Upper Millimeter —Wave History, Technology and Applications for Gigabit Class Communications Services

IEEE 802 LMSC Plenary Session

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Endwave Corporation

Sunnyvale California

Gigabit Class Millimeter Wave Radio Systems

The Millimeter Wave community is presenting at IEEE because:

- Computers demand higher data rates in metro and wide area networks —**There is a local loop bottleneck**
- Fiber optics will likely never be available to 3.5 Million business locations that represent some 60% of the US GNP
- Millimeter radio technology can deliver 1 to 10 Gigabit data rates at up to 4 or 5 nines for 1 to 3.5 km over some 75% of the US **This breaks the local loop bottleneck!**
- With this business opportunity, we need to begin the standardization process

This is a different class of Radio

- Gigabit class low cost radios

  Not your father s Oldsmobile

  (Nor his Atwater-Kent eith er)

Some facts before we get started

- If you have fiber in the sidewalk in front of your building, it costs on the order of $75K to $200K to light up the facility (carrier grade rules)
- Trenching costs are $200K to $1.5 Million per km in an urban area
- These are the likely reasons most business buildings will not receive fiber in our professional lifetimes

Some more facts

- The FCC has authorized 7 GHz of spectrum in the 60 GHz band (57 to 64) for unlicensed use

- This frequency can be used for point to point links at Gigabit speeds for up to 1 km at 4 nines in about 50 % of the US

And just a few more

- Recent filings with the FCC are aimed at opening an additional 15-20 GHz of spectrum above 60 GHz

- The windows in these higher frequencies can enable Millimeter wave links operating at up to 10 Gigabits at 4 nines at up to 3 km to 4 km in about 50 % of the US

And finally,

- 64 bit computers operating at 32 Gbytes throughput are upon us
- They are a single chip microprocessor

- Now an **opinion**:

  Computers are happy when they communicate with other computers at some major fraction of their operating speed!

Terahertz Technology
Applications for Radio and Fiber Optics

Market Update

Technology Update

System Descriptions

Applications

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

Statements in this presentation may contain forward-looking statements within the meaning of the Federal securities laws and are subject to the safe harbors created thereby. The following are among the factors that could cause actual results to differ materially from the forward-looking statements: the risks that products will fail to achieve market acceptance, the timing of customer orders, delays in the design process, the length of our sales cycle, our ability to develop, introduce and market new products and product enhancements, changes in product mix or distribution channels; the demand for wireless networking products and end-user products that incorporate wireless technology; competitive technologies; and, technological difficulties and resource constraints encountered in developing and/or introducing new products. Forward-looking statements contained in this presentation should be considered in light of these factors and those factors discussed from time to time in the company's public reports filed with the Securities and Exchange Commission, such as those discussed under ''Risk Factors'' in the Company's report on form S-1, which was declared effective on October 16, 2000.

# Whoops!! One more thing before we get started:

- Above 20 GHz a wire bond really starts to be a very good antenna.
- The effects of the wire bond can be tuned out of the circuit performance,
- However: The tuning circuits are inherently narrow band.

- You probably want flip chip at high millimeter wave frequencies

Cost Advantage -*Breakthrough Flip-Chip Design*

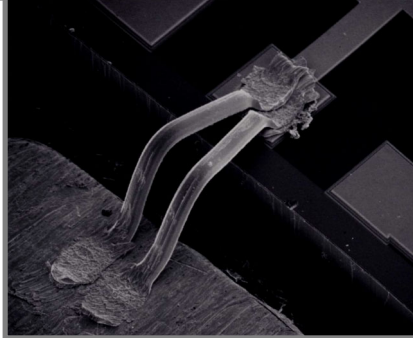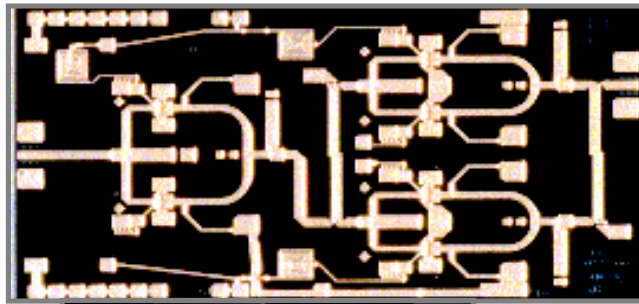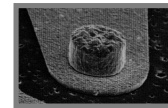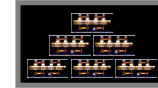**Traditional Monolithic MmW IC & Wire Bond**
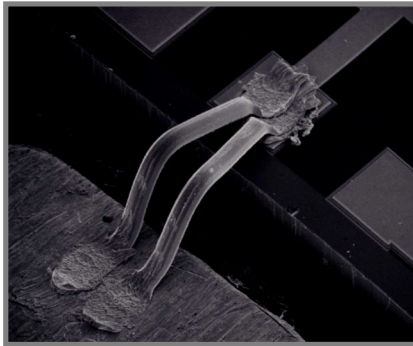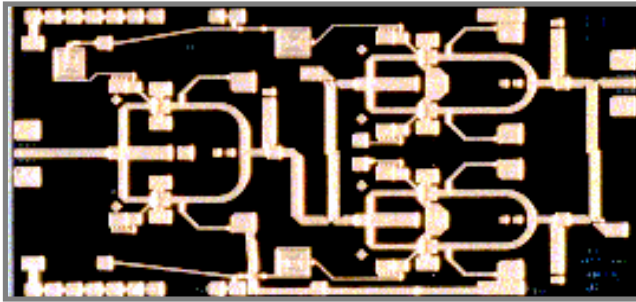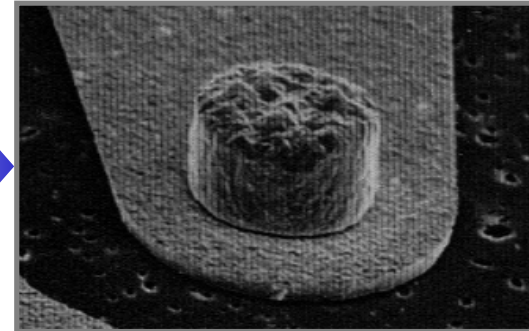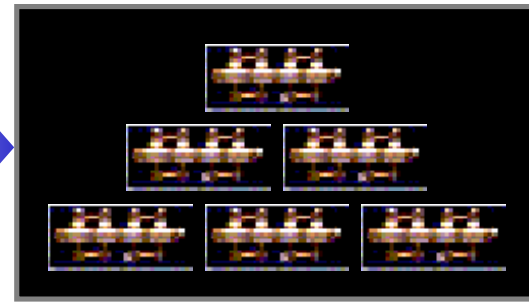
Endwave Flip-Chip

Cost Advantage*Breakthrough Flip-Chip Design*

Traditional Monolithic MmW IC & Wire Bond

Endwave Flip-Chip
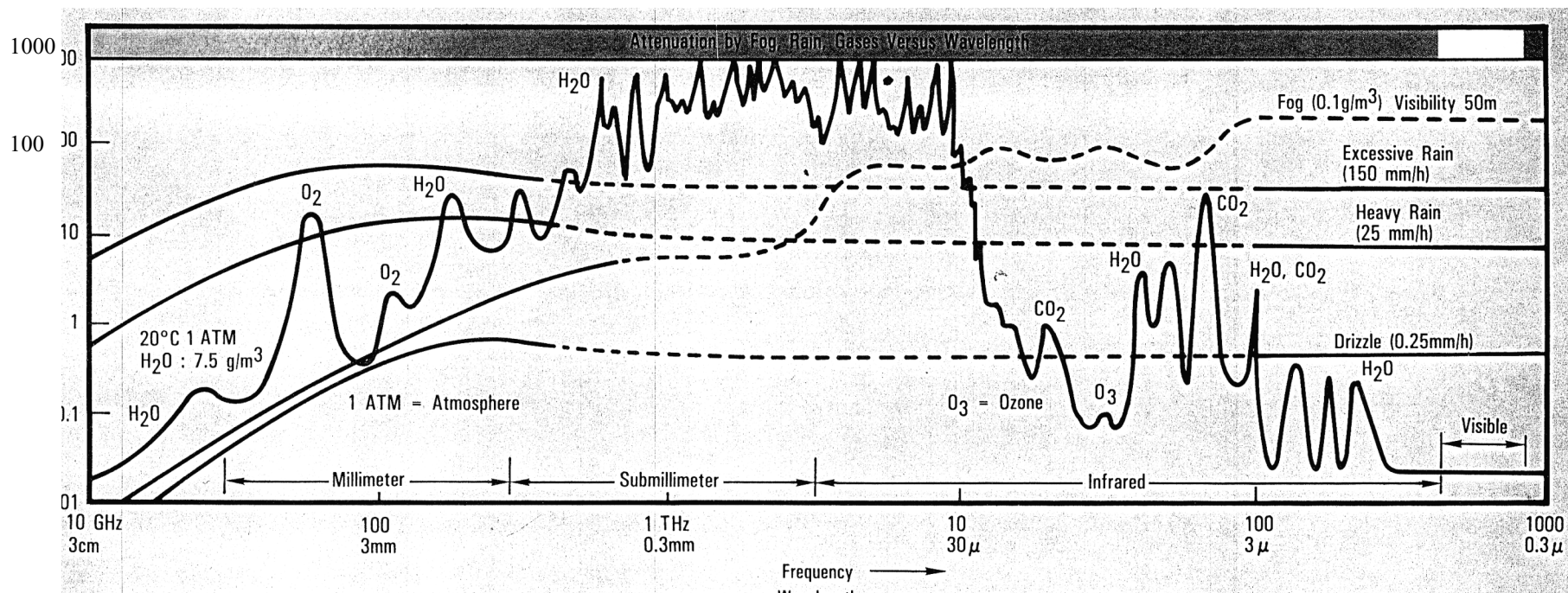
10:1 — 20:1 Size Reduction
10:1 Reduction in Antenna Effect (Inductance)
90% GaAs and Indium Phosphide Saving

MCIC Flip Attach

Flip die

Bumped bond site

Flip attached die
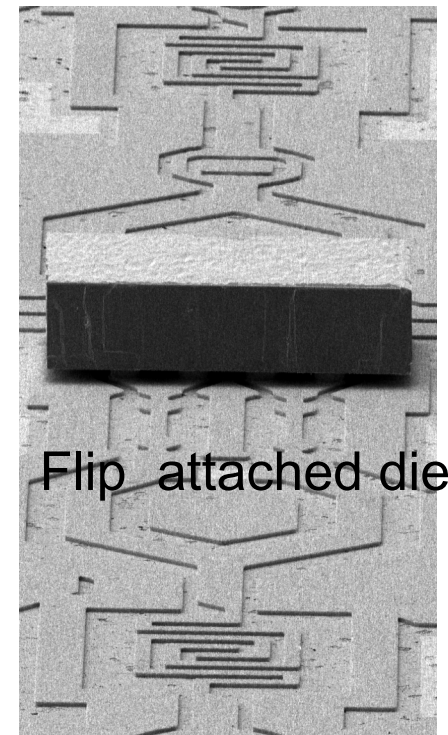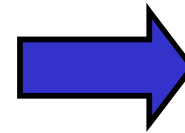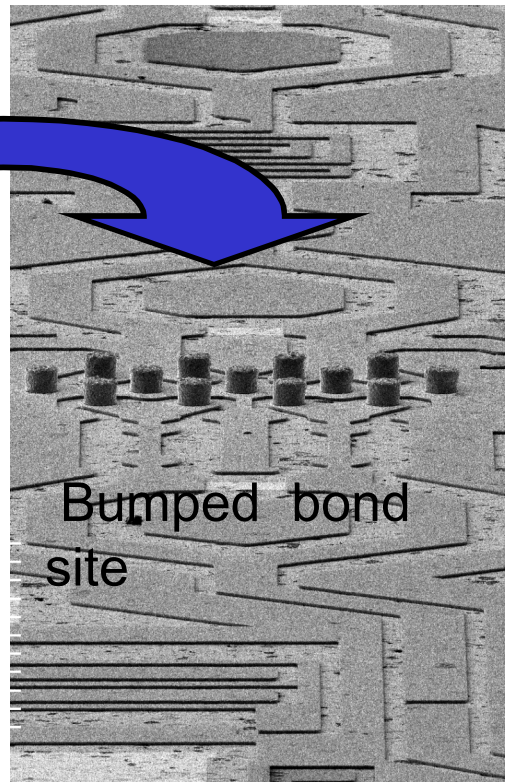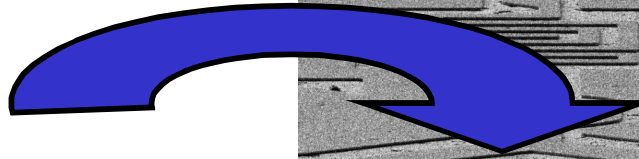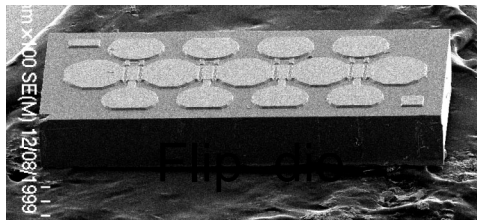
Attenuation by Rain, Fog, Gases VS. Wavelength

Source: TRW, Electromagnetic Spectrum Chart

Access Technology Development
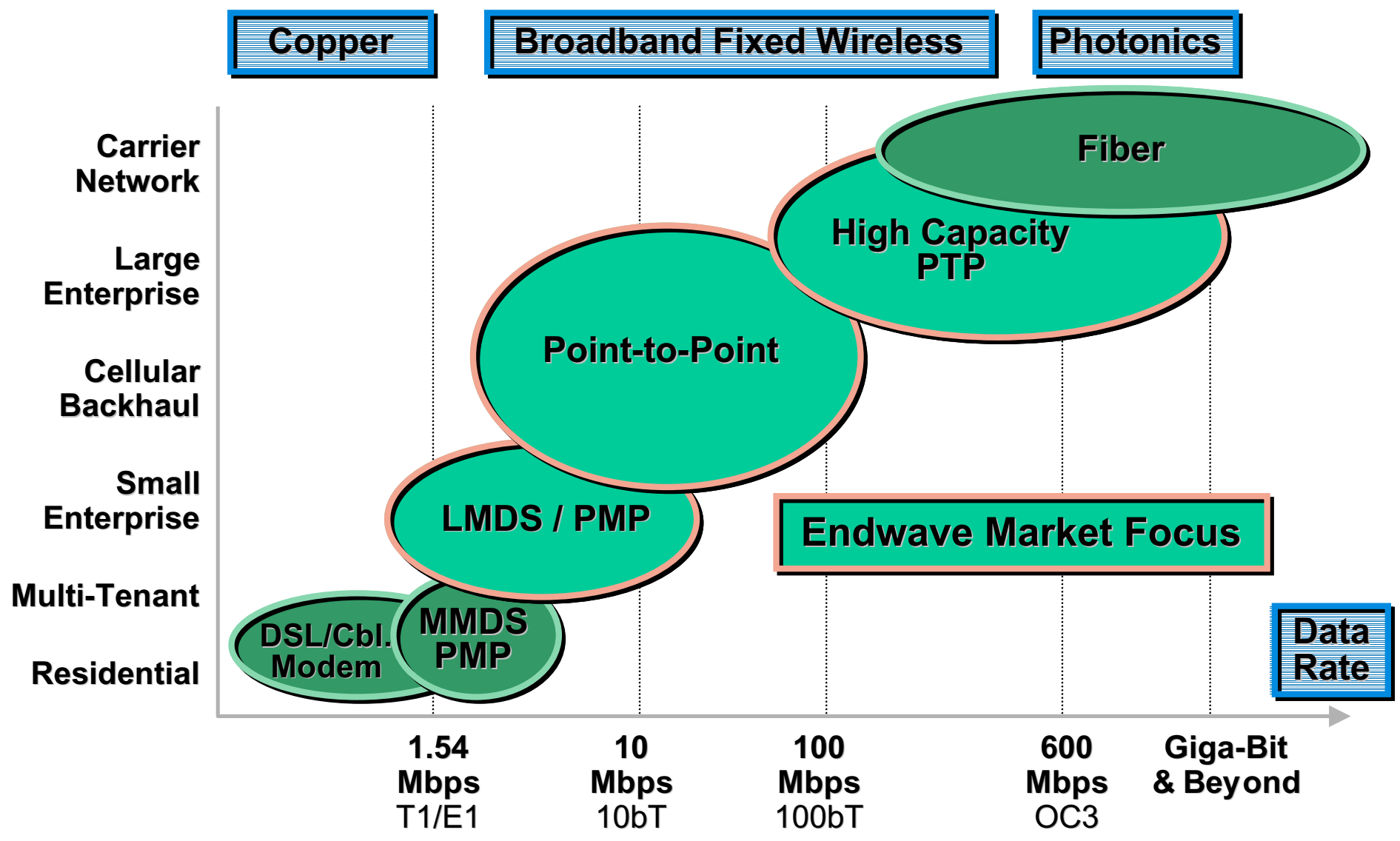
Microwave-Millimeter Wave Radio Market

Radio Hardware Spending

●—● Average Sales
Price per Radio

$7.3B

$5.0B

$3.7B

$2.8B

$19K

$15K

$14K

$12K

99

01

03

05
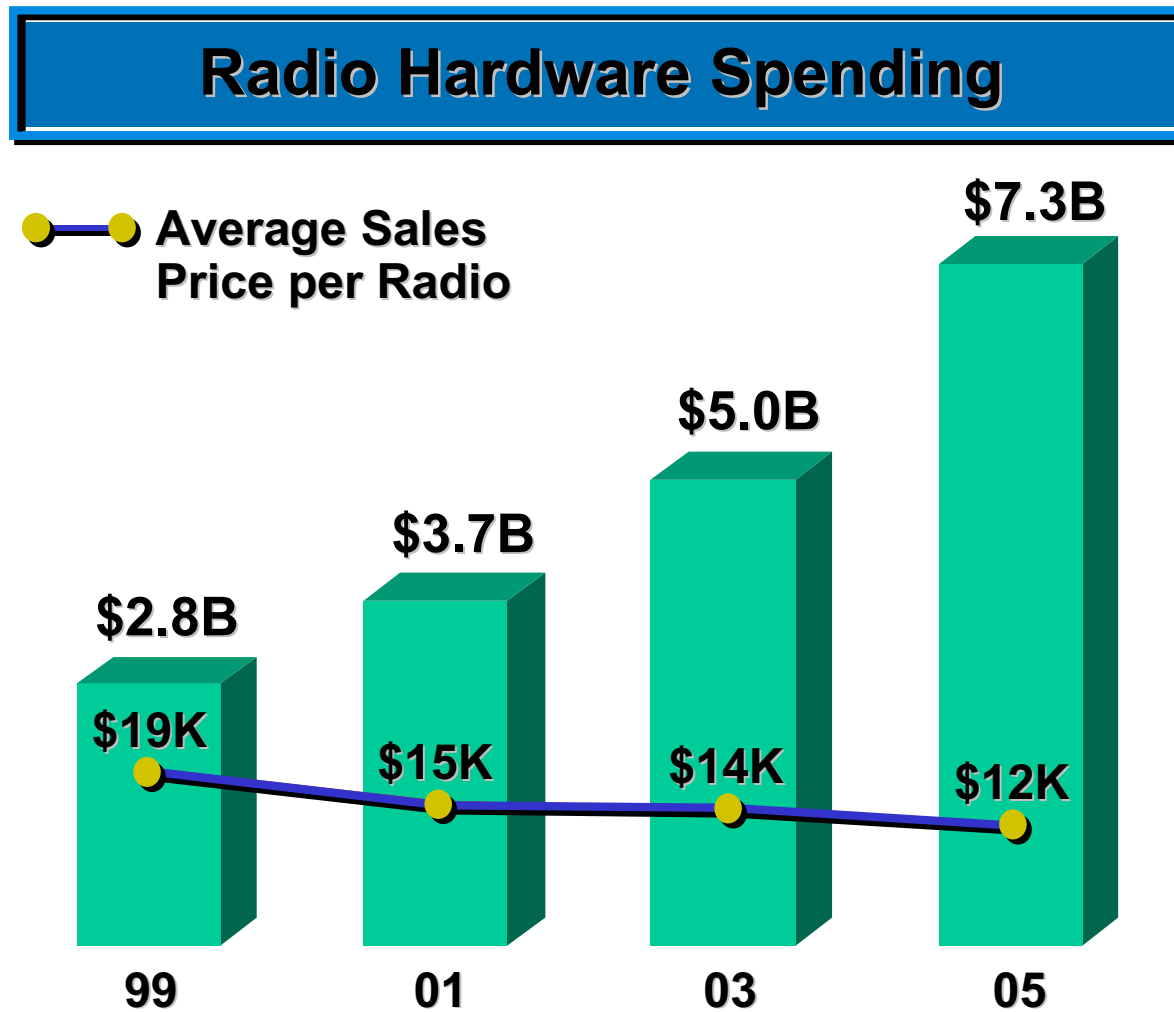
Radio Technology is Better than You May Think

