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Second Notice Response Summary

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Second Notice and Comment Process Overview



FirstNet initiated its second public notice and comment process seeking comments on certain legislative interpretations under the Act

- **Date of Release:** March 13, 2015
- **Who Could Comment:** Any individual or organization
- **Comment Deadline:** April 28, 2015
- **Comments Posted:** Publically available at www.regulations.gov

Second Public Notice



- The Second Public Notice sought comments on certain interpretations under the Act relating to key topics including:
 - Technical Requirements for Equipment Use on the Network
 - Network Policies
 - State Plan Implementation and Decision Process
 - Customer, Operational, and Funding Considerations Regarding State Assumption of Responsibility to Build and Operate a RAN
- Comments received inform the RFP process, interpretations of the Act, and network policies
- We have made no final interpretations
- Numbers and positions of commenters are approximations



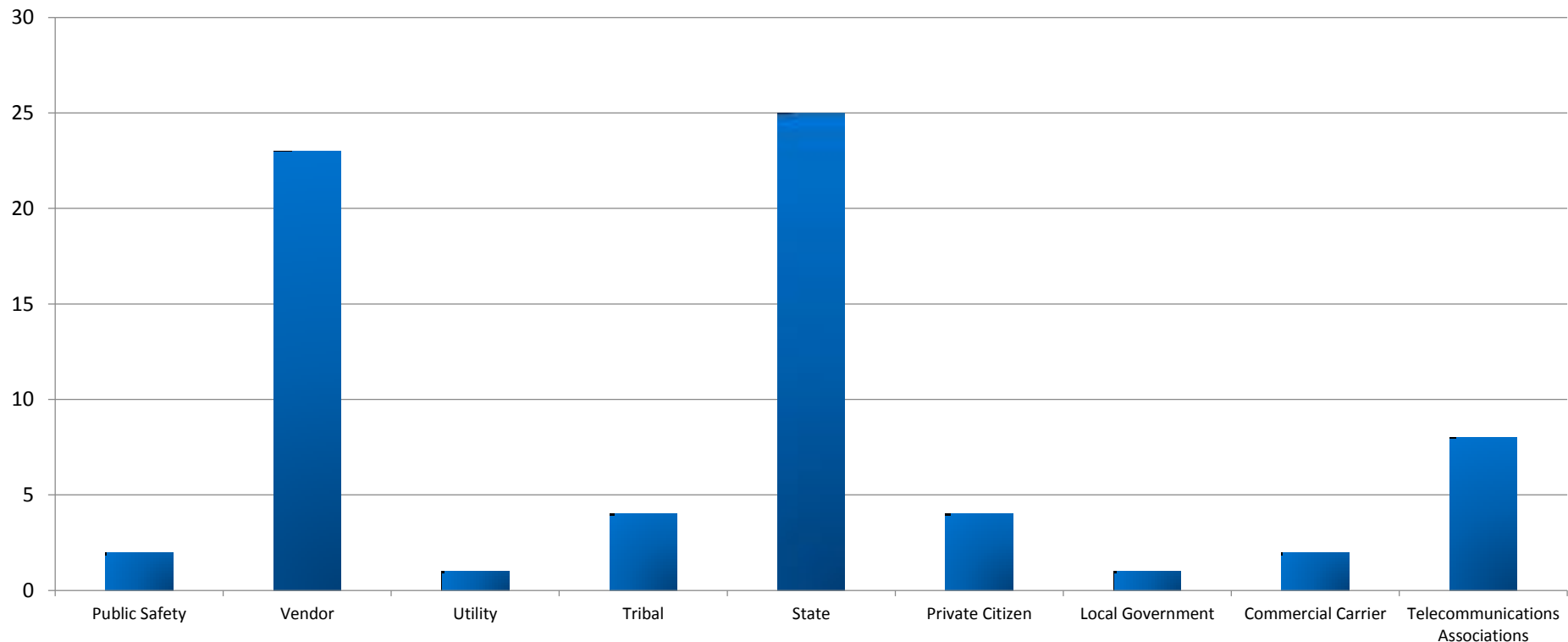
Second Public Notice

March 2015

Overview: Second Notice Responses



Summary of Responses Totals
