



NEWS

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FOR IMMEDIATE RELEASE:
July 8, 2004

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FCC ADOPTS SOLUTION TO INTERFERENCE PROBLEM FACED BY 800 MHZ PUBLIC SAFETY RADIO SYSTEMS

Band Reconfiguration and Enhanced Best Practices Are Key Elements

Washington, D.C. – Today, the Federal Communications Commission adopted a plan to resolve the ongoing and growing problem of interference to public safety radio systems operating in the 800 MHz band. In recognition of the critical need for the Nation’s first responders to have robust and highly reliable communications systems, the Commission based its decision on meeting three essential goals: first and foremost, resolving the interference problem to public safety radio systems; second, ensuring equitable treatment of all of the affected spectrum licensees with minimal disruption to users and the public alike; and third, as the Commission is the federal agency charged with administering the spectrum for the public good, exercising sound principles of spectrum management. The decision was unanimous.

Based on the extensive record developed regarding the public safety interference problem, the Commission concluded that the most effective solution is a Commission-derived plan, which is comprised of both long-term and short-term components. Over the long-term, the Commission adopted a new band plan for the 800 MHz band to address the root cause of the interference problem by separating generally incompatible technologies (a chart of the band plan is attached), with the costs of relocating 800 MHz incumbents to be paid by Nextel Communications, Inc. (Nextel). In the short-term, the Commission implemented objective technical standards – “Enhanced Best Practices” -- for defining “unacceptable interference” to public safety systems operating in the 800 MHz band and procedures detailing the responsibilities and expectations regarding abatement of such interference.

Since 1999, the Commission has received reports of interference to 800 MHz public safety communications systems from Commercial Mobile Radio Services (CMRS) providers operating systems on channels in close proximity to those utilized by public safety entities. Initially, the Commission’s approach to interference resolution was to urge the involved parties to make voluntary technical changes to prevent or reduce interference at particular sites. In 2000, the public safety and CMRS community formalized this approach as “Best Practices.” In recent years, however, 800 MHz public safety systems have encountered increasing amounts of interference.

As a result, the Commission determined that reliance on these voluntary measures alone was insufficient and thus initiated a rulemaking proceeding to develop the effective solution it adopted today.

Today, the Commission adopted “Enhanced Best Practices” to address interference problems pending completion of the band reconfiguration process. The Commission rejected this as an exclusive remedy for the interference problem because the transactional costs of applying Enhanced Best Practices will continue to increase as new public safety and other non-cellular systems come on line and the commercial carriers using cellular-architecture increase the capacity of their systems by adding more cells. The Commission recognized that these costs will disproportionately affect public safety agencies, which operate with extremely limited resources. Under the new regime, the Commission adopted an objective technical standard for defining unacceptable interference and placed strict responsibility on carriers to fix such interference.

To accomplish the reconfiguration, the Commission will require Nextel to give up rights to certain of its licenses in the 800 MHz band and all of its licenses in the 700 MHz band. In exchange, the Commission will modify Nextel’s licenses to provide the right to operate on two five-MHz blocks in a different part of the spectrum -- specifically 1910–1915 MHz and 1990-1995 MHz -- conditioned on Nextel fulfilling certain obligations specified in the Commission’s decision.

The Commission determined that the overall value of the 1.9 GHz spectrum rights is \$4.8 billion, less the cost of relocating incumbent users. In addition, the Commission concluded that it would credit to Nextel the value of the spectrum rights that Nextel will relinquish and the actual costs Nextel incurs for to relocate all incumbents in the 800 MHz band. To the extent that these combined credits total less than the determined value of the 1.9 GHz spectrum rights, Nextel will make an anti-windfall payment to the United States Department of the Treasury at the conclusion of the relocation process equal to the difference

The Commission’s plan will result in an additional 4.5 MHz of 800 MHz-band spectrum, the equivalent of 90 additional two-way channels, becoming available to public safety, critical infrastructure, and private wireless users, including 10 channels for public safety/critical infrastructure interoperability. As with prior spectrum relocation programs initiated by the Commission, Nextel – as the new entrant into public safety bands – will be required to provide the existing public safety licensees with comparable facilities. To ensure that the band reconfiguration process will be completed, the Commission will require Nextel to establish certain escrow accounts and a letter of credit in the amount of \$2.5 billion specifically to ensure adequate funding of relocation costs for other 800 MHz incumbents. Similarly, as a new entrant in the 1.9 GHz band, Nextel is also obligated to fund the transition of incumbent users to comparable facilities.

Recognizing the complexity of the band reconfiguration and looking at the experience of other federal agencies that have used a similar process, the Commission provided for an independent “Transition Administrator” to oversee the administrative and financial aspects of the band reconfiguration, provide accountability to the reconfiguration process, and ensure that band reconfiguration is achieved with minimal disruption to licensees, particularly public safety entities. Specifically, the Transition Administrator, whose decisions will be subject to *de novo* Commission

review, will authorize disbursement of funds for band reconfiguration based on requests for payment by affected parties and resolve funding disputes. In the event of a material change in Nextel's financial situation, the Commission concluded that the Transition Administrator would be empowered to take control of the guaranteed funds and complete the band reconfiguration.

The Commission determined that this approach provides significant public interest benefits by quickly resolving the interference problem which reduces operating costs to public safety and commercial providers, creating more spectrum and increased flexibility for public safety licensees, and accelerating band-clearing at 1.9 GHz, all of which demonstrate improved spectrum management over this issue and result in more effective protection of life and safety for both emergency responders and the public.

The Commission recognized that, while it is essential to act promptly in light of the vital public safety interest served by this decision, the parties have raised novel issues regarding appropriations law, and the U.S. Comptroller General has agreed to review those issues. The Commission stated that, should the Comptroller General unambiguously conclude that the Commission's plan violates the appropriations statutes, the Commission will address – either on its own motion or on that of moving parties – whether it is appropriate to stay the effect of some aspects of the plan pending a final decision by the Court of Appeals on any application for review.

