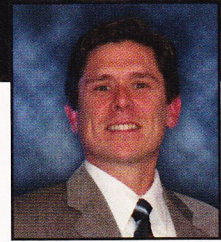


By Hunter Newby



FirstNet – Follow The Money

During the first week of March 2013, FirstNet Chairman Sam Ginn gave a presentation to the all important Governors of the States within the United States at the National Governors Association meeting in Washington D.C. Chairman Ginn's comments were very telling about the inner workings of FirstNet and what its intended course and potentially largest obstacle may be.

He spoke of cost savings for the states and their local first responders as well as wireless coverage superior to that which the nation and all of its states has today. He also spoke of "local control in times of emergency". These were all very well thought out and delivered points intelligently summed up in a few quotes.

"This is the largest telecommunications project in the history of the United States," said Ginn. "It's going to cover every square meter in the United States. It's going to be able to penetrate the basements of Manhattan and cover the forest fires in the Sierra Nevada."

The existence of FirstNet proves the point that we must not have a true nationwide broadband wireless network, or this would not be happening. FirstNet is happening because we do not have the national infrastructure to support true, national broadband wireless, and we need it. Chairman Ginn goes on to back up his statement.

"...most nationwide cellular networks actually cover about 65 percent to 70 percent of the United States, from a geographical standpoint," said Ginn. "The broadband system that will be deployed by FirstNet will provide much more comprehensive coverage."

Notice the use of the words actually, cellular, broadband and comprehensive. The percentage of wireless coverage is actually (meaning truthfully) less than what most have been led to believe, and even that is of an inferior variety (cellular, not broadband). What FirstNet is being presented as is an honest, true and better offering. Of course the best sales pitch is always presented with the primary objection and how it is over-

come as we see here in the next quote.

"The first [statement] that we typically get is: 'This is going to be a nationwide network, so we will lose local control, and we won't be able to run our own operations.' That's not conceptually what we're talking about here," said Ginn.

The "typical" statement (objection) is coming from the prospective buyer (governors) and it is centered on local control. The main issue is then interlaced with the word "operations" which would lead someone to believe that this is about network operations, seemingly a technical matter. Also, the word "conceptually" leaves the door open for interpretation, or negotiation, either way. The next quote is where the value proposition of the product comes in.

"Conceptually, what we're trying to do here is we're trying to put [wireless broadband] across your entire state, and then you can plug in the applications and the capabilities that you want, in the degree that you want them and in the amount that you want them to run your state," said Ginn.

"We're going to need to have your help and your cooperation," Ginn added. "We're going to make a number of visits to your state, because it's very important that we understand the facilities that you have and the requirements that you want, so we can take those back and feed them into a national architecture."

Notice the use of "your entire state, your, you" and how you can do this and run that how you want and it is all really good for you to have control over those things. Well, that's the pitch. How can anyone say no to that?

And then there was Maryland Gov. Martin O'Malley. He had a different definition of the term "local control". The governor wants the ability for states to negotiate deals themselves directly with partners to help generate revenue for the state.

"I hope that you'll also give us the capacity to let us work out leases that give us the priority – and give us the ability to pre-empt

– but also allow us to raise some dollars at the local level, so we can buy and invest in the 700mHz network," said O'Malley.

Ginn said that the concept of negotiating deals with potential partners will be a key component of the ongoing plans for the FirstNet network, but he was not specific on how that would happen, or who would be negotiating.

"The question is: Could the individual states do better in negotiating with an AT&T, Sprint or Verizon, or could we cut a better deal nationwide?" said Ginn.

So, who is this FirstNet nationwide broadband wireless, largest communications project in the history of the United States, multi-billion dollar government funded network infrastructure really for – the first responders, or AT&T, Sprint and Verizon?

And, who is best to negotiate with AT&T, Sprint and Verizon – disparate, individual states, or a single entity, or board?

"If partnerships are negotiated by the FirstNet board, then it is especially important that a governor be included on the board," said O'Malley.

The governors want that especially important board representation to raise some local dollars from where the real revenue and purpose of FirstNet is derived – leasing the mobile network operators their brand new, nationwide, turnkey, multi-decade, Layer 1-2 spectrum and backhaul combination service.

The presentation by Chairman Ginn to the NGA and exchange with Gov. O'Malley was very helpful in shedding light on FirstNet's underlying directive and simultaneously providing clarity on what FirstNet needs in order to succeed – the "help and cooperation" of the United States' governors. FirstNet has just about everything else it could ever need, but without the governors' support, how will FirstNet ever get built?

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