

Exhibit 1:**Narrative Statement
in support of
Experimental License Application
by Canby Telephone Association****1. Background**

Canby Telephone Association is a rural telephone Cooperative based in Oregon. Our objective, as a member of the Advanced Rural Communications Consortium, is to introduce new wireless services to our members and to underserved areas within a four county area. Members of Canby Telephone Association include primarily small businesses and residential subscribers.

2. Proposed experimentation program

Canby Telephone Association wishes to provide advanced services to its membership that have either no wireless service or where only limited Cellular services are available. We propose to offer a limited mobility, voice and data service, to our subscribers throughout our serving area and eventually other remote communities. These communities are un-served by PCS and other newer services because they are small and there is no economic justification for the major carriers to serve them. Additionally, there is no incentive for these carriers to partition their PCS spectrum to allow the operation of the type of small, local system proposed here. The units specified in this application will be deployed in specific areas with limited options for CMRS service.

This experiment will test the market viability of a limited mobility, mobile local loop service in within our serving area. While this type of service offer has proven to be very popular in other countries as an addition to basic local telephone service, the etiquette requirements of the Unlicensed PCS Band as well as the restrictive licensing of the Licensed PCS band have made this service unavailable to our subscribers. This experiment, using the existing Unlicensed PCS band between 1910MHz and 1920MHz, will demonstrate the economic viability of this type of offer to our Members.

3. Technical information

For cost reasons, Canby proposes operation of Mobile Local Loop and Wireless Local Loop equipment based on the Japanese RCR28 PHS Standard. This equipment is already approved to operate in the US in the Licensed PCS band just below 1910MHz, though most license holders for that spectrum have shown no willingness to allow small operators to have access to their licensed spectrum. Because of frequency allocations in other countries, including Mexico and much of the Americas, as well as countries in Asia, inexpensive equipment can operate in the range up to 1920MHz. Canby proposes operation here in the Unlicensed PCS Spectrum from 1910MHz ~ 1920MHz using equipment manufactured by UTStarcom, Inc. and JSM Electronics, a US based WBE, that is approved for deployment in the low power half of the PCS band. Canby proposes deployment of units with a maximum peak power of 1.6W for fixed infrastructure and 80mW for mobile units. Due to the low power nature of these deployments; the fact that all equipment expected to be deployed is already approved for use in the adjacent licensed PCS band; as well as the remote areas where service is expected to be provided, Canby believes that granting this license will have no adverse impact on other operators in nearby bands.

Equipment currently under consideration includes:

Type	manufacturer	model number
handset	UTStarcom/JRC	UTS708J
	UTStarcom	UTS702U
	UTStarcom	UT618
	UTStarcom	UTS-701
Radio Port	UTStarcom/JSM Electronics	EA-7H74
	UTStarcom/JSM Electronics	EA-7H75
	UTStarcom/JSM Electronics	EA-7T56B
Cell Station	Sanyo/JSM Electronics	EA-7H81
Fixed Subscriber Unit	UTStarcom	UTS800/UTS801

All subscriber units have a transmission power limit of 10mW Average Power/80mW Peak Power while the infrastructure units transmit up to 200mW Average Power/1.6W Peak Power. Other RCR28 Standard PHS equipment will also be considered for use and in all cases this equipment will first be approved under Part 24 for operation below 1910Mhz. In the application, these units are shown as being "Experimental". This is true for the 1910MHz ~ 1920MHz band being requested here. In all other ways, these units are not experimental and are, in fact, production units certified for use in the licensed PCS band.

5. Station identification

Canby requests that the station call sign requirement of 47CFR5.152 be waived in view of the low-power nature of the transmissions and the unsuitability for this purpose of the PHS air protocol as well as due to the distributed nature of the deployments.