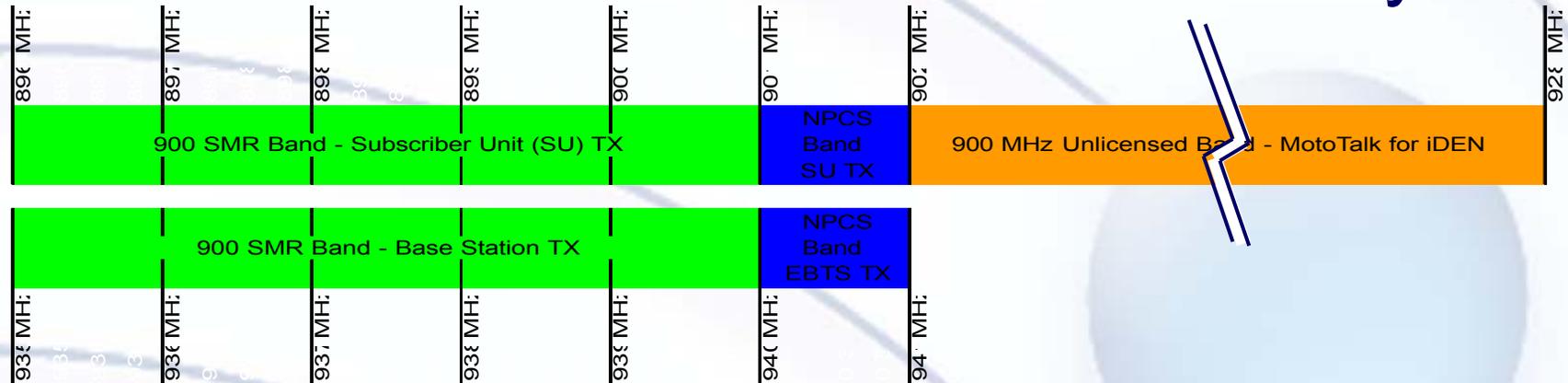


iDEN Band Extended to NPCCS: Up to 40 Nationwide iDEN Channels Available to Aid 800 MHz Rebanding

Up to 40 Nationwide iDEN 900 MHz channels available to aid Rebanding

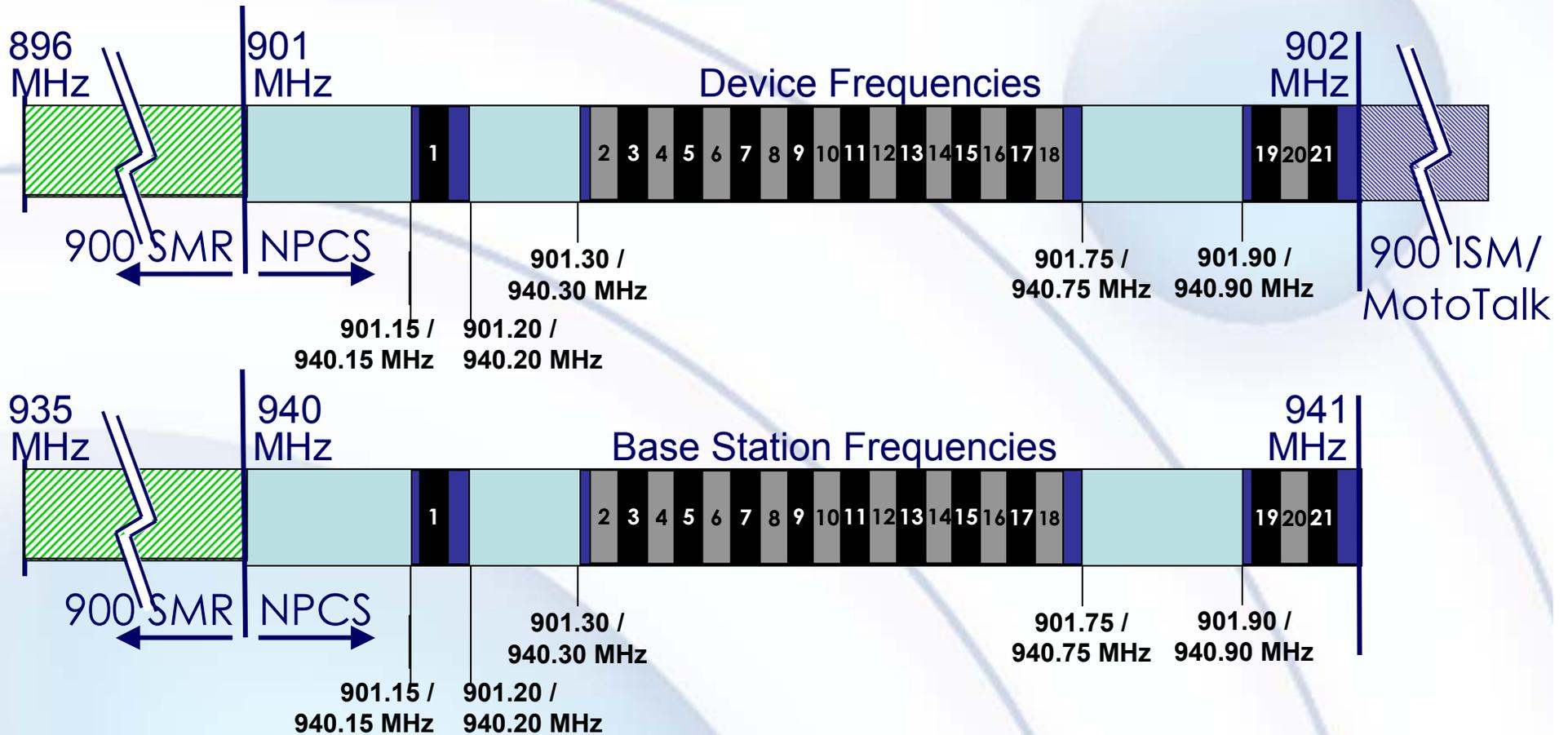
- Sprint Nextel has been ordered to vacate iDEN Interleave channels at 800 MHz by June 26, 2008
- Interleave channels continue to create interference as long as they are in use. This was the entire reason for the 800 MHz Rebanding
- Sprint Nextel appealed the FCC order, but lost the appeal.
- Motorola has recently extended the band of operation of iDEN to create 40 new 900 MHz iDEN channels in the NPCS band
- These channels are compatible with iDEN legacy infrastructure and legacy user equipment
- The installed base of 17.8 million iDEN handsets are dual band and can use the 900 MHz NPCS channels without touching each handset
- Space Data controls 21 of these channels nationwide and is willing to lease or sale the channels in for the period of the 800 MHz Rebanding
- The remaining 19 channels are controlled by two paging carriers
 - These 40 channels could replace a significant number of channels Sprint Nextel must to vacate in many markets

