

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	ET Docket 01-278
Review of Part 15 and other Parts of the)	RM-9375
Commission's Rules.)	RM-10051
)	
)	

EX PARTE OF UNITED PARCEL SERVICE

United Parcel Service ("UPS"), by its attorneys, respectfully submits this *ex parte* on the radio frequency identification ("RFID") systems issues discussed in the above-captioned Notice of Proposed Rulemaking and Order ("*Notice*").¹ As described in greater detail below, UPS now takes no position with respect to the SAVI Technology, Inc. ("SAVI")² Petition for Rulemaking. UPS does, however, support the proposed new emissions mask for 13.56 MHz RFID tags.

I. INTRODUCTION

UPS is one of the world's largest worldwide shippers of goods. As such, it has a keen interest in fostering the development of internationally deployable technologies that allow shippers to track the location of items as they are en route from origin to destination. UPS believes that if properly developed, such RFID systems can be of significant benefit to the shipping industry. After a more in depth study of the issues involved, however, UPS has determined that the

¹ FCC 01-290, ¶¶ 19-27 (rel. Oct. 15, 2001).

² UPS owns an equity interest in SAVI through the UPS Strategic Enterprise Fund.

SAVI proposals provide no benefit for the RFID system architectures under its consideration.

SAVI seeks to deploy active tag/interrogator RFID systems that can download greater amounts of data to the interrogator. To this end, on November 22, 2000, SAVI filed a Petition for Rulemaking requesting that the Commission amend its rules to: (1) relax the duty cycle limit of 1 second contained in Section 15.231(e); (2) modify the silent period specified in Section 15.231(e); (3) relax the control transmission duty cycle limit contained in Section 15.231(a)(3); and (4) relax the field strength limitations for control transmissions.³ On March 2, 2001, UPS filed Comments supporting the *SAVI Petition*.⁴ This support was premised largely on the fact that the proposed changes would make UPS's worldwide operations more efficient by allowing UPS to locate and identify items at ports and warehouse facilities throughout the international transportation chain. After the pleading cycle was closed, the *SAVI Petition* was incorporated into the above-captioned proceeding.⁵

II. UPS TAKES NO POSITION WITH RESPECT TO THE SAVI PETITION, BUT SUPPORTS THE NCITS B10 PROPOSAL TO MODIFY THE EMISSION MASK FOR 13.56 MHz TAGS

Although UPS has not commented directly on the *Notice* until now, UPS notes that many other commenters have continued to cite the initial UPS filing made some seventeen months ago, during the Petition for Rulemaking phase.

³ Petition for Rulemaking of SAVI Technology, Inc. at 5-6 (filed Nov. 22, 2000) ("*SAVI Petition*").

⁴ Comments of UPS in RM-10051 (filed March 2, 2001).

⁵ *Notice*, ¶ 25.

Therefore, UPS is filing this *ex parte* statement to make clear its positions on the issues under consideration in the *Notice*.

After further consideration, while UPS sees numerous potential applications for a variety of RFID technologies in its operations, UPS's strategic vision for the use of 433 MHz RFID technologies will no longer be advanced by the specific changes to Section 15.231 of the Commission's Rules proposed in the *SAVI Petition*. Thus, because the changes proposed by SAVI have little or no direct impact on UPS and are inconsistent with efforts to promulgate international standards, UPS now takes no position on the *SAVI Petition*. UPS does, however, support the National Council for Information Technology Standardization Technical Committee B10 ("NCITS B10") proposal to modify the emission mask for 13.56 MHz tags.⁶

A. UPS Takes No Position on the *SAVI Petition*

UPS takes no position on the rule changes proposed in the *SAVI Petition* because they will have virtually no impact on UPS's shipping operations and are inconsistent with efforts to promulgate international standards for RFID tags.

UPS will not benefit from the proposed increase in duty cycles for 433 MHz RFID devices because for the applications where UPS envisions deploying active RFID tags and associated systems, it now sees no requirement to store or transmit large amounts of data. By employing techniques and system architectures that do not require the transmission of large amounts of data to or

⁶ See *Notice*, ¶¶ 20-23. Since the release of the *Notice*, NCITS has changed its name to InterNational Committee for Information Technology Standards ("INCITS").

from the tag, UPS now does not envision any of its applications requiring a transmission duty cycle in excess of what is currently permitted under Section 15.231.

Further, because UPS operates in more than 200 countries and territories around the world, most of UPS's RFID-based systems and applications must be designed for global deployment. Unfortunately, to the extent that the proposed regulations at 433 MHz provide any benefit, those benefits only accrue to users who intend to deploy systems operating strictly within the United States. Specifically, the European Radio Commission's ("ERC's") Recommendation 70-03 recommends limiting the duty cycle of short range devices at 433 MHz to 10 percent. In addition, the United Kingdom has recently adopted regulations incorporating the ERC's recommendation, and other European countries are likely considering following suit. If the FCC adopts new regulations allowing greater duty cycles, there will be little benefit to companies such as UPS who must field systems that also comply with the 10 percent duty cycle limitations of other countries.

Similarly, the operating frequencies proposed in the *SAVI Petition* are not fully compatible with frequency allocations abroad. In particular, in many other countries, if they allow 433 MHz RFID tags at all, it is usually within the narrow band of 433.05-434.79 MHz, and there is little prospect of that spectrum allocation being expanded. Thus, it is of limited benefit to global companies such as UPS should the FCC adopt the proposed 10 MHz-wide RFID band from 425-435 MHz.

B. UPS Supports Increased Field Strength Limits for 13.56 MHz RFID Tags

UPS would like to see improved global standardization of regulations and technical standards for RFID devices. Because the National Telecommunications and Information Administration (“NTIA”) has recently concluded that they do not present interference concerns, UPS now supports the proposal to adopt a new emissions mask for 13.56 MHz RFID tags,⁷ bringing the United States regulations into line with much of the rest of the world.

Specifically, NTIA has recently concluded that it “has no objection to the FCC proceeding with the rulemaking [ET Docket No. 01-278] as it pertains to increased field strength limits sought [by NCITS B10] for RFID tags in the 13.110-13.410 MHz band and as amended in their letter.”⁸ Since it is now clear that the proposed changes to the spectral mask for 13.56 MHz tags do not present an interference threat to aeronautical communications, UPS now supports these proposed changes because they will harmonize the FCC’s rules with those of other countries. Such uniform international rules allow for the development of equipment that will operate in a number of countries, thereby making UPS’s international operations more efficient.

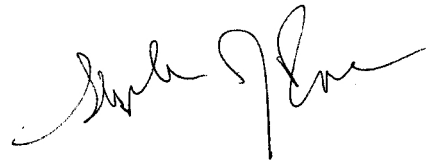
⁷ See *Notice*, ¶¶ 20-23.

⁸ Letter from NTIA to FCC, ET Docket No. 01-278 (filed July 24, 2002).

III. CONCLUSION

UPS takes no position on the proposals set forth in the *SAVI Petition*. In order to foster the creation of internationally-deployable RFID tags, however, the Commission should adopt a new emissions mask for 13.56 MHz RFID tags.

Respectfully submitted,



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August 13, 2002