VIDEO SERVICES
DIVISION

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Mr. John Morgan
Chief
Experimental Licensing Branch
Federal COmmunications Commission
2000 M Street, N.W. Suite 230
Washington, D.C. 20554

Re: Our Application dated July 24, 1996

Dear Mr. Morgan:

In July we mailed to your offices the attached application for experimental frequencies to test our new digital trunked radio system. We have not had any reply other than a form letter acknowledgment of receipt.

Meanwhile, we have continued to develop our new digital radio system, and have even begun to advertise it in international magazines since our intended market is outside the United States (see the attached ad from Radio Resources International).

Because we have not been able to receive any frequencies from the FCC to test our system, here at our factory in Los Angeles we have been restricted to operation on dummy loads.

We installed our first operational system in Saudi Arabia, and spent months based out of a hotel in Riyadh doing field tests and fixing our hardware and software. But obviously that is prohibitively expensive, and we'd sure like to have a fully "on air" copy of the Saudi system here at the factory. In order to provide a "demo site" in North America, we formed a subsidiary in Canada, Digital Wireless Canada Inc., and we have obtained a license to operate this system from Industry Canada (see attached). We have now sold radios in Canada to end customers. To date we have been forced to do our field testing and final development in Vancouver. Since our engineering staff lives in

Los Angeles, that too is a problem, especially for a small company such as Digital Wireless.

Mr. Morgan, I can now tell you from experience that developing a 12.5 kHz all digital trunked radio system is a daunting task, especially for a small company, but we have it working. The worldwide response to our recent ad and our Internet web page has convinced us that we have built the right product.

We are completely familiar with the spectrum congestion in Southern California, and knew that it would be difficult to find a spot in the UHF band to test our system, let alone four 12.5 KHz channel pairs. Because we knew that Canada had lots of unused spectrum in what here are ham bands (422 MHz region), we were able to obtain eight channels in Vancouver, Canada and have about 50 channels on reserve with Industry Canada for expansion. While we obtained the Vancouver license primarily to have a demo site in our time zone and continent, we discovered a dynamic radio market in one of Canada's fastest growing cities. We believe we will sell close to 1,000 radios in the Vancouver, Canada area alone, all manufactured here in Southern California. Indeed we are about 25% of the way to reaching that mark already. Based on these new orders, we were able to raise significant new equity capital from our investors, including three large U.S. banks. So, we are well funded, have what we hope is the latest dispatch radio technology, BUT we can't test or demonstrate it here in Los Angeles. Making a dozen radios work in Vancouver is one thing. As the number of radios installed grows, we know were going to encounter propogation-related problems we can't recreate using dummy loads and tranmission across the lab. We desperately need a real live test bed here in Los Angeles. Short of moving to rural Wyoming, there must be some place in the 350-520 MHz band where we can operate our system.

In our application we called out frequencies that were within what we believed to be an unused UHF-TV channel. While we know that all unassigned TV channels will ultimately be used for high definition television, they are fallow now. There are probably other channels available, but we don't know where to find them. Since our system can operate on adjacent 12.5 KHz channels (as we do quite successfully in Riyadh), we really only need a minimum of two 25 KHz pairs. Our prototype equipment presently operates from just below 400 MHz to about 530 MHz, and

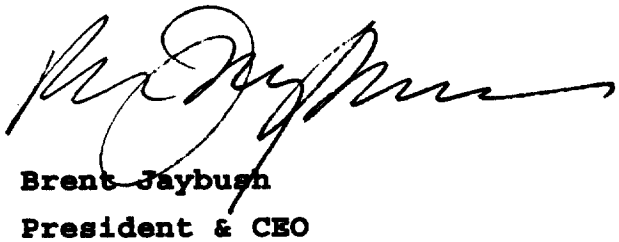
because we have found that overseas channels are often handed out in an unfathomable fashion, we have made our system able to operate on non-standard offsets. Our Riyadh system uses 10 MHz TX-RX spacing, but in Canada its the expected 5 MHz.

Is there anything you can do to help us with our problem, even if it's just a short term assignment?

One footnote to the technical details in our application. Since that time of writing, we have increased our on-air data rate to 9,600 bps and use four level FSK FM instead of GMSK FM modulation, essentially the same bandwidth mask (and similar to the APCO-25 anticipated scheme).

Yours sincerely,

Digital Wireless Corporation
a Delaware corporation



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