iDEN NPCS Band Extension Summary



- Motorola recently extended the band of iDEN operation to the NPCS band with FCC Type Approvals of iDEN handsets & the 900 Quad Base Radio
 - **NO changes** to existing handsets or base radio were required
 - **NO need to touch** the millions of iDEN handsets to use the channels
- NPCS is auctioned, flexible use, CMRS spectrum free of incumbents
- While NPCS has traditionally been used by the paging industry, Sec. 24.3 of the FCC Rules, states “PCS licensees may provide any mobile communications service on their assigned spectrum.”
- The NPCS band is directly adjacent to the top of 900 SMR band
- Space Data has aggregated enough NPCS channels for 21 iDEN channels
 - **These iDEN channels are available to speed Rebanding**

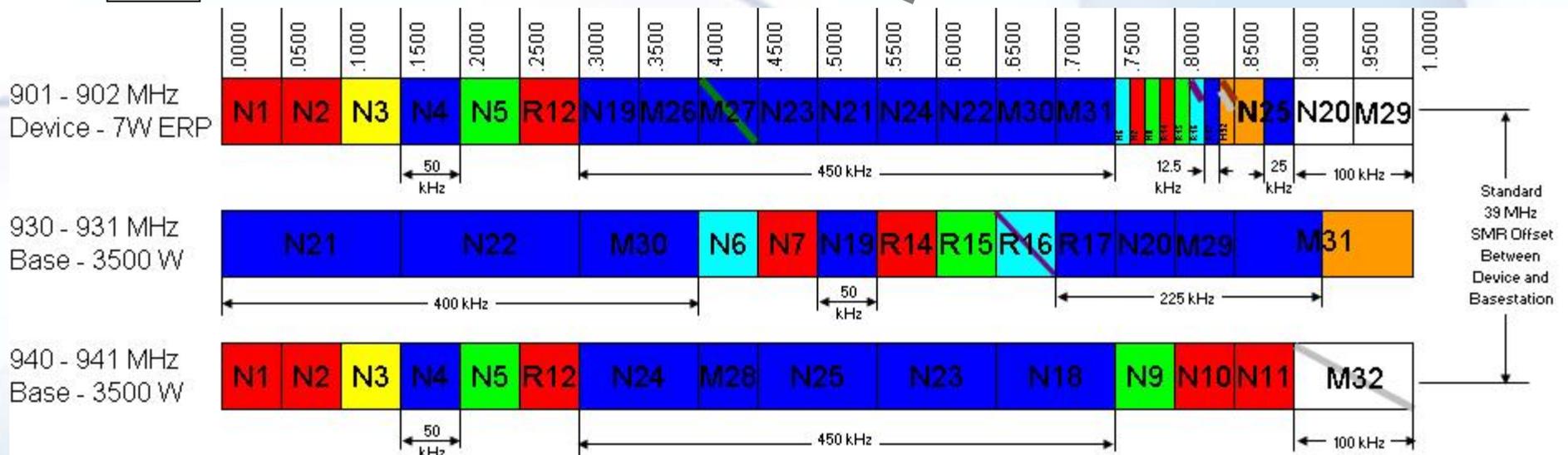
Details of Available iDEN Channels



Current Licensees in NPCS

- Space Data controls 1.912 MHz of Nationwide NPCS spectrum
 - 65% of NPCS band - more than all other carriers

