

CPRA 800 MHz Rebanding Discussion Group
January 19, 2011
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2011 Overview

- Non-border Stage 1 (Channels 1-120 and Southeast ESMR channels), 99 percent of FRAs have been negotiated and submitted to the TA. Physical retuning is complete for 99 percent of FRAs.
- With 99 percent of the FRAs for non-border Stage 2 (NPSPAC and Expansion Band) licensees submitted to the TA, the main activities for these licensees are occurring in the implementation phase. Non-border Stage 2 licensees retuned, reflashed, or replaced approximately 58,000 radios (first touches) in the third quarter, raising the total number to approximately 1,345,000 radios as of September 30, 2011.
- FRA negotiations for Canadian border Stage 1 (non-Public Safety) licensees are complete with 100 percent of the anticipated FRAs submitted to the TA. As of September 30, 2011, physical retuning complete for 80 percent of Canadian border Stage 1 FRAs. As of September 30, 2011, 87 percent of the FRAs anticipated for Canadian border Stage 2 licensees were submitted to the TA. Physical retuning complete for 28 percent of Canadian border Stage 2 FRAs as of September 30, 2011.
- During the third quarter, the TA received 33 supplemental requests for waiver from non-border licensees that were filed with the PSHSB.

800 MHz Wave 4 Border Region Rebanding in 2012?

- Little occurred in 2011 with respect to 800 MHz Border Rebanding due to a lack of substantive activity by the U.S.-Mexico High Level Consultative Commission. The TA recently stated that “The band plan for the U.S.-Mexico border region is still under development. This of course, is essentially the same statement made by the TA for the past several years.

- The PSHSB issued a Public Notice on September 30, 2011, modifying the schedule for non-NPSPAC (Stage 1) and NPSPAC (Stage 2) licensees in the U.S.-Mexico border region. The PSHSB extended the negotiation period until January 3, 2012 and postponed the start of the mediation period until January 4, 2012 for such licensees. *During the extended negotiation period, the FCC has encouraged Wave 4 licensees affected by the Mexican border region to engage in planning and negotiation activities to the extent that they are not frequency-dependent and would not result in unnecessary duplication of not result in unnecessary duplication of costs.*
- The United States-Mexico High Level Consultative Commission on Telecommunications met on February 3, 2011 in Mexico City. In essence, their Joint Statement vows that “Critical telecommunications needs in the common border area, rapid technological changes, and the expansion of wireless broadband services make it imperative that the United States of America and the United Mexican States work closely together to strengthen the economy of, and enhance public safety communications in the border region. For these reasons, both countries have successfully concluded the Eleventh Meeting of the United States-Mexico High Level Consultative Commission on Telecommunications (HLCC). With respect to the unfinished business of 800 MHz Southern Border Rebanding, “the delegations also reaffirm their interest in reaching a mutual understanding on a new allotment plan for the 800 MHz Band which provides for (1) Interference-Free Operation of Public Safety services along the common border; (2) Access to Needed Channels; and (3) Fair and Equitable Treatment of all affected licensees in both countries while minimizing disruption to existing users. Furthermore, the delegations intend to finalize a protocol codifying the new allotment plan *once all outstanding issues are resolved*. In this regard, the delegations intend to *re-establish the Bilateral Task Force on reconfiguration* of the 800 MHz Band which will be responsible for transitioning incumbent licensees in the band to the new allotment plan. The delegations again reaffirm that the HLCC is to meet once per year, and in case a face-to-face meeting cannot be held, a video conference may be arranged as a timely alternative.” ANY BETS ON 2014 FOR 800 MHZ BORDER RECONFIGURATION (for a program that was supposed to be completed on June 26, 2008)?

- Sprint/Nextel is planning to decommission 20,000 cell sites – one-third of its 60,000 sites across the United States – over the next several years, according to BTIG telecom analyst Walter Pieczyk. BTIG estimates that Sprint will spend \$2.5 billion on its decommissioning effort. Sprint will consolidate its three network technologies into one seamless network known as ‘Network Vision’, saving \$11 billion over seven years. Sprint intends to (somehow) merge its existing 1.9 GHz infrastructure with existing 800 MHz/900 MHz iDEN spectrum, smartly recognizing that it already owns countless 800 MHz in-building coverage systems throughout the country. As a side-note, Sprint acquired the Nextel system in 2005 for \$35 billion. Sprint-Nextel has failed to show a profit or to break even in the past 5 years.

