

James A. Casey
Attorney at Law
10860 Burr Oak Way
Burke, Virginia 22015

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February 4, 2004

James Burtle
Experimental Licensing Branch
Federal Communications Commission
MS 1300E1
445 12th Street SW
Washington, DC 20554

Dear Mr. Burtle

We are pleased to present this annual progress review under the 3.4GHz Experimental License (6120-EX-PL-1998) granted by the FCC on 22nd September 1998, modified on 10th April 2000 (0041-EX-ML-1999) and renewed October 1, 2003 (0130-EX-RR-2003). We continue to provide a full quality "wireline equivalent" service via Fixed Wireless Access (FWA) to customers on the Salt River Pima Maricopa Indian Community (SRPMIC) while we transition these customers to wireline service made possible since the acquisition of the incumbent copper grid.

As with the previous reports on the operating system, we have not observed any interference from other spectrum users over the past twelve months, and have not been notified of any interference to other spectrum users as a result of our operation under this License. Similarly, no user of the FWA system has complained of interference from other spectrum users.

Respectfully Submitted,


James A. Casey
Counsel for
Mountain Telecommunications Inc & Saddleback Communications

CONCERNING - THE USE OF FIXED WIRELESS ACCESS (FWA)
TO PROVIDE BASIC & ADVANCED TELECOMMUNICATIONS SERVICES
TO RESIDENTIAL AND SMALL BUSINESS USERS
IN UNSERVED, UNDERSERVED AND COMPETITIVE APPLICATIONS

EXPERIMENTAL LICENSE ACTIVITY
TO INVESTIGATE THE FEASIBILITY AND VIABILITY OF USING
FWA "OFF-THE-SHELF" SOLUTIONS AT 3400-3700 MHz
TO MEET SERVICE AND BUSINESS OBJECTIVES
AT SCOTTSDALE, ARIZONA

FIRST TRANSITION REPORT

2003

REPORT PREPARED BY JAMES A. CASEY

INTRODUCTION

Mountain Telecommunications, Inc. ("MTI") originally deployed the experimental service to conduct limited market and interference studies for a promising wireless local loop technology in the frequency band identified in the license. The objectives of this project were to:

- Demonstrate economic and social benefits of fixed wireless technology;
- Evaluate customer acceptance of services provided;
- Demonstrate progress towards becoming facilities-based CLEC;
- Evaluate system performance in a real network environment;
- Investigate service, application and business opportunities;
- Develop staff knowledge on technology and associated functions/processes;
- Develop plans for product standardization, market introduction and deployment; and
- Address regulatory aspects of wireless technologies.

In October 2000, the Federal Communications Commission ("Commission") determined that co-primary usage of the spectrum by non-governmental users would be incompatible with the needs of incumbent government users.¹ As a result of this decision, SRPMIC has begun the process of transitioning the current users of the FWA system over to standard wireline services. These annual reports will be used to keep the Commission apprised of the progress of the transition.

INTERFERENCE

A specific objective of this Experimental License was to evaluate any interference to the FWA system from other users in the band (or emitting spurious signals into the band from lower frequencies). In particular, airborne high powered military radars such as AWACS. We are also required to remedy (or shut down the system) in the event that the FWA system causes interference to a primary user in the band (e.g. military radars). We have not experienced (or been notified of) any interference during the year.

TRANSITION STATUS

At the time of the filing of the renewal application for this license, there were 237 users of the system in the SRPMIC. This installed user base was down from a system high of 400 total subscribers in the 3rd quarter 2001. As of October 1, 2003, the total subscriber base had been reduced to 100 subscribers. Since that time, additional subscribers have been transitioned to wireline services. As of January 27, 2004, there are 67 subscribers to the FWA system.

As a transitional technology, the FWA system has ensured that all members of the SRPMIC have had access to basic critical telecommunications services. Despite the decision not to allow use of this particular system and frequency band in the future, the tribal community encourages the Commission to continue to investigate wireless local loop technologies as solutions (even if only temporary) to the lack of affordable

¹ Amendment of the Commission's Rules with regard to the 3650-3700 Mhz Government Transfer Band; The 4.9 Ghz Band Transferred from Federal Government Use, ET Docket No. 98-237; WT Docket No. 00-32, FCC 00-363, ¶ 14 (FCC Oct. 24, 2000).

telecommunications services in many highly rural areas, including many tribal lands. Such solutions will require access to spectrum and off-the-shelf systems in order to ensure that resulting services are affordable. Without workable wireless solutions, many rural areas will go without service until it becomes practical to serve those areas by wireline. For some, this simply means that they will never have service. Transitional systems like the instant FWA deployment are a valuable tool to help ensure that all Americans have access to vital telecommunications services.