

June 19, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th St., SW  
Washington, DC 20554

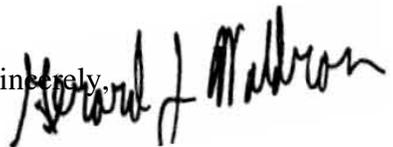
Re: Notification of *Ex Parte* Communications  
WT Docket Nos. 96-86, 06-150, 06-169; PS Docket No. 06-229

Dear Ms. Dortch:

This letter is to report permitted, oral *ex parte* communications of Frontline Wireless, LLC (“Frontline”) and its counsel concerning the above-referenced proceedings.

On June 18, 2007, Jonathan Blake and Gerard Waldron met with Aaron Goldberger, legal advisor to Commissioner Deborah Taylor Tate. In a separate meeting on the same day, Stagg Newman and Mr. Waldron met with Derek Poarch, Dana Shaffer, Jeff Cohen and Tim Peterson of the Public Safety and Homeland Security Bureau. Finally, Reed Hundt met with Chairman Kevin J. Martin, as well as Daniel Gonzalez and Lori Alexiou from Chairman Martin’s office. The attached slides were presented in this meeting. In the meetings, the parties discussed Frontline’s Public Safety Deployment Plan and the many benefits the public/private partnership proposed by Frontline would provide the public safety community. Further, the parties spoke about Frontline’s commercial provisions designed to promote innovation, competition, roaming and rural services. Finally, they discussed whether the Commission’s small business credit policies should be withheld from the E Block auction.

Please direct any questions concerning this matter to the undersigned.

