

## Memorandum

To Blair LittleJohn  
From Edwin N. Lavergne  
Date November 3, 2006  
Re Work Summary and Budget Estimate

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This responds to your request for a summary of legal services performed to date and an estimated budget for anticipated future legal services to be provided to the School District of Palm Beach County in connection with Educational Broadband Service ("EBS") matters.

### I. SERVICES PERFORMED TO DATE

- **Contract Disputes.** Developed and implemented a strategy to terminate the School District's obligations under a 1995 spectrum lease agreement with Sprint and a 1995 market settlement agreement with Sprint and FAU. (March 2005 – May 2006)
- **FCC Disputes.** Developed and implemented a strategy to resolve long-standing disputes at the FCC which encumbered the School District's EBS channels. (March 2005 – May 2006)
- **Preservation of Licenses.** Successfully petitioned the FCC to preserve the School District's licenses on seven A and H group channels by obtaining waivers of the FCC's forfeiture rules and a renewal of the School District's H group license. Prepared and filed with the FCC an opposition to Sprint's request to rescind the waivers and license renewal. (December 2005 – October 2006)
- **Assessment of Overlapping E Group License.** Reviewed history and prior operations by Sprint on four E group channels licensed in Boynton Beach. Analyzed ongoing validity of Sprint's license given prior statements made by Sprint to FCC. (May 2006 – July 2006)
- **E Group Negotiations.** Developed and implemented a strategy for FCC-mandated E group negotiations, including preparation of a request to stay the negotiation deadline given the School District's pending challenge to renewal of Sprint's E group license. (July 2006 – October 2006)

- **Clarification of Geographic Boundaries.** Prepared and filed requests with the FCC to clarify discrepancies in geographic service area boundaries of the School District's eight A and G group channels. Analyzed geographic service area rights of neighboring licensees, including FAU's point-to-point licenses. (August 2006 – October 2006)
- **Spectrum Valuation and Leasing Opportunities.** Assisted School District in valuing EBS spectrum and identifying spectrum capacity and service requirements in connection with potential future spectrum leasing relationships. (March 2005 – October 2006)
- **Local Area Spectrum Coordination.** Assisted School District in developing spectrum coordination plans among EBS licensees in Palm Beach, Broward, and Dade Counties, including technical analysis and contract review. (February 2006 - October 2006)
- **Hurricane Relief.** Assisted School District with FCC issues in connection with restoring educational television programming following the 2005 hurricane season. Prepared and filed antenna dismantlement and antenna registration applications and notices of temporary discontinuance of service and restoration of service with FCC. (November 2005 – March 2006)
- **FCC Compliance/Band Plan Transition.** Advised School District on FCC compliance, operational, technical, and legal issues, including requirements for transitioning to new band plan as required under new FCC rules. (February 2006 – October 2006)

## II. ANTICIPATED FUTURE LEGAL SERVICES AND ESTIMATED BUDGET

- **Contract Disputes.** Negotiate final resolution of outstanding contract issues with Sprint.
- **Preservation of Licenses.** Either (a) negotiate settlement of pending A and H group challenges with Sprint, or (b) pursue oppositions to continuing administrative and/or judicial challenges, if filed by Sprint.
- **E Group Negotiations.** Either (a) negotiate a voluntary split of the E group channels with Sprint, including advice on valuation issues, or (b) challenge FCC-mandated geographic or channel split or Sprint reconsideration of FCC-mandated split if such split is unacceptable to the School District.
- **Clarification of Geographic Boundaries.** Work with FCC staff to resolve pending geographic service area boundaries of A and G group licenses.

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**Attorney-Client Communication**  
**Attorney Work Product**

- **Band Plan Transition.** Assist School District through band plan transition process in Southern Florida.

Total Additional Estimated Fees: \$60,000 - \$160,000

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ATTORNEY-CLIENT COMMUNICATION ATTORNEY WORK PRODUCT**

**May 2005**

**Contractual Issues:** The School District was facing the prospect of litigation with Sprint concerning the ongoing validity and enforceability of various contracts concerning the School District's EBS spectrum.

**KZB-28 (A Group):** The A Group channels were at risk of being forfeited because the station had been off-the-air without FCC approval since 2003.

**KZB-29 (G Group):** The status of the School District's G Group channels was uncertain given conflicting applications on file with the FCC by the School Board of Miami-Dade County.

**KZB-30 (H Group):** The H Group channels were at risk of being forfeited because the station had been off-the-air without FCC approval since 1998. Pursuant to FCC rules, the H Group channels would default to Sprint if forfeited, and Sprint threatened to pursue forfeiture proceedings.

**KHU-90 (E Group):** The School District's rights to the E Group channels were uncertain because Sprint was licensed on the same channels at the same location as the School District.

**March 2007**

**Contractual Issues:** Sprint has ceased all attempts to enforce its contracts with the School District and expressed a desire to execute mutual releases concerning such contracts.

**KZB-28:** On January 29, 2007, over the objection of Sprint, the FCC granted the School District a waiver for the prior off-air status of the A Group, thereby giving the School District "clear title" to the channels.

**KZB-29:** On April 26, 2006, the FCC issued an order denying a petition filed by the School Board of Miami-Dade County to reinstate its conflicting G Group application, thereby eliminating the uncertainty concerning the School District's G Group channels.

**KZB-30:** On January 29, 2007, over the objection of Sprint, the FCC granted the School District a waiver for the prior off-air status of the H Group, thereby giving the School District "clear title" to the channels.

**KHU-90:** On April 26, 2006, the FCC issued an order with instructions concerning how Sprint and the School District should divide the E Group channels. On March 15, 2006, Sprint offered to pay the School District \$4.7 million to acquire the School District's interests in channels E1, E2, and E3.