Response to FCC Part 15 Changes: Petition for Reconsideration and Implementation Delay

May 9, 1989
Who Is Sensormatic?

- Worldwide leader in retail theft protection ... 70% of market
- Microwave, video, and magnetic technologies
- Major factor in point-of-sale terminal market
- Retail systems installed in major chains .. Macy's, Sears, Bloomingdales, Lord & Taylor
- Emerging factor in industrial security ... access control, CCTV, burglar intrusion
- $140+ million in FY '89 revenues

System Deter Shoplifting ... a $30 B Consumer Cost
Problem: FCC action allows widespread use of new wireless devices at 902-928 MHz

- Part 15 Report & Order threatens core business
- Over 30,000 microwave systems in U.S. ... expect severe interference and malfunction
- 400 million tags installed on merchandise
- Twenty years of successful operation
- 902-928 MHz essential for wide Mall entrances
- Expect high density of wireless devices in Malls ... the new town square

Range of Interference ... 1,000 to 2,000 Ft
The Wireless Avalanche

- Wireless computer networks
- Wireless point-of-sale terminals
- Wireless security ... TV, sensors, access control
- Wireless telephones, microphones
- Wireless VCR to TV links
- Wireless control
- Wireless toys, gadgets ...

Concentrated in Malls ... Our Home
But We Have A Unique Perspective

- We see many opportunities to market wireless devices in our security and POS markets
- Closed Circuit TV
- Access control
- Remote intrusion alarms
- Point-of-sale terminals
- Threatens our core business... microwave anti-theft systems

Can We Find a Way to Coexist?
FCC Overlooked Our Concerns

- Current Part 15 rules limit power and types of equipment in 902-928 MHz ... over 20 years
- Sensormatic successfully operates in this FCC-created environment ... large installed base
- Now FCC wants to change this from an ISM band to what is now called a "Consumer" band
- Consumer band permits x100 power and a myriad of wireless devices ... total chaos!
- Historically, FCC considered needs of the installed base in rulemaking

Can We Find a Way to Coexist?

Sensormatic Electronics Corp.
Sensormatic Proposes

- Establish wireless consumer band at 1215 to 1300 MHz ... now allocated to amateur radio ... or

- Use 905-928 MHz for the consumer band and spread spectrum, and ...

- Continue use of 902-905 MHz for Field Disturbance Sensors (anti-theft systems) and ISM
  - Only 12% of original allocation
  - Recognizes rights of installed base

A Way to Coexist
In Conclusion ...

- Sensormatic is filing a Petition for Reconsideration to the FCC ... however

- To file a comprehensive petition, we need additional time beyond the May 18th deadline

- We ask that you set aside the June 23, 1989 implementation date of the Report and Order