

EXHIBIT 1

1. Program of research and experimentation proposed: This application for an experimental radio license is to properly test and evaluate radio equipment designed to provide a radio link which will be used to obtain readings from utility consumption meters.
 - a) Description of equipment: The transmitter device is battery powered, is located next to the meter and transmits at 916.5 MHz on a periodic and unsolicited basis. The receiver picks up the radio messages and passes them on to a data collection device connected to the receiver.
 - b) Theory of operation: Two pieces of equipment will be used, the transmitting device, model number 124 and a receiving device. These form part of an automatic meter reading system. The transmitting device will be located adjacent to a water meter and collect consumption and other related data. Periodically this data will be transmitted in an unsolicited fashion. The receiving device will be co-located with a data collection device. The water metering radio messages will be received and stored for later data processing. The radio link is intended to operate as a one way link using an unlicensed low power transmitting device in the 902-928MHz ISM band.
2. Objectives sought to be accomplished: With the experimental license, we will be able to:
 - a) Demonstrate equipment prior to obtaining equipment certification.
 - b) Demonstrate equipment to potential users for evaluation of features and functions.
 - c) Operate transmitters in various configurations, installations (including residential) and in reasonably large quantities to assess equipment interaction and operational performance.
 - d) Use findings from demonstration activities and operational tests to upgrade the design of the devices and system prior to certification submission.
3. How the program of experimentation has a reasonable promise of contribution to the development, extension, expansion, or utilization of the radio art, or is along a line not already investigated: We expect that the experiments will demonstrate a more economical technology and methodology for retrieving consumption data from utility meters. Since there are hundreds of millions of utility meters in this country, we expect to expand, extend and utilize the radio art.



EXHIBIT 2

August 27, 1998

Federal Communications Commission
Experimental Radio Services
P.O. Box 358320
Pittsburg, PA 15251-5315

Re: **Request to withhold information from public inspection pursuant to FCC rule provisions in Section 0.457(d) for the attached Form 442.**

Dear Commissioner:

We respectfully request that the Commission withhold from public inspection this letter and the following materials contained in the attached Form 442:

Page 1, Section I
Page 2, Section 1
Page 2, Section 4
Page 3, Section 15
Page 3, Section 9
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We are requesting this withholding for the following specific reasons:

1. **Competition and Time-To-Market.** Datamatic is a small, privately-held corporation competing in an industry which is dominated by large, resource-rich, publically-traded corporations. These dominant competitors are Itron, Inc., CellNet Data Systems, Inc., Schlumberger, and Motorola. The industry we compete in is electronic or automated utility meter reading. Datamatic's ability to compete in this industry is dependent on the speed by which we can develop and produce hardware and software products that meet our utility customer's needs and get them to market.

With this application we believe we can perform final field tests for a low-cost, feature-rich automated meter reading product that will be of a significant value in the utility meter reading market. Assuming the product does present such value, our window of opportunity to recover our investment in this product is relatively short. The information contained in this application would be valuable to our competitors, who we expect would act on it immediately to develop alternative products to their existing product lines to thwart our plans to market this product.

2. **Proprietary Technology and Intellectual Property.** We intend to file a Patent Application with the U.S. Patent and Trademark Office as soon as our experiments confirm the equipment and software performs as expected under actual field trials. Patent protection is extremely important in this industry because the stakes are enormous. Two of our competitors, Itron and CellNet, currently are suing each other over patent infringement covering the same technology. If the information contained in this application were to be made available to our competition, we suspect they would file similar patent applications to gain the protection of the patent and deny the technology to Datamatic.

If you have any questions or if you require additional information, please call me at (972) 234-5000 or email me at phil_masters@datamatic.com.

Sincerely,



Philip J. Masters
Chief Financial Officer

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