

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Amendment of the Commission's) GEN Docket No. 90-314
Rules to Establish New Personal)
Communications Services)

UTAM REPORT TO THE FCC

July 1, 2002

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I. EXECUTIVE SUMMARY

As noted in previous reports to the Commission, UTAM continues to meet the objectives established by the Commission in bringing UPCS systems to the public. Over the course of the reporting period, the processes and procedures put in place to allow the deployment of UPCS devices have continued to work well and continue to be adhered to by manufacturers of UPCS devices.² As in the past, UTAM will continue to monitor these processes and procedures and make any refinements deemed necessary.

Since UTAM filed its last report with the Commission in January 2002, UTAM is pleased to report that the following tasks have been accomplished:

- ▶ The comprehensive cost sharing agreement, which UTAM has entered into with the PCIA Clearinghouse and its members, continues to help accelerate the clearing of the UPCS band by opening up a number of counties and major metropolitan areas to unencumbered deployment of UPCS devices.
- ▶ Nationally, in the 1920 – 1930 MHz Isochronous band, UTAM has increased the number of counties available for unencumbered deployment to 3,066, or 98% of the U.S. In the 1910 – 1920 MHz asynchronous band, 2,843 counties, or 91%, of the country is available for unencumbered deployment.

II. UPCS MARKET DEVELOPMENT

The use of enterprise-based wireless systems has become an integral part of conducting business. From small businesses to large businesses, from small elementary schools to college campuses, the use of these unlicensed wireless devices

² Under FCC rules, parties must execute a signed Subscriber Agreement with UTAM, receive UTAM certification and obtain FCC authorization before marketing or installing a UPCS product of device. See 47 C.F.R § 15.307.

has improved productivity and has made communications more convenient. In many industries, the use of these devices is almost a competitive necessity; in others, such as nuclear power plants and hospitals, these systems serve mission-critical applications because of the heightened interference protection that UPCS devices provide. In addition, the sizes of the systems being deployed continue to grow and, in many cases, are supporting hundreds of users. In some of these locations, the high density of users in a small area has created the need for additional spectrum.

In light of this expressed and continuing need for UPCS frequencies, UTAM has filed comments in two recent Commission proceedings that could affect the future of the UPCS band. UTAM filed comments and joint reply comments in response to the Commission's Further Notice of Proposed Rule Making ("FNPRM") regarding potential reallocation of the UPCS band for advanced wireless ("3G") services or to accommodate incumbents who are displaced in order to provide for such 3G services.³ In its comments, UTAM emphasized that reallocation of the UPCS band would injure the public interest and impose severe financial burdens upon an industry that is on the verge of significant advancements with full clearing of the UPCS band. Further, UTAM expressed its concern that these frequencies are technically unsuitable for other uses and serve as a critical guard band for licensed PCS users. UTAM also expressed its support for cross-over use of the 1910-1920 MHz band by isochronous devices due to the saturation of the 10 MHz allocation for these devices, and noted that it is working

³ Amendment of Part 2 of the Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, including Third Generation Wireless Systems, ET Docket No. 00-258, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, FCC 01-224 (rel. Aug. 20, 2001) ("FNPRM"). See Comments of UTAM, Inc., ET Docket No. 00-258 et al. (filed Oct. 19, 2000); Joint Comments of UTAM, Inc. and Wireless Information Networks forum, Inc., ET Docket No. 00-258 et al. (filed Nov. 8, 2001).

with UTStarCom to explore whether other types of low power unlicensed uses could be accommodated in the asynchronous band.⁴ Finally, UTAM requested that the Commission address and resolve any outstanding concerns with respect to the isochronous UPCS band in a separate, expedited rule making proceeding, in order to resolve any market uncertainties created by the FNPRM.

In addition, UTAM filed comments in more recent Commission rulemaking proceeding proposing to potentially reallocate the UPCS band to provide “replacement spectrum” for SMR licensees relocating from the 800 MHz land mobile band to mitigate interference with public safety systems in the band.⁵ Given the substantial overlap with the 3G proceeding, UTAM reiterated some of its comments from the 3G proceeding, but further highlighted the wide ranging public safety applications of UPCS devices. UTAM also noted the tremendous financial and management resources it has expended in making this band successful. Again, UTAM urged the Commission to fully support cross-over use of the 1910-1920 MHz band for isochronous devices, due to spectrum congestion issues with respect to deployments in hot spots in the 1920-1930 MHz band. UTAM also restated the important guard band function that the UPCS band plays in protecting the integrity of licensed PCS services.

