

Public-safety LTE market ‘nascent’ and ‘additive’ to Motorola Solutions, CEO Brown says

Urgent Communications By Donny Jackson

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[Motorola Solutions](#) views public-safety [LTE](#) as an “additive” market opportunity to the company’s core LMR and network services businesses that are expected to remain as key revenue generators for many years, CEO Greg Brown said today during a presentation at the Sanford C. Bernstein Annual Strategic Decisions Conference.

Delivered just two days after responses to the [FirstNet](#) request for proposals (RFP) were due, Brown did not address Motorola Solutions’ potential role in a FirstNet bid. Brown described FirstNet as the largest public-safety LTE market opportunity but said that the effort to build a nationwide public-safety broadband network in the U.S. is taking longer than expected.

While some industry observers have questioned whether public-safety LTE systems eventually could replace LMR networks as the mode for mission-critical voice, Brown downplayed the concern. Instead, he noted that public-safety personnel already are using “public” commercial LTE networks and devices as a data supplement to mission-critical voice over LMR networks, but these LTE offerings lack the resiliency, security and guaranteed connectivity that first responders need during times of crisis.

“That dual-device scenario, we believe, projects for a long, long time, hence the additive [reference],” Brown said during the [session, which was webcast](#) . Brown referenced public-safety LTE as “additive” to Motorola Solutions core businesses at least seven times during the presentation.

Brown also cited multiple projects—most notably in the United Kingdom, where Motorola Solutions owns the nationwide public-safety [TETRA](#) network and is contracted to provide services for the public-safety LTE network—in which customers have purchased Motorola Solutions that enable [interoperability](#) between LTE and LMR systems. These investments are an indication that officials expect LTE and LMR networks to operate simultaneously for an extended time, instead of LTE replacing LMR, he said.

Given the characteristics of carrier networks and the needs of first responders, Motorola Solutions believes it can build private LTE systems that offer the public-safety-grade characteristics that are “not economical” for a carrier network to provide, Brown said..

“The LTE opportunity for use is to go after the carrier LTE market in the U.S.,” he said. “Therefore, in the United States., we want to take public-safety LTE—private network LTE—and go after what is consumer-grade smartphone and carrier minutes of use today.”

In a public-safety network, there are no user fees, according to Brown. In contrast, public-safety entities today are paying for first responders’ subscription plans and devices, which opens an opportunity for Motorola Solutions, he said.

“If we can provision mission-critical public-safety applications, if we can do that with a multipurpose rugged device, if we can do that with no usage fee and no data plan, and if we can do that provisioned over dedicated allocated spectrum, that’s the market opportunity for us,” Brown said.

“Now, I think it’s going to take a long time to develop, but that’s the additive new opportunity that we’re going after.”

When asked if that means that [Motorola Solutions](#) would take market share from carrier networks, Brown said “we would expect to take some” of the money being spent by public-safety entities to access carrier networks. [LTE](#)

During his statements about the public-safety LTE market, Brown did not indicate whether he classifies [FirstNet](#) as a “public” carrier network or a private offering.

Brown distinguished public-safety LTE opportunities between those with dedicated spectrum—the case in the U.S. and 28 other countries—and those without dedicated airwaves for public-safety LTE. The UK is an example of the latter situation, as Motorola Solutions will provide software and service solutions for public-safety traffic that will ride on the network and

spectrum owned by carrier EE.

In noting the small percentage of countries with dedicated spectrum for public-safety LTE initiatives, Brown described the public-safety LTE market as “nascent,” with Motorola is expected to realize \$130 million in revenue this year and a similar amount in 2017 from public-safety LTE, despite the fact that it has won the world’s four largest public-safety LTE contracts awarded thus far. By comparison, Motorola LMR business will generate \$6 billion this year, he said.

Brown expressed optimism about the overall health of Motorola Solutions and its future outlook, noting its large cash reserves, significant market-share leadership in the LMR arena, strong brand equity and distribution channels. As LMR network become more complex, about 40% of Motorola Solutions’ revenue is generated through services contracts that tend to foster greater customer loyalty, he said.

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