

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

January 1, 2007

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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, including those made to accommodate changes to the rules governing the UPCS band, continue 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 July 2006, UTAM is pleased to report that the following tasks have been accomplished:

- UTAM has continued to witness significant growth in its membership with the rules changes that were made to accommodate DECT products. As a result of these changes, UTAM has signed up an additional 11 new manufacturers of UPCS devices.
- To our knowledge, there have been no incidents of manufacturers deploying product that are not members of UTAM. A testimonial to the processes put in place to insure compliance.
- Since the last report, nearly 1M UPCS devices have been deployed. A significant increase over previous periods as a result in the change in UPCS rules.
- Interest in the UPCS band continues to grow as additional manufacturers have expressed interest in the band and are expected to join UTAM in the months ahead.

² Under FCC rules, parties must execute a signed Subscriber Agreement with UTAM which stipulates that they will pay their fair share of the costs for clearing the UPCS band. Upon receipt of the Subscriber Agreement, UTAM issues the party an affidavit which is a required document required to obtain FCC authorization before marketing or installing a UPCS product or device. See 47 C.F.R § 15.307.

- UTAM has reached agreement with all parties regarding its remaining financial obligations, finalizing those obligations at just over \$32M. Of this obligation, approximately \$25M should be recouped from the re-allocation of the 1910 – 1920 MHz band.

II. UPCS MARKET DEVELOPMENT

As noted in UTAM's previous semi-annual reports, the UPCS band has undergone significant regulatory change. Substantial parts of the UPCS band have been reallocated to Nextel as part of the 800 MHz rebanding (1910-1915 MHz) and to Advanced Wireless Services (1915-1920 MHz). The FCC has also modified the technical parameters of the band, with the concurrence of UTAM, to permit the deployment of systems based on the Digital Enhanced Cordless Telephone ("DECT") specification. And, with the sunset of the incumbent microwave cost relocation rules in April of 2005, manufacturers are deploying a range of nomadic devices. As a result, UTAM has adapted and revised certain processes to accommodate these changes and new technologies.

UPCS, and the use of enterprise-based wireless systems has been an integral part of conducting business for some time. From small businesses to large businesses, from small elementary schools to college campuses, the use of these unlicensed wireless devices 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.

Also in April 2005, with the sunset of the 2GHz microwave relocation rules, and modification of the Part 15 rules to accommodate additional standards, UTAM member were able to begin the deployment of nomadic devices. These changes have encouraged a significant increase of interest in the use of the UPCS band and have resulted to date in thirty-one additional manufacturers joining UTAM and several more in discussions with UTAM as they evaluate the market.

UTAM has also participated extensively in a number of proceedings relating to the reallocation of the 1910-1920 MHz bands. Since the adoption of the UPCS rules, UTAM has funded the relocation of microwave users from the UPCS band segment, including 1910-1920 MHz. In light of the relocation, UTAM has worked to ensure that the out-of-pocket costs of manufacturers in relocating microwave users from the 1910-1920 MHz band is fully repaid by the new users of those bands.

Notwithstanding the repayment of expenditures for 1910-1920 MHz and the sunset of the cost-sharing rules, UTAM still has significant obligations relating to microwave relocation. Specifically, UTAM negotiated an agreement with the PCS carriers in the band that permits UTAM to pay cost-sharing obligations over time. These cost-sharing obligations remain outstanding, and UTAM will continue to collect per device fees from manufacturers of devices in the band as a means of offsetting those obligations. Due to the mass market nature of DECT devices, however, UTAM has restructured its fee schedule such that manufacturers now producing equipment for the band are charged a one time fee of \$50,000 and a per device charge of only \$0.50.

Through its participation in these regulatory activities, 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 businesses and homes.

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.

As specified in the Subscriber Agreement, UTAM, through an independent third party, continues to audit its subscriber members' product deployment records. This audit is intended to ensure that each member pays their fair share of the cost to clear the band. To date, no major discrepancies have been observed.

