

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Petition for Emergency Relief Due to)	GN Docket No. 21-304
COVID-Related Delays in Sunset)	
Transition for Central Station Alarm)	
Subscribers)	

**ZONAR SYSTEMS REPLY COMMENTS
IN SUPPORT OF AICC PETITION FOR EMERGENCY RELIEF**

Zonar Systems, a subsidiary of Continental AG,¹ respectfully submits these reply comments in support of the Alarm Industry Communications Committee’s (“AICC”) Petition for Emergency Relief.²

Overview

AT&T’s anticipated shutdown of its 3G network will cause irreparable harm well beyond the alarm industry. Indeed, all industries, including the telematics industry,³ that have depended on 3G data services to power their operations, but which are unable to upgrade their communications equipment because of the effects of a once-in-a-century pandemic, face the very real prospect of going dark in February 2022.

With respect to Zonar’s fleet management products, for example, over 100,000 school buses and countless other vehicles in critical fields – including those of first responders, over-the-

¹ More information on Continental AG is available here: [Company | Continental - Continental AG](#)

² Available at <https://ecfsapi.fcc.gov/file/108170823729015/AICC%20Petition%20for%20Emergency%20Relief%205-10-21%20FINAL.pdf>.

³ The North American telematics industry is comprised of many major companies that rely on wireless data services to a greater or lesser degree. While Zonar is submitting these reply comments independently, it understands that the problems caused by AT&T’s planned 3G shutdown is certainly not unique to Zonar, but instead has industry-wide ramifications.

road freight carriers, and utility and construction vehicles – still rely on 3G services for safety, compliance with federal mandates, and logistics management. By analogy, the effect of AT&T's 3G network shutdown scheduled to occur in February 2022 would be similar to air traffic control towers across the country losing radar – as entire fleets of vehicles will be flying blind because AT&T will shut off their only existing centralized communications service. Indeed, just considering school buses alone, public school districts across the country that rely on 3G-powered COVID-19 contact-tracing solutions to track and notify students and school personnel of potential exposure, and also rely on other student safety-related solutions, will be prevented from using these powerful tools to, among other things, help protect student safety, including risking more severe COVID outbreaks and the return of school closures.

That is, unless a modest delay in AT&T's planned 3G shutdown is adopted to allow affected industries the additional time necessitated by the pandemic and external supply shocks. Simply put, the global semiconductor shortage coupled with COVID-19 impacts to the industry have made it unfeasible to upgrade all the 3G telematics units still in operation today prior to the current decommission date. And to be clear, this is an industry-wide problem: there are tens of thousands of customers in the telematics sector alone, with millions of connected devices that need to be upgraded. There is just not enough supply due to systemic semiconductor shortages that customers can simply switch to another provider – and thus AT&T's planned 3G shutdown risks creating havoc across critical sectors that rely indirectly on its 3G services.

Zonar therefore respectfully asks the Commission to strongly encourage AT&T to delay the 3G shutoff until supply chain and other operational constraints allow for the timely and complete upgrade from 3G to 4G for the telematics and other impacted industries – likely by the end of 2022. If a mediated resolution cannot be quickly reached, however, the Commission has

ample authority to delay the network decommissioning to prevent the irreparable harms that would follow from AT&T's anticipated actions.

I. A Short Delay In AT&T's Planned Shutdown Of Its 3G Network Is Both Necessary And In The Public Interest

A. Government and Commercial Operations Across The Country Rely On Zonar's 3G-Powered Fleet Management Services

Zonar is in an excellent position to recognize many of the harms that will occur if the 3G decommissioning is not delayed. Zonar, which was founded in 2001, provides smart fleet management telematic solutions throughout the public school, vocational, mass transit and commercial trucking industries.⁴ Zonar manufactures hardware devices as well as cloud-based software services which enable fleets of all sizes to optimize use and safety of their assets by greatly enhancing public and employee safety, ridership visibility, state and federal compliance, efficiency, and maintenance. Government and commercial fleets across the United States rely on Zonar technology to stay connected and manage their operations.

