

September 14, 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,

NextEra Energy, Inc. (“NextEra”) continues to vigorously oppose the proposal by Enterprise Wireless Alliance and PDVWireless, Inc. (collectively “EWA/PDV”) to reconfigure the 896-901/935-940 MHz (“900 MHz”) band for broadband operations. Its opposition has been informed not only by sound spectrum management policy and engineering principles, but also the essential cost/benefit analysis that this Commission is so robustly committed to.

The importance of rigorous cost-benefit analysis (“CBA”) cannot be understated. It allows the Commission to “intelligibly apply” the public interest standard; without it, the Commission would be lost – “essentially putting [a] finger in the wind and making it up as [it] go[es] along” – and that approach, in the words of Chairman Pai, “is no basis for reasoned, evidence-based decision-making by an expert agency.”¹ The far better approach is for the Commission to avail itself of the “economic gut check”² that weighing costs and benefits provides on agency decision making. Doing so, according to Commissioner O’Rielly, will prevent the agency from turning a “blind eye” to the potential burdens and costs of its actions.³

In this case, the costs are substantial. Demonstrating this point, attached is a CBA prepared by The Brattle Group finding that the direct costs of reallocating the 900 MHz band in the parts of Florida served by NextEra’s subsidiary Florida Power & Light Company (“FPL”)

¹ *Establishment of the Office of Economics and Analytics*, Order, 33 FCC Rcd 1539, 1549 (2019) (Statement of Chairman Ajit Pai).

² *Id.* at 1553 (Statement of Commissioner Brendan Carr).

³ *Id.* at 1551 (Statement of Commissioner Michael O’Rielly).

Marlene H. Dortch
September 14, 2018
Page 2

alone are \$98 million. Using the results of the 600 MHz spectrum auction as a means of valuing the 900 MHz band in question, the benefits of the EWA/PDV proposal in this same region are only \$83 million. Using the results of the 1.4 GHz spectrum auction as a means of valuing the 900 MHz band in question, the benefits of the EWA/PDV proposal in this same region are even lower, only \$4 million. Thus, the overall costs of reconfiguration solely within FPL's service area would exceed the benefits by approximately \$15 million, and perhaps as much as \$93 million. Expanding the analysis of the EWA/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 negative impact to the extent that 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 increased probability that a major hurricane will affect Florida in any given year, should the 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. And the Brattle Group numbers do not reflect the costs that will be incurred by other narrowband incumbents forced to move channels.

While critical infrastructure industry entities such as FPL need new broadband spectrum for their operations, the small amount of broadband service gained under the EWA/PDV proposal would not offset the negative cost-benefits summarized above, the disruption that would be caused by rebanding, the reduction of available channels for future narrowband growth, and the likelihood of interference from the neighboring broadband provider and among the users in the compressed narrowband segment that use their systems for mission-critical communications such as power restoration after natural disasters.

For these and other reasons addressed in its prior comments in this proceeding, NextEra urges the Commission to not go forward with the EWA/PDV proposal. Pursuant to Section 1.1206 of the Commission's rules, we are filing an electronic copy of this letter and the attached report in the above-captioned docket.

Sincerely,

/s/ _____
Bryan N. Tramont
Timothy J. Cooney

Enclosure