

Aloha Partners, L.P.

4 Richmond Square, Suite 330
Providence, R. I. 02906
Tel: 401-458-1900, Direct: 401-458-1901, Fax: 401-458-1998
e-mail: ctownsend@hiwire.net

February 7, 2007

Fred Campbell, Chief
Wireless Telecommunications Bureau
Federal Communications Commission
1145 12 Street, NW
Washington, D.C. 20554

Re: WT Docket No. 06-150; CC Docket No. 94-102; WT Docket No. 01-309;

Dear Fred:

This will serve to confirm our discussion yesterday concerning the timing of the 700MHz auction.

The first point that we made was that the timing of the auction does not need to be accelerated. The Commission has implemented many new procedures that have expedited the processing of auction applications. In addition, requirements for Designated Entities have been tightened up so that only truly small companies qualify. This change has resulted in only a small percentage of the recent AWS auction revenues coming from DEs. The recent AWS auction demonstrated that over 90% of the auction revenues could be collected by the Treasury in less than 4 months from the start of the auction. If the 700MHz auction followed the same timetable that would mean that over 90% of the 700MHz auction revenues would be in the U.S. Treasury by the end of May, a full 30 days ahead of the deadline. Some FCC staff have indicated that the law provides that "all proceeds" need to be in by June 30th. The DTV legislation only stipulates that "proceeds" of the auctions be conveyed by June 30, 2008. This is important, as history would suggest that, even if the Commission started the auction today, not all applications will be granted by June 30, 2008. Clearly, when Congress enacted the DTV legislation it was aware that there are always "straggler" applications in every auction. Congress would have also been aware that 100% of the revenues have never been collected within 12 months of the start of any auction in the last 10 years. So we do not believe that it was Congress' intent to expect all the revenues to be received by June 30, 2008. Rather we believe that it was Congress' intent that the vast majority of the revenues be received by June 30, 2008. It would seem reasonable that receiving over 90% of the revenues by June 30, 2008 would comply with what Congress intended. Therefore, the Commission should feel comfortable starting the auction in January, 2008.

The second point we made was that if the Commission does advance the start of the auction, there needs to be at least 6 months from the date that the auction rules are finalized to the date that the auction applications need to be filed. The reason for this is that Wall Street investment bankers have told us that they need 6 months from the date the rules are announced to: 1) draft the offering memorandum, 2) file documents with the SEC, 3) conduct a "Road Show", and 4) close on the funding.

If the time between the rules being announced and the application deadline is less than 6 months, prospective bidders (like Aloha) will either not participate in the auction or risk raising significantly less funds. In either case we estimate that the effect on the auction would be a 25-50% reduction in the number of bidders and a similar reduction in the level of competition. Equally important, there would be a significant reduction in the numbers of small businesses that are successful in the auction.

In conclusion, Aloha Partners believes that the Commission will comply with the intent of the DTV legislation, if it starts the auction in January, 2008. Conversely, by starting the auction early the

February 7, 2007

Commission risks a significant reduction in revenues and small company participation. However, if the Commission feels it needs to accelerate the auction, Aloha Partners would urge the Commission to insure that there are 6 months between when the rules are announced and when the applications are due.

Sincerely,

 /s /

Charles C. Townsend
President & CEO
Aloha Partners, L.P.