

March 27, 2003

John Muleta
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Mr. Muleta:

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 This Report provides basic information concerning the nature and number of existing spectrum uses being conducted under each of Access Spectrum's 700 MHz Guard Band licenses.²

As of January 1, 2003, Access Spectrum has entered into two Spectrum Use Agreements ("SUAs"), both with unaffiliated entities. The first SUA has been used to deploy a Motorola designed two-way voice and automated vehicle location network, and has a term of ten years. The second SUA has been used for a data transmission system, and has a term of five years. Access Spectrum has greater than 50 percent of its spectrum available in all of its MEA markets.

Neither Access Spectrum nor any affiliated entities use Access Spectrum's licensed 700 MHz Guard Band spectrum, although a small handful of temporary experimental operations are being conducted by Motorola for product demonstration and evaluation purposes. Motorola is a non-attributable investor in Access Spectrum.

Access Spectrum continues to make tremendous progress in pursuing its spectrum leasing business plans, consistent with its business objectives and FCC expectations. Due to our strong foundation of technical competency and equipment availability, we expect the pace of our customer acquisition to accelerate, and are actively negotiating with several additional potential users of 700 MHz Guard Band spectrum.

In conclusion, Access Spectrum has taken significant steps towards providing for efficient and innovative use of the 700 MHz Guard Band Spectrum in the short time we have held our licenses, and we continue to move forward to satisfy demand for that spectrum. Please feel free to contact me if you have any questions.

Sincerely,

/s/ Mark E. Crosby

Mark E. Crosby
President

¹ See 47 C.F.R. § 27.607; see also Band Managers' Annual Report Are Due March 3, 2003, *Public Notice*, DA 03-210 (rel. January 28, 2003).

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