In addition to all of the other government and commercial enterprises it supports, Zonar is far and away, and has been for many years, the market leader in telematics for the student transportation industry. About 480,000 school buses transport students every day during the school year in the United States. Approximately 25 million elementary and secondary school children ride school buses to and from school each day, and, according to the U.S. Department of Transportation, sixty percent of these riders are low-income students.⁵ As the market leader in providing the fleet-management technology and services on which public school systems rely to

⁴ Zonar is headquartered in Seattle, has a Technology Development Center there as well, a regional presence in Cincinnati, and a distribution center outside of Atlanta. Zonar employs approximately 400 employees.

⁵ See U.S. Department of Transportation, Federal Highway Administration. *2017 National Household Travel Survey (4/23/2019)*. Available at: <https://nhts.ornl.gov> as of August 2019. [The Longer Route To School | Bureau of Transportation Statistics \(bts.gov\)](https://www.bts.gov)

operate their transportation services, Zonar supports school districts nationwide who depend on a mix of legacy 3G hardware, combined with 4G units, to seamlessly power their operations. At the risk of oversimplification, Zonar's technology serves as an enterprise-level GPS solution for school districts – allowing centralized management of the district-wide transportation operations for students.

Further, in response to the COVID-19 pandemic, Zonar has enabled contact tracing functionality to its suite of services provided to school districts. Each school bus is an enclosed space shared by a group of students and the driver. If someone tests positive for COVID-19 who travels on a school bus, school officials ordinarily must notify other potentially affected students, their parents and school personnel as required by applicable state law and/or school district policy, in order to take appropriate mitigation measures. And the technology provided by Zonar helps school districts seamlessly track and notify exactly who was in contact with COVID-positive individuals on the bus ride, thus greatly helping school administrators avoid an outbreak that could shut down an entire school's operations.

But Zonar's ability to continue providing its critically important services to school districts and others across the country will be prevented for any 3G customers not upgraded if AT&T decommissions its 3G network at the scheduled time – during a global pandemic and a related global semiconductor shortage.

B. The Pandemic Has Created A Perfect Storm – Making It Impossible For Zonar And Others To Meet AT&T's Arbitrary Deadline

Zonar has had no issues meeting other technology transitions implemented by the wireless industry in the past. Indeed, Zonar previously transitioned its customers seamlessly from 2G to 3G without any thought to seeking a delay or other accommodation. Relevant here, Zonar diligently began planning and implementing all the necessary actions as soon as AT&T's 3G

shutdown was publicly announced, consistent with its successful 2G transition, which was completed in advance of the cutoff. And absent the 2020-21 supply chain crash, Zonar believes it and others in the industry would have been similarly prepared to transition all customers from 3G to 4G successfully by February 2022.

But simply put, the pandemic and its aftermath have made that not feasible. As the pandemic swept the nation, as early as March 2020, most school districts completely shut down immediately with no personnel on site, thus preventing any ability to upgrade the necessary equipment. That is, even *if* Zonar could source the necessary components to perform the needed upgrades, school districts and many others were in hard lockdowns, making it physically impossible for Zonar to gain access to the equipment needing to be upgraded. Thus, as a practical matter, school districts lost over one year of AT&T's 3-year decommissioning timetable by virtue of school closures alone.

But compounding matters further, the current supply chain crash has dramatically impacted the entire U.S. telematics industry. Specifically, after quarantines were implemented around the world, the second order effects of the pandemic caused a drastic decrease in the supply of semiconductors as plants shut down, just as the pandemic was simultaneously causing a spike in demand for computer equipment needed for virtual work and learning. As a result, the sourcing of the necessary components to upgrade 3G customers' equipment to 4G *at any price* – is simply not there at a pace that will meet demand by February 2022. Thus, now that schools are largely open 18 months after initially closing down, the industry cannot source the specific components necessary to upgrade from 3G to 4G technologies.

Further, as soon as it became apparent that it would not be feasible to meet AT&T's February 2022 deadline, Zonar began coordinating with AT&T to reach a mutually agreeable accommodation to no avail. Unfortunately due to the extraordinary circumstances brought on by

the COVID-19 pandemic and related semiconductor shortages, Zonar is forced to seek the Commission's assistance here for a modest delay under these unprecedented circumstances.