Sincerely,  


Gerard J. Waldron  
*Counsel to Frontline  
Wireless, LLC*

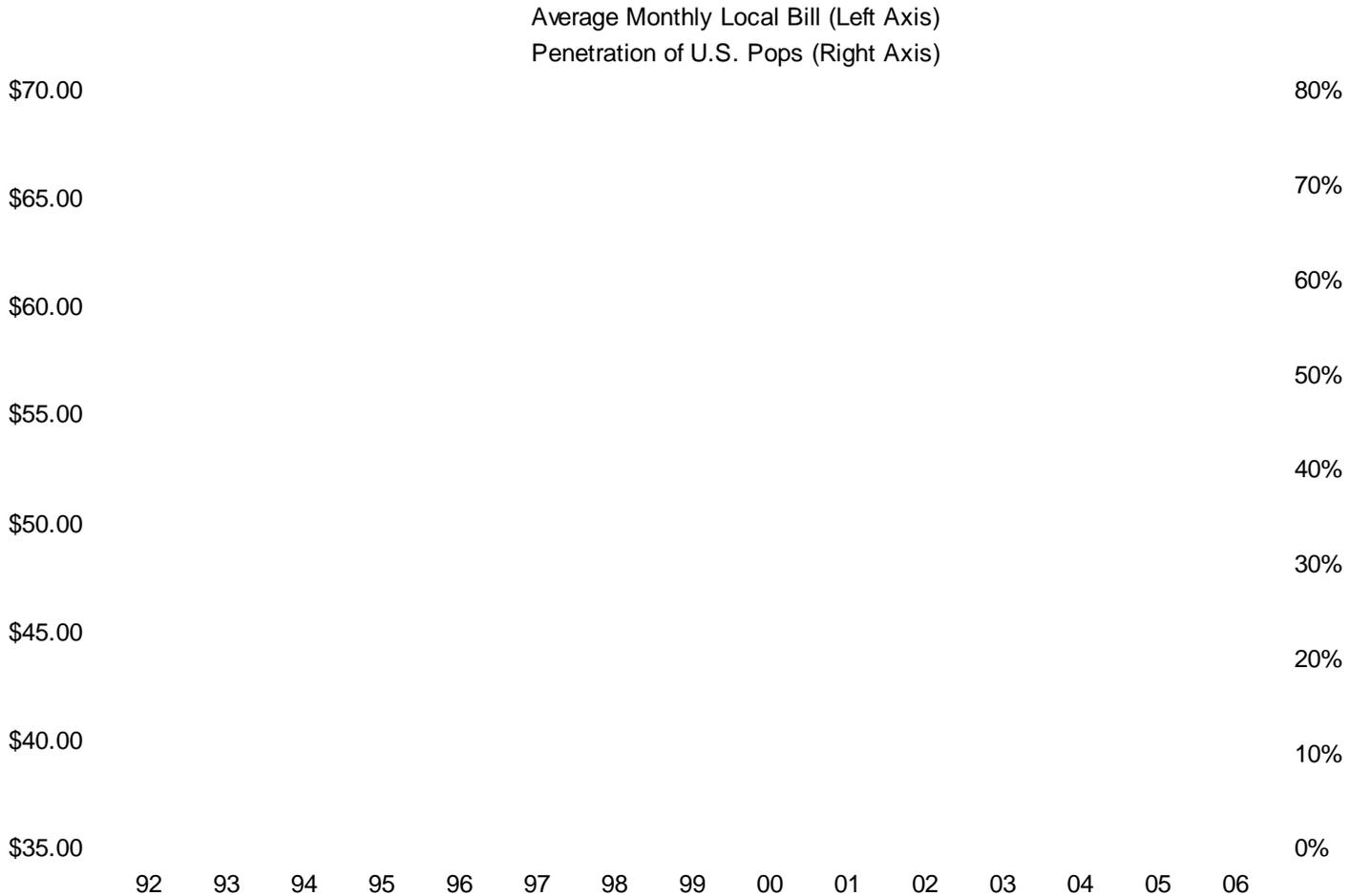
COVINGTON & BURLING LLP

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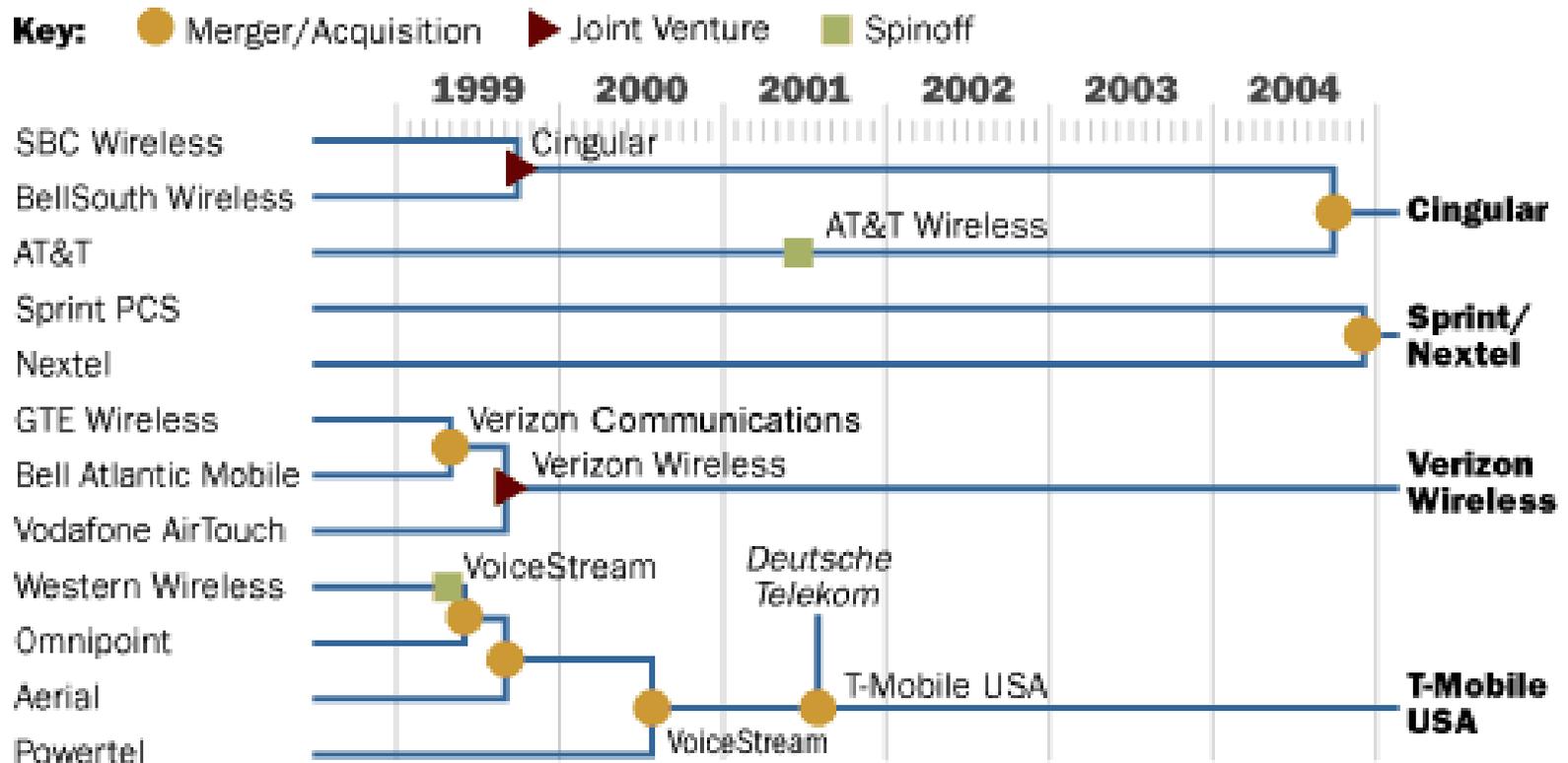
cc: Aaron Goldberger  
Derek Poarch  
Dana Shaffer  
Jeff Cohen  
Tim Peterson  
Daniel Gonzalez  
Lori Alexiou