B. Prior Coordination Notice ("PCN") Procedure

With the sunset of the 2 GHz microwave relocation rules, members no longer have to coordinate the deployment of their products, therefore UTAM no longer requires

its members to enter information into its Data Base Management System, or issue Prior Coordination Notices (PCNs). Members can now deploy products without concern for interfering with incumbent microwave operators.

C. Product Deployment

As noted in the last reporting periods, with the recent changes in the Part 15 rules, product deployment is on the rise. Over the current reporting period, product deployment continues to increase at an ever-increasing rate as new manufacturers begin deploying nomadic products. In the course of 2006, over 1M UPCS devices have been deployed. A significant increase over previous periods and a trend that is expected to continue as additional manufacturers begin to deploy products in the months ahead. This increase is a direct result of the sunset of the 2 GHz microwave relocation rules, and the changes made in Part 15 rules. UTAM is anticipating a continued increase in product deployment of these non-coordinated, consumer oriented, nomadic devices, such as cordless phones. As chartered, UTAM will continue to collect the associated clearing fees for these products and as more fully detailed in the UTAM Plan filed with the Commission, UTAM will use these fees to pay off its obligations incurred in the course of the relocation of microwave incumbents from the spectrum allocated to UPCS.

UTAM has also modified its policies and procedures to compliment the recent rule changes in the isochronous band in anticipation of the consumer oriented products that are currently being deployed. UTAM has restructured its clearing fees to be more in line with a consumer price point while continuing to pay down its financial obligations

incurred in clearing the band. Manufacturers now producing equipment for the band are charged a one time fee of \$50,000 and a per device charge of only \$0.50.

IV. 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. Recent changes to the UPCS band and the modification of UTAM procedures to accommodate these changes appear to be working as intended, however they will continue to be monitored to insure that they are accomplishing what was intended.

B. Membership and Staffing

The voting membership currently consists of ASCOM Wireless Solutions, Avaya, IWATSU America, Motorola, Inc., NEC Infrontia, Inc., Nortel Networks Inc., SpectraLink Corporation, Tadiran, Inc., Siemens Home & Office Comm. Devices, Toshiba, Plantronics, Ascalade Communications, RTX Products A/S, Lake Communications, Inc., Kirk Communications, Cisco Systems, Inc., Giant Telecom, GN Netcom, SunCorp, Vitec Communications, Teledex LLC, Uniden, DRS Ltd., Revolabs, Inc., Thomson Inc., American Telecom Services, Inc., Sharp Corporation, Askey Computer Corp., Sound Merchandising, Inc., Quail Ltd., Bang & Olufsen a/s, Aastra – DeTeWe, DeTeWe GmbH, Vtech, Ericsson, Inc., Unical Enterprises, Inc. and Panasonic. Given the recent increase in membership, and the high level of interest currently being expressed by additional manufacturers, UTAM is anticipating a continued increase in its membership in the course of 2007.

C. Funding

UTAM has continued to collect clearing fees from the deployment of UPCS products. As mentioned above, UTAM has revised its clearing fee structure to \$0.50 per radiating unit to align more with a consumer price point, down significantly from its original fee of \$20 per radiating unit. Based on current assessments, the actual and forecasted growth in clearing fees from increased deployments resulting from the recent rule changes, indicates that these fees, combined with UTAM's current assets, will keep UTAM in a sound financial position into the foreseeable future.

V. 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 has worked together with a number of organizations in coordinating activities in support of the recent rule changes implemented by the Commission. At the same time, UTAM has been receptive to, and worked in conjunction with, other classes of device manufacturers to promote the broadest availability of unlicensed products for the American public.

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.

VI. 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 with the recent changes to the UPCS band and with the recent rules changes, the UPCS industry will have the ability to deploy even more product offerings to the public. The continued growth of UPCS sales and the continued adherence by manufacturers to UTAM's operational processes 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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APPENDIX A

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