At bottom, AT&T's 3-year notice provided affected industries little margin for error compared to previous technology transitions. But given Zonar's early start toward implementing the necessary equipment upgrades, it was confident the deadline was achievable. Roughly one year into the transition, however, a perfect storm of unpredictable external shocks hit, and now the critical semiconductors required for 4G telematic control units across the industry cannot be sourced rapidly enough to meet the supply of equipment needed to be upgraded. Due to these dramatic disruptions and school closures caused by the pandemic, Zonar respectfully submits that the Commission must step in to prevent the irreparable harm that will surely follow if AT&T does not change from its present course.

C. The Impact Of AT&T's 3G Shutdown Will Be Particularly Severe On Public Schools

More than 100,000 school buses across the country still rely on 3G telematics for student tracking, student identification, vehicle maintenance safety, efficient logistical operations, and/or COVID-19 contact tracing efforts. And all are at risk of losing data services immediately when AT&T shuts off 3G service. The impact is exponentially worse since social distancing, driver shortages and pandemic safety requirements continue to cause extreme logistical headaches for school transportation directors. This loss of connectivity will be detrimental to the operations of school districts, and even more importantly, can impact student safety.

In addition, outside of student transportation, any commercial trucking fleet subject to adherence to the Federal Motor Carrier Safety Administration mandate requiring electronic

logging devices (ELD), may very well become non-compliant. The ELD rule applies to most motor carriers and drivers who are currently required to maintain records of duty status.⁶

II. The Commission Has The Authority To Postpone AT&T's Planned 3G Shutoff

As established by Public Knowledge,⁷ the Commission has ample statutory “authority to act if necessary” when a carrier’s actions may negatively impact the “safety of life and property through the use of wire and radio communications.” Public Knowledge Comments at 13 (citing 47 U.S.C. § 151). As Public Knowledge also highlighted, the Commission has “plenary authority over spectrum use,” and relatedly, the powers granted by Congress in Title III over wireless communication services generally. *Id.*

Moreover, this authority is independent of whether the licensee is acting in the capacity of a common carrier or not. Indeed, all FCC public mobile service licensees must demonstrate that their license will be used to “serve the public interest, convenience, and necessity.” 47 C.F.R. § 22.107(b). Further, and particularly relevant here, Congress expressly granted the Commission the authority to order “modifications” to all licenses “(1) in cases of emergency found by the Commission involving danger to life or property ... or (2) during a national emergency proclaimed by the President or declared by the Congress ...” 47 U.S.C. § 308(a). And the COVID-19 Pandemic has been declared by the President to be a continuing national emergency,⁸ expressly authorizing the Commission’s ability to modify licenses “upon such terms and conditions as the Commission” prescribes.

⁶ See Part 395, 49 CFR § 395.8(a). [General Information about the ELD Rule | FMCSA \(dot.gov\)](#)

⁷ Comments of Public Knowledge, *et al.*, available at https://ecfsapi.fcc.gov/file/10830125228311/PK%2BPublic%20Interest%20Comment_AICC%20Petition_GN%2021-304_08.30.2021.pdf (“Public Knowledge Comments”).

⁸ See, e.g., <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/24/notice-on-the-continuation-of-the-national-emergency-concerning-the-coronavirus-disease-2019-covid-19-pandemic/>.

Accordingly, the Commission has unequivocal statutory authority to require AT&T to delay its anticipated 3G shutdown during the pandemic. And as detailed above, doing so would clearly be in the public interest.

Conclusion

In normal times, Zonar would have been able to meet AT&T's proposed deadline and would not be filing in this proceeding. But these are far from normal times. The request to delay AT&T's discontinuation of 3G service through the end of 2022 would allow the industry time to source components and to continue to build and install 4G telematics devices at a pace commensurate with the currently depressed global supply chain. Such a delay is clearly in the public interest, as the precipitous shutdown of the communications systems used by over 100,000 school buses across the country – systems that are now being used to fight the pandemic and to keep schools from shutting down again – will cause untold havoc on our nation's public schools. Fortunately, the Commission has the authority to impose this delay if AT&T is not willing to accommodate Zonar and similarly situated parties.

Dated: September 14, 2021

Respectfully submitted,

/s/ Alan G. Fishel

Alan G. Fishel

Adam D. Bowser

Arent Fox LLP

1717 K Street NW

Washington, DC 20006

Counsel for Zonar Systems