LUKAS, NACE
GUTIERREZ & SACHS
CHARTERED
1650 TYSONS BOULEVARD, SUITE 1500
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX
WWW.FCCLAW.COM

RUSSELL D. LUKAS*
DAVID L. NACE*
THOMAS GUTIERREZ*
ELIZABETH R. SACHS*
GEORGE L. LYON, JR.
PAMELA L. GIST*
DAVID A. LAFURIA
B. LYNN F. RATNAVALE*
TODD SLAMOWITZ*
STEVEN M. CHERNOFF*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ
SUMEET K. BHALOTIA

OF COUNSEL
JOHN J. MCAVOY*
J.K. HAGE III*
LEONARD S. KOLSKY*
HON. GERALD S. MCGOWAN*

*NOT ADMITTED IN VA

Writer's Direct Dial:
(202) 828-9470
tgutierrez@fcclaw.com

June 5, 2008

Via Electronic Filing
Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Notice
ET Docket No. 04-186

Dear Ms. Dortch:

On May 22, 2008, Charles Townsend and the undersigned, all representing Aloha Partners, L.P. ("Aloha"), met with Commissioner Copps, Bruce Gottlieb of Commissioner Copp's office and discussed matters in the enclosed handout.

Pursuant to 47 C.F.R. § 1.1206(b)(2), this notice is being submitted electronically in the above-referenced docket. In addition, one copy of this notice is being transmitted via e-mail to Bruce Gottlieb.

Very truly yours,

/s/ Thomas Gutierrez
Counsel for Aloha Partners, L.P.

Enclosure

cc: Bruce Gottlieb, Esq.

May 22, 2008

White Space:

A Discussion Presentation

Charlie Townsend
Four Richmond Square
Suite 330
Providence, RI 02906

Tom Gutierrez, Esq.
Lukas, Nace, Gutierrez & Sachs Chartered
1650 Tysons Blvd. Suite 1500
McLean, VA 22102

A. WHY WHITE SPACE SHOULD BE AUCTIONED – AN OVERVIEW

1. **Licensed White Space has multiple applications:**
   - Over 120 MHz of Spectrum is available in rural areas for wireless broadband
   - Large carriers need additional backhaul capacity in urban markets
   - Mobile TV will require at least 20MHz more of spectrum to be competitive

2. **Licensed White Space is likely to generate $5 – 8 billion in auction revenues**:
   - 12 MHz available in Top 5 markets
   - Over 40 MHz available in remainder of the U.S.
   - Majority of white space value is in smaller markets

3. **Licensed White Space will give small operator an opportunity to purchase 700 MHz spectrum**
   - 90% of 700 MHz small market pops were purchased by big wireless companies

4. **Unlicensed trials have all been financial failures:**
   - Earthlink & MetroFi will shut down every major unlicensed Wi-Fi trial
   - Google withdrew support for San Francisco Wi-Fi trial
   - Interference issues are likely to cost a lot to solve

B. LICENSED WHITE SPACE IS IDEAL FOR MULTIPLE APPLICATIONS

EA Rank	Clear Channels	Clear MHz	Applications
1-5	2channels	12MHz	Backhaul + Mobile TV
6-20	7channels	42MHz	Backhaul + Mobile TV
21-50	11channels	66MHz	Backhaul + Mobile TV
51-176	20channels	120MHz	Rural Broadband

1. Over 120 MHz of White Space is vacant in almost all rural areas.
2. Cost to build White Space network in rural areas is 1/3 of PCS networks and ¼ of BRS networks.
3. Mobile TV is unlikely to be successful unless at least 2-3 more channels are available
4. White Space offers inexpensive backhaul alternative in urban markets

C. LICENSED WHITE SPACE IS LIKELY TO GENERATE $5 – 8 BILLION IN AUCTION REVENUES

			White Space Valuations	
EA Rank	# Clear Channels[1]	Clear MHz	Optimistic[2]	Conservative[3]
1 - 5	2.2	13 MHz	$1.2 Billion	$.7 Billion
6 - 20	7.4	44 MHz	$3.0 Billion	$1.7 Billion
21-176	15.9	95 MHz	$3.8 Billion	$2.8 Billion
Total	10.0	60 MHz	$8.0 Billion	$5.2 Billion

50% of White Space Value is in Smaller Markets

Notes:

[1] Number of clear channels is based on January 2007 Brattle Group Analysis of White Space using co-channel and adjacent channel interference data.

[2] Optimistic estimate is based on 700 MHz auction of single channel “E” block.

[3] Conservative estimate is based on AWS auction of paired channels in “B” block.

D. 700 MHZ AUCTION: ONLY 10% OF SMALL MARKET POPS WERE SOLD TO SMALL CARRIERS

700 MHz Auction

Small Market[1] Winners

Number of Small Market Pops Purchased

	A Block	B Block	C Block[5]	E Block	Total
Large Carrier[2]	35 MM	124 MM	147 MM	54 MM	360 MM
Small Carrier[3] [4]	19 MM	23 MM	0	0	42 MM
Total	54 MM	147 MM	147 MM	54 MM	360 MM
% Small Carriers	35%	16%	0	0	10%

Notes:

[1]Small markets are defined as having less than 1 MM pops.

[2]Large Carriers are defined as having revenues greater than $ 40 million.

[3]Small Carriers are defined as having revenues less than $40 million.

[4]King Street Wireless, due to US Cellular investment, was counted as a large carrier.

[5]The C block was sold as 6 regional licenses covering the Continental United States to Verizon.