The decommissioning of domestic S/N iDEN does not likely affect 800 MHz iDEN systems such in Mexico operated by Nextel International (NII). Domestic 800 MHz public safety interference should greatly diminish on its own due to ongoing decommissioning of iDEN sites, regardless of completion of Wave 4 Rebanding, though possibly leaving U.S. public safety agencies with incomplete 800 MHz reconfiguration and incomplete international public safety tactical frequencies reconfiguration, at least for the present.

- For further consideration, should S/N decommission the iDEN system prior to the completion of 800 MHz Rebanding, then a new question arises as to who would administer and negotiate the 800 MHz Rebanding program to completion? If Nextel disappears first, it’s likely that the FCC might appoint the TA or a similar entity as the interim program administrator, adding a couple more years to the process. Projecting 2 to 5 more years to complete Wave 4 Rebanding, most every affected agency will be in the difficult position of replacing aging infrastructure without benefit of Nextel’s money, unless they apply for the SED program soon and legally challenge S/N to secure some fixed network replacements now.

- The TA's 800 MHz Rebanding Quarterly Progress Report for **Q3, 2011** dated September 30, **2010** (released December 14, 2011) is available on the TA web site. A high-level overview of this report and related FCC releases follows:
- The FCC has granted extensions to most 800 MHz public safety licensees that have not completed the Rebanding process (Wave 4 border impacted incumbents excluded), though with a stipulation that affected licensees that lack an agreement with Sprint submit a report (by late February or early March) explaining the delay or risk potentially significant financial repercussions. This affects around 55 of the 900 non-border public safety licensees. The FCC further states that "most of these affected agencies have recently submitted cost estimates to S/N but without completed negotiations."
- **System Upgrade Caution**

Recently, the TA has observed instances in which licensees delay reconfiguration while considering or pursuing a system upgrade. Some licensees have delayed completing FRA negotiations or executing their FRAs while evaluating an upgrade. Other licensees with executed FRAs have delayed their implementation activities while considering an upgrade and subsequently submitted a Change Notice to modify their FRA to use funds originally intended for the traditional reconfiguration of their system for an upgrade.

The TA's upgrade policy requires that licensees satisfy certain criteria in order to upgrade their system during reconfiguration. Among other things, the policy requires a licensee to demonstrate to the TA's satisfaction that the proposed upgrade would not lengthen the licensee's implementation schedule past that which it would have been if an upgrade were not implemented.

A licensee that unreasonably delays completing FRA negotiations or executing an FRA while pursuing an upgrade would be unlikely to satisfy the requirement that an upgrade not lengthen its implementation schedule. In addition, licensees with executed FRAs may not delay implementation activities while they consider or pursue an upgrade. A licensee with an executed FRA that puts its implementation activities on hold while pursuing an upgrade and then submits a Change Notice seeking an upgrade would be unlikely to satisfy the requirement that an upgrade not lengthen its implementation schedule. The TA reminds all licensees of their obligation to complete reconfiguration in a timely manner and encourages licensees to avoid actions that delay their reconfiguration.

800 MHz Incumbent Licensee Reconfiguration Costs

The TA's fees and expenses for the quarter ending December 31, 2011 are estimated at \$7.0 million in fees and \$0.1 million in expenses, for a total of \$7.1 million. For the quarter ended September 30, 2011, Sprint Nextel made its required payments to licensees and vendors. Accordingly, there has been no need to draw on the Letter of Credit through September 30. The FCC concurred with the TA's request on July 19, 2011, and the Letter of Credit was reduced from \$1.111 billion to \$1.061 billion. On October 5, 2011, the TA recommended that the Letter of Credit be further reduced by \$37.7 million based on costs paid through June 30, 2011. The FCC concurred with the TA's request on October 12, 2011, and the Letter of Credit was reduced from \$1.061 billion to \$1.023 billion.

Be sure to carefully read the revised TA Cost Metrics document which has redefined and expanded allowable cost tables. Where negotiations and mediation fail to result in an agreement, the TA will generate Final Cost Metrics Comparison Reports comparing final offers of the disputing parties with the new FRA cost metrics data. The revised TA Cost Metrics data would likely weigh heavily in supporting S/N's cost allowance position for most any dispute.