⁴ See Amendment of the Commission’s Rules for Unlicensed Personal Communications Services, Petition For Rulemaking of the Wireless Information Networks Forum, RM-9498 (Jan. 8, 1999) (“WINForum Petition”). UTAM also expressed its willingness to consider use of the Asynchronous band for the provision of services to rural areas, provided certain limitations (including requiring any new users to contribute to current industry funding obligations) were imposed and certain technical and other concerns were addressed fully by proponents of such use.

⁵ See In the Matter of Improving Public Safety Communication in the 800 MHz Band, Consolidating the 900 MHz Industrial/Land Transportation and Business Pool Channels, WT Docket No. 02-55 (Mar. 15, 2002) (*Notice of Proposed Rulemaking*) (“800MHz NPRM”).

Through these comments, UTAM has continued its efforts to ensure that the UPCS frequencies are utilized efficiently and that UPCS devices are deployed rapidly and fully. Markets that are successful tend to attract additional competitors, and the market for unlicensed products is no different. Additional competitors continue to introduce new unlicensed products with enhanced features and applications. As a result of the additional competition, end users are enjoying the benefits of downward pressure on pricing. Further, as the technology continues to become less expensive, it is expected to create wider demand for these systems both in volume and in the size of systems deployed, as users will opt to provide coverage over greater areas of their business and expand the use of these devices to more employees.

III. DEPLOYMENT ACTIVITIES

A. Deployment Procedures

As stated in previous reports, UTAM is pleased that the procedures developed and refined to facilitate the deployment of UPCS devices continue to be effective and are being readily adhered to by manufacturers. In an ongoing effort to effectively streamline its operations and to respond to suggestions made by participating manufacturers and others, UTAM will continue to evaluate and refine these procedures, as needed. To date, the lack of any interference incidents with microwave incumbents attests to the quality of the processes and the adherence to them by the manufacturers.

Members are complying with the requirements, set forth in the Subscriber Agreement, to update the Database Management System (DBMS) when products are sold and installed. These updates allow UTAM to monitor market development,

aggregate power generation and ensure compliance with pre-designated power limits set for Zone 1 counties.

Also, as specified in the Subscriber Agreement, UTAM, through an independent third party, continues to audit its subscriber members' deployment records to ensure that UTAM's records accurately track product deployments, thereby ensuring the integrity of the DBMS. This audit is intended to ensure that the data base monitoring mechanisms are operating as intended and that the proper clearing fees are paid. To date, no major discrepancies have been observed.

B. Prior Coordination Notice ("PCN") Procedure

As noted in earlier reports to the Commission, UTAM has classified each county in the United States based upon a two-zone classification system. Zone 1 counties are those counties distant from existing microwave operations that permit deployment of UPCS products up to a pre-determined and "pre-coordinated" power limit. In contrast, Zone 2 counties have existing microwave operations either nearby or in the county and, as a result, UPCS product deployments cannot occur within such a county until a site-specific coordination has been successfully completed. There are also 1,153 Isochronous and 1,218 Asynchronous Zone 2 counties that UTAM has classified as "non-scheduled". These counties qualify for a pre-coordinated Zone 1 status; however, their business population is typically less than 5,000 and therefore has not been scheduled for conversion at this time. These counties are automatically converted by UTAM, via the PCN process, when any subscriber files for site-specific coordination in that county.

Through the course of the first half of 2002, UTAM, through its Prime Frequency Coordinator, Comsearch, has issued a total of 21 PCNs for Zone 1 candidate counties, bringing the total number of Zone 1 counties in the 1920 - 1930 MHz Isochronous band to 1,973, or 61% of the counties in the U.S. When the qualified Zone 2 "non-scheduled" counties are considered, 98% of the counties would qualify as Zone 1. In the 1910 - 1920 GHz Asynchronous band, the total number of Zone 1 counties has increased from 1,605 at the beginning of the year to 1,625, or 52% of the counties in the U.S. When the qualified Zone 2 "non-scheduled" counties are considered, 91% of the counties are available for unencumbered deployment in this band. A Zone 1 PCN notifies affected microwave incumbents that UTAM has declared a county to be a Zone 1 candidate and that the county will be "pre-coordinated" for a particular power level as determined in accordance with current TIA Bulletin 10 guidelines.

C. Product Deployment

Also, as in past reporting periods, product deployment continues to grow at a reasonable pace. Quarter-over-quarter product deployments continue to demonstrate a growth curve indicative of a maturing market. As chartered, UTAM will continue to coordinate the deployment of these unlicensed devices and to collect the associated clearing fees. As more fully detailed in the UTAM Plan filed with the Commission, UTAM will use these fees to finance the relocation of microwave incumbents from the spectrum allocated to UPCS.