# Wireless industry is maturing



Source: CTIA

# Consolidation = less competition for retail services and roaming



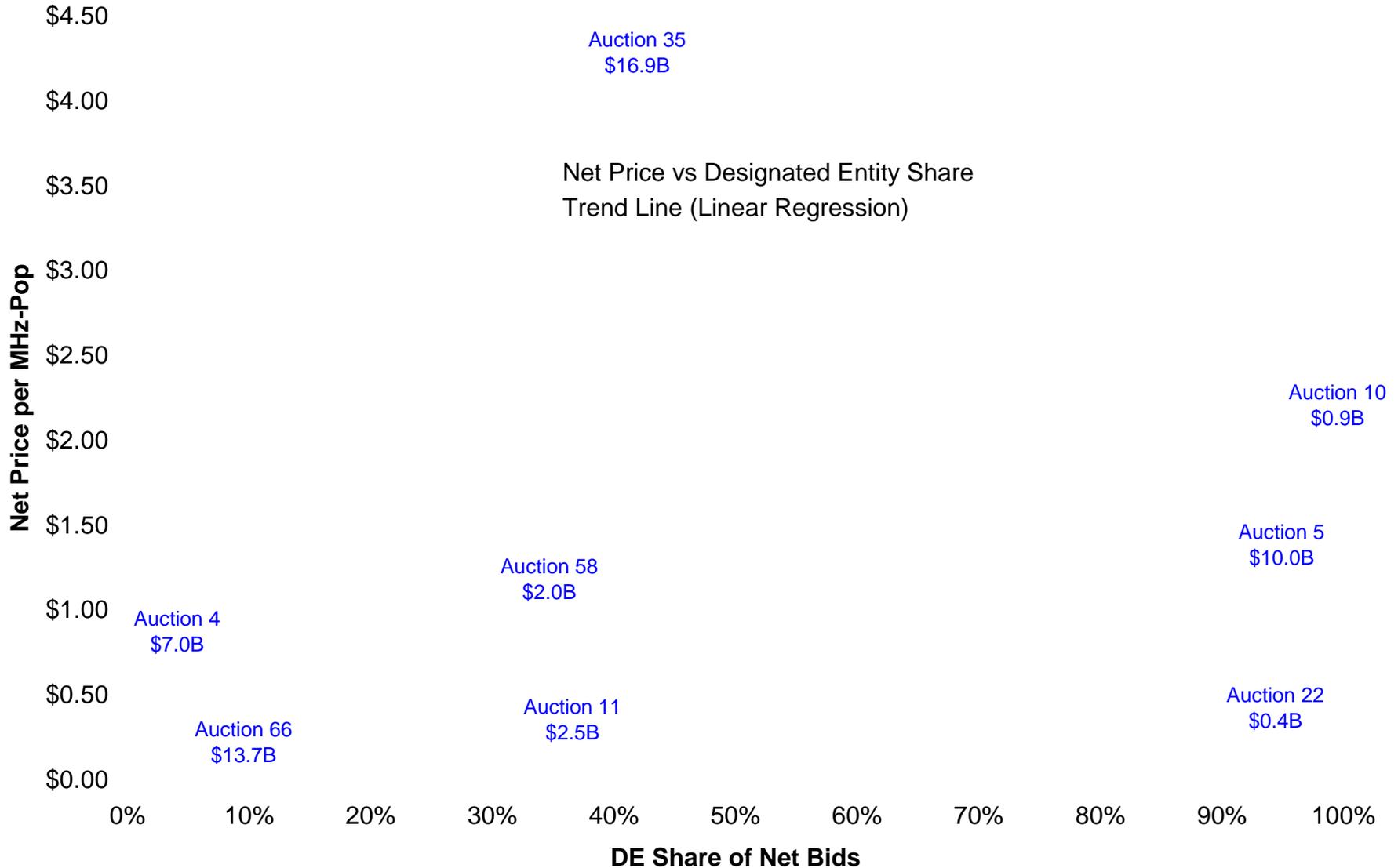
- Wireless market HHI is 2700 (DOJ considers 1800+ to be “highly concentrated”)
- HHI increased over 200 points in most recent recorded year
- Roaming rates are very high as national carriers have gobbled up regionals

# Two firms dominate

	Verizon	AT&T	Combined
Average Spectrum	60 MHz	75 MHz	135 MHz
Wireless Subs	59 Million	61 Million	120 Million
Subscriber Share	25%	26%	51%
Share of Net Additions	32%	32%	64%
Operating Cash Flow	\$22.6 Billion	\$17.8 Billion	\$40.4 Billion

