

WILKINSON) BARKER) KNAUER) LLP

1800 M STREET, NW
SUITE 800N
WASHINGTON, DC 20036
TEL 202.783.4141
FAX 202.783.5851
WWW.WBKLAU.COM
BRYAN N. TRAMONT
202.383.3331
BTRAMONT@WBKLAU.COM

October 25, 2018

VIA ELECTRONIC FILING (ECFS)

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Ex Parte Notice: Review of the Commission's Rules Governing the 896-901/935-940 MHz Band – WT Docket No. 17-200

Dear Ms. Dortch,

This letter is submitted, pursuant to Section 1.1206(b)(1) of the FCC's rules, to notify you that representatives of NextEra Energy, Inc. ("NextEra"), on behalf of itself and its subsidiary Florida Power & Light ("FPL"), met with Wireless Telecommunications Bureau representatives Rebecca Schwartz, Joel Taubenblatt, Scot Stone and Stanislava Kimball (by telephone) on October 23, 2018. Attending the meeting on behalf of NextEra were William P. Cox, Senior Attorney, FPL; Tim Lewis, Group Manager for Radio Engineering and Operations, FPL; Richard Nelson, Wireless Architect Radio Engineering, FPL; and Bryan Tramont and Timothy Cooney of Wilkinson Barker Knauer, LLP.

The NextEra representatives reiterated their opposition to the proposal by Enterprise Wireless Alliance and PDVWireless, Inc. to reconfigure the 896-901/935-940 MHz ("900 MHz") band for broadband operations. They discussed and left behind copies of the Cost-Benefit Analysis that NextEra submitted in this docket on September 14, 2018; and the two technical reports that NextEra submitted in this docket on September 21, 2018. They also left behind the attachments to this letter.

Additionally, NextEra discussed the current freeze on 900 MHz applications, its support of the Petition for Reconsideration or Clarification filed by the Utilities Technology Council in this docket, and the likelihood of FPL or another NextEra affiliate applying for a waiver of the freeze in the near future.

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Please contact the undersigned if you have any questions.

Sincerely,

/s/ Bryan N. Tramont

Bryan N. Tramont
Timothy J. Cooney

Enclosures

cc: Rebecca Schwartz
Joel Taubenblatt
Scot Stone
Stanislava Kimball

**COST-BENEFIT ANALYSIS OF
THE PROPOSED BROADBAND ALLOCATION WITHIN THE
896-901/935-940 MHz (“900 MHz”) LAND MOBILE RADIO (“LMR”) BAND**

WT DOCKET NO. 17-200

pdvWireless (“PDV”) submitted a Cost-Benefit Analysis (“CBA”) on November 9, 2017, which failed to account for the vast majority of the costs that would be incurred by incumbent users, by U.S. residents, and even PDV to reconfigure the 900 MHz band to include a broadband segment.

NextEra Energy, Inc. commissioned The Brattle Group (“TBG”) to conduct a CBA that properly accounts for all parties who would incur costs under the proposed spectrum reallocation. TBG used the area of Florida that the Florida Power and Light Company (“FPL”) serves as a “case study” of the effects of the proposal.

- Following the Office of Management and Budget (“OMB”) guidelines for a CBA, TBG found that the direct costs of reallocating the 900 MHz band in the parts of Florida served by FPL are approximately \$98 million, consisting of one-time “transition costs” of \$62+ million and “ongoing costs” with a present value of \$35+ million.
- Within this region, TBG estimated that the PDV proposal will result in total benefits to society of at most \$83 million if the broadband pricing for significantly larger (and therefore more valuable) spectrum blocks holds, but possibly much less—as little as \$4 million based on the experience of an earlier auction of spectrum blocks more similar to the 3/3 MHz block proposed by PDV.
- Thus, TBG estimated that the proposal would have net private costs in excess of benefits in the FPL service territory alone of at least \$15 million (assuming the higher total benefits of \$83 million) and perhaps net costs in excess of benefits of \$93 million. Expanding the analysis of the PDV proposal in Florida to a national level suggests that the net effect of this policy would result in losses of as much as \$418 million to U.S. firms and citizens in total.
- Those figures may understate the actual negative impact because they optimistically assume that FPL can successfully reconfigure its current 900 MHz network to provide the same level of service after reconfiguration. FPL is estimated to restore electrical service following catastrophic events like Hurricane Irma one to two days faster due to its current, hardened 900 MHz voice dispatch system. Due to the significant probability that a major hurricane will affect Florida in any given year, should PDV’s proposed 900 MHz transition not work as planned, then additional costs would be borne by the residents and businesses of Florida and the nation, between \$506 million and \$1 billion in FPL’s areas of operation alone.
- The TBG estimated costs used in this analysis also do not reflect the costs that will be incurred by other narrowband incumbents forced to move channels.

TECHNICAL REPORTS REGARDING THE PROPOSED BROADBAND ALLOCATION OF THE 900 MHz BAND

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To analyze the potential impact of the EWA/PDV (“Petitioners”) proposal for reconfiguring the 896-901/935-940 MHz (“900 MHz”) band, NextEra Energy, Inc. commissioned two spectrum engineering reports, one by its equipment vendor Harris Corporation and the other by an independent engineering consultant firm, Gillespie, Prudhon & Associates, Inc. (“GP&A”).

The two technical reports focus on Florida Power & Light (“FPL”), which currently operates narrowband channels in its service territory across the entire paired 5 MHz by 5 MHz band. Site locations and effective radiated power for the FPL system currently are designed to provide mission critical reliability while maximizing the coverage of sites and minimizing coverage overlap.

- Petitioners seek to deploy a high density cellular network within the 900 MHz spectrum, while leaving less than 1.85 MHz of residual bandwidth for continuing narrowband operations. Petitioners have not shown that the residual bandwidth (only 148 channels compared with the current 399 channels) is sufficient for existing narrowband licensees to replicate their operations.
- The Harris and GP&A Reports each show that the effective narrowband allocation is even smaller because channels near the broadband allocations will likely be subject to higher levels of interference. A reconfigured band can be expected to reduce the coverage of an existing LMR communications system through two primary mechanisms: interference caused by LTE sites and closer spacing of LMR transmitter carriers.
- The Petitioners propose bifurcating the residual 900 MHz narrowband allocation into two segments on either side of the LTE broadband signal, effectively maximizing potential LTE interference to the narrowband operations for current, existing 900 MHz licensees.
- Within the proposed compressed 1.85/1.85 MHz narrowband allocation, frequency planning and network design would be far more difficult in terms of co-channel re-use, adjacent channel re-use, and combiner spacing requirements. The GP&A Report estimates at least 45 new sites would be needed to replicate FPL’s existing coverage.
- The lack of a proposed guard band between broadband LTE and narrowband 900 MHz operations with the EWA/PDV proposal also raises major concerns. By proposing a band reconfiguration without a guard band, the Petitioners are requesting a band structure that was considered and rejected in the 700 and 800 MHz bands.
- Petitioners’ proposals for license relocation and negotiation are not based on FCC precedent and heavily favor the Petitioners. These rules should be based on FCC precedent with adjustments made for best practices and lessons learned, as well as the unique aspects of the 900 MHz band.