by Organization Type



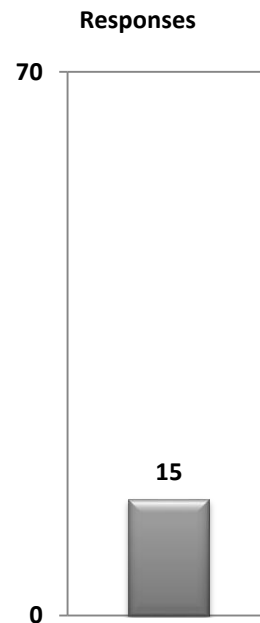
A total of **70** responses were received from various groups, including State, local and Tribal governments, commercial carriers and vendors, and associations.

**MAINTAIN FLEXIBILITY AS
TO WHETHER FIRSTNET OR
STATES ARE THE SERVICE
PROVIDER TO AND RECEIVE
FEES FROM PUBLIC SAFETY
ENTITIES**

The Act does **not expressly define which customer-facing roles** are assumed by a State or FirstNet with respect to public safety



Notice Interpretation: The Act provides sufficient flexibility to accommodate a variety of different customer facing arrangements so long as the interoperability and self-sustainment goals of the Act are met



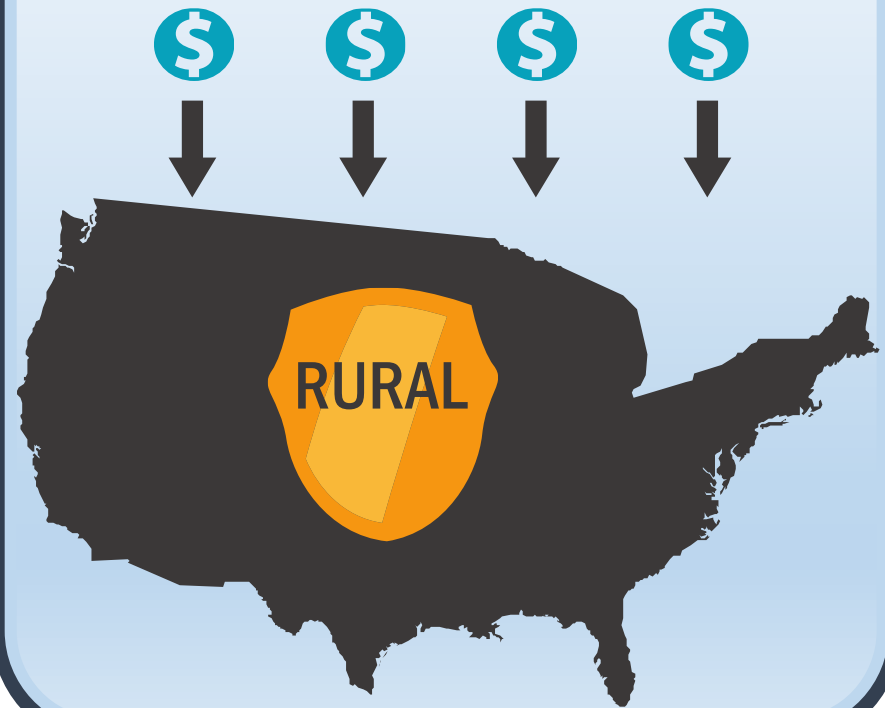
- **Agree:** Congress intended to promote flexibility with such customer-facing roles
- **Disagree:** no responses
- **Neutral:** no responses

State Use and Reinvestment of Funds



**PROTECT DEPLOYMENT IN
RURAL STATES WHILE
PRESERVING THE RIGHT OF
ALL STATES TO ASSUME
RESPONSIBILITY FOR THE
RAN**

The Act **preserves** the **right of States** to construct and operate their own RAN, but **not** in a way that also allows them to **capture funding, beyond the reasonable costs** of such a RAN