IV. RELOCATION ACTIVITIES

The continued successful growth of the UPCS market ultimately depends on the full clearing of the UPCS band. While the complete clearing will still take a few more

years, UTAM has taken steps that will both facilitate ease of deployment and accelerate the clearing process. As mentioned in earlier reports, UTAM has undertaken a regional clearing strategy to facilitate the conversion of the remaining Zone 2 counties. By taking this approach, UTAM has opened up large contiguous areas of the country for unencumbered product deployment. With the exception of a few small, sparsely populated counties, the Northeast, Southeast, Mid-West, North Central regions have been essentially cleared in the Isochronous band.

As mentioned in previous reports to the Commission, UTAM, in an effort to accelerate the clearing process, has entered into a comprehensive cost sharing agreement with the PCIA Clearinghouse and its members. Under the agreement, UTAM will share the costs of relocated microwave links with the PCS carriers responsible for their relocation. The result of this agreement has been to convert a significant number of counties to Zone 1 status, many of which contain major metropolitan areas. It is anticipated that this accelerated clearing effort will contribute to the continued growth of the UPCS market, and in turn, generate accelerated clearing fees that will be applied, in part, to the costs incurred under the cost sharing agreement and increase the potential for opening up the UPCS band to nomadic devices.

V. OPERATIONAL, ORGANIZATIONAL AND FINANCIAL STATUS

A. Operational Status

UTAM continues to successfully use the operational procedures that it put in place to oversee the deployment of UPCS devices and coordinate deployment with incumbent microwave systems. UTAM will continue to evaluate these processes and refine them as necessary.

B. Membership and Staffing

The voting membership currently consists of Alcatel USA, ASCOM Wireless Solutions, Avaya, Cortelco, IWATSU America, Motorola, Inc., NEC America, Inc., Nortel Networks Inc., SpectraLink Corporation, ECI Telecom, Inc., Comdial, and Toshiba. In addition, UTAM also has numerous associate members.⁶ Given the ongoing number of inquiries for requirements to operate in the UPCS band, combined with the continued clearing of the UPCS band, UTAM is confident that additional manufacturers and distributors will become voting members in the course of 2002.

C. Funding

UTAM has continued to collect clearing fees from the deployment of UPCS products. The actual and forecasted growth in clearing fees resulting from increased deployments indicates that these fees, combined with UTAM's current assets, will keep UTAM in a sound financial position into the foreseeable future.

VI. OUTREACH ACTIVITIES

UTAM has continued its efforts to maintain contacts with other PCS-related industry groups in order to remain current on industry developments. UTAM continues to discuss UTAM's participation in the FCC's cost sharing process with representatives of the PCIA clearinghouse. In addition, UTAM has worked together with WINForum to file comments in response to the Commission's FNPRM regarding potential reallocation of spectrum to accommodate 3G services. By these comments, UTAM and WINForum expressed their shared concern that the UPCS bands be retained for unlicensed

⁶ A complete list of UTAM Board of Trustees and Associate Members is attached.

applications and that UPCS devices be permitted to enjoy continued successful development and deployment.

Through its members, UTAM also participates in other industry-wide seminars and trade shows to increase the awareness of the market for UPCS devices. In addition, UTAM continues to answer inquiries regarding its objectives and processes and provides information to interested parties as necessary.

VII. CONCLUSION

UTAM is once again pleased to report that the framework that has been established and maintained for the deployment of unlicensed devices continues to work successfully. UTAM is confident that the success of the UPCS industry shall continue, provided that any uncertainties created by the Commission's recent FNPRM are resolved swiftly and the UPCS frequencies retain their current allocation for UPCS applications. As explained above, UTAM strongly opposes the reallocation of these frequencies as contrary to the public interest. UPCS devices are used by a wide variety of organizations and companies, and, as microwave incumbents are cleared from the UPCS frequencies, the UPCS industry will have the ability to deploy even more service offerings to the public. The continued growth of UPCS sales, the continued adherence by manufacturers to UTAM's operational processes and UTAM's continued efforts to prevent harmful interference to microwave incumbents indicate that UTAM is maintaining a proper course for fulfilling its overall charter. UTAM will continue to monitor and refine its operations to meet the dynamics of the UPCS market and looks forward to the challenges that lie ahead.

Respectfully Submitted,

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July 1, 2002

APPENDIX A

UTAM BOARD OF TRUSTEES AND ASSOCIATE MEMBERS

VOTING MEMBERS

Alcatel USA – Mr. Jose Paulett
ASCOM Wireless Solutions. – Mr. Chad West **
Avaya, Inc. – Ms. Sandy Abramson (*President*) **
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** Member of the Board of Trustees

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