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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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OCT 5 1992

MAIL BRANCH

In the Matter of

Amendment of the Commission's)
Rules to Establish New Personal)
Communications Services)

GEN Docket ~~92-114~~
ET Docket 92-100
RM-7760
PP-83

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PETITION FOR RECONSIDERATION

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Montauk Telecommunications Company ("Montauk") hereby petitions the Commission to reverse its tentative denial of Montauk's request for a Pioneer Preference determination for its proposed Public Facsimile Broadcast Service (PFBS).¹

The Commission, in discussion of its tentative denial, cited the lack of Montauk's testing over the air "the technical feasibility of its system" Further, the Commission noted that Montauk had failed to address why scarce 900 MHz spectrum should be used for a fixed service. (NPRM at 157).

Montauk concedes that it has not yet conducted over-the-air tests of its technology, at the proposed 930 MHz frequencies, and for which experimental licenses have been issued.

1 - This Petition is being filed as a precautionary move since it is not clear whether it is appropriate to do so at this time. The issue is that Montauk was "tentatively" denied its Pioneer Preference Request. Can a tentative decision be appealed? Should the Commission rule in the negative, then we propose this filing be treated as comments in the PCS proceeding.

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However, the patent holder of the proposed technology has conducted one way carriage of FAX material over a satellite link with great success, and has actually constructed a number of the necessary interface devices. It was Montauk's intent to begin over-the-air demonstrations when all the pieces "came together".

Those pieces include arrangements for hourly updated newsmaterial, transmitter sites, equipment (both transmitting and receiving), and the necessary software.

We believe we have most of these in place now, including access to a transmitter for the New York City area, and a commitment for "broadcast FAX" rights for an hourly newspaper.

Montauk concedes that its proposed service is merely that, a new SERVICE, using technology which has been proven. In fact, Facsimile Broadcasting was tested in the 1930s and 1940s, but the installed base of equipment capable of reception of such broadcasts was very small. In contrast, today there are in excess of 11 MILLION Group III type FAX machines in use in the US, with annual sales in excess of 3 MILLION units. Thus a base of potential recipients exists and continues to grow.

The attractiveness of Montauk's proposal is that if this news/information service were to be available free of charge, supported by advertising revenues such as TV or radio, the only additional investment by a FAX Machine owner would be for the receiver/interface device in order to receive the PFBS Broadcasts.

Since PFBS is a new communications SERVICE, improving an existing service (Facsimile by telephony), by innovative use of a one-way radio channel rather than the traditional two-way circuit needed by current day technology, we feel that Montauk's proposal merits a reversal of the "tentative denial" called for in the NPRM.

Montauk was forced to file its proposal before it was ready because of the Commission's announced intent to cut-off Pioneer Preference applications by a date certain. Thus Montauk was not able to commence testing of the technology and the service by the filing date. Since the Commission's announced intention with the Pioneer Preference was to permit innovators of... new communications services to have an opportunity to participate in the new services they took a lead in developing, clearly, Montauk would have qualified if only it could have accelerated its public experiments and demonstrations. In fact, the wording within the NPRM suggests that had experiments already occurred, Montauk might have been granted the preference it sought.

Montauk believes the issue of the so-called "scarce 900 MHz spectrum", results from a misperception on the part of the Commission. The 3 MHz which the Commission has set aside for "Narrowband PCS" is sufficient for all proposed Advanced Messaging Services for which Pioneer Preference petitions have been filed. In fact, some 800 kHz would remain unallocated and available for future AMS technologies even if the most ambitious proposals were ALL adopted.

Finally, the question of "why scarce spectrum in the 900 MHz range, rather than wireline or other frequencies, should be used for a fixed service" needs to be discussed. Montauk, prior to filing its PRM looked at other alternatives. Wireline delivery of the proposed FAX newspaper is certainly an option, but very expensive. In the New York LATA a five minute local call costs \$ 0.112 plus taxes. So if a potential recipient wished to receive the proposed FAX newspaper, the call could cost at least 11 cents or as much as 60 cents, depending on data rates and/or amount of material sought.

As to other frequencies, Montauk evaluated other methods of delivery and found them wanting. SCA delivery over FM channels would be expensive (SCA channels have poor signal-to-noise ratios, and are expensive to lease. In New York a FM SCA could (if available) be leased for \$ 250,000 per year, but it would not be sufficient to cover a large area, since the coverage areas of Class B stations are limited to 30 miles.

What is needed is a delivery mechanism that can accomodate additional "fill in" sites, and has uniform channels to reduce the consumer receiver cost and complexity. Thus currently vacant channels using quasi-paging technology and concepts permit the uniformity needed for a mass market item. 2

2 We believe the AMS band is an ideal "home" for this service since the existing paging technology is applicable to the deployment of PFBS. 900 MHz paging penetration into office buildings is well known, the receivers - if modified from existing pager technology - would be inexpensive, and since the types of sites needed for PFBS would coincide with that needed for paging, new siting and the attendant zoning issues would not need to be dealt with.