- **FirstNet is a Zero-Sum Game**

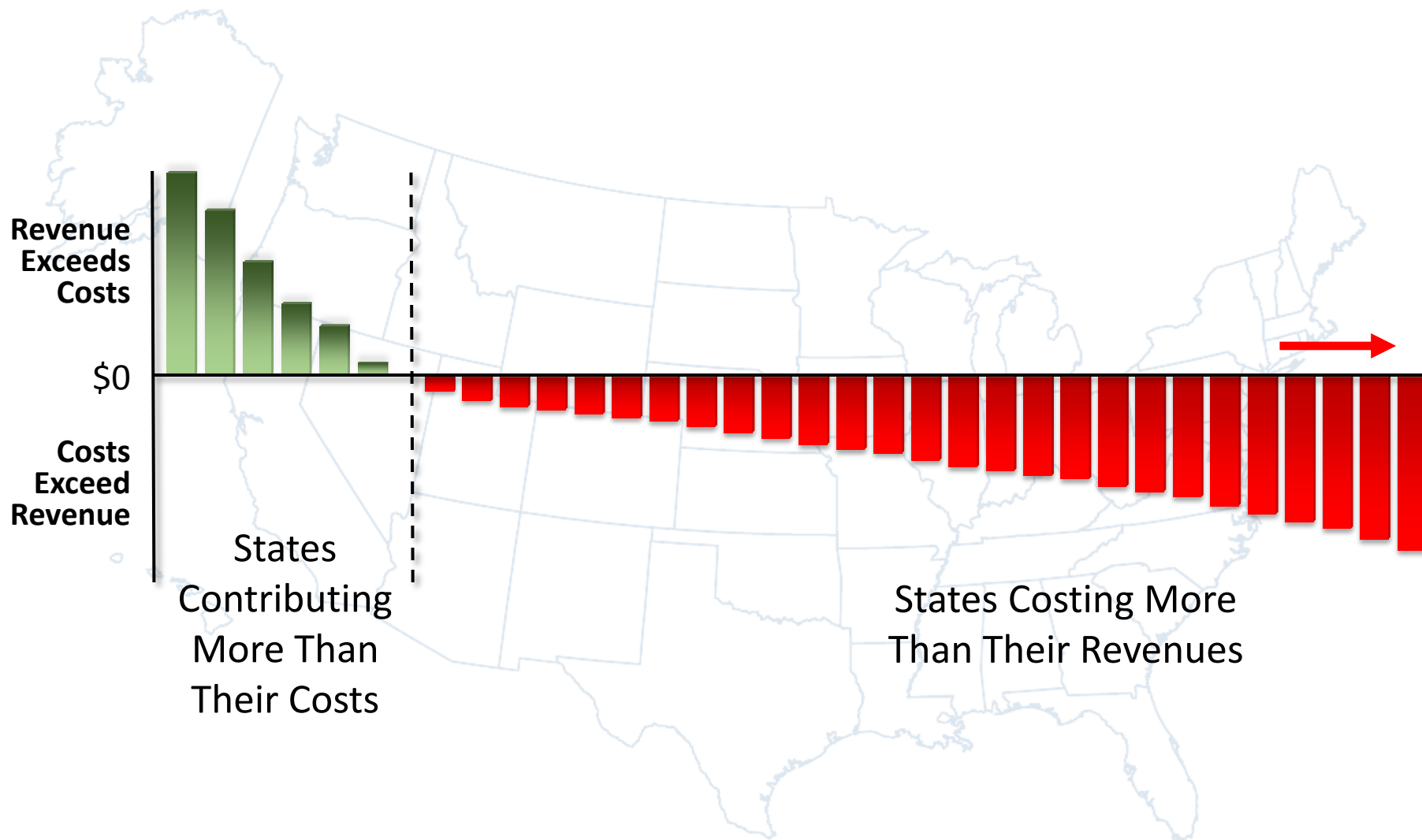
- Fees = Costs
- All FirstNet fees are reinvested to construct, maintain, operate, or improve the nationwide network