-  = Space Data Nationwide (1.662 MHz)
-  = 50% JV Nationwide (0.1 MHz)
-  = Nationwide ex. Maine to DC (0.05 MHz)
-  = 50% JV Ownership except LA (0.1 MHz)



Nationwide Bandwidth

113 kHz		Allegheny
100 kHz		Advanced Metering Data Systems LLC (AMDS)
225 kHz		SkyTel (being Acquired by Bell Industries)
1713 kHz		Space Data: 1 MHz of 900 MHz SMR-like + 712.5 kHz ReFLEX/Other
125 kHz		American Messaging
525 kHz		USA Mobility
200 kHz		MacIntyre / Space Data Joint Venture 200 kHz of 900 MHz SMR-like
		MacIntyre
		Paging Systems Inc
		Aquis
		FCC

Legend

AXX = License Geographic Type A / Channel Number XX

N = Nationwide License

R = Regional Licenses

M = MTA Licenses

- Licensee of majority of markets is solid color
- Regional licensees color coded by slash mark
- Tabs show geographic ownership for Channel blocks where one licensee is not nationwide

Additional 19 NPCS iDEN Channels Potentially available from other NPCS Operators

- USA Mobility is next largest licensee of NPCS and holds 10 iDEN channels of NPCS spectrum and has been deconstructing NPCS
 - From latest annual report: “*Site rent* - The decrease of \$24.9 million in site rent expenses is primarily due to the rationalization of Arch’s two-way network and renegotiated MLAs. As discussed earlier, the combined Company has deconstructed one of its two-way networks and has begun to rationalize its one-way networks.” USA Mobility 2007 10-K, p. 26.
- SkyTel holds 4 iDEN channels of NPCS spectrum and has also been experiencing reductions in subscriber base
 - Annual revenues are declining at 20% per year
 - Bell Industries SEC filings: 10Q of 11-14-07 & 10-Q of 8-14-07
- 4 iDEN channels are partly Space Data and USA Mobility or SkyTel as some FCC license boundaries are in the middle of an iDEN channel
 - A 50 kHz NPCS channel is actually $\frac{1}{4}$ of an iDEN channel, one Full iDEN channel and $\frac{3}{4}$ of an iDEN channel

Changes Completed to Extend iDEN into NPCS Band

- There were **NO software or hardware changes to the subscriber units**
 - Subscriber units are able to tune 18 MHz above the 800 MHz base ch., whereas the 900 MHz SMR band only extends 5 MHz above the 900 MHz base channel, thus a subscriber unit is inherently able to tune the 6 MHz above the 900 MHz base channel to include the entire NPCS band
 - Subscriber units use the 902-928 MHz unlicensed band for talk around (handset-to handset). Since this is just above NPCS and SMR 900 band is just below the NPCS band, RF circuitry in ALL handsets is compatible
 - i325 handset Type Approval ID simply amended to include Part 24 NPCS
 - All new iDEN handsets since then are being type approved for Part 24
- There were **NO software or hardware changes to base station equipment**
 - 900 MHz Quad Base Radios are DSP based and programmed by a switch download to new channels
 - Quad+2 & Legacy Quad1 Base Radios are now Type Approved for NPCS
- Motorola did a software patch for the Switch to extend the 900 MHz valid channel number range from 0 - 399 to 0 – 478
- General Dynamics developed a software patch for the 2660 iDEN Test Set to enable full functionality up to channel number 478

Summary

- Up to 40 nationwide iDEN 900 MHz channels in the NPCS band are potentially available to aid the 800 MHz rebanding effort
 - Space Data can make 21 channels available in urban & border areas
 - Other NPCS operators are known to have lightly loaded channels as two-way paging subscriber bases have decline markedly in recent years
 - Next largest holder of NPCS controls 10 additional iDEN channels
 - Use of these channels does not require ANY changes to the installed base of handsets or base radios at sites, as confirmed by recent type approvals
- Minimal effort is required to quickly implement use of these channels:
 - A patch to existing iDEN switches must be distributed and installed
 - 20 legacy iDEN handsets need Type ID amended with Part 24
 - i325 served as pathfinder and was approved 2 weeks after application
 - Alternatively the FCC could waive type approval of legacy handsets
- As the Nextel network only uses 900 MHz for Traffic Channels, there is no need to reprogram handsets, the channel assignment is given over the standard 800 MHz control channel & the handset goes to the NPCS channel
- The extra urban capacity these channels provide could significantly speed up the 800 MHz Rebanding effort by providing extra capacity during the retuning
 - Replaces up to a significant number of the interleave channels that must be vacated by June 26 or continue to cause interference to critical public safety uses