November 14, 2008

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

Re: WT Docket No. 06-150
PS Docket No. 06-229

Dear Ms. Dortch:

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, this is to notify you that on November 13, 2008, Stu Overby, Phil Dobosz and I met with Bruce Gottlieb, Legal Advisor to Commissioner Copps, regarding the regarding the above captioned proceedings.

During the meeting we discussed the attached slides regarding the estimated cost of relocating narrowband equipment in the 700 MHz band and the need for the FCC to obtain accurate information from licensees regarding the cost of relocation.

Pursuant to the Commission's Rules, one copy of this notice is being filed electronically with the Commission. If you require any additional information please contact the undersigned at (202) 371-6953.

Sincerely,

/s/ Steve B. Sharkey

Steve B. Sharkey
Senior Director, Regulatory and Spectrum Policy

Cc: Bruce Gottlieb

Motorola, Inc., Global Government Affairs
1455 Pennsylvania Ave., Suite 900, Washington, DC 20004 T: (202) 371-6900

700 MHz Narrowband Relocation

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Additional Information Is Needed To Accurately Assess the Cost of Narrowband Relocation

- **A more precise process is required to estimate cost of Narrowband Relocation based on information from licensees**
  - Currently available information is incomplete
- **There is significant risk in underestimating a relocation cap**
  - Insufficient funds will leave Public Safety licensees unable to relocate
  - Delays in relocating narrowband systems lead to greater uncertainty and delay in deployment of the broadband network
- **There is no downside to a cap that overestimates relocation costs**
  - Cost will always be small relative to necessary D-Block investment and will not be a deterrent to bidders
  - D-Block licensee can work with PSST and licensees to limit actual cost of relocation based on documented costs
- **Estimates for one system can not be automatically extended to other systems**
  - Costs vary widely by region, system design and equipment

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Current Estimates Vary Greatly

FCC estimate is clearly too low

- Doesn't include necessary multiple touches to some radios
- Doesn't include program management costs and other professional services
- Bases cost on average values for relatively small number of systems
- PSST estimate just for vehicular repeater equipment is $35 million (doesn't include installation)

There is no single source for a firm estimate

Common Wealth of Virginia estimate is $14,260,241 for just the STARS system (doesn't include ORION)

PSST Appendix B

PSR Region	PSST Estimate PSR Region Cost	FCC Estimate PSR Region Cost	Difference FCC-PSST
3	1,272,724	1,610,111	337,387
4	5,682,122	1,124,900	(4,557,222)
7	6,373,164	2,276,800	(4,096,364)
8	297,798	0	(297,798)
10	1,124,256	0	(1,124,256)
11	36,094	53,000	16,906
12	1,402,452	723,200	(679,252)
13	12,026,044	2,885,800	(9,140,244)
17	23,969	2,472,600	2,448,631
18	6,065,796	3,979,700	(2,086,096)
19	1,872,289	414,400	(1,457,889)
22	291,582	186,000	(105,582)
23	406,181	401,000	(5,181)
24	464,285	244,100	(220,185)
26	387,444	366,400	(21,044)
27	2,396,038	783,000	(1,613,038
31	382,229	826,200	443,971
33	18,964,706	3,893,000	(15,071,706)
35	7,182	7,200	18
39	854,567	231,100	(623,467)
41	174,365	204,100	29,735
42/20	11,361,664	2,614,800	(8,746,864)
43	392,613	209,700	(182,913)
49	192,163	63,800	(128,363)
51	1,384,754	1,034,600	(350,154)
30/55/8	0	78,100	78,100
	73,836,481	**26,683,611**	**47,153,870**

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Motorola Narrowband Relocation Preliminary Cost Estimate Development Efforts

