

By Hunter Newby



FirstNet – The \$7B Start-Up Funded by the United States Congress

For those of you who did not know, and there are probably quite a few, let me share with you some details on FirstNet:

“In February 2012, Congress enacted The Middle Class Tax Relief and Job Creation Act of 2012, containing landmark provisions to create a much-needed nationwide interoperable broadband network that will help police, firefighters, emergency medical service professionals and other public safety officials stay safe and do their jobs. The law’s governing framework for the deployment and operation of this network, which is to be based on a single, national network architecture, is the new First Responder Network Authority (FirstNet), an independent authority within NTIA. FirstNet will hold the spectrum license for the network, and is charged with taking all actions necessary to build, deploy, and operate the network, in consultation with Federal, State, tribal and local public safety entities, and other key stakeholders.

The Act provides \$7 billion in funding towards deployment of this network, as well as \$135 million for a new State and Local Implementation Grant Program administered by NTIA to support State, regional, tribal and local jurisdictions’ efforts to plan and work with FirstNet to ensure the network meets their wireless public safety communications needs.”

That is the official statement. If the “safety” overtones are removed it reads completely differently. FirstNet “will help” safety in the U.S., but after a close read of the Act it is clear that FirstNet is not limited to only investing in creating, operating and serving safety networks. That is an important distinction, borderline omission, in the headline story. Highlighting a few key words from the opening, what stands out is that the U.S. government is clearly acknowledging that the country is lacking a “much-needed nationwide interoperable broadband network”.

Paying close attention to the fact that FirstNet is an independent authority within the NTIA raises a question. What does that mean exactly? Well, for starters, FirstNet is exempt from the Paperwork Reduction Act, Administrative Procedures Act and the Regulatory Flexibility Act. Just like any good mystery, one clue leads to another, so digging in to each of those Acts to see what the benefit of being exempt from them actually means is where that truth resides, but on the surface it all sounds like a big chainsaw cutting through the thick red tape that is holding back America presently from having a real nationwide broadband wireless network.

There are other interesting dimensions of FirstNet to be aware of. Here are just a few points.

Congress enacts the Act in February 2012 granting the 700MHz spectrum and appropriating \$7 billion to a single, independent entity within the NTIA to build a nationwide network. This gets hardly any media attention.

In contrast, the Broadband Stimulus portion of the ARRA had \$7.2 billion, received massive media attention and involved a lengthy application process with thousands of applicants and numerous awards.

Seven of the award recipients of the BTOP portion of the Broadband Stimulus were entities that were granted access to portions of the 700MHz spectrum to build public safety wireless networks. Now they all must vacate the spectrum and return their grant funds to the NTIA so that it can all be given to FirstNet.

FirstNet can use the \$7 billion for capital as well as ongoing operating expenses, can enter in to commercial for-profit agreements to lease capacity and/or infrastructure it builds to other networks. Basically that means they can build out the network and then lease it to carriers.

FirstNet will “consult” with other authorities in the jurisdictions they go through, but apparently do not need to get any approvals for what they need to build as it will all be in the name of public safety. Public safety has certain, beneficial preemptive rights.

FirstNet will use existing network infrastructure “where economically desirable”. The word desirable is interesting. It can be interpreted and argued differently than the word feasible, for example.

Individual states can essentially manage the process of building out FirstNet within their own states and enter in to leasing agreements with customers, etc., or they can choose to opt out of that role.

The board that is being assembled to run FirstNet is comprised of 15 people, three of which, the Secretary of Homeland Security, the Attorney General, and the Director of the Office of Management and Budget, are permanent members of the board. The other 12 will include representatives from the major wireless operators in the U.S. The wireless operators will be the users of FirstNet no doubt.

Who ever came up with this did their homework. They understand the issues that we face in the lack of a single entity with control, funds and the ability to execute without delay on a national communications system. This is our current U.S. government’s answer to today’s major public works project for the next century that follows in the footsteps of the creation of the Rural Electric Administration in 1935 to administer the electrification of the Nation and the Eisenhower Interstate Highway System created by the Federal Aid Highway Act of 1956.

Is this all right, wrong, or somewhere in between? Time will tell. We are officially in the first inning. ■

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