

PARAMOUNT WIRELESS LIMITED PARTNERSHIP

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September 26, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. H. John Morgan, Chief
Experimental Licensing Branch
Office of Engineering and Technology
Federal Communications Commission
2000 M Street, NW, Room 230
Washington, DC 20554

Re: Station KM2XEN
File No. 3072-EX-R-94

Dear Mr. Morgan:

Pursuant to Condition 3 of Station KM2XEN's experimental license, which was granted on August 10, 1992, and renewed on July 1, 1994, this constitutes the sixteenth of our quarterly reports regarding the progress of the authorized experimental PCS operations.

In the time since our last report, Paramount Wireless Limited Partnership (PWLP) has continued conducting PCS analytical studies and experiments pertinent to the commercial implementation of PCS on a large scale basis. PWLP is also involved in studying "competition in the local exchange" and how PCS will affect the LEC's network and future business with respect to the provision of local wireline telephone service.

PWLP is studying what effects Fixed Wireless Access (FWA) will have on both the PCS service provider's business and the existing Local Exchange Carrier's (LEC's) business. PWLP is exploring the parameters required for PCS network interconnection with the network of the existing Local Exchange Carriers (LECs) for the implementation of PCS in a given service area. PWLP is conducting research pertinent to the integration of a PCS service provider's intelligent network with that of an existing LEC for the expressed purpose of supporting the competitive local exchange.

Our continued studies and experiments include the following:

1. Continued research pertinent to 2 GHz PCS implementation and network integration including PCS network architectures, service schedules and pricing arrangements
2. Preparation of patent applications for PCS related equipment
3. Financial modeling based on Local Exchange Carrier (LEC) "unbundled" blind assumptions and mock tariffs
4. Participation in "Designated Entity" PCS auctions
5. High level discussions with Regional Bell Operating Company (RBOC) in relation to future testing, network arrangements, etc.

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6. Continued dialogue with equipment vendors under non-disclosure agreements
7. Studying "competition in the local exchange" and its relationship to PCS implementation.

PWLP has conducted research on PCS and "competition in the local exchange" concurrently and has developed important insights to the inter-relations of these catalysts of industry restructure. The most important insights are that these two catalysts are working toward the same end and that PCS cannot exist without "competition in the local exchange".

We believe that the unbundling of the local exchange network plays a major role in determining the level of competition in both wireless and wireline telecommunications. PWLP is closely studying the movement of the telephone industry towards a competitive local exchange and is assisting LECs to define interconnection arrangements that will accomplish the goals of both the LECs and the PCS service providers.

Any technical questions should be addressed to:

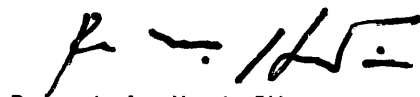
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Any other questions concerning this report should be addressed to:

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Sincerely,

Paramount Wireless Limited Partnership



Robert A. Hart IV,
Managing Partner

RAH:AE