Lower Radio Cost

(Cost per Link)

- $100K — 1990
- $40K — 1995
- $20K — 2001
- $10K — 2003
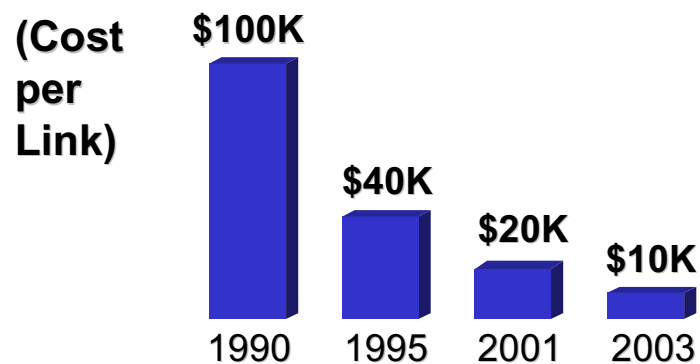
Source: Company Analysis

Growing Radio Data Rates

(Megabits)

- 10 — 1990
- 1,000 — 2000
- 10,000 — 2002
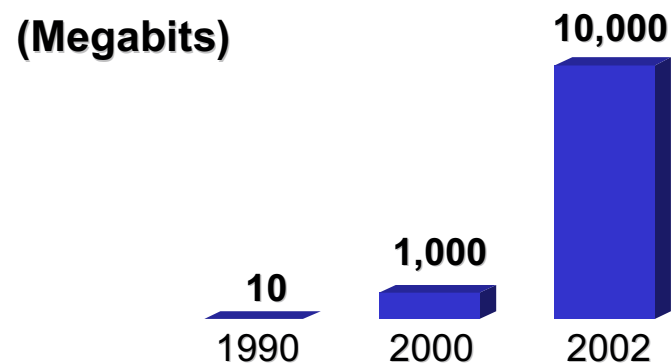
Source: DMC Stratex, Harmonix, Nokia, Harris

Greater Radio Spectrum Efficiencies

(Bits per Hertz)

- 1 — 1990
- 4 — 1999
- 8 — 2005
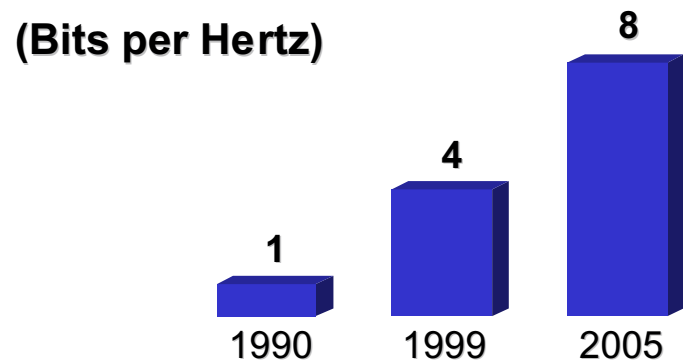
Source: DMC Stratex, Harmonix, Nokia, Harris

More Spectrum is Available

(Ghz)

- 2 — 1990
- 9 — 1999
- 19 — 2003
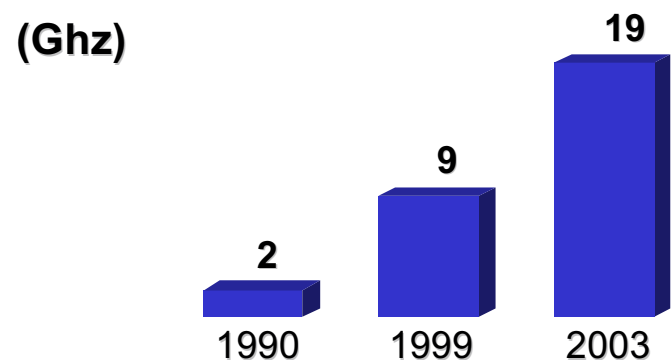
Source: FCC

Cellular Base Station on Powerline

Cellular Antennas

Millimeter Wave
Radio Backhaul

Cell Site Backhaul — 90 % of Millimeter Wave Radio Market

- Cell site backhaul- millmeter wave radio — 85% international, 15% U.S.
- 2 or more carriers justifies a radio backhaul in U.S.

The View From Silicon Valley

- Next generation computing requirements are huge
- The distinction between computing and communications becomes less distinguishable
- Computers want to communicate at somewhere near microprocessor operating speed
- Legacy communication architectures and hardware are no solution in the last mile

Primary Market Driver Computer Performance

- Computer Performance sets the bar for communications needs
- Computer Performance defines communications systems performance
- Computer performance is pervasive — impacts every aspect of business and life in general

Computer Vs.Telecom Markets
(Local Access)

Telecom Local Access $115 Billion

Information Technology $850 Billion

Hardware

$40 Billion

Millimeter Wave Market, $1.5 B

Hardware $120 Billion

Potential Millimeter Wave Market, $6.5B

Ethernet Growth

- Year 2000, 7 Million Gigabit Ethernet LAN s sold.
- Growth is 270% per year
- 10 Gigabit supplier base has exceeded 40 companies
- Ethernet formats compatible with SONET

Fiber Optic Market

- This market will likely pave the way for Millimeter wave radios above 80 GHz

Millimeter Wave & Optical Spectrum

Current Frequency Range Millimeter Wave Radios

Future Frequencies

94 GHz *

140 GHz *

220 GHz *

50 GHz x 80 Channels

| 10 GHz | 100 GHz | 1 THz | 10 THz | 100 THz | 1000 THz |
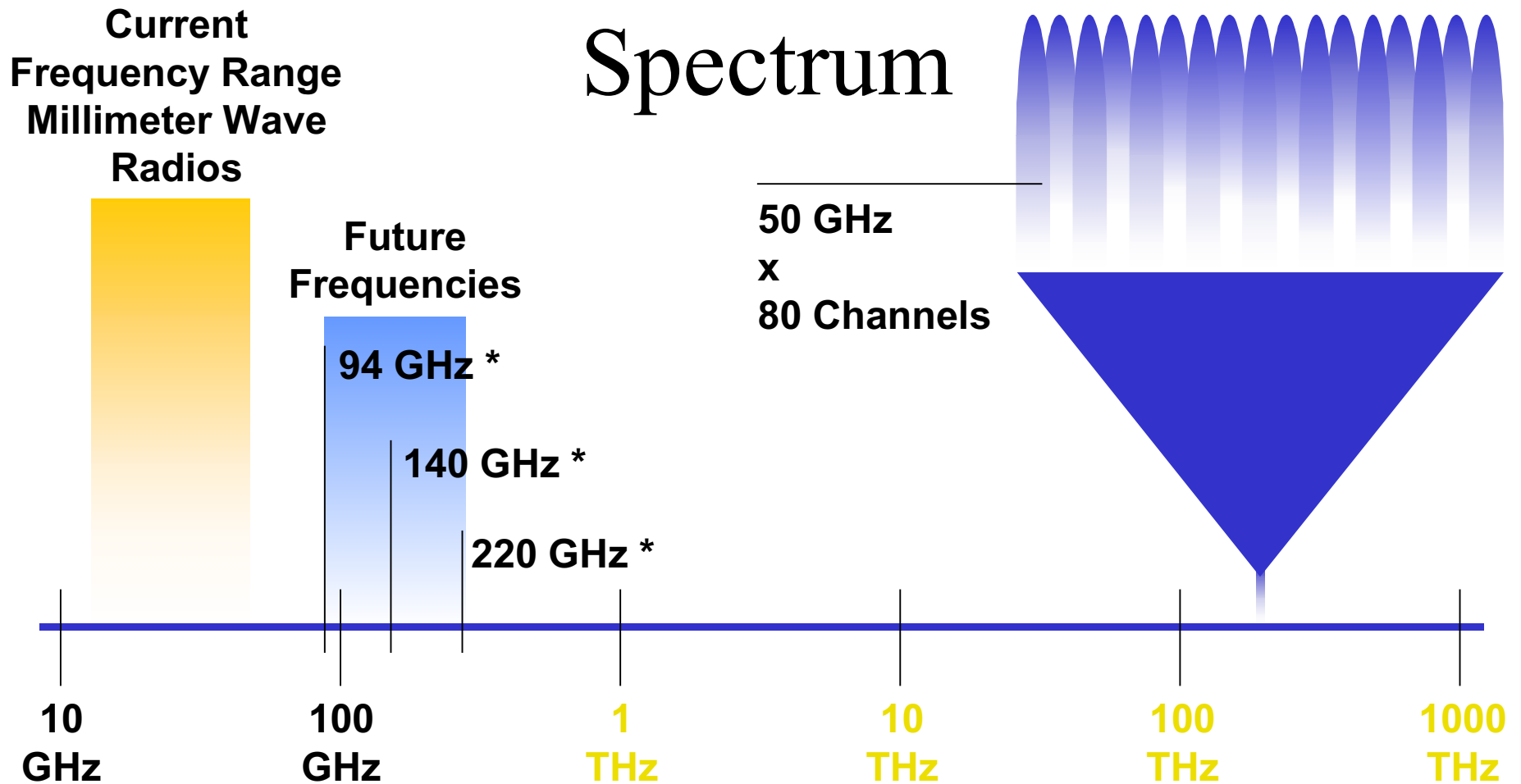
* In Development

Teraherz Radios —New Technology for Local Access

OUTLINE

- Overview of Access Technologies

- Terahertz and Sub Teraherz Technologies

- Overview of Radio Technologies

- New Spectrum Possibilities

- The Interface and Convergence With Optical Technologies

- Applications of 1 and 10 Gigabit Ethernet Access Networks

- Players

- Investment Strategies

Boundary Conditions for the Teraherz Radio Tutorial

- Primary market driver for interconnect data rate increase is computer performance.

- Fiber Optic systems are growing to near infinite data rates.

- LANs use Fiber Optics for 1 Gigabit and above to provide connectivity to the desktop.

- MANs and WANs use fiber very effectively for backbone and backbone rings.

- First mile and last mile local access connectivity is limited by infrastructure cost and difficulty (trench cost, not fiber cost.)

Boundary Conditions (continued)

- Radios and Free Space Lasers will provide high speed local access for 80% to 90% of business locations for the next 10 to 15 years.

- Legacy networks will only continue to be successful on voice centric applications.

- Ethernet architectures in the MAN and WAN are poised for success, in addition to the Ethernet in the traditional LAN.

The Most Significant (Market) Boundary Condition

- Todays Millimeter wave radio market is dominated by Legacy Architectures

  - Cellular (Mobile Cell Sites) Backhaul is 80 % of Mmwave radio market.

  - The transition to 3G and 2.5 G and GPRS is driving data rates from a few Mbits/sec (4 T1 or 8 T1) to OC-3 (155 Mbits/sec)

- This course is based on a totally different market — computer to computer networks- a community that needs Gigabits and 10 Gigabits

Ultra - Broadband Installation Tools

- **Fiber Optic**
  - Avg. $1 Million per Metro mile
  - Months to deploy

- **Fixed Wireless**
  - Avg. $30 - $80k per Metro mile
  - Hours to deploy

Market Drivers

- Computer performance
- Storage Area Networks
- Video Conferencing
- Meta- Computing
- Internet Backbones
- 3G and 2 _ G Mobile Network Backhaul
- Cost of trenching

Increasing Demand forComputer to Computer Bandwidth
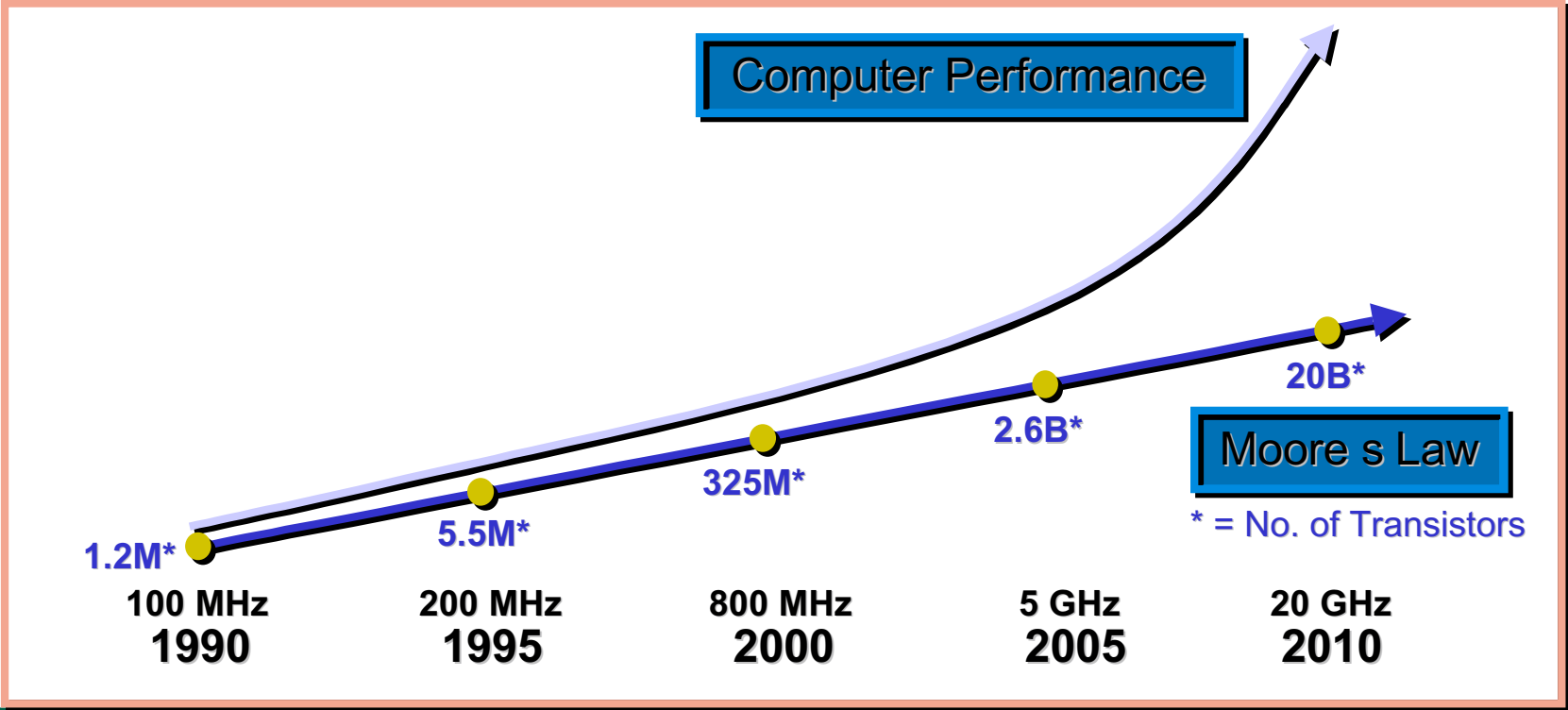
Computer Performance

Moore s Law

* = No. of Transistors

20B*

2.6B*

325M*

5.5M*

1.2M*

100 MHz	200 MHz	800 MHz	5 GHz	20 GHz
1990	1995	2000	2005	2010

Increasing
Enterprise Demand

Escalating
Ethernet Growth

Increasing Demand for Computer to Computer Bandwidth

2001

1989

Intel 486
1.2 Million Transistors
100 Mhz

Intel Itanium™ *
325 Million Transistors
800 Mhz

**Increasing
Enterprise Demand**

**Escalating
Ethernet Growth**

Sources: In-Stat / MDR, Intel, Forbes

With Permission from Intel. Photos are Estimated Scale.

