

NARRATIVE STATEMENT

By this application, Telespree Communications ("Telespree"), seeks a five-year license beginning July 1, 2001, to develop, test and demonstrate prototype mobile communications equipment that will operate in the PCS licensed bands 1850-1910 MHz and 1930-1990 MHz. The following information is provided in support of this request:

Need for a 5-Year License:

Telespree seeks a five-year license to accommodate ongoing tests of equipment that is expected to change or evolve over the next five years as a result of Telespree's research and development.

Purpose of Operation:

The proposed operation will allow Telespree to develop, test, and demonstrate innovative mobile equipment designed to meet new performance standards and applications. For example, Telespree will evaluate handoff performance among sectors, network capacity, quality of service, multi-path performance, average data rates, and interference performance.

Proposed Location:

Telespree seeks authority to conduct its experimental operations nationwide. Although it will conduct tests primarily within 80 kilometers of its research and development site at San Francisco, California, Telespree also plans to test and demonstrate equipment at a maximum of 25 sites at other locations in the United States. As it cannot at this time determine the specific locations of such tests, Telespree seeks blanket authority to operate nationwide (within the United States and its territories). Specifically, Telespree seeks authority to operate and demonstrate products (1) at its own premises; (2) at the premises of entities working under Telespree's authorization in the design and development of the devices and related products; (3) at trade shows or non-residential exhibitions; and (4) at non-residential, business, commercial, industrial, scientific, or medical locations during the design, development, and pre-production stages. Indeed, these operations would be consistent with the requirements set forth in Section 2.803 of the Commission's marketing rules. 47 C.F.R. § 2.803 (2000); *see also* Revision of Part 2 of the Commission's Rules Relating to the Marketing and Authorization of Radio Frequency Devices, ET Docket No. 94-45, Report and Order, released Feb. 12, 1997, at 11-13, 19-20 ("Marketing Rule Revisions").

In addition, Telespree seeks authority to operate devices at certain residential locations. It submits that grant of such authority is in the public interest and convenience. The nature of the services and devices associated with PCS services typically involve such usage and therefore should be tested at residential locations.

Technical Specifications:

Mobile Units:

Frequency:	1850-1910 MHz
Power:	Not Greater than 1.22 Watts Peak TPO
Effective Radiated Power:	Not Greater than 1.22 Watts Peak
EIRP:	Not Greater than 2 Watts Peak
Necessary Bandwidth:	Not Greater than 1.25 MHz per channel
Modulation:	GSMK and others
Emissions:	G7D, D7D, D7W
Antenna:	Omnidirectional

Base Stations:

Frequency:	1930-1990 MHz
Power:	Not Greater than 100 Watts Peak TPO
Effective Radiated Power:	Not Greater than 1000 Watts Peak
EIRP:	Not Greater than 1640 Watts Peak
Necessary Bandwidth:	Not Greater than 1.25 MHz per channel
Modulation:	GSMK and others
Emissions:	G7D, D7D, D7W
Antenna:	Omnidirectional

Other emission modes may be utilized, but in no event will the emissions extend beyond the frequency bands requested. All power levels will comply with the limits set forth in Section 24.232 of the Commission's rules. 47 C.F.R. § 24.232 (2000).

Antenna Information:

The antennas that would be employed under this license will not extend more than 6 meters above the ground or, if mounted on an existing building, will not extend more than 6 meters above the building. If an antenna is mounted on an existing structure other than a building, it will be installed in accordance with FAA and FCC rules and regulations.

Equipment to be Used:

Telespree proposes to employ only a limited number of units. It expects that it will be able to complete most of its experimentation and demonstration with a maximum of 100 mobile units and 2 base stations per test site. It will also limit the power, area of operation, and transmitting times of these units to the minimum necessary to evaluate the equipment.

Many of the consumer products Telespree proposes to test are typically sold in quantities of hundreds of thousands. For example, the potential market for its products include the entities that service over ninety million consumers that currently subscribe to cellular and cellular-like services in the United States. To obtain accurate data regarding real-world operations, Telespree must employ a sufficient number of units during its studies to simulate actual usage. It expects that it will be able to conduct its experimentation with 100 or fewer mobiles and 2 base stations per location and that it would not employ more than a total of 2500 mobiles and 50 base stations overall for all

of its experiments combined conducted under the requested authority. In other words, 2500 mobiles and 50 base stations reflect the maximum number of unapproved or unlicensed units that would be

in operation at any given time under this authorization. As required, Telespree would seek separate and specific authority if more units are needed to conduct a particular experiment.

Restrictions on Operation:

Telespree understands that the FCC permits (1) companies to enter into agreements and contracts to manufacture new products and (2) manufacturers to sell—but not deliver—products on a conditional basis to wholesalers and retailers. Telespree also understands that the FCC permits the operation of equipment for, among other things, compliance testing, demonstration at trade shows and other exhibitions with appropriate notices displayed, and evaluation of product performance and customer acceptability at the manufacturer's facilities or at certain non-residential sites during the developmental, design and pre-production stages. See Marketing Rule Revisions, § 2.803; Part 15 Revisions, 6 FCC Rcd 1683, 1685 (1991).

Notwithstanding these general rules, the FCC requires parties to seek authorization to use devices that normally require a license to operate or that will be operated at residential locations. Such authority may be granted under the FCC's experimental rules set forth in Part 5 of the Code of Federal Regulations, 47 C.F.R. Part 5 (2000). Accordingly, Telespree seeks an experimental license to conduct experimental operations permitted under Part 5 of the Commission's rules. Those rules permit such operation provided that: (1) participants are advised that the service or device is granted under experimental authority and is strictly temporary; and (2) the devices are owned by the licensee.

Telespree does not propose to market, sell, or lease any prototype equipment to end users, however. After the experimentation ceases, Telespree would recall and recover all devices that are not in compliance with FCC regulations. If any different treatment becomes necessary during the course of its experimentation, Telespree will seek separate and additional authority from the agency.

Telespree also recognizes that the operation of any unapproved or unlicensed devices under experimentation must not cause harmful interference to authorized facilities. Should interference occur, Telespree will immediately take reasonable steps to resolve the interference, including if necessary discontinuing operation. To that end, Telespree would advise entities using the equipment that permission to operate the equipment has been granted under experimental authority issued to Telespree, is strictly temporary and may be canceled at any time. It will also advise entities that operation is subject to the condition that the equipment may not cause harmful interference. Specifically, Telespree proposes to advise users as follows:

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Permission to operate this device has been granted under experimental authority issued by the Federal Communications Commission to Telespree Communications is strictly temporary, and may be canceled at any time. This device has not been authorized as required by the rules of the Federal Communications Commission. This device is not, and may not be, offered for sale or sold until the approval of the FCC has been obtained. Thus, the user does not hold a property right in the device and may be required to return the device.

In any event, Telespree submits that its experimental operations are unlikely to cause interference. First, Telespree plans to coordinate its operations with existing licensees in the areas of proposed operation. Indeed, it expects that many of its experiments will be conducted on behalf of and with the cooperation of existing licensees. Second, Telespree intends to monitor use of the relevant frequencies when necessary before commencing transmissions, and it will not operate if the frequencies are in use.

Public Interest:

Telespree submits that issuance of a license is in the public interest, convenience, and necessity. Grant of a license will permit Telespree to develop innovative equipment that will accommodate the communications needs of users.

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