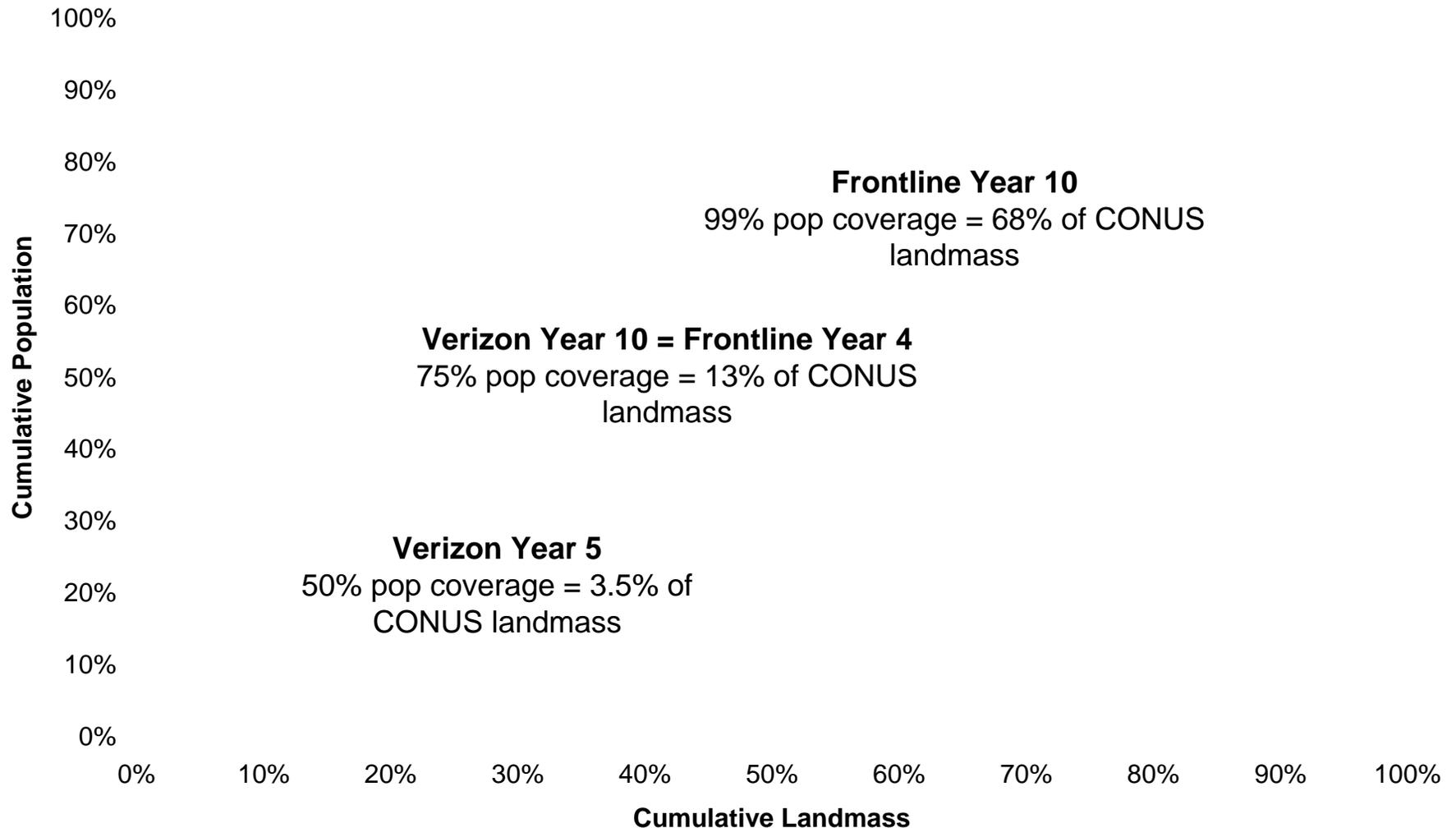
- Inheritors of original 800 MHz Cellular licenses, given by government via lottery (not auction), which provide a big coverage and quality advantage
- Aim to warehouse spectrum, especially 700 MHz low frequency licenses, to block competitors.
- Support any public policy (e.g., large license sizes, open bidding) that allows them to use their scale to advantage.

# More bidding credit bidders leads to more competition and higher prices



# Contrasting coverage proposals

Continental US counties sorted by population density



# Open Rule

## **E block licensee**

- Must be open as to standards,
- Open as to content,
- Open as to devices,
- Open as to customers

To the degree commercially and technically reasonable.

# Conditions on Licenses

## **NPSL**

- Must negotiate design of national interoperable bb network, and
- Model service contract
- Must reach agreement on design and model contract with someone: E block or some other provider
- Must convey secondary use of public safety spectrum in return for such agreement

## **E block licensee**

- Must negotiate design with NPSL, and
- Model service contract
- Must accept FCC arbitration of disputes