Increasing Demand for Computer to Computer Bandwidth

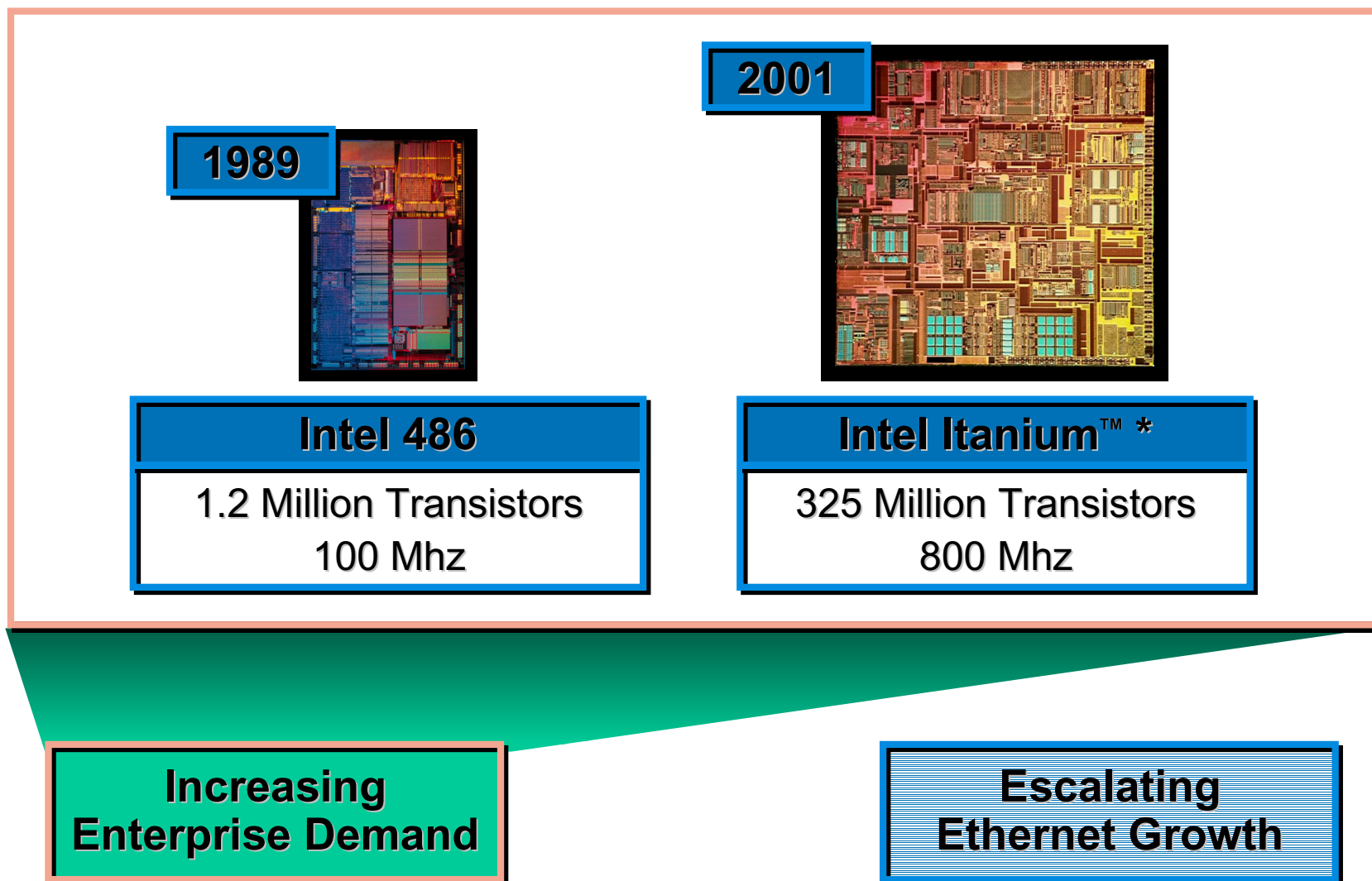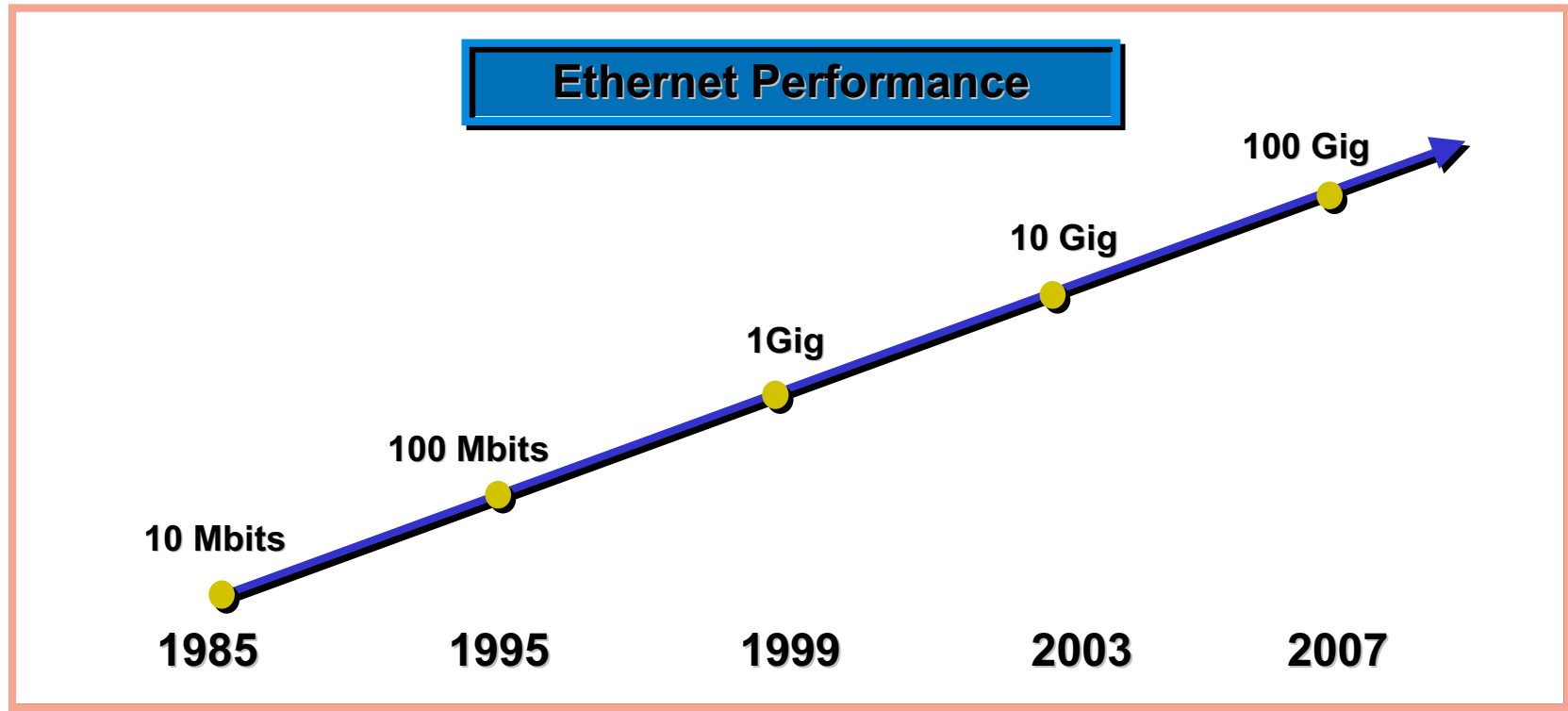| Ethernet		ATM
1,500 Bytes	Payload Size	48 Bytes
$25K	Switch Cost	$250K
Data	Focus	Voice

Increasing Enterprise Demand

Escalating Ethernet Growth

Increasing Demand for Computer to Computer Bandwidth

Increasing Demand for Computer to Computer Bandwidth

Increasing Adoption

- **80% of the World s Data Begins and Ends on the Ethernet**

- **Expansion Beyond the LAN to the MAN and WAN**

- **3.6 Million Gigabit Ethernet Switch Ports Sold in 2000**

- **40% Annual Growth in Units Sold**

Increasing Enterprise Demand

Escalating Ethernet Growth

Storage Area Networks

- Presently use Fibre Channel at 1 or 2 Gigabits
- Present use is for storage campus
- Desire Metropolitan and Wide Area solutions

Video Conferencing

- Standard TV (NTSC) is 6 MHz RF Bandwidth with 60 dB dynamic range
- Digitized, this is 120 Mbits/sec
- MPEG 3 Compression reduces data rate to approximately 3 Mbits/sec average
- Decompression is easy
- Real time compression is very difficult
- Extra bandwidth (40 Mbits) make real time compression compatible with microprocessor

Meta-Computing

- Primary driver is Biotech designers
- Next major user is EDA
- Other users, weather, aerodynamics
- Desire Terabit and Petabit files
- Use multi Exabit storage

Internet Backbones

- Internet continues to grow at 2X per 3 months

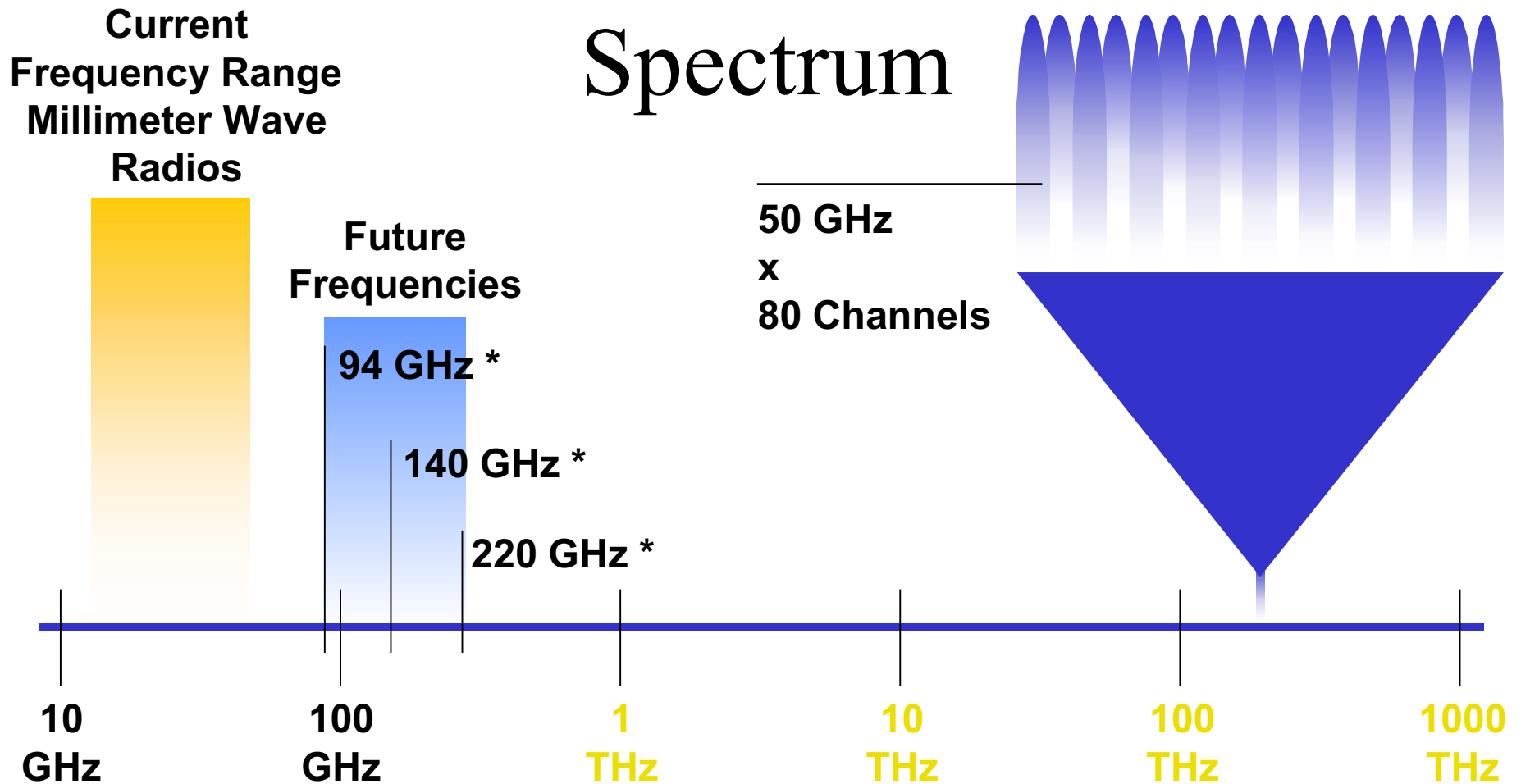- Next generation IP is based on Gigabit channels

Access Technology Overview

- Legacy Copper
- DSL
- Cable Modems
- Coax
- Lower Frequency Wireless (PCS,Cellular,MMDS, UNII, ISM)
- Millimeter Wave
- Free Space Lasers
- Satellite

Terahertz and Sub Terahertz Technologies

- GaAs
- InP
- GaN
- Diamond
- Ferielectric Materials
- Lasers
- Vacuum Devices
- Propagation

