



October 1, 2002

Thomas J. Sugrue
Chief, Wireless Telecommunications Division
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Access Spectrum, LLC – Annual Report on Spectrum Utilization

Dear Mr. Sugrue:

Pursuant to Section 27.607 of the Federal Communications Commission's ("FCC") Rules, Access Spectrum, LLC ("Access Spectrum") is pleased to provide this annual report on its progress in leasing 700 MHz Guard Band spectrum.¹

By public notice, the FCC has expanded on Section 27.607 by instructing 700 MHz guard band managers to provide certain general information in the required annual report.² Most of the required information relates to the nature and number of existing spectrum uses being conducted under each of the band manager's 700 MHz licenses.

At the present time, Access Spectrum has entered into one Spectrum Use Agreement ("SUA") with an unaffiliated entity – a radio dealer based in Minneapolis, MN – to use ten 12.5 kHz channel pairs to deploy a Motorola designed, two-way voice and automated vehicle location network. This spectrum use is authorized under call sign WPVR428 in MEA020 (Minneapolis-St. Paul).³ The term of the SUA is ten years. Neither Access Spectrum nor any affiliated entities use the 700 MHz guard band spectrum except for a small handful of temporary experimental operations being conducted by Motorola for product demonstration and evaluation purposes.

Access Spectrum has made tremendous progress in pursuing its spectrum leasing business plan that remains fully consistent with our original objective and FCC expectations. Over the year and a half that Access Spectrum has held its licenses, it has created the necessary foundation in terms of technical competency and equipment availability to begin aggressively

¹ See 47 C.F.R. § 27.607 of the FCC rules.

² See 700 MHz Guard Band Managers' First Annual Report is Due October 1, 2002, *Public Notice*, DA 02-1088 (released May 13, 2002).

³ A complete list of the twenty-one 700 MHz Guard Band licenses issued to Access Spectrum is attached as an appendix to this letter.

marketing its band manager services to private wireless interests, including suitable and compatible commercial operators.

Since acquiring our 700 MHz licenses, Access Spectrum has:

- solidified its corporate structure with the hiring of Michael I. Gottdenker as Chairman and Chief Executive Officer;
- further enhanced its professional staff with the addition of sales and engineering expertise necessary to facilitate the use of its spectrum to wireless consumers in an efficient manner;
- conducted several market research projects to assess demand and create a pricing methodology;
- met with over a dozen manufacturers of voice and data radio equipment – including Microwave Data Systems, Inc. and Trident Microsystems, Inc., that have begun to develop 700 MHz equipment – to facilitate the development of equipment that utilizes our 700 MHz spectrum;
- entered into an agreement with Motorola to design, manufacture and market infrastructure and portable and mobile radio products for use by enterprises and private carriers (this equipment has now been certified through the FCC's equipment authorization process and is available to begin shipping next month);
- attended numerous radio dealer, utility, petrochemical and railroad industry events to disseminate information about our company and the availability of spectrum and solicit information about potential applications and communications solutions;
- met with various governmental and quasi-governmental entities to discuss our band manager solution and these entities' spectrum needs; and
- acquired 220 MHz spectrum from Aerway, Inc. in order to be able to offer spectrum ubiquitously across the United States.

As a result of these efforts, Access Spectrum is actively negotiating with several additional users of its 700 MHz guard band spectrum. With the realization of suitable radio technology, we expect the pace of our customer acquisition to accelerate.

In conclusion, we have taken significant steps in the short time that we have held our 700 MHz licenses and will continue to move forward to create demand for our 700 MHz guard band spectrum. Please feel free to contact me if you have any questions.

Sincerely,

/s/ Mark E. Crosby

Mark E. Crosby
President

List of 700 MHz Guard Band Licenses Issued to Access Spectrum, LLC

1. WPRV426 MEA007 A Block (Charlotte-Greensboro-Greenville-Raleigh)
2. WPRV427 MEA008 A Block (Atlanta)
3. WPRV428 MEA020 A Block (Minneapolis-St. Paul)
4. WPRV429 MEA021 A Block (Des Moines-Quad Cities)
5. WPRV430 MEA024 A Block (Birmingham)
6. WPRV431 MEA026 A Block (Memphis-Jackson)
7. WPRV432 MEA027 A Block (New Orleans-Baton Rouge)
8. WPRV433 MEA029 A Block (Kansas City)
9. WPRV434 MEA030 A Block (St. Louis)
10. WPRV435 MEA031 A Block (Houston)
11. WPRV436 MEA032 A Block (Dallas-Fort Worth)
12. WPRV437 MEA033 A Block (Denver)
13. WPRV438 MEA037 A Block (Oklahoma City)
14. WPRV439 MEA038 A Block (San Antonio)
15. WPRV440 MEA039 A Block (El Paso-Albuquerque)
16. WPRV441 MEA042 A Block (Salt Lake City)
17. WPRV442 MEA044 A Block (Los Angeles-San Diego)
18. WPRV443 MEA052 A Block (Gulf of Mexico)

19. WPRV444 MEA035 B Block (Wichita)
20. WPSK918 MEA028 B Block (Little Rock)
21. WPSK919 MEA034 B Block (Omaha)