

MEMORANDUM

DATE: 19 August 1999

TO: Community College Presidents with ITFS Licenses

FROM: Parks Todd

SUBJECT: Application for Extension of Construction Permit

You are also being sent a model letter, written by our consultant, Kemp Harshman, that seeks an extension of the construction permit for your ITFS license. If you have NOT already returned the form sent to you by the law offices of Brown, Nietert, and Kaufman, it is imperative that you send the letter to the Federal Communications Commission. **Failure to do so by the end of this month would likely result in the cancellation of your ITFS license.**

If you have returned the form or letter to Brown, Nietert, and Kaufman, we believe that no harm has been done to our position.

MCI Worldcom is purchasing MMDS and ITFS frequencies all across the country. Therefore, their value has dramatically increased and will likely continue to do so since that company is in a position to build the systems. MCI Worldcom will almost certainly become half owner of Wireless One of North Carolina [WONC]. Concord Telephone Company continues to hold its half ownership and we hope that they will continue to do so. If they were to sell, it would likely be to MCI Worldcom.

The change in ownership and the FCC's approval to use the ITFS frequencies for two-way data, voice, and video instead of just analogue television, will give us an opportunity to re-negotiate our contracts from a position that is much stronger than when we negotiated the current contract. **These changes also present us with a much more complicated legal situation; therefore, we must hire an attorney who has expertise in telecommunications law.** We see no other way do this without "passing the collection plate." These attorneys do not come cheap, but with 15 colleges involved, it should not impose an intolerable burden on any one college. As soon as we can get an accurate estimate of the cost, we will be back in touch.

[Copies to the following community colleges: Wayne, Wilson, Pitt, Vance-Granville, Nash, Edgecombe, Robeson, Fayetteville, Bladen, Sampson, Sandhills, Central Carolina, Richmond, Cape Fear, and Brunswick.]

S99-032