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December 12, 2002

GEORGE WHEELER
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Office of Engineering and Technology
Experimental Licensing Branch, MS 1300E1
Federal Communications Commission
445 12th Street, SW
Washington D.C.

Re: Submission of Progress Report and Request for Confidential
Treatment Regarding Special Temporary Authorization,
Call Sign WB9QXT, File No. 0218-EX-ST-2002

Dear Sir,

In accordance with the terms of the Special Temporary Authorization, File 0218-EX-2002, Ambient is filing the attached six-month progress report (Report) on its progress in evaluating the feasibility of broadband access via carrier current systems over power lines.

Because the Report contains proprietary and confidential technical information about Ambient's technology, which would customarily be guarded from competitors, Ambient requests that the Report be treated as confidential and withheld from public inspection in accordance with Section 0.457(d) (trade secrets) of the Commission's Rules. (This Report contains information similar to an earlier submission for which confidential treatment was granted).¹

¹ See Request for Confidential treatment of Narrative attached to original STA application in file No. 0218-EX-ST-2002.

Pursuant to Section 0.459(b) of the Commission's Rules, Ambient provides the following information in support of its request for confidential treatment:

- (1) Ambient's requests confidential treatment of the Progress Report and attachments thereto. The Report is marked as "Proprietary and Confidential;"
- (2) This Report is being submitted as required under Special Temporary Authorization, File No. 0218-EX-ST-2002;
- (3) This Report contains highly confidential and proprietary information about Ambient's unique experimental network, including information about system architecture, equipment, and initial performance;
- (4) Although power line communications systems are still in the experimental stage in the U.S., there are a number of competitors all trying to be first to market in developing and deploying viable telecommunications systems;
- (5) Disclosure of such information to competitors could compromise Ambient's efforts to develop this technology, in that other PLC companies could better compete with Ambient if they had information concerning Ambient's proposed network architecture and technology. This would cause Ambient substantial competitive harm;
- (6) Ambient has marked the Report as "Proprietary and Confidential." In addition, Ambient has been careful in protecting proprietary aspects of its system, including the use of confidentiality agreements with technical consultants;
- (7) Technical information contained in the Report has not been disclosed to the public, nor disclosed to third-parties (not including counsel or consultants bound by confidentiality agreements or otherwise);
- (8) Ambient requests that this information be withheld from public disclosure until such time as Ambient discloses such materials publicly as part of its anticipated commercial rollout. Disclosure during the term of the STA or any experimental license would compromise Ambient's position *visa vis* competitors. Further Ambient requests that the "Narrative Statement," already subject to confidential treatment remain under confidential treatment for the same reasons as set forth herein.
- (9) Confidential treatment of this Report will allow Ambient to fully disclose its progress under the STA to the FCC. Because power line communications systems are still in development, it will serve the public interest if the FCC

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is fully informed of the progress of innovators like Ambient. Refusal to treat such documents as confidential, would result in less detailed reporting and defeat one of the objectives of the STA.

If there are any questions regarding the submission and the request for confidentiality, please contact Jonathan Epstein, Esq. at (202) 828-1870. For technical questions concerning the Report itself, contact Dr. Yehuda Cern, Ambient's Chief Engineer, at (617) 735-9395.

Sincerely,

/s/ George Wheeler

George Wheeler

Jonathan Epstein

Holland & Knight LLP

Counsel for Ambient Corp.