

**Analysts: Verizon's prospects for winning FirstNet project increasing**

Fierce Wireless Tech By Monica Allevan

April 16, 2015

In a report reviewing American Tower's prospects for improving its tower business, analysts at Macquarie Research say they are increasingly of the view that Verizon ( [NYSE: VZ](#) ) could win the FirstNet public-safety-network project.

"We are increasingly of the view that VZ could win this project and that this could alleviate our concerns over the lack of a natural second tenant on the newly acquired VZ sites," write analysts Kevin Smithen and Will Clayton of Macquarie Research in an April 15 note for investors.

Specifically, the analysts say they expect FirstNet to begin producing either "amendment or new tenant revenue" for the tower sector sometime between late 2016 and 2019. However, they are not sure whether FirstNet will go entirely to Verizon or be split among the Big 4 carriers.

FirstNet declined to comment to *FierceWirelessTech* about the report. A Verizon spokesperson also said the company had no comment.

Last month, American Tower completed a deal to take over 11,324 communications towers from Verizon Communications for about \$5.1 billion in cash. The deal gives American Tower the exclusive right to lease and operate Verizon's towers for 28 years.

That Verizon is being seen as a front-runner in the FirstNet project is notable, given that AT&T ( [NYSE: T](#) ) recently has been seen as the more active and visible carrier at public meetings and events. But little is known until the request for proposals (RFP) is released. A draft RFP is due to be circulated, possibly later this month, seeking comments on the nationwide public-safety broadband network.

Industry analyst Andrew Seybold, whose role as a FirstNet consultant ended as of December 2013, said he still has a lot of questions about the FirstNet project, including whether AT&T will bid and whether more than one commercial carrier will bid. There's also a big question regarding what happens if individual states opt out. The best thing for FirstNet is if no state opts out.

"The bottom line is nobody knows what's going to happen," Seybold told *FierceWirelessTech*. "Until the RFP is let out, until the bidders show up or don't show up, we don't know what's going to happen for real. There could be someone coming out of left field who decides at the last minute that they're going to jump into this."

"The big issue for me is that nobody knows for sure how much spectrum will be available" in places like New York City, Chicago, San Francisco, Los Angeles or Miami, for example, on a Friday or Saturday night when spectrum is needed most by both FirstNet and the commercial LTE networks. "There will be plenty of spectrum in Boise, but unknown amounts in the top 100 cities makes it hard to put a value on a partnership," he said.

FirstNet got off to a rocky start, with accusations of conflicts of interest in 2013. FirstNet was the subject of an Office of Inspector General investigation that culminated in [a report](#) late last year citing problems regarding conflict-of-interest disclosures and procedures. During a Senate Commerce Committee [hearing](#) earlier this year, Chairwoman Sue Swenson fielded questions from senators about FirstNet's progress and ongoing concerns.

Meanwhile, the Los Angeles County Board of Supervisors this week approved a 63-site "corrective action plan" (CAP) that Los Angeles Regional Interoperable Communications System (LA-RICS) officials have proposed to revive their suspended public-safety LTE project, according to *IWCE's Urgent Communications*.

Earlier this month, the National Telecommunications and Information Administration (NTIA) halted payments for Los Angeles' LTE project in the wake of votes by elected Los Angeles County and city officials to halt tower construction at most of the sites remaining in the original LA-RICS system design.

*Urgent Communications* reports that the new LTE proposal represents a considerable change to the 177-site design that was being built. When the project was contracted to Motorola Solutions last March, the LTE network was expected to have 231 sites, but that total dropped as various jurisdictions refused to approve sites for the LTE system.

The new plan does not include LTE towers near fire stations, according to the publication, after local firefighter-union representatives raised concerns about RF emissions' health effects.

LA-RICS Executive Director Patrick Mallon told *Urgent Communications* that NTIA and FirstNet officials have been "very helpful," participating in daily calls during the CAP proceedings.

This week, FirstNet also held the first in-person meeting of its kind with state and territory single points of contact (SPOCs) from around the country in Reston, Va. More than 125 representatives attended the two-day meetings.

The objectives of the meetings were to engage in a dialogue around FirstNet planning activities and solicit feedback from the SPOCs, as well as share lessons learned from states and territories engaged in the FirstNet planning efforts. FirstNet Acting Executive Director TJ Kennedy said during a conference call with reporters that the meetings went very well and that there will most likely be another similar event, possibly two a year going forward, because it was so productive.

[Link to Article](#)

[Link to Fierce News Articles](#)