

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

RECEIVED

DEC 1 - 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Amendment of Part 2 of the)
Commission's Rules to Allocate the) ET Docket No. 97-214
455-456 MHz, and 459-460 MHz bands)
to the Mobile-Satellite Service)

To the Commission:

COMMENTS OF UTC

Pursuant to Section 1.405 of the Commission's Rules, UTC, The Telecommunications Association,¹ hereby respectfully submits the following comments in response to the FCC's *Notice of Proposed Rule Making (NPRM)*, released October 14, 1997, in the above-captioned matter regarding an allocation of additional spectrum to non-voice, non-geostationary mobile satellite services (NVNG). UTC's comments are limited to a discussion of the Commission's presumptions regarding the demand for NVNG MSS.

As the national representative on telecommunications matters for the nation's electric, gas and water utilities, and natural gas pipelines, UTC has been an active participant in the Advisory Committee process to the 1997 World Radio Conference, and in Informal Working Group 2A (IWG-2A) related to the spectrum requirements of NVNG MSS.

¹ UTC was formerly known as the Utilities Telecommunications Council.

Oxy

I. The Record Lacks Objective Data to Support an Additional Allocation of Spectrum for NVNG MSS

In light of the current scarcity of spectrum for competing applications UTC does not believe that sufficiently convincing objective evidence has been submitted into the record to justify an additional allocation of spectrum to NVNG MSS. In the current *NPRM* the Commission tentatively concludes that additional spectrum for NVNG MSS is needed to facilitate the competitive development of Little LEO Service. The Commission indicates that its conclusions regarding the demand for NVNG Services are based almost entirely on the studies that NVNG MSS proponents created in their preparations for WRC-95. Specifically, the FCC cites the 1995 IAC Final Report as indicating: “that studies by Little LEO *proponents* estimate a ‘capturable’ Little LEO market in North America in excess of 40 million users by the year 2000.”² Yet two years later the IWG-2A Report to IAC-97 indicates only a potential world wide market of 42.9 million by 2002”.³ This report lowered the “capturable” North American Market to 18 million. Thus, even the NVNG proponents are scaling back their market estimates.

Moreover, UTC questions the accuracy and methodology of the demand forecasts that have been produced by the Little LEO advocates. The IWG-2A Report clearly indicates that its demand projections are based almost entirely on the summaries of studies prepared for Little LEO applicant Final Analysis. Despite requests from IWG-2A participants, including its Vice Chairman, Final Analysis declined to make the underlying market demand studies available for review or to be incorporated as part of the record because of their proprietary nature.⁴ Accordingly, the FCC, industry and the general public have no objective means to verify or comment intelligently on the accuracy of the IWG-2A demand forecast.

² *NPRM*, para. 7 (emphasis added).

³ *IWG-2A Final report, Section 2.1 Demand and Demand Growth For NVNG Services.*

However, even an examination of the summary information alone raises significant questions as to the reliability of the demand forecast. For example, among the application areas believed to represent the most significant near term market opportunities for NVNG MSS, Automatic Meter Reading (AMR) for utilities was identified as accounting for well over 75% of the total market demand forecast for North America. The summary indicates that by 2002 close to 15 million utility meters in North America will be read by NVNG MSS technology. Based on discussions with industry experts and potential end-users UTC considers these numbers to be an extremely over-optimistic marketing forecast. A number of utilities around the country are in the process of rolling-out ambitious AMR deployments, but other than a handful of experimental “pilots” none of these installations include NVNG systems. In order for the Little LEO demand forecast to be accurate NVNG MSS would have to capture a majority of the projected new AMR installations in the face of an ever increasing number of terrestrial AMR technologies ranging from telephone line to narrowband PCS. Contrary to the NVNG proponents’ view of the market, UTC believes that AMR technologies will include a broad mix of wired and wireless media depending on the applications needed, geographic areas to be served, and ultimately the regulatory structure of the utility industry.

While the AMR projections are only one component of the NVNG market demand forecast they constitute a significant percentage of the overall demand. Further, the apparent failure of the report to realistically address the AMR sector of the market does not inspire confidence with respect to the accuracy of the rest of the report.

⁴ See IWG-2A Minutes, December 3, 1996.

II. Conclusion

Given the lack of objective data to support the projected demand for NVNG MSS the Commission should re-evaluate its tentative conclusions regarding an additional allocation of spectrum.

WHEREFORE, THE PREMISES CONSIDERED, UTC urges the Commission to take action in this proceeding in accordance with the views expressed in these comments.

Respectfully submitted,

UTC

By: 

Jeffrey L. Sheldon
General Counsel

By: 

Sean A. Stokes
Associate General Counsel

UTC, The Telecommunications
Association
1140 Connecticut Avenue, N.W.
Suite 1140
Washington, D.C. 20036
(202) 872-0030

December 1, 1997