Millimeter Wave Radios Above 40 GHz

Millimeter Wave & Optical Spectrum

**Current
Frequency Range
Millimeter Wave
Radios**

**Future
Frequencies**

94 GHz *

140 GHz *

220 GHz *

**50 GHz
x
80 Channels**

**10
GHz**

**100
GHz**

**1
THz**

**10
THz**

**100
THz**

**1000
THz**

* In Development

BWA Data Rates Continue To Grow
(Millimeter Wave Radio Performance)
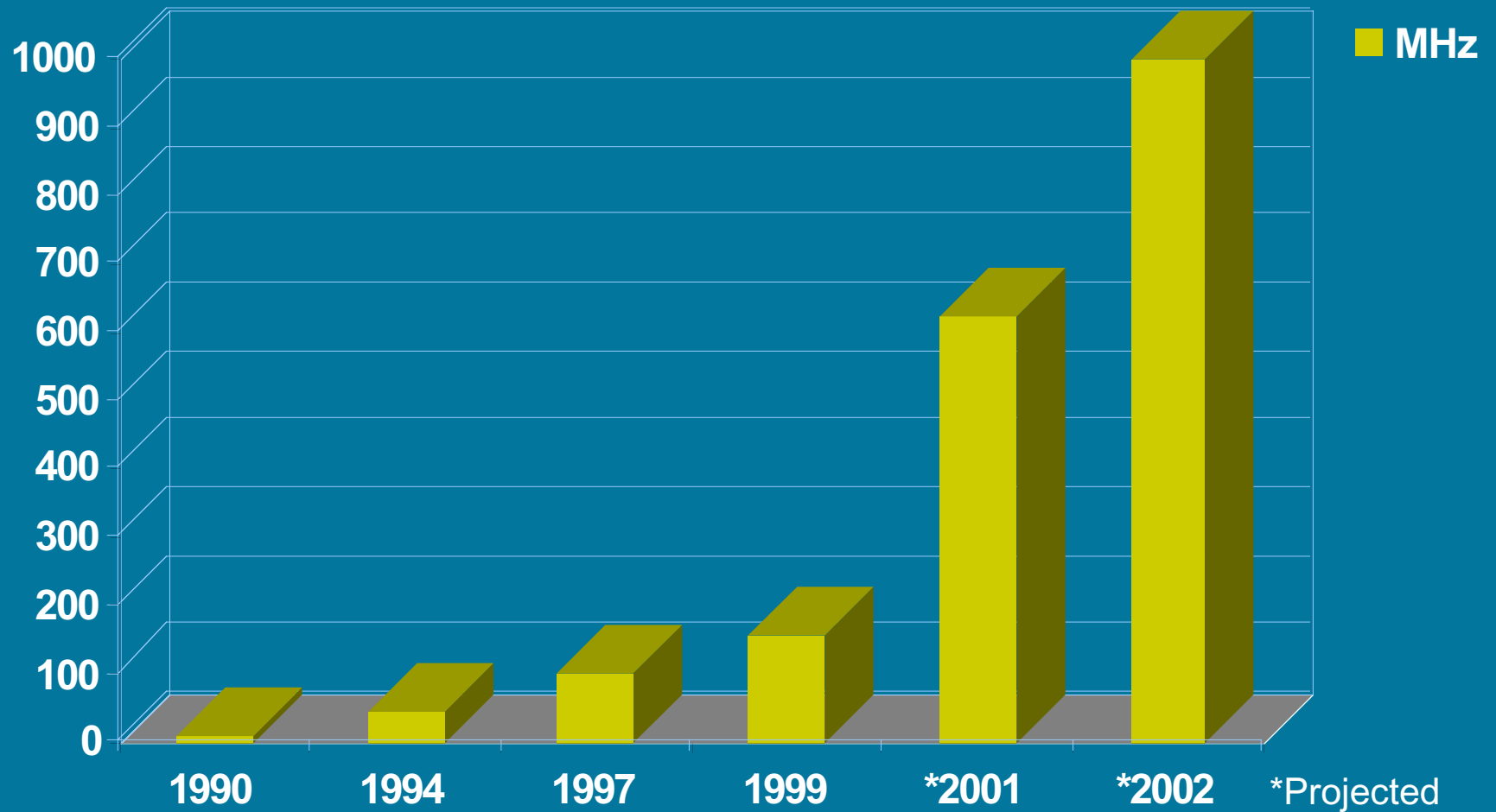
Radio Spectrum Allocations
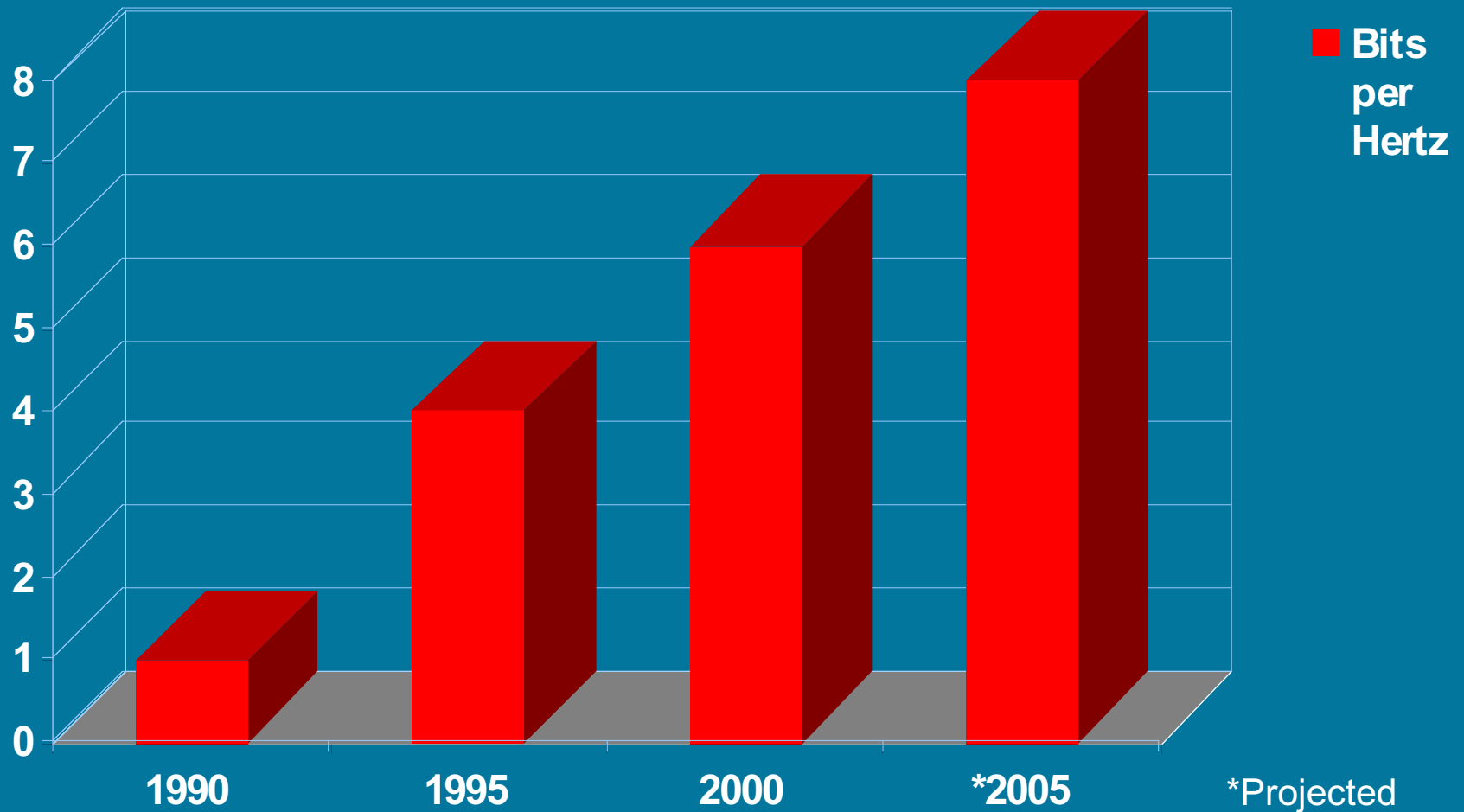
.1 GHz   1 GHz   10 GHz   100 GHz   1000 GHz   10 K GHz   100K GHz
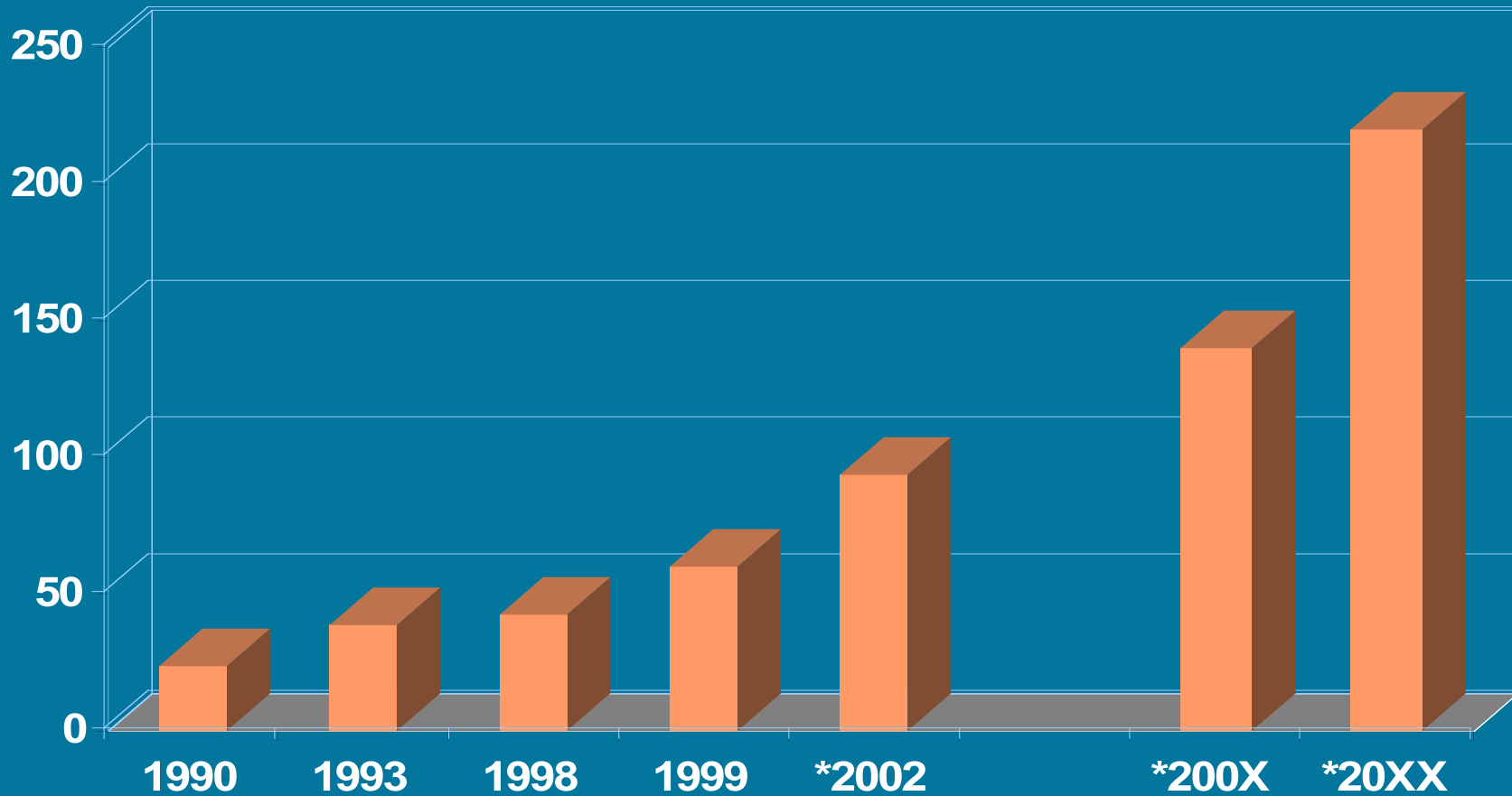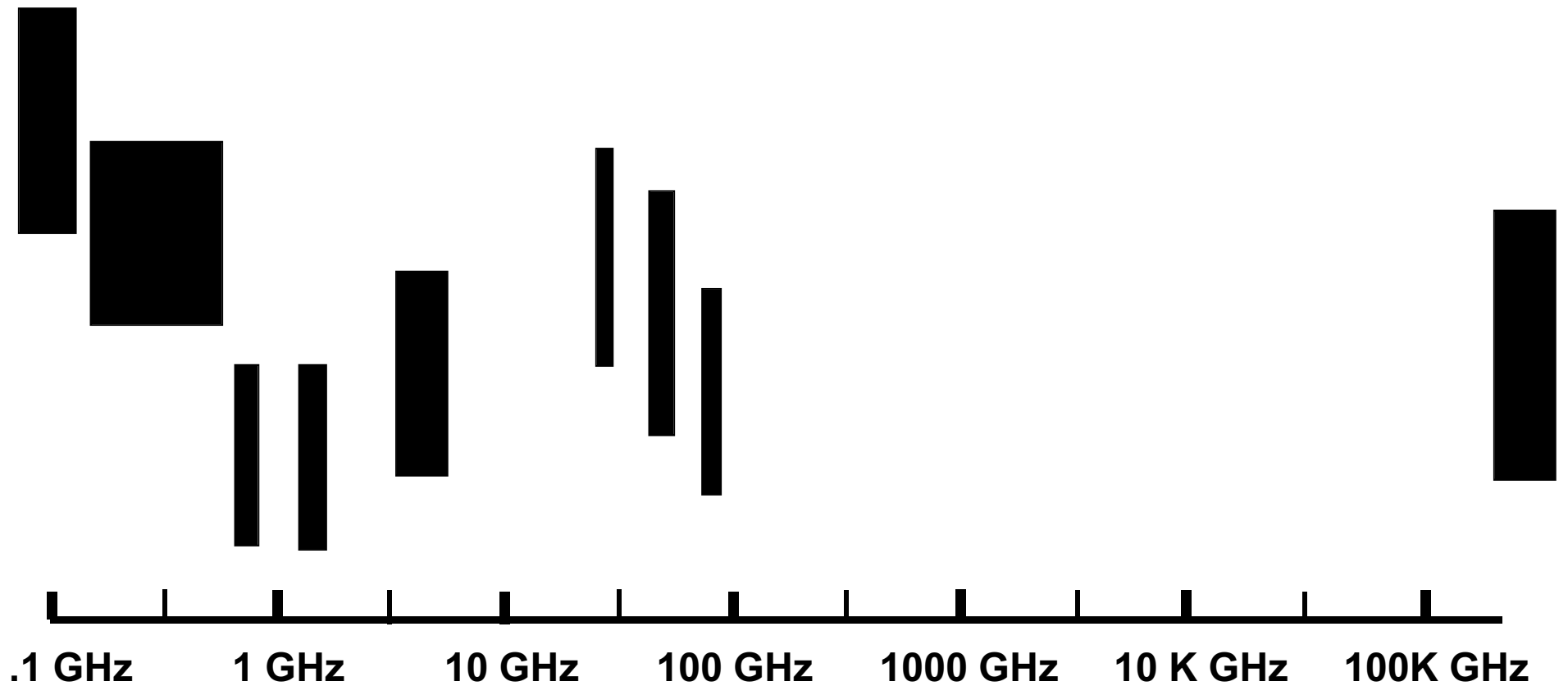
Radio Spectrum Allocations
(linear scale)

FM

TV

Cellular

PCS

WCA Inititiave

Loea Filing

FCC Inititiave

60 GHz ISM

38 GHz

LMDS

28 GHz

| 0 | 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 |
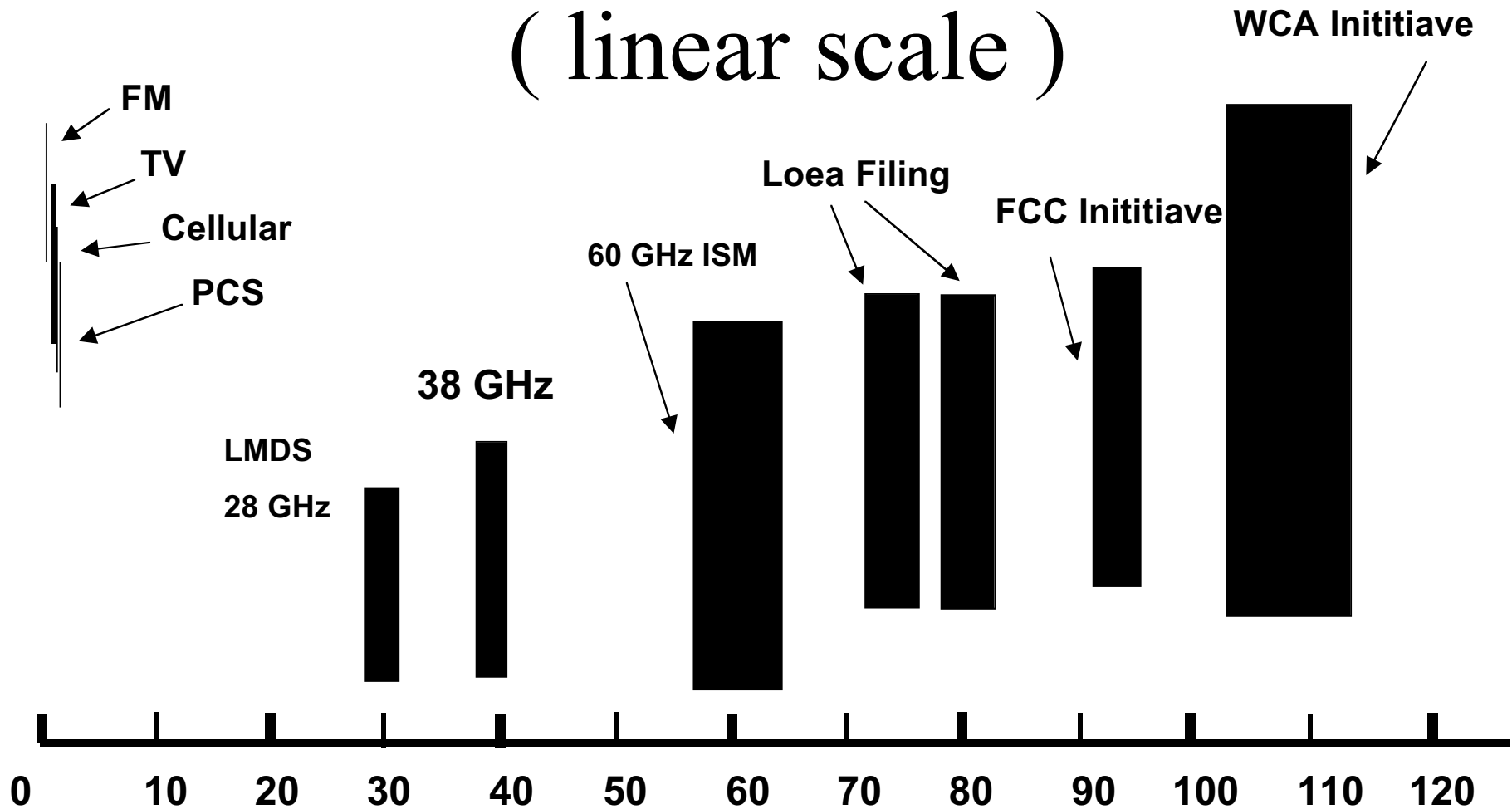
Next Generation Radio Architectures

- 10 plus GHz RF bandwidth each direction needed for low cost architectures
  - 1 bit per hertz modems are achievable
  - Oscillator performance is achievable
  - Power amplifier performance is difficult today
- Spectrum opportunities above 40 GHz extend into 300 GHz range
- Radios should stay in step with LAN, MAN and WAN performance
  - 10 Gbits in pilot production
  - 100 Gbits on drawing board

Overview of Radio Technology

- Link Margin
- Transmitters and Receivers
- Antennas
- Modulation and Bits per Hertz
- Atmospheric Considerations (Propagation)
- Frequency Reuse
- Platform Considerations (Towers, Buildings, Aircraft, Blimps, Satellite)

Radio Technology

- To begin:
    - Noise floor at — 114 dBm/ MHz
    - This is one Millionth of one Millionth of one Two Hundredth of a watt for 1 MHz of bandwidth
    - Or, $1/200^{th}$ of a Trillionth of a watt for 1 MHz of bandwidth
    - For 1 GHz of bandwidth the noise floor is 1000 times higher than for 1 MHz
- A radio link has to deliver a signal to the receiver that is 20 to 100 times larger than the noise floor, for typical applications.

Radio Technology —Atmospheric Effects

- Free Space Attenuation is just one factor-
  - Rain Effects
  - Atmoshperic atomic and molecular attenuation
  - Snow Effects
  - Fog Effects
  - Ice build up on antennas
  - Radome losses
  - Atmospheric anomalies (lens effects)
- Link engineering needs to address these factors — they are geographically unique

Attenuation by Rain, Fog, Gases VS. Wavelength

Source: TRW, Electromagnetic Spectrum Chart

Rain-Induced Specific Attenuation
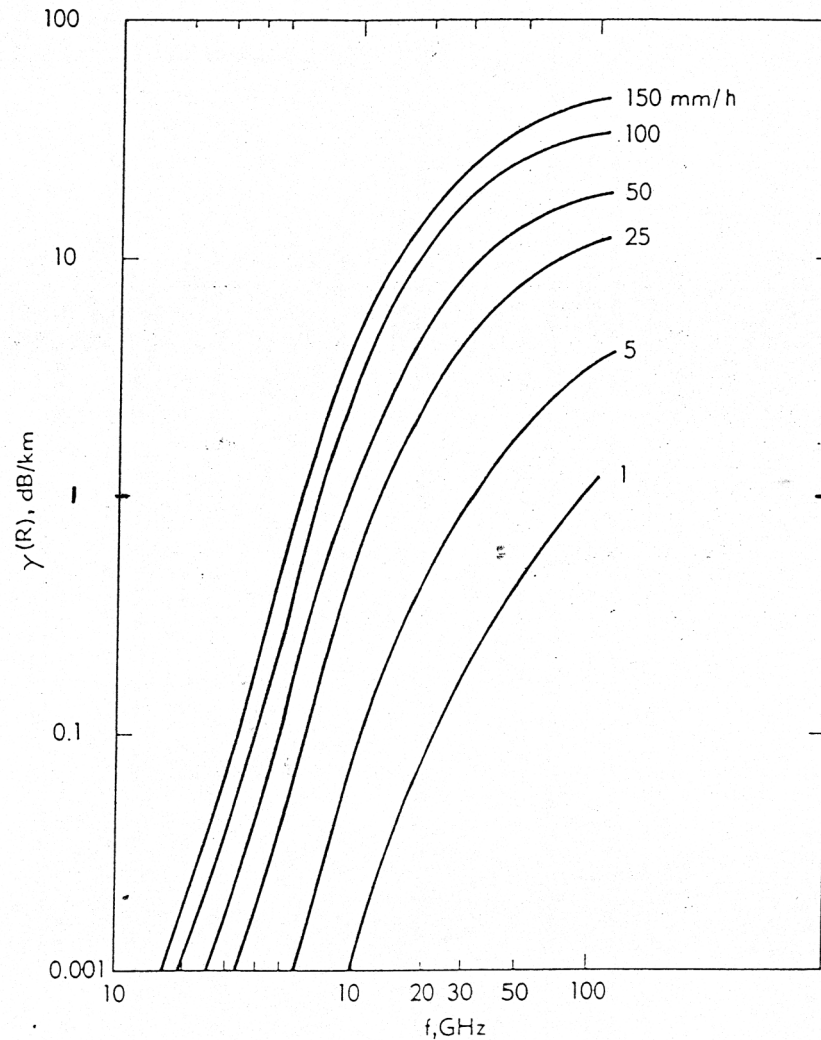
Free-Space Transmission

DISTANCE BETWEEN ANTENNAS IN MILES

DB ABOVE ONE MICROVOLT PER METER FROM HALF WAVE DIPOLE
FOR ONE KW RADIATED

MEGACYCLES

TRANSMISSION LOSS BETWEEN ISOTROPIC ANTENNAS
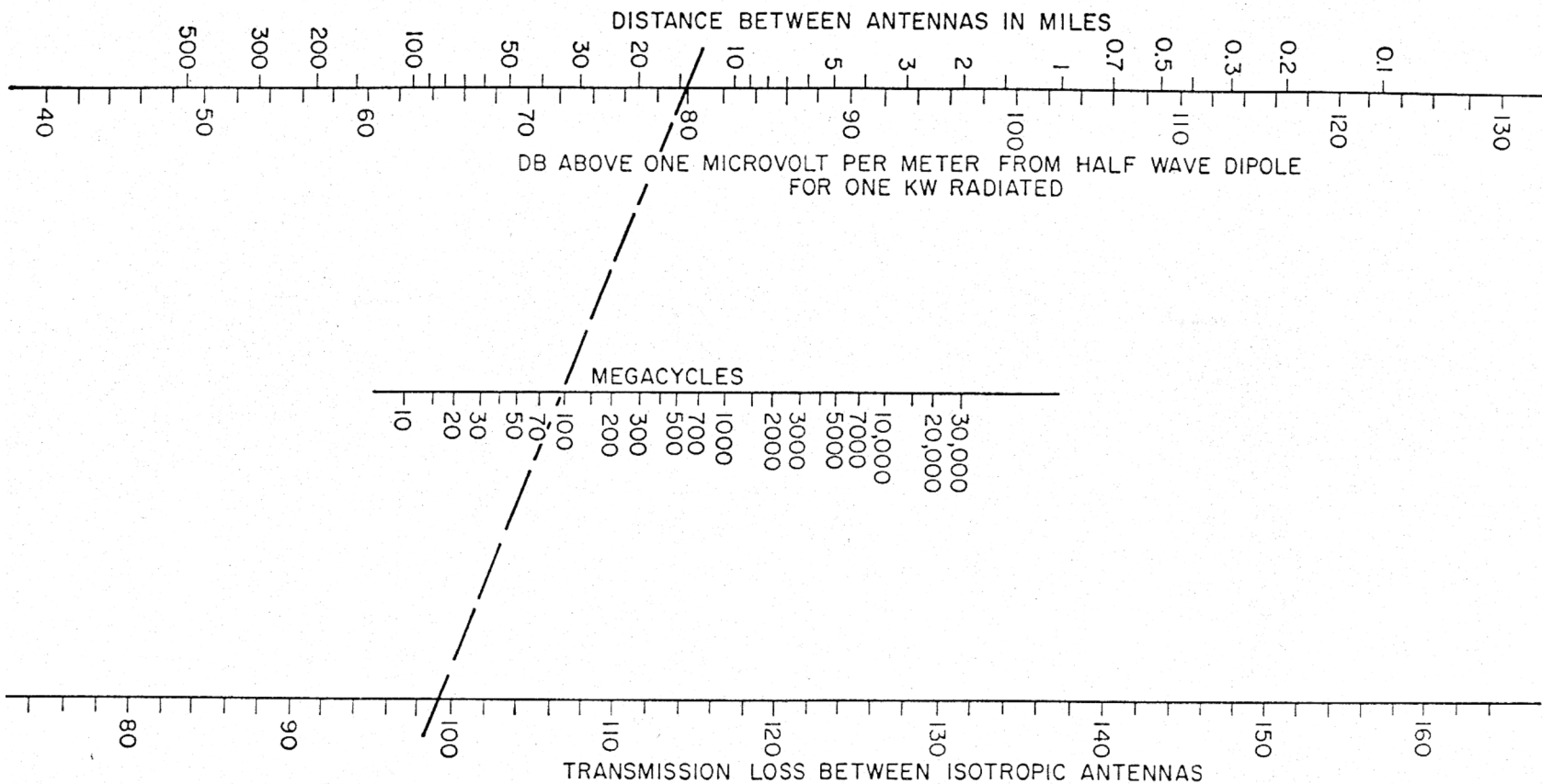
Source: Jasik, Antenna Handbook

