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

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

Report No. ET 98-4

ACTION IN DOCKET CASE

May 22, 1998

COMMISSION ADOPTS CHANGES IN RF MARKETING RULES (ET DOCKET 94-45)

The Commission has amended the marketing regulations that apply to radio frequency (RF) devices. RF devices are products that are capable of emitting RF energy in their operation, such as radio receivers, computers, video cassette recorders and radio transmitters. These changes to the rules respond to a Petition for Reconsideration and Clarification filed by Ericsson, Inc. The changes will provide marketing parity for products that are domestically manufactured and those that are imported.

On February 3, 1997, the Commission adopted a Report and Order in this proceeding. Among other changes, that Report and Order amended the marketing rules to permit the limited operation of RF devices prior to obtaining an equipment authorization or making a determination of compliance with the applicable rules. RF devices that operate in an authorized radio service continue to require a license prior to operation.

Ericsson objected to the Commission's continuation of the limits on the number of RF products that could be imported prior to obtaining an equipment authorization, stating that these limits unfairly restrict the ability of foreign manufacturers to compete with domestic manufacturers. The regulations limited the importation of such products to no more than 200 units for testing and evaluation purposes and no more than 10 units for demonstration at industry trade shows. Ericsson also objected to the Commission's requirement that manufacturers must obtain a license to operate transmitters in the authorized radio services for demonstrations at trade shows, demonstrations at exhibitions, or evaluation of product performance. Ericsson requested that the requirement to obtain a license only apply to entities that intend to provide services using the products rather than to entities, like manufacturers, that only intend to demonstrate the products.

On May 14, 1998, the Commission adopted a Memorandum Opinion and Order in this proceeding stating that it is concerned about the potential for harmful interference that could be caused to other users of the spectrum should large quantities of non-compliant equipment

be imported and operated. It continues to believe that limits are necessary on the number of unauthorized devices that may be imported routinely for testing and evaluation or display at trade shows. However, the Commission agreed that Ericsson had made a compelling argument and amended its rules to permit the routine importation of up to 2000 units for test and evaluation purposes and up to 200 units for display at trade shows. These increased limits apply only to equipment intended to be operated in an authorized radio service under a license issued by the Commission.

The Commission did not agree with Ericsson that the requirement to obtain a license, where currently required, should be eliminated for equipment manufacturers. It did indicate, however, that an equipment manufacturer would be permitted to operate its equipment for demonstration or evaluation purposes under the authority of a local Commission-licensed service provider. The local licensee must grant permission to the manufacturer to operate in this manner, and the local licensee would be responsible for complying with all of the operating conditions and requirements associated with its license.

Action by the Commission May 14, 1998, by Memorandum Opinion and Order (FCC 98-96). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell and Tristani.

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