F. UNLICENSED WI-FI TRIALS HAVE BEEN FINANCIAL FAILURES

- Earthlink will shut down every major unlicensed Wi-Fi trial: Philadelphia, San Francisco, Houston, New Orleans, St. Louis, Anaheim
- MetroFi will shut down every major unlicensed Wi-Fi trial: Portland, San Jose, Aurora
- Even Google discontinued support for the San Francisco unlicensed Wi-Fi trial
- Tim Wu (Columbia Law Professor and Network Neutrality expert) :"The bottom line: City Dwellers won't be able to get high-quality Internet access for free. If they want it, collectively, they'll have to pay for it."
- Interference issues are likely to cost a lot to solve and will make unlicensed networks even less viable.

G. AUCTION RECOMMENDATIONS

Auction all licenses as CMAs:

1) CMAs are the closest substitute for 41 dBu Broadcast contours

2) CMAs are how most rural areas are currently licensed

3) CMAs are likely to generate the most auction revenues

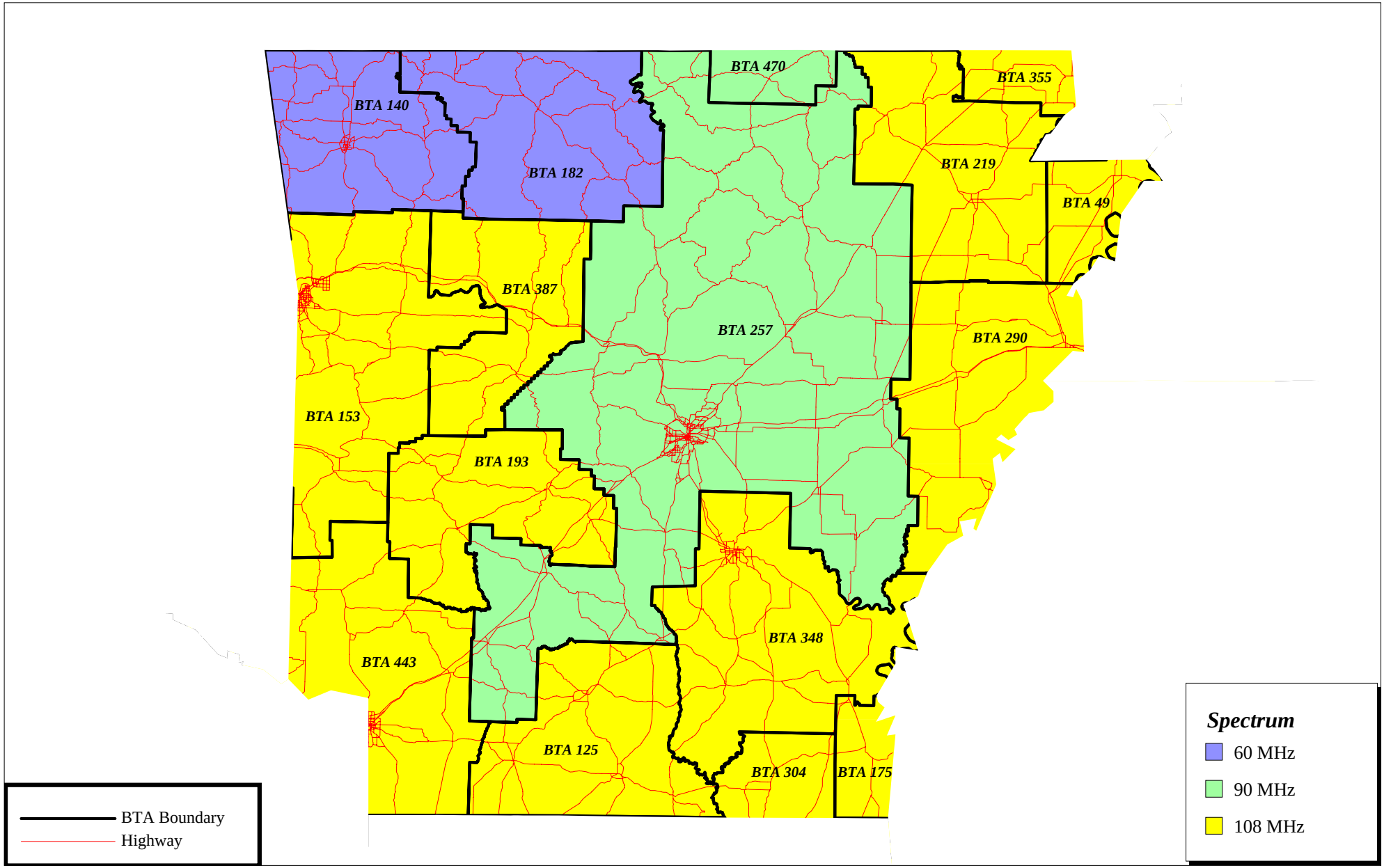
4) CMAs are likely to provide the greatest opportunity for small Carriers

Auction all licenses as individual bands

1) Few Markets have the same combination of vacant channels:
(New York= 2&4, L.A.=15&21, Chicago=6&7)

2) Allow rural carriers to mix and match channels

H. CONCLUSIONS

- **Commercial Service is the only way to fully and quickly utilize White Space**
- Licensed White Space is likely to Generate $5-8 Billion in Auction Revenues
- Multiple new applications will be developed using Licensed White Space: Rural Broadband, Mobile TV, inexpensive backhaul
- Unlicensed White Space is not financially viable and is a waste of a national resource
- CMAs are the most practical way to auction markets
- Unpaired channels gives bidders the most flexibility

White Space Clear Spectrum
State of Arkansas