Antenna Size vs. Frequency
(1 Degree Beamwidth)

70 ft

35 ft
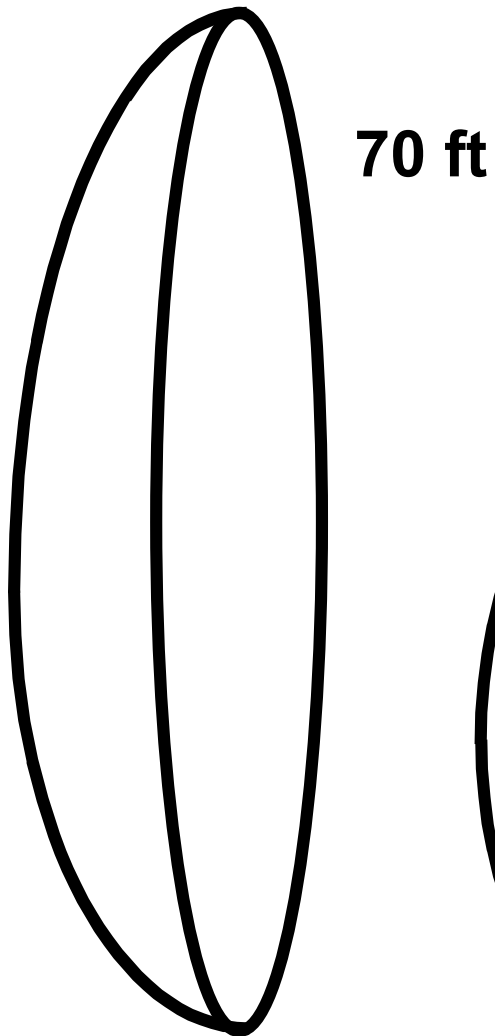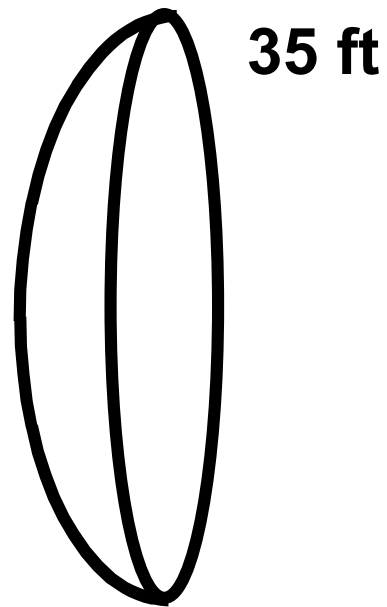
If we could use antennas like these, 10 megabits on a cell phone would be easy

900 MHz

1.8 GHz

Antenna Size vs. Frequency
1 Degree Beamwidth

70 ft

35 ft

12 ft

6 ft

3 ft

1.5 ft

8 in

5 in

| 900 MHz | 1.8 GHz | 3.5 GHz | 7 GHz | 14 GHz | 30 GHz | 60 GHz | 100 GHz |

Link Margin Chart

Transmit Antenna Gain

Transmit Power

Path Loss

Path Loss With Rain

Rx Antnenna

Link Margin

Noise Floor
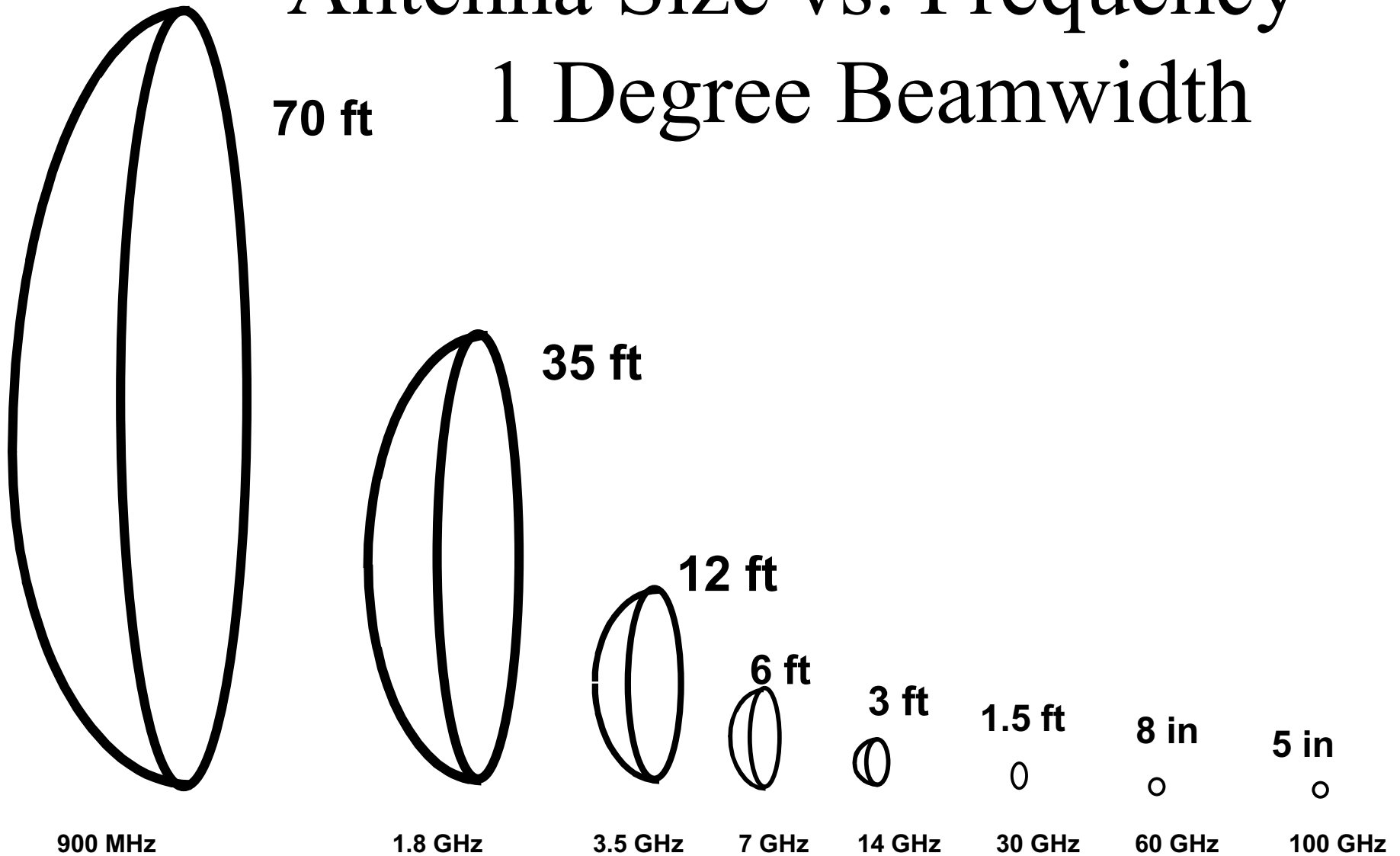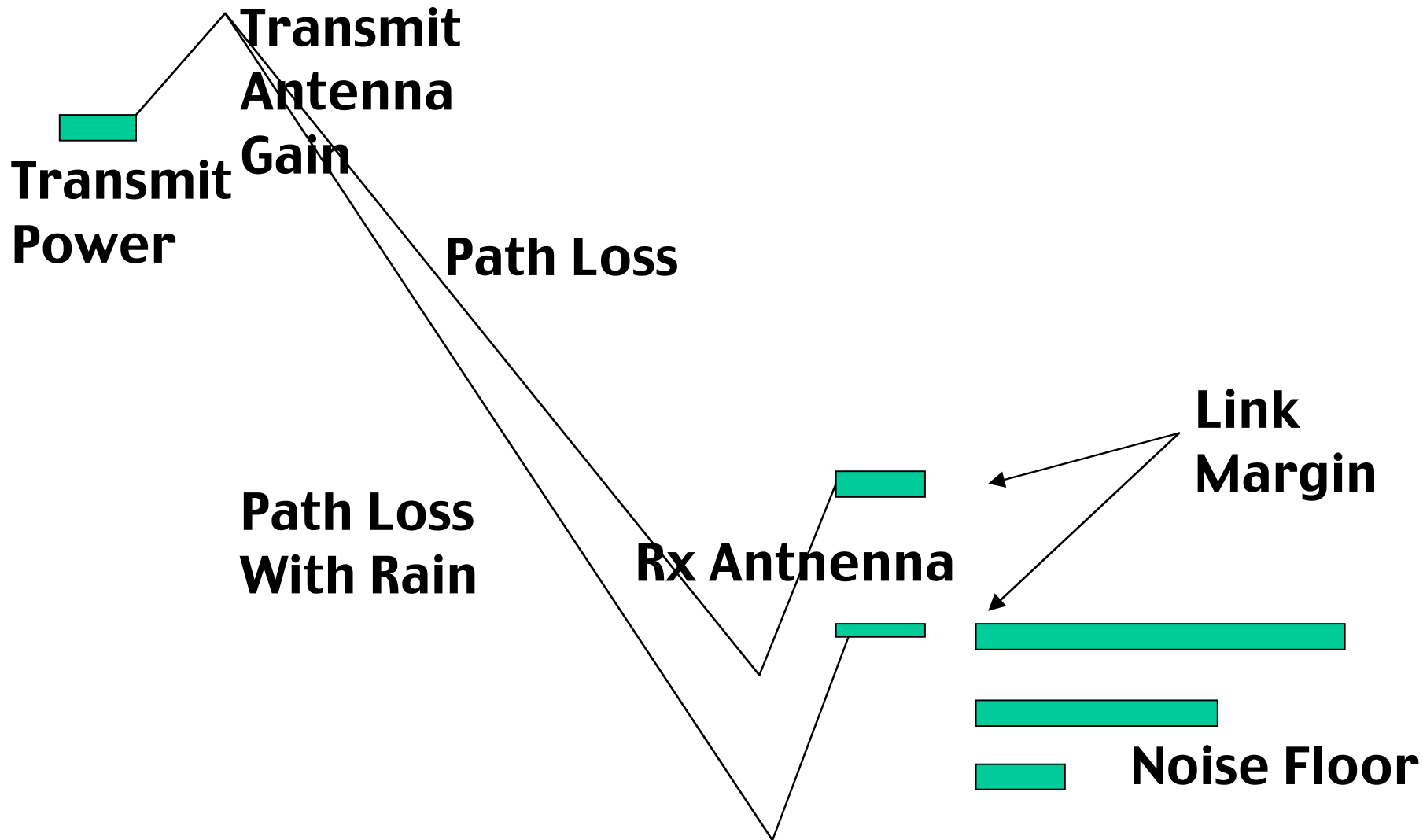
Radio Block Diagram — FDD System

Transmitter

Network Interface Modem

Antenna

Synthesizer

Diplexer

Reciever

Indoor Unit

Outdoor Unit
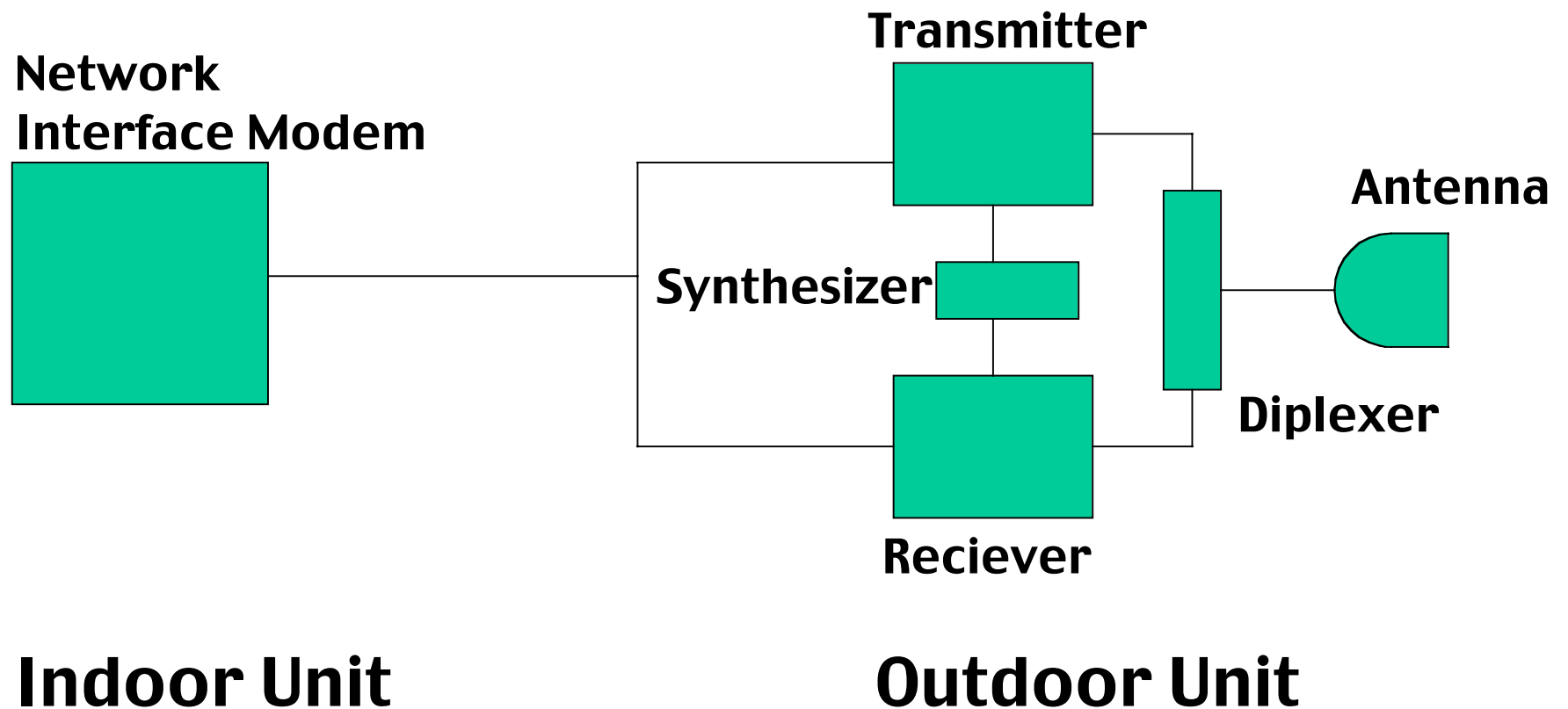
Link Margin Chart - The Optical Advantage   (Antenna Gain)

Optical Antenna Gain

Optical Antenna Gain

Link Margin Improvement

Path Loss

Radio Antenna Gain

Transmit Power

Radio Antenna Gain
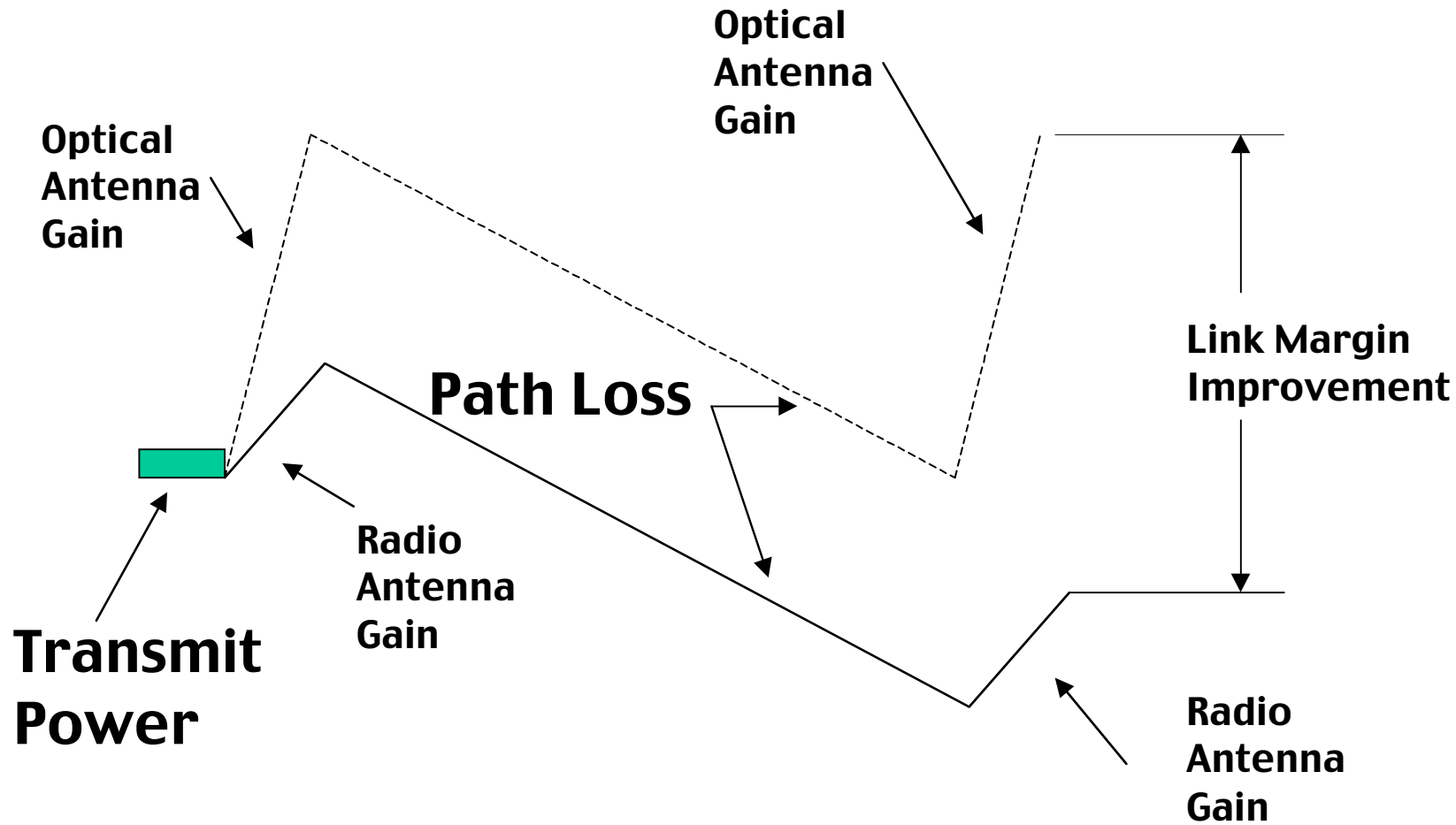
Link Margin Chart
Rain Fade Effects