- **Three Funding Sources**

- \$7 billion
- Excess spectrum capacity fees
- Subscriber fees



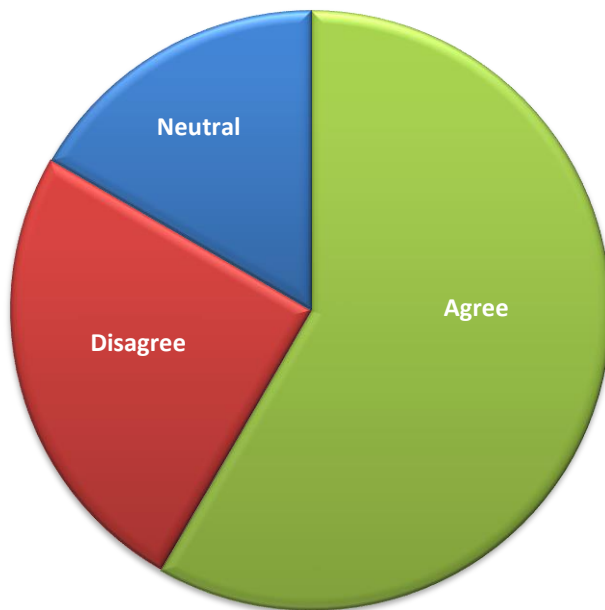
The State Equation: Cost to Serve \cong Density of Population



Reinvestment of Revenues



Notice Interpretation: The Act preserves the right of States to construct and operate their own RAN, but not in a way that also allows them to capture funding, beyond the reasonable costs of such a RAN, that is essential to rural States and the viability of the FirstNet program

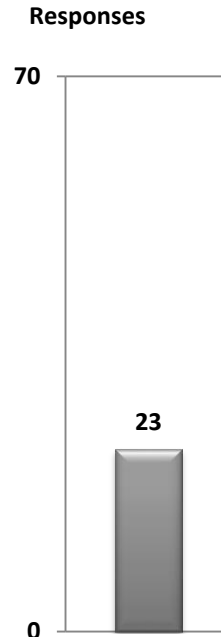
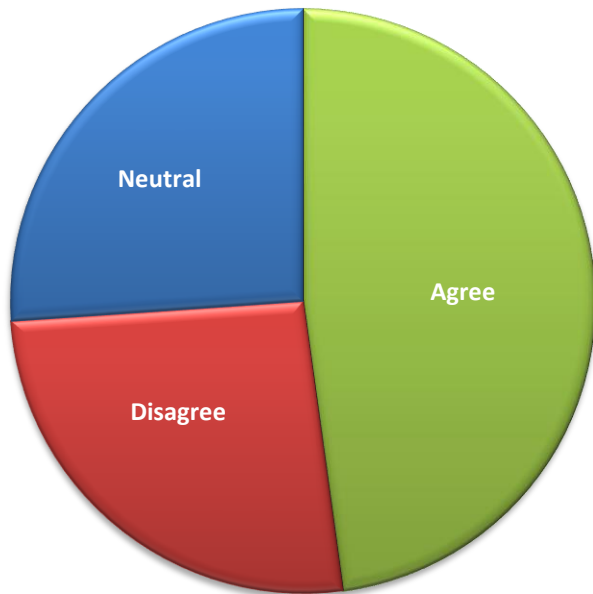


- **Agree:** the law was written to ensure that entire nationwide network is self-sustaining, including high-cost rural areas
- **Disagree:** this interpretation is unsupported by the Act's plain language
- **Neutral:** more documentation in support of this interpretation in necessary

Reinvestment of Revenues



Notice Interpretation: FirstNet must take the various funding considerations, including cost-effectiveness, into account in negotiating a spectrum lease with States



- **Agree:** FirstNet must use the tools available – such as spectrum lease approval – to ensure that an opt-out state does not siphon-off a disproportionate amount of the funds available for network implementation
- **Disagree:** the Act does not permit FirstNet to leverage its control of the spectrum to deny States the benefits of exercising the statutory right to opt out
- **Neutral:** further clarification on the spectrum lease approval process is required to evaluate this interpretation

- We asked approximately 50 questions
- Aim of interpretations is to ensure certainty within boundaries of statutory language to ensure service to public safety is not delayed
- Response levels across constituent entity groups was strong notwithstanding absolute number of responses per question
 - Different groups tended to respond to issues most relevant to them
 - e.g., vendor focus on technical questions - state focus on requirements related to RAN and investment of revenues, etc.
- Constructive and helpful feedback
- Overwhelming agreement with the bulk of our preliminarily conclusions
- Many of the disagrees were focused more on statutory language than FirstNet interpretation
- Neutrals often substantially agreed with interpretations, sought additional information, proposed alternatives, or raised different issues





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Thank You