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March 15, 2010

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Re: *Ex Parte* Presentation
GN Docket Nos. 09-47, 09-51 and 09-137

Overview of xG Technology, Inc.

Chairman Genachowski recently observed that the nation's airwaves are being asked to carry an ever increasing amount of traffic and that it will be necessary in the future to make better use of the frequency spectrum. He has also commented on the benefits of making innovative use of unlicensed spectrum in relieving spectrum congestion. To date, cell phone deployment has required the use of licensed spectrum that has cost carriers hundreds of millions of dollars and more in order to function.

Today, however, advances in technology have produced communication devices that are capable of handling cell phone conversations using free, unlicensed spectrum. Foregoing the high cost to access the airwaves, these devices save money by placing calls across the Internet instead of relying upon the traditional telephone networks. Not only do such devices represent a savings breakthrough for consumers, but, importantly, add capacity to the nation's overloaded cellular infrastructure.

An example of one company working to make such devices available is xG® Technology, Inc. xG has deployed and is operating a prototype test mobile VoIP network in Ft. Lauderdale, Florida that cost less than half of what spectrum alone costs traditional cellular service providers. Coined xMax®, the mobile VOIP network provides excellent call quality at highway speeds. It is operating in an urban-suburban area of approximately 100,000 people. Even with low economies of scale, the xMax pilot network sells for less than \$6.50 per capita. In contrast, Verizon recently spent \$4.7 billion to obtain nationwide licensed spectrum. This works out to \$15.30 per capita just for spectrum. Not included are Verizon's costs of towers, base stations and other costs associated with deploying the system. In real terms, the xG network can

be deployed for only a fraction of the cost of a traditional cellular system. By making efficient use of unlicensed spectrum, future cell phone service can be offered for a fraction of current rates while, at the same time, minimizing the need for additional spectrum.

xG Technology, Inc. recognized several years ago that mobile VoIP and mobile broadband would be the technologies of the future, and designed an Internet-based system from the ground up with that in mind. Recent advances in chip technology and speed now make it possible to design systems that efficiently share the same RF spectrum. The xMax system addressed the numerous technical hurdles involved with VoIP in order to produce a network that delivers high quality calling at very low cost.

xMax is a mobile VoIP and data system operating in the unlicensed 900MHz band (902-928MHz) under Part 15 of the Commission's Rules. It is an end-to-end Internet Protocol (IP) system infrastructure that will include a line of base stations, mobile switching centers (MSC), handsets, and modems and will represent the first commercially available, fully mobile VoIP network.

By focusing on reducing the cost of the cellular network itself, xG Technology believes that mobile VoIP can provide significant savings to consumers and still be profitable for carriers throughout the nation, especially in rural America where perhaps the need most exists. While the xMax technology can be deployed on both licensed and unlicensed spectrum, xG's current suite of products utilizes the latter. This translates to lower costs that can be passed on to the consumer.

xMax is the product of xG Technology's extensive research and development activity, a \$100 million international effort that involves companies in the U.S., Europe and Asia. xG's patent portfolio, which now includes 50 U.S. and more than 100 international patents and pending patent applications, is being developed with the goal of bringing lower-cost broadband technologies to consumers.

For more information, please visit www.xgtechnology.com and www.xmax.com.