

AT&T expresses interest in FirstNet opportunity, plans to ‘pursue it aggressively’

Urgent Communications By Donny Jackson

January 7, 2016

Three of the four nationwide wireless carriers yesterday expressed mixed interest about the upcoming opportunity to partner with [FirstNet](#) to construct a nationwide public-safety network, with AT&T being enthusiastic about the prospect, T-Mobile showing more interest in the upcoming 600 MHz incentive auction and Verizon declining to comment on the matter.

All three carriers spoke yesterday as part of Citi’s annual Internet, Media and Telecommunications Conference in Las Vegas. A representative for Sprint is scheduled to speak at the conference today.

FirstNet is counting on a least one carrier to partner with it to build the much-anticipated first-responder [LTE](#) network. Under the request for proposal (RFP) that is expected to be released soon, the winning partner would be able to leverage the 20 MHz of valuable 700 MHz broadband spectrum that is licensed to FirstNet to serve first-responder customers, as well as provide commercial services on a secondary basis.

John Donovan, AT&T’s senior vice president of technology and operation, said the FirstNet business model is something that AT&T wants to pursue.

“It’s a good opportunity for us, and we’re treating it as such,” Donovan said during the Citi conference. “The timing of the spectrum, the position of the spectrum, the customer opportunity that comes with it—it’s a rare event, so we’re going to pursue it aggressively.”

Some industry analysts have said that Verizon is the favorite to be the carrier partner for the FirstNet endeavor, but the carrier publicly has been conspicuously quiet on the matter. That did not change yesterday, as Marni Walden—Verizon’s executive vice president and president of product innovation and new businesses—said “it’s premature for us to comment” when asked about the FirstNet opportunity.

In addition to the interest expressed by AT&T, Rivada Networks publicly has expressed interest in bidding for the opportunity to partner with FirstNet.

FirstNet officials have been promoting the fact that its spectrum would be available to a carrier partner immediately after a winning bidder is selected within a year, while spectrum from the upcoming incentive auction may not be cleared for deployment until 2020. Donovan acknowledged this when assessing AT&T's desire to participate in the 600 MHz incentive auction.

"We're looking at [the incentive auction], and its timing is right for when we're going to need to get some spectrum," Donovan said. "A lot of the math that we're running through is stuff you talked about earlier—how is Wi-Fi going to go, what's the wireless demand going to look like. It's a little trickier because it's 2021-plus kind of timeframe for usage."

In contrast, T-Mobile officials expressed considerable excitement about its chances to secure much-needed low-band spectrum via the incentive auction and were rather lukewarm about the FirstNet opportunity.

"That [FirstNet] low-band spectrum is obviously meaningful, but you've got to share it with public safety, and you've got to meet public-safety reliability requirements," Neville Ray, T-Mobile's executive vice president and CTO, said. "There's a lot of unknowns about how rigid and strict those requirements are going to be, how much committed time are you going to have on that spectrum

"It's a huge thing to think about. Auction is a much easier and cleaner path to get to fresh, clean, virgin spectrum, but we'll see. We're engaged in the dialogue, and we're closely tracking through the RFP process right now."

But T-Mobile's spectrum strategy clearly is more focused on the incentive auction, based on the statements made by company officials yesterday. The carrier expects to have at least \$6 billion that it can bid for the 600 MHz spectrum that will be cleared by TV broadcasters, and that figure could go as high as \$10 billion.

“Participating in the upcoming spectrum auction is really going to be a real game-changer for us,” said Braxton Carter, T-Mobile’s executive vice president and CFO. “The low-band spectrum will bring additional [subscriber] retention benefits to us and allow us to continue to expand the network from a geographic standpoint, as well as increase quality in these major urban areas with [in-building coverage](#) .”

T-Mobile historically has had much less spectrum below 1 GHz than Verizon and AT&T. The carrier plans to close that gap by winning spectrum licenses in the incentive auction. T-Mobile officials are particularly enthused that their company will not have to outbid Verizon and AT&T for certain reserve licenses.

“I’m just super excited about this auction,” Ray said. “It’s the first auction in U.S. history where Verizon and AT&T can’t go in and display their foreclosure capabilities that they’ve done on pretty much every damn auction that’s occurred over the last 20 years, so that’s huge. There’s a reserve, and that’s going to allow us to compete more effectively and secure the low-band spectrum that we need.

“It’s a massive, change-the-industry story. Verizon and AT&T have lived in a duopolist world with huge low-band spectrum assets, to the detriment of much competition in the U.S.”

[Link to Article](#)

[Link to Urgent Communications News Articles](#)