Historical documents in and related to this proceeding may be found at <http://wireless.fcc.gov/publicsafety/800MHz/bandinterference.html>.

Action by the Commission, July 8, 2004, by *Report and Order, Fourth Report and Order, Memorandum Opinion and Order, and Order* (FCC 04-168). Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein. Separate statements issued by Chairman Powell, Commissioners Abernathy, Copps, and Adelstein.

WT Docket No. 02-55; ET Docket No. 00-258; RM-9498; RM-10024; ET Docket No. 95-18; IB Docket No. 01-185

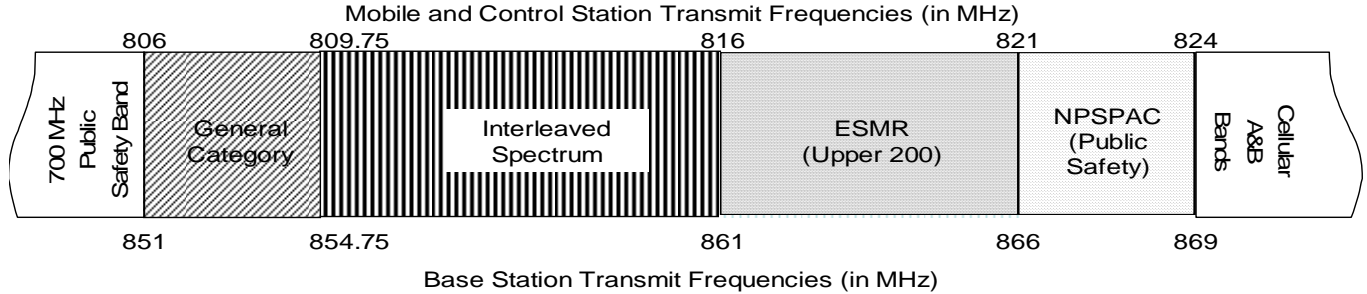
For further information, contact Roberto Mussenden or Brian Marengo, Wireless Telecommunications Bureau/Public Safety & Critical Infrastructure Division at (202) 418-0680. For further information regarding Broadcast Auxiliary Service or Unlicensed PCS relocation issues, contact Jamison Prime or Priya Shrinivasan, Office of Engineering and Technology at (202) 418-2472.

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News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.

APPENDIX A

The 800 MHz band is currently configured as follows:



General Category -7.5 MHz
 150 Channels
 Licensed by EA Blocks of 25 channels (SMR)
 Some Incumbent Operators Remain

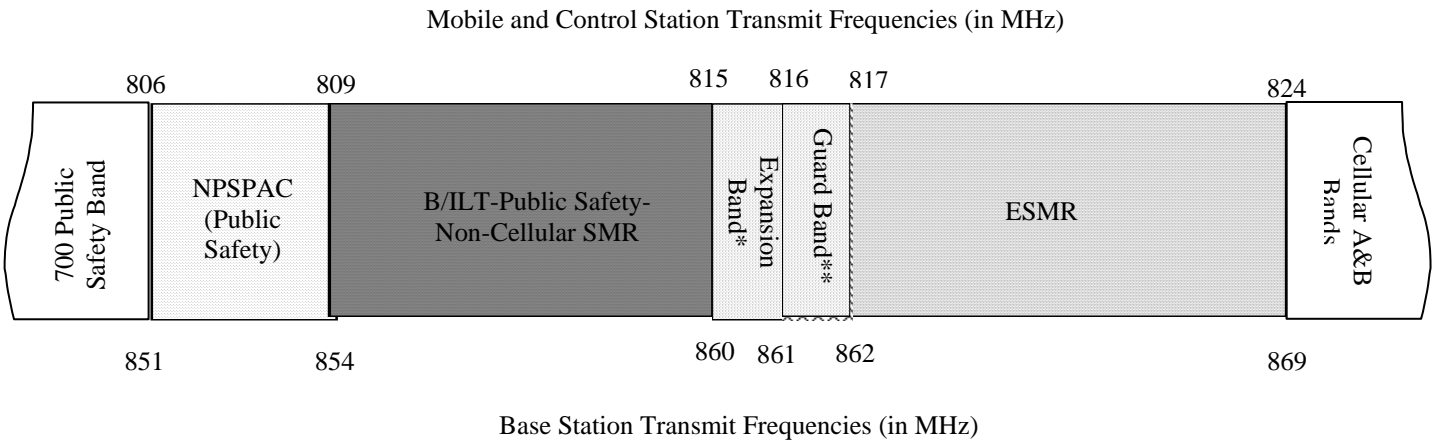
Interleaved Spectrum -12.5 MHz
 250 Channels
 80 SMR Channels
 (Licensed by EA, Some Incumbent Operators Remain)
 70 Public Safety Channels
 50 Business Channels
 50 Industrial Land Transportation Channels

ESMR/Upper 200 – 10 MHz
 200 Channels
 Licensed by EA
 Non EA incumbents are currently undergoing mandatory relocation

NPSPAC - 6 MHz
 225 Channels @ 12.5 kHz spacing
 5 Channels @ 25 kHz spacing
 5 Mutual Aid Channels

The Commission’s New 800 MHz Band Plan

The Commission’s plan for reconfiguration of the 800 MHz band is designed to spectrally segregate public safety systems from ESMR and cellular systems. The new 800 MHz band will be configured as follows:



* No public safety system will be required to remain in or relocate to the Restricted Band; although they may do so if they choose.

** No public safety or CII licensee may be involuntarily relocated to occupy the Guard Band.