Transmit Antenna Gain

Transmit Power

Path Loss

Path Loss With Rain

Rx Antnenna

Link Margin

Noise Floor

Link Margin Chart

**Transmit
Antenna
Gain**

**Transmit
Power**

Path Loss

**Path Loss
With Rain**

Rx Antnenna

**Link
Margin**

Noise Floor
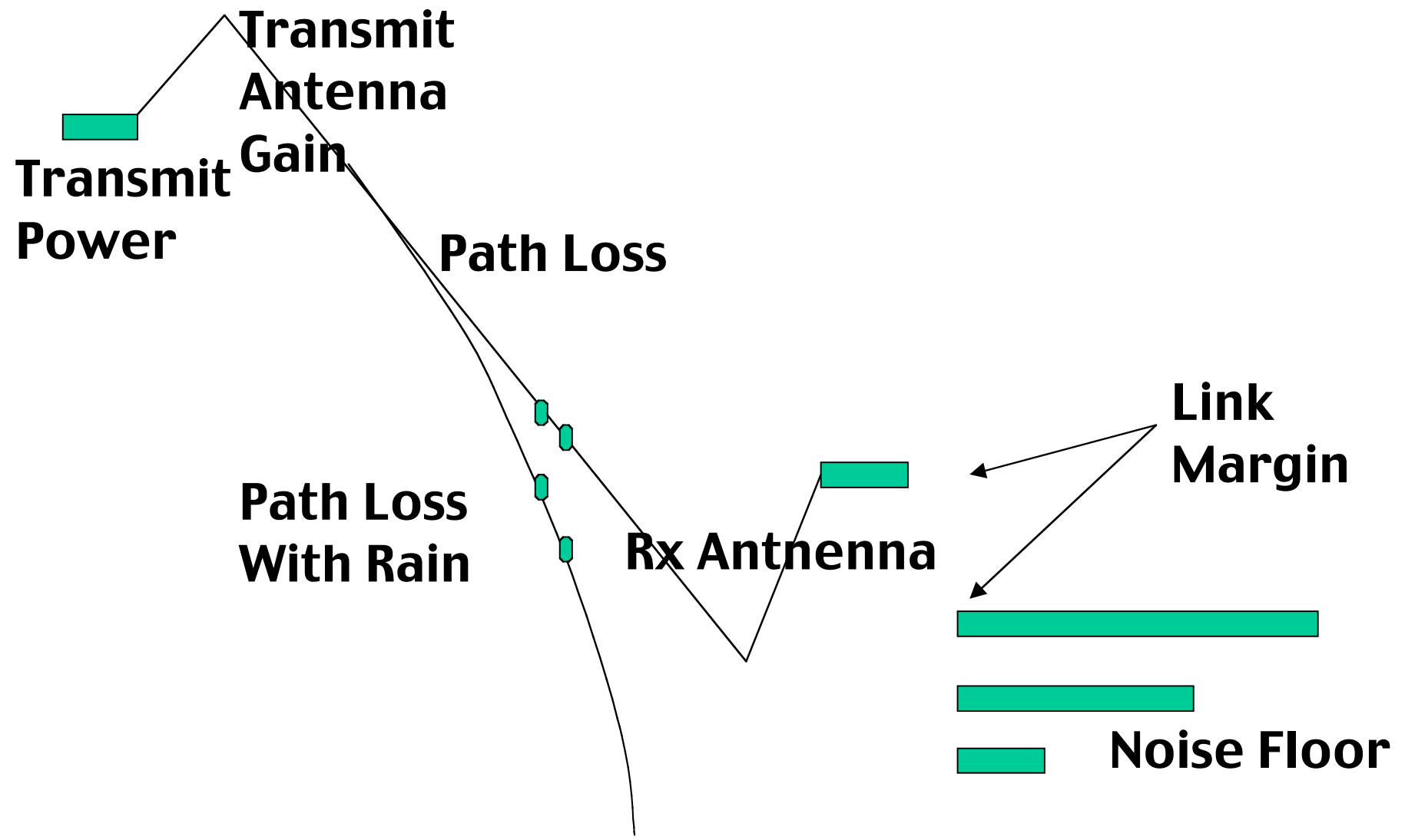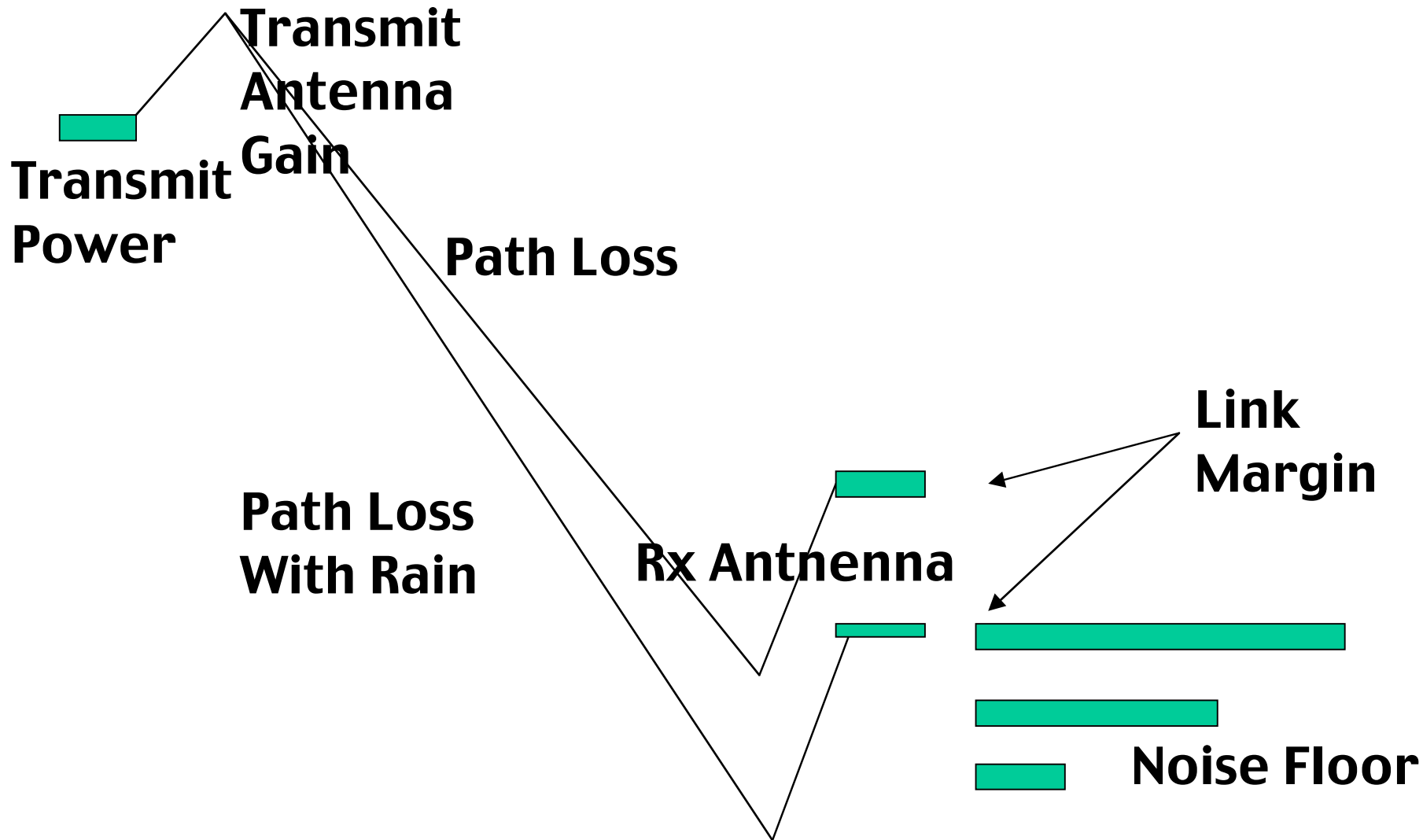
Link Margin Chart With 2nd Kilometer Rain Effects

Transmit Atenna Gain

Transmit Power

Path Loss

Path Loss With Rain

2nd Km path loss is 6 dB

2nd Km rain loss is 20 dB
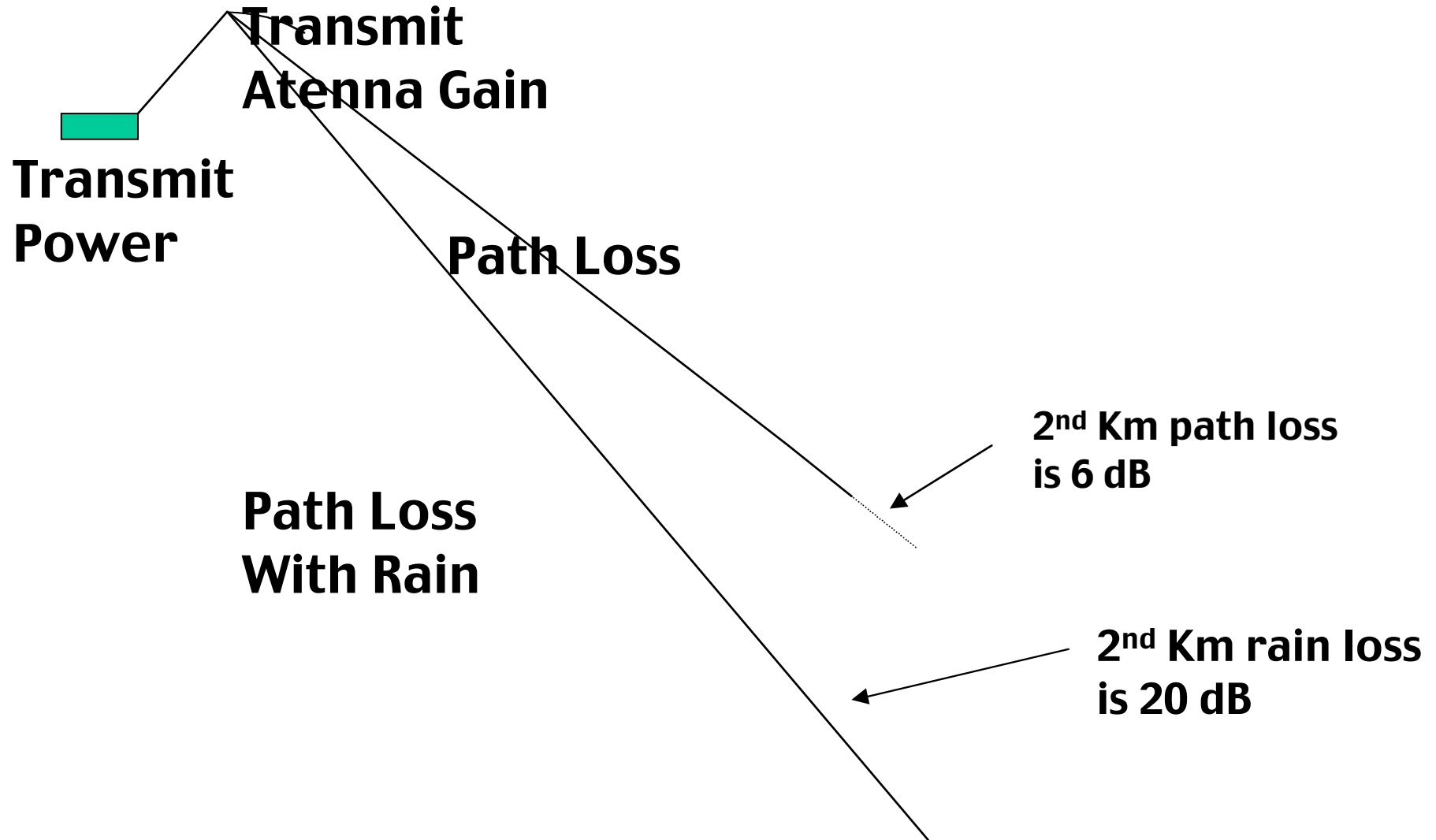
Link Margin Drivers

- Transmit Power 1/10th watt to 10 watts

    - 10 dBm to 40 dBm (or —20 dBw to 10 dBw)

- Noise Figure   2 dB to 10 dB

- Diplexer   2 dB

- Space Loss   140 dB to 150 dB @ 100 GHz

- Rain Loss   20 dB to 40 dB per kilometer

- Antenna Gain   30 dB to 60 dB

- Carrier to Noise Ratios 13 dB to 40 dB

Attenuation VS. Range at Various Rain Rates at 60 GHz
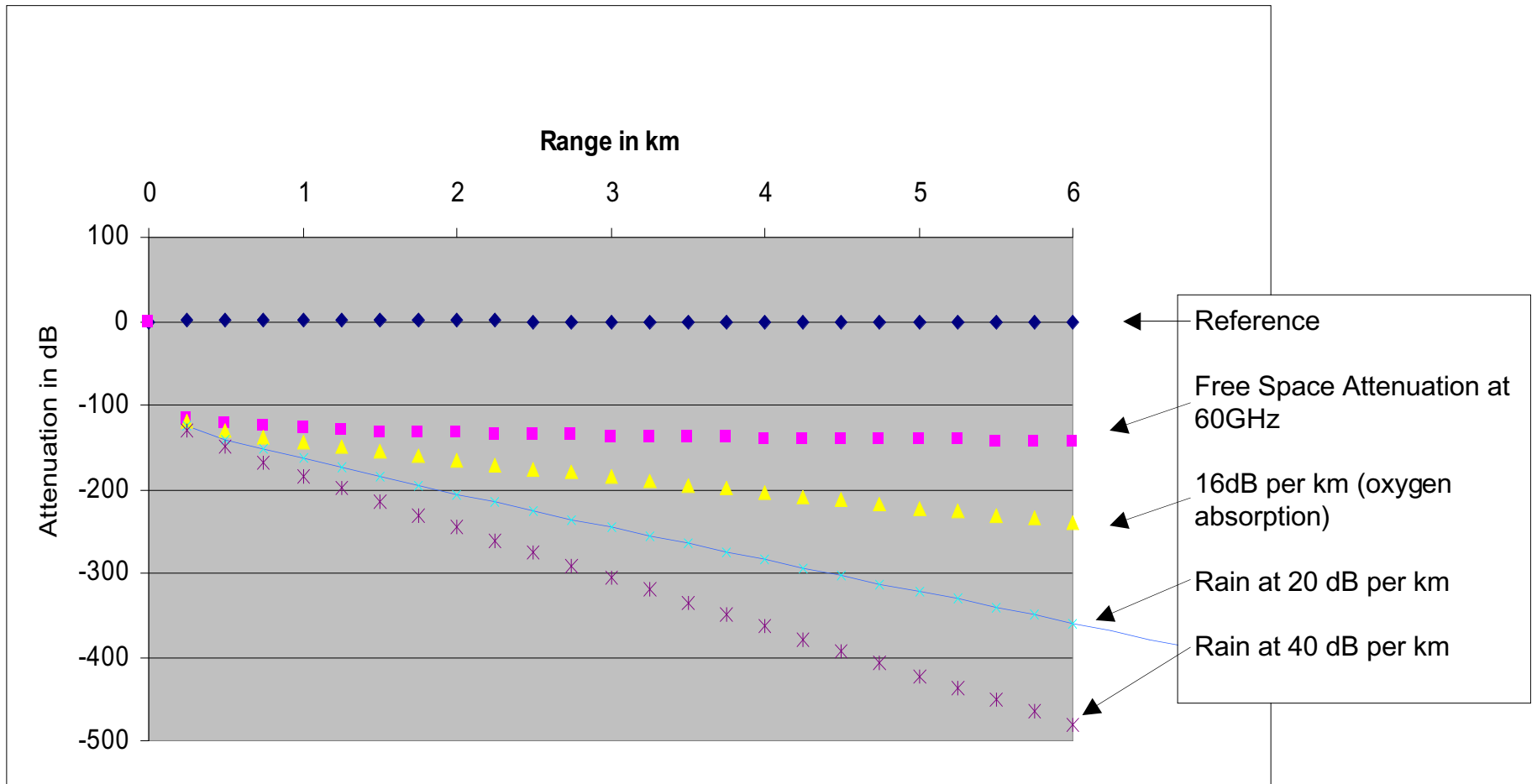
Millimeter Wave & Optical Spectrum
Rain Attenuation

**Current
Frequency Range
Millimeter Wave
Radios**

**Excessive Rain, 150 mm/hr
50dB/km @ 100 GHz**

Heavy Rain, 25 mm/hr

12 dB/km @ 100 GHz

10	100	1	10	100	1000
GHz	**GHz**	**THz**	**THz**	**THz**	**THz**
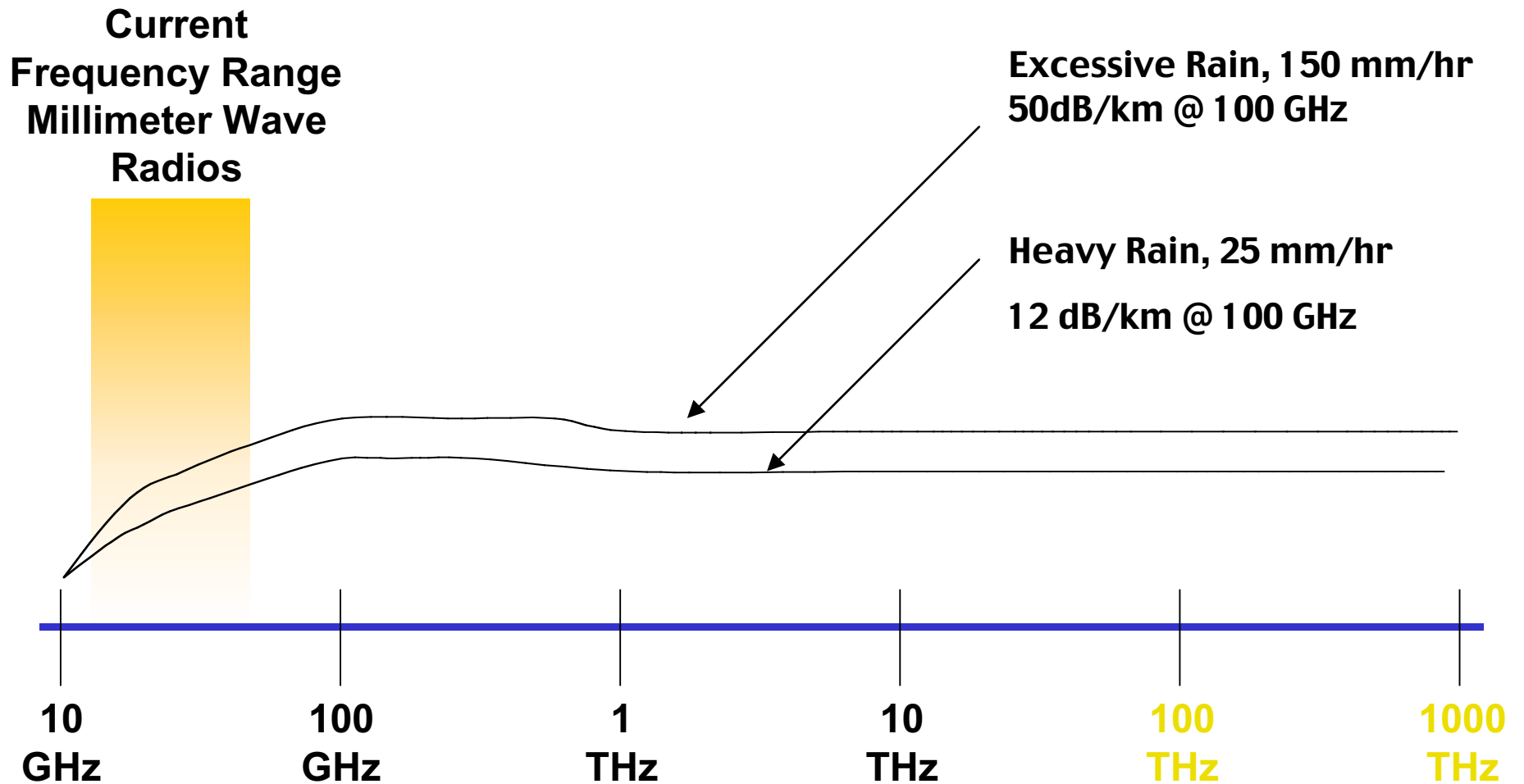
* In Development

