mitigation techniques based on vertical antenna discrimination.

The group also discussed the substance of the October 11, 2002 filing, specifically, MDS America's concern that a 10 year build-out period for MVDDS licenses was too long given the great potential for anti-competitive warehousing of MVDDS spectrum. MDS America instead advocates a 5 year build-out period for MVDDS. Last, MDS America explained its support for the Commission's original decision to license MVDDS based on Component Economic Areas ("CEAs"). The use of CEAs would favor diverse competition and deployment in rural areas, as they are smaller than the proposed alternative, Designated Market Areas ("DMAs"). Given that

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the proposal to use DMAs was raised in a public notice moving the MVDDS auction forward to June, MDS America expressed its concern that smaller companies with business plans based on the Commission's prior decision might be discouraged from participating in the MVDDS auction.

Very truly yours,



Nancy K. Spooner
Counsel for MDS America, Incorporated

cc: Kirk Kirkpatrick
Helen E. Disenhaus

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of March, 2003, a true and correct copy of the foregoing was served via e-inail (denoted by *) and hand delivery, on the following individuals:

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

John Branscome*
Legal Advisor
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Margaret Wiener, Chief*
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Antoinette Cook Bush
Northpoint Technology, Ltd.
444 North Capitol Street, N.W.
Suite 645
Washington, D.C. 20001

J.C. Rozendaal
Kellogg, Huber, Hansen, Todd & Evans,
P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20036

Pantelis Michalopoulos
Steven Reed
Counsel for EchoStar Satellite Corporation
Steptoe & Johnson LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036

Gary M. Epstein
James H. Barker
Counsel for DIRECTV, Inc
Latham & Watkins
555 11th Street, N.W.
Suite 1000
Washington, D.C. 20004