Millimeter Wave & Optical Spectrum
Oxygen and H_2O Attenuation
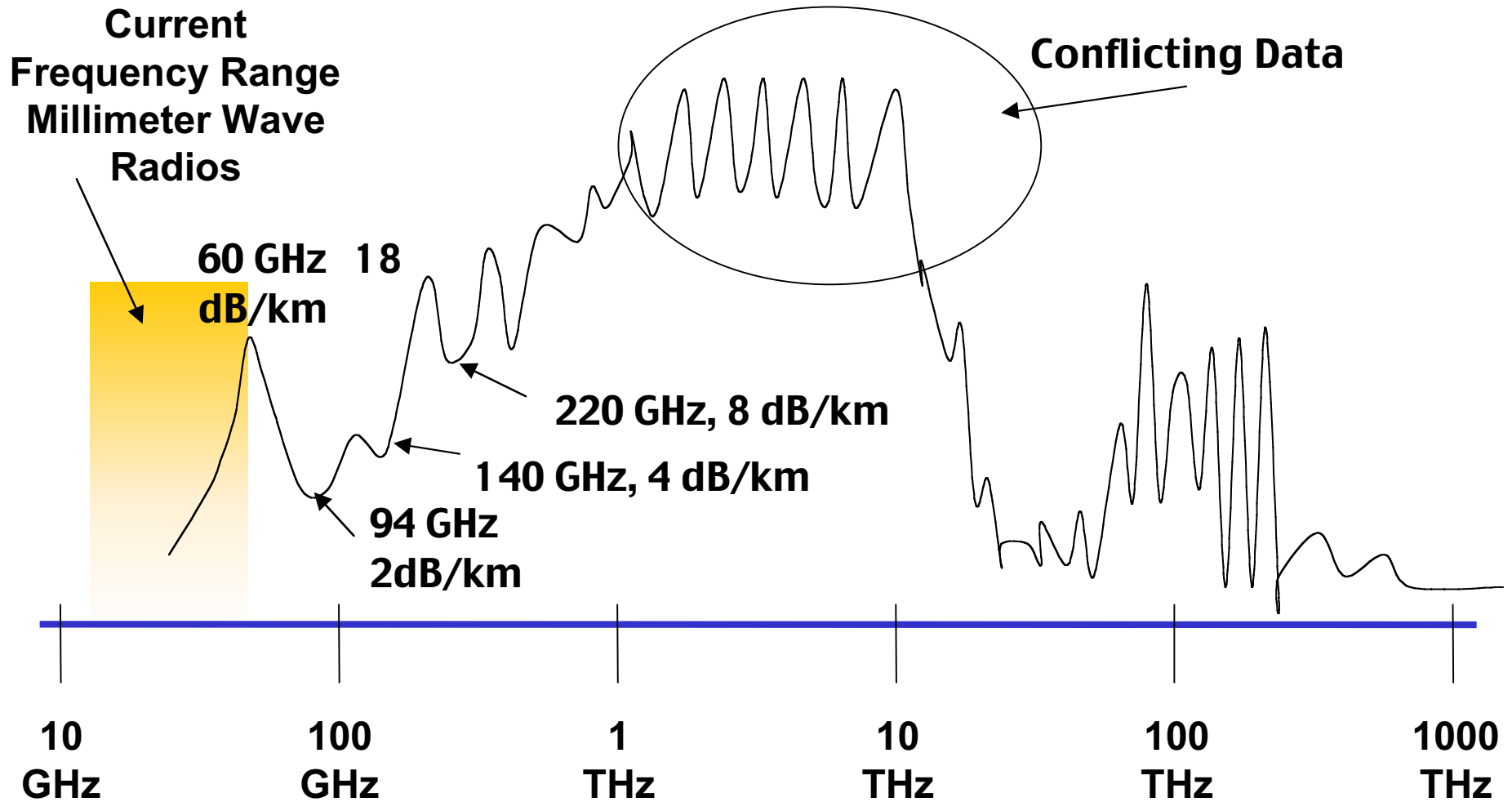
Millimeter Wave & Optical Spectrum
Fog Attenuation

Current Frequency Range Millimeter Wave Radios

Heavy Fog   0.1 gm/cu.m

(visibility, 150 feet)

120/dB/Km

70 dB/Km

8 dB/ Km

Fiber Frequencies

1 dB/Km

| 10 GHz | 100 GHz | 1 THz | 10 THz | 100 THz | 1000 THz |

Millimeter Wave & Optical Spectrum
Oxygen and H_2O Attenuation

Current Frequency Range Millimeter Wave Radios

Conflicting Data

60 GHz 18 dB/km

220 GHz, 8 dB/km

140 GHz, 4 dB/km

94 GHz 2dB/km

| 10 GHz | 100 GHz | 1 THz | 10 THz | 100 THz | 1000 THz |
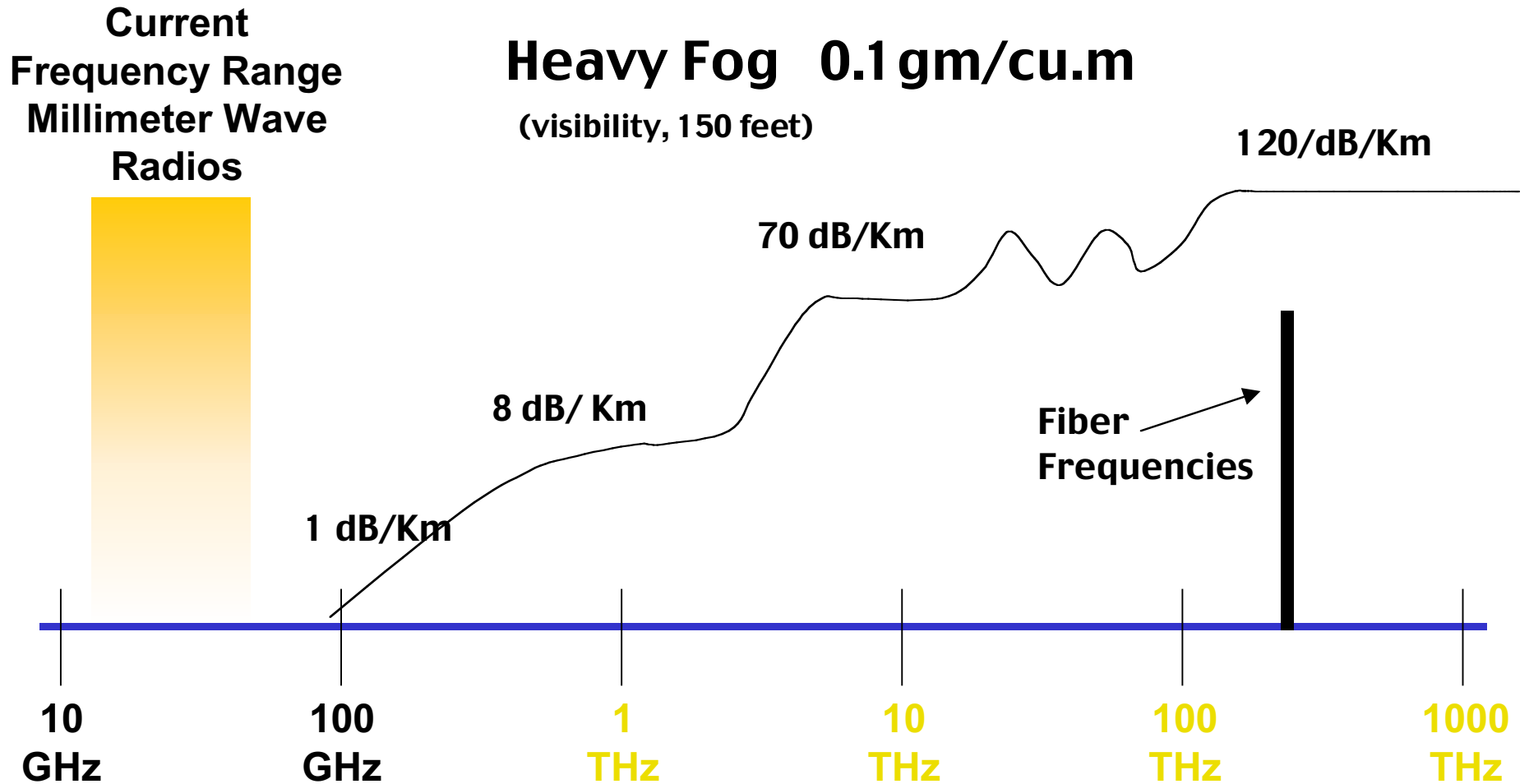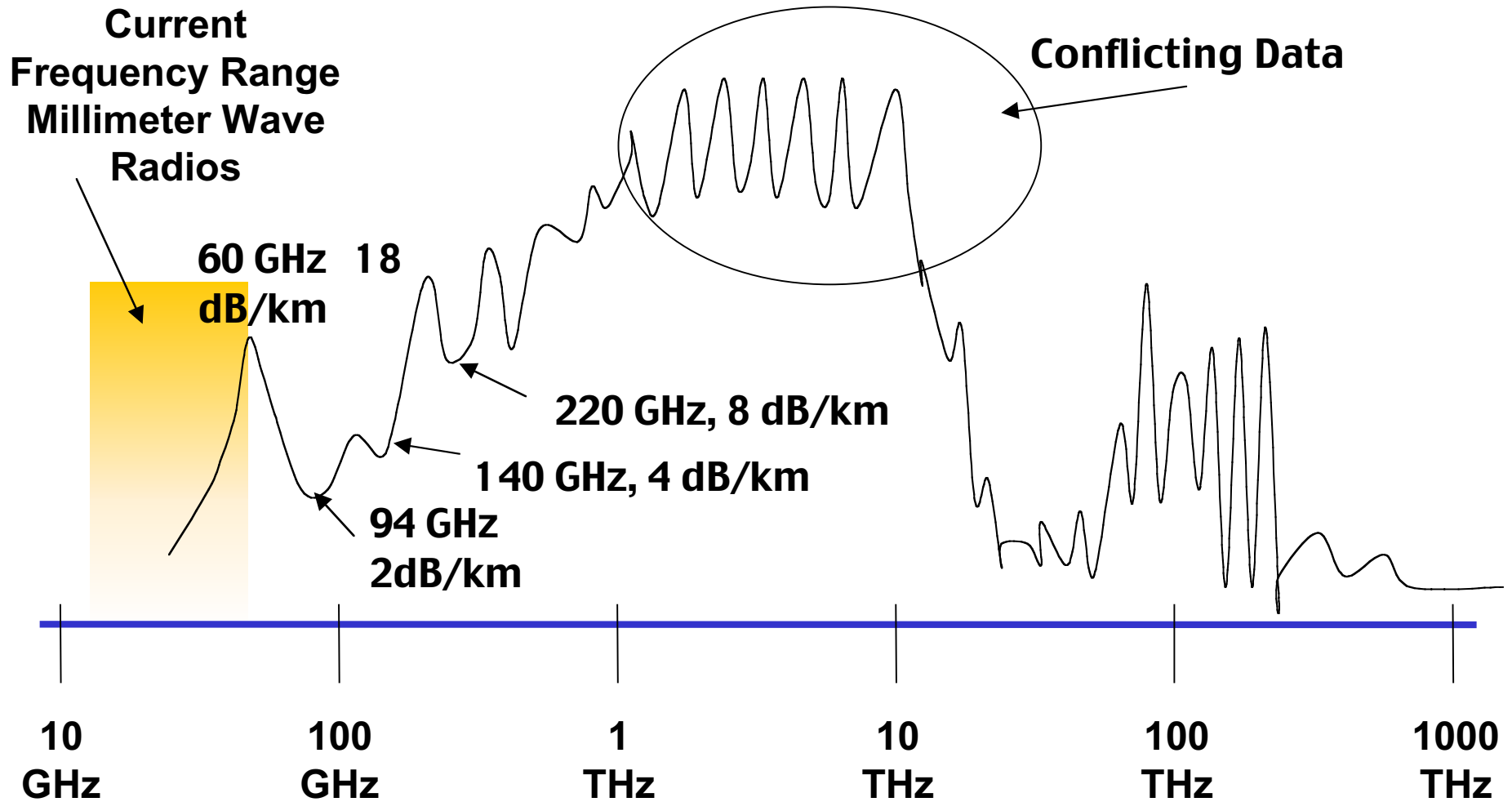
Antenna Gain — the Most Cost Effective Link Margin Increase on the Planet

- Conference Room Engineering
  - Antenna size in the conference room
  - Antenna size on the roof
- Double diameter, multiply the link margin by almost 20X (12dB)
- This is the same as a 1 watt amplifier doing the work of a 20 watt amplifier
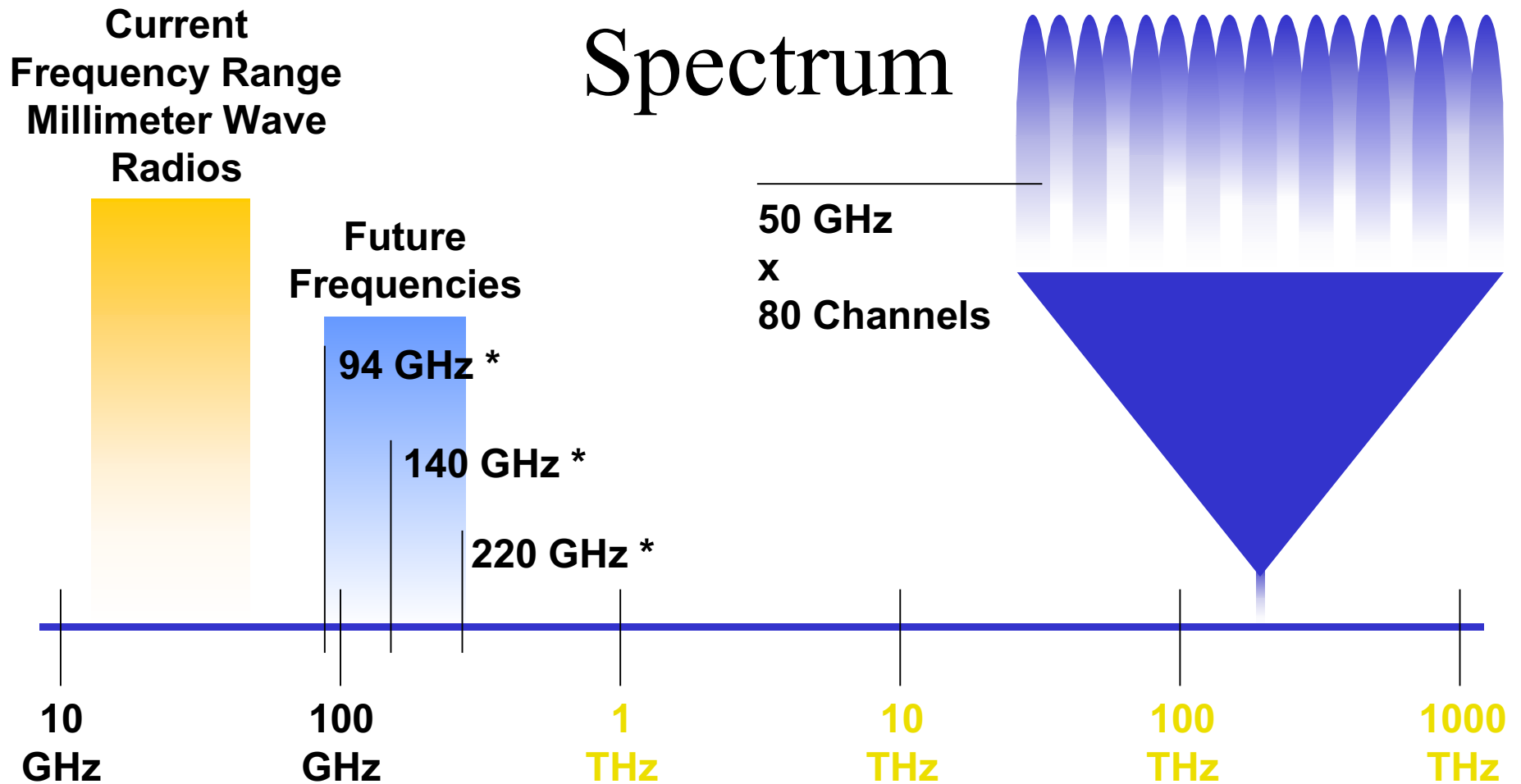
Diplexing Formats

- FDD   Frequency Domain Diplex
- TDD   Time Domain Diplex
- PDD   Polarization Domain Diplex
- CDD   Code Domain Diplex
  - ¨ Solves Adjacent Cell Problems

Frequency Selection Factors

- Lower frequency — Larger antenna
- Higher frequency — Smaller antenna
- Lower Frequency — Less Weather Effect
- Higher Frequency — More weather effect
- Lower Frequency — Lower data rate
- Higher Frequency — Higher data rate
- Lower Frequency — Lower Frequency Reuse
- Higher Frequency- Higher Frequency Reuse

Millimeter Wave & Optical Spectrum

Current Frequency Range Millimeter Wave Radios

Future Frequencies

94 GHz *

140 GHz *

220 GHz *

50 GHz
x
80 Channels

10 GHz	100 GHz	1 THz	10 THz	100 THz	1000 THz

* In Development

Millimeter Wave Physics of Distance

- For Space Loss:
- Double the distance, Power reduces by 4X

- For Rain Loss:
- Double the distance, Power reduces by 10,000X

- (Rain loss increases from 40 dB to 80 dB)

Frequency Selection Factors (Continued)

- Larger antenna — smaller beamwidth

    - Enables more frequency reuse

    - Example

        ¨ Cellular frequency, frequency reuse of several thousand times in a metropolitan area

        ¨ Millimeter wave frequency, frequency reuse of _ to 2 Million times within a metropolitan area

- 650 X more reuse   900 MHz vs 60 GHz

150 - 215 GHz InP HEMT MMIC LNA

- **16 dB gain at 215 GHz**
- **27 dB gain at 160 GHz**
- **6-stage CPW design**
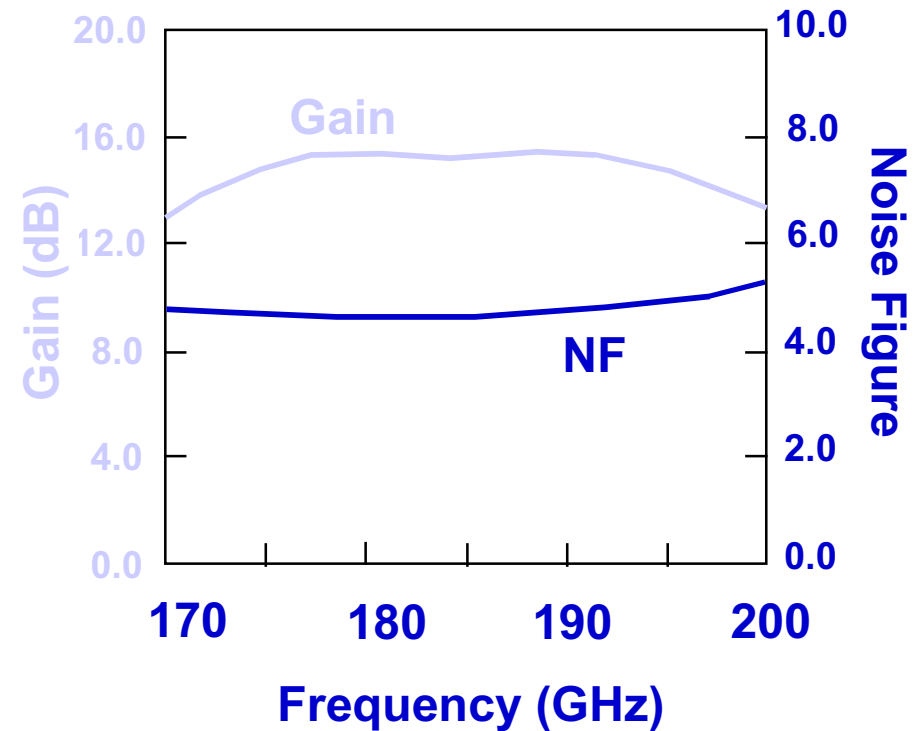- **65 GHz bandwidth**
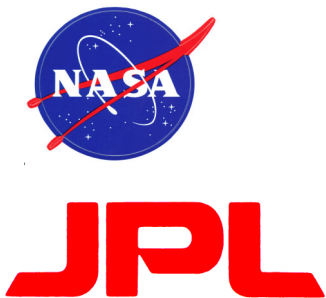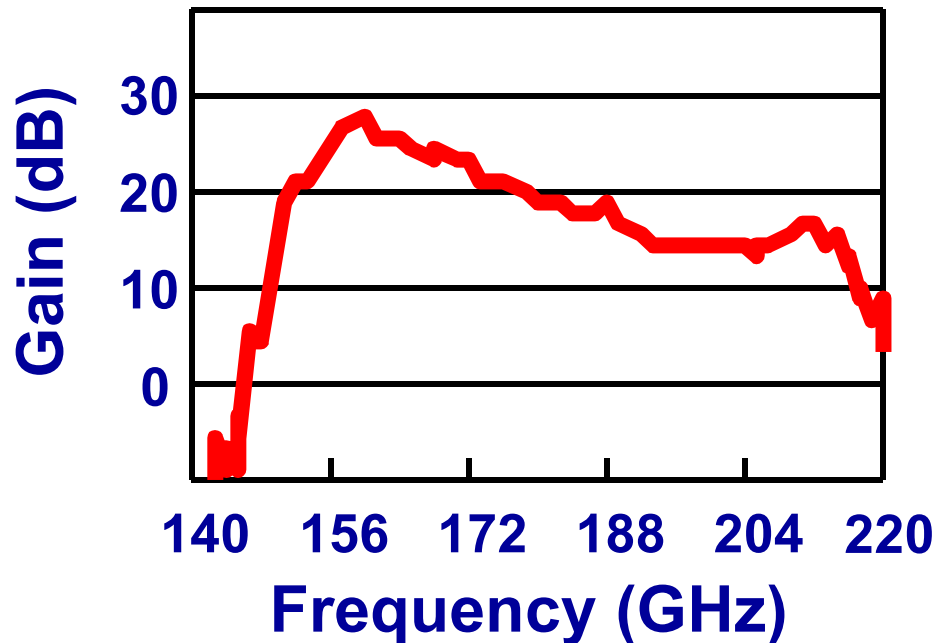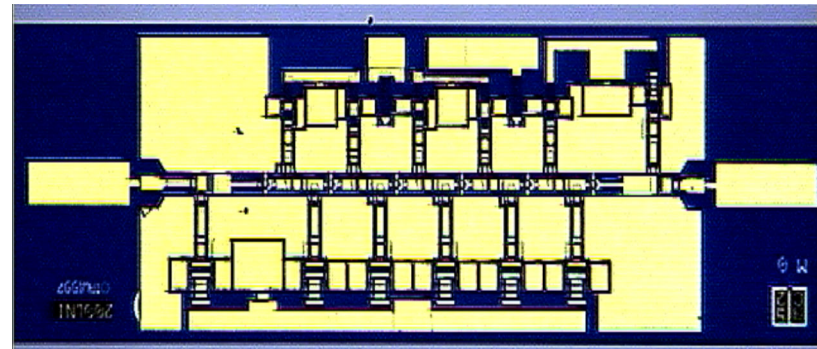
Ref: S. Weinreb et al IEEE-MGWL July 1999

200 GHz InP HEMT Low Noise Amplifier

170 - 200 GHz performance

- **3 stage single-ended LNA**

- **15 dB gain at 190 GHz**

- **4.8 dB NF at 190 GHz**

- **Port-to-port module results**
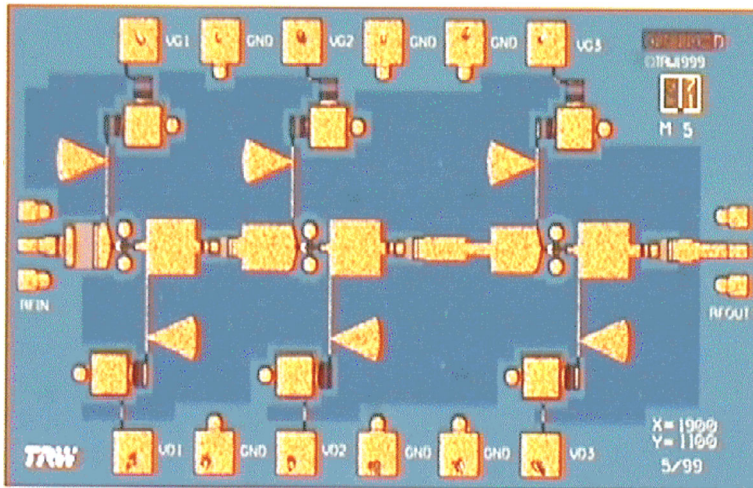
Source: Al Lawrence, Velocium

LANs, MANs, and WANs

- LAN — Local Area Network
  - Typically within a building or campus
  - Typically Ethernet
- MAN — Metropolitan Area Network
  - Typically within a single large city
- WAN — Wide Area Network
  - Up to a national or worldwide footprint

Network Architecture Details

- ATM — Asynchronous Transfer Mode
    - 53 Byte Packet (5 Byte header, 48 Byte Info Field)
- IP — Internet Protocol
    - Variable Information Field, Header says how large
- SONET/SDH — Synchronous Optical Network, Synchronous Digital Hierarchy
    - 810 Byte Frames, 51.84 Mbits/sec data increments
- Ethernet
    - 8000 Byte Frame size , optimized for high speed data transmission
- Fibre Channel
    - 2 additional bits per 8 bit byte
    - 12.5 — 400 Mbytes per second rates

Ethernet vs. ATM

Ethernet
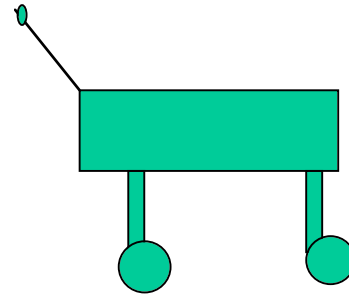
ATM

Cost to Fiber America s Businesses

- 750,000 large business buildings
  - $540 Billion
- 3,000,000 small business buildings
  - $300 Billion

- Total - $840 Billion

Cost to Radio America s Businesses (For 1 Gigabit)

- 750,000 large business buildings
    - $60 Billion

- 3,000,000 small business buildings
    - $60 Billion

- Total - $120 Billion

- 7:1 advantage, radio vs. fiber

Radio vs. Fiber Connectivity

- Radio installation permits multiple suppliers to easily serve the same building
- In theory — elimiates BLEC and CLEC chokehold (monopoly) at the building level

Fiber Trenching Costs

- $25 - $50 K per mile in open farm land
- $250 K to $ 3 Million per mile in urban areas
  - Boring
  - Trenching
  - Encasement
  - Splice Points
  - Map inaccuracies
  - Hand digging zones
  - Permits and easements
- Fiber Cuts
  - 0.018 per mile per year probability - 15 mile link, 2.4 Hours downtime per year on average

Roadmaps

- Computer Road map
- LAN road map
- Metro road map
- WAN road map

Communications Laws

- Shannon's Law
- Moore's Law
- Metcalfe's Law
- Gilder's Law
- Doug's (or Ed's) Law
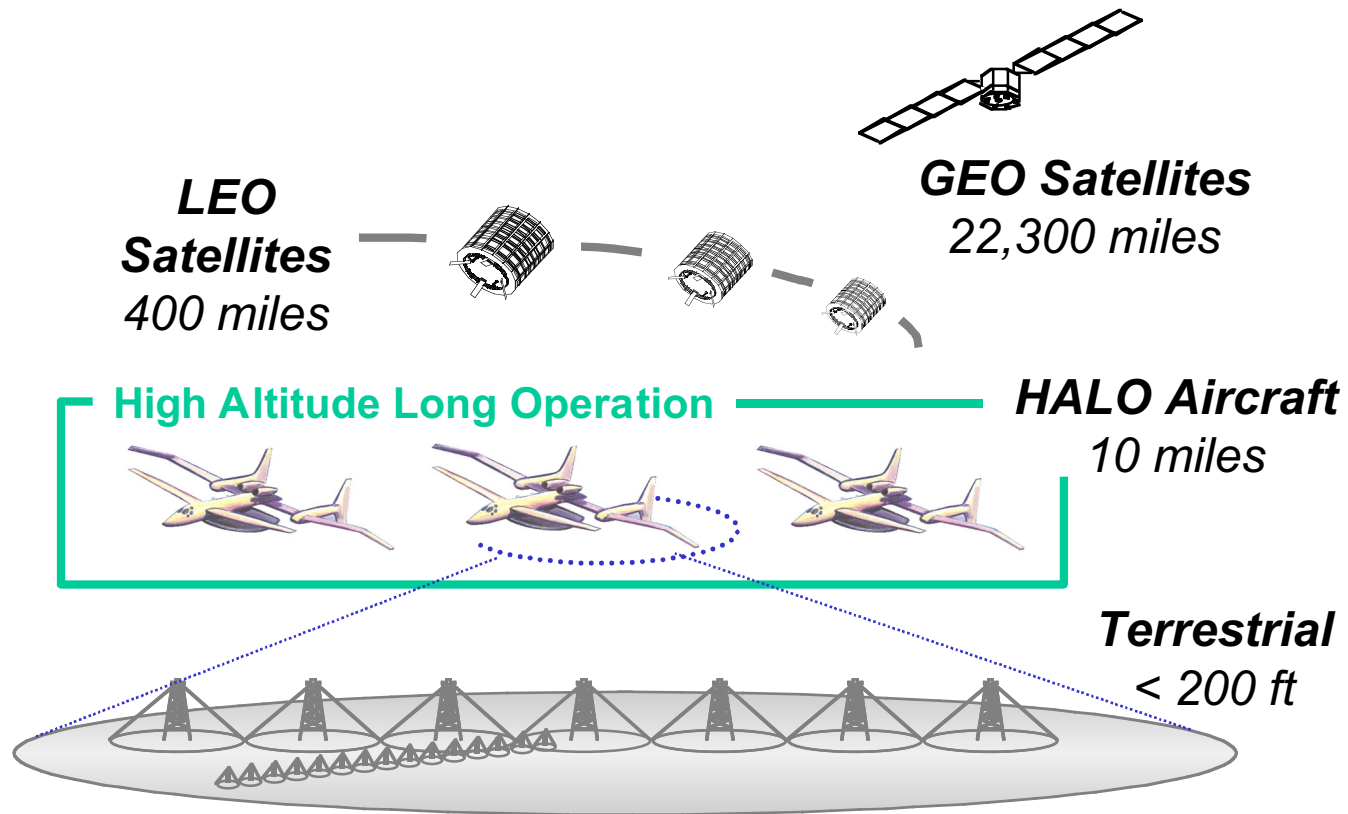 - Backhoes don t follow Moore s Law

Early Adopter Likelyhood

- Biotech
- Enterprise Inter/Intra Net
- Then video conferencing
- Games?

New Spectrum Possibilities

- Unlicensed Bands
- Licensed Bands
- Worldwide Coordination
- Terrestrial vs. Satellite vs. Navigation Applications

Stratospheric, Satellite and Terrestrial Platforms

GEO Satellites
22,300 miles

LEO Satellites
400 miles

High Altitude Long Operation — **HALO Aircraft**
10 miles

Terrestrial
< 200 ft

Metropolitan Last Mile Solution

HALOStar

Terahertz Radio Convergence with Optical

- 10 Gigabit data rates transition to 40 Gbits
- _ bit per hertz transistion to 4 bits per hertz
- Lambda channel width versus data rates vs. cost vs. mmwave circuits
- Life beyond C band and L band in metro nerworks

The Players (60 GHz and Above)

- Radio Companies
  - Harmonix
  - Sierra Com
  - Nokia
  - Telaxis
  - Loea
  - Boeing
  - TRW
- Free Space Laser Companies
  - Terabeam
 - fSona
  - Lightpointe
  - Airfiber

Investment Strategies

- Legacy Architectures
  - LAN
  - MAN
  - WAN

- Ethernet Architectures
  - LAN
  - MAN
  - WAN

- Licensed Spectrum Vs. ISM and Unlicensced
  - Low Frequency
  - Millimeter Wave Spectrum
  - Submillimeter Wave Spectrum

- Computer Speeds and Applications
- Killer Applications of Massive Bandwidth

Related Technologies

- Fiber Optic Transceivers
    - 10 Gbit entering production
    - 40 Gbit in alpha sites
    - 100 Gbit in Prototype
    - 160 Gbit in laboratory
- Millimeter Wave Cameras
    - 60 GHz to 400 GHz experimental data
    - Security Screening applications
    - Powerline radar and synthetic vision aerospace apps

MmW Technology is Key for Next-Gen Fiber Optic Circuits
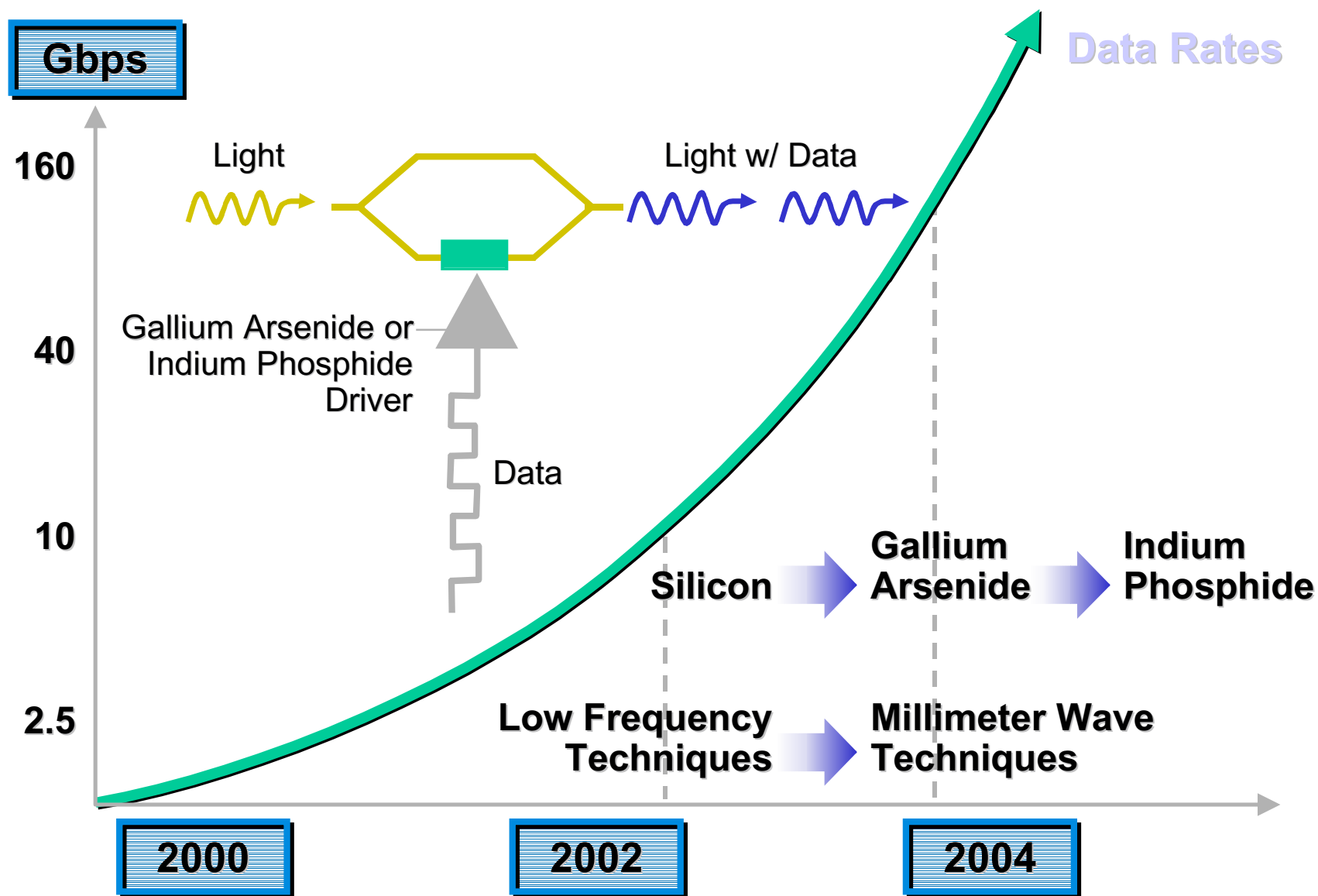
Summary

- Worlds Largest Bandwidth Market
- It hasn t happened yet
- Fiber optic transceiver development will drive sub terahertz radio technology
- Stage is set to break local loop fiber optic bottleneck with Millimeter Wave Radios
- We need Gigabit Radio standards

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