- **Preliminary Cost Estimates & Statements of Work**
  - Effort Conducted March – mid-June 2008
  - 41 Formal Presale Projects Created (26 Preliminary Cost Estimates Completed)
  - 10-Step Process Established
    1. Leadership Team Notified and a Core Team Established
    2. Local Project Resources Committed - >$450K Expended
    3. Project Teams Kick-Off Calls Conducted – All Customers Contacted
    4. One-Page Project Survey Completed – 26 Customers Opted to Work with Motorola
    5. Project Data Collected (Sites, Frequencies, Subscribers, VRSs)
    6. Project Relocation Plans Developed – Statements of Work Documented
    7. Project Plans Reviewed
    8. Customer Review – Not Completed in Many Cases
    9. Finalize Preliminary Estimates
    10. Deliver Estimates
  - Preliminary Cost Data was provided to the PSST on May 29th, 2008
  - Comparing and Contrasting of Preliminary Cost Estimates was not done.
- **Footnotes:**
  - Other manufacturer radios not included
  - Colorado effort suspended due to possible RFP procurement process
  - State of Georgia
  - State of Ohio – not included – large number of VRSs
  - Some systems require subscriber units to be programmed twice to facilitate a smooth migration.

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700 MHz Narrowband Cost Estimate Components

- Infrastructure Reconfiguration – Repeater Sites
- Subscriber Reconfiguration
  - Portable Radios (Motorola - other vendors not included)
  - Mobile Radios / Mobile Data Modems
  - Vehicular Repeaters (Futurecom - other vendors not included)
- Professional Services
  - Program Management
  - Systems Engineering
  - Systems Technicians
  - Testing / Documentation
- Equipment
  - Vehicular Repeaters (Digital Filters / Entire Analog Units)
    - Replacement of Analog Units with Digital Units requires complete unit upgrade
  - Software Upgrades in some cases
  - Mobile Antennas

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700 MHz Preliminary Cost Estimate

Certified Totals - 26 of 46 Systems

Infrastructure	$	846,525.00		
Subscribers	$	9,069,967.00		
Portables			$	2,822,741
Mobiles			$	2,176,975
VRSs			$	1,224,281
PM			$	1,202,180
ST			$	1,062,090
SE			$	581,700
			$	9,069,967
Testing	$	245,791.00		
Professional Services	$	1,931,284.00		
Equipment	$	884,343.00		
Pierce Transit	$	416,671.00		
SubTotal	$	13,394,581.00		
Contingency	$	662,317.00		
Certified Total	**$**	**14,056,898.00**		

Non-Certified Totals for same 26 of 46

Infrastructure	$	168,525.00
Subscribers	$	3,169,168.00
Testing	$	100,800.00
Professional Services	$	555,601.00
Equipment	$	-
SubTotal	$	3,994,094.00
Contingency	$	139,824.00
Non-Certified Total	**$**	**4,133,918.00**

Extrapolated Totals for 20 of 46

Certified SubTotal	$	14,056,898.00
Non-Certified Sub Total	$	4,133,918.00
SubTotal	$	18,190,816.00
Factor (26 divided by 46)		0.565217391
Extrapolated Certified Total	$	24,869,896.46
Extrapolated Non- Certified Total	$	7,313,854.92
Total	$	32,183,751.38
VRS Equipment	$	34,000,000.00
Equipment and Labor Subtotal	$	66,183,751.38
NB Licensee / PSBL Administrative Expense (Approximate Estimate)	$	≈ 10,000,000.00
Total Relocation Cost Estimate	**$**	**≈ 76,183,751.38**

- Estimate clearly shows costs exceed $27 million cap
- Estimate is based on incomplete and limited information
- An Estimate based on worst case assumptions would be significantly higher

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Process Required for Estimating Narrowband Relocation Cost

- FCC Objective
  - Provide certainty regarding relocations costs to bidders
  - Limit funds for relocating narrowband systems
- Risk based on setting cap using incomplete information
  - No single source has complete information
  - Multiple manufacturers and system implementation
  - Complete information must come from Licensees
- Proposed Solution
  - Licensees required to provide “not-to-exceed” estimate well in advance of auction
  - Provides time after the auction for the FCC, D-block licensee and PSST to review costs and ensure that only allowed costs are included.

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Example 700 MHz Relocation Process Timeline

Public Notice 11/15/08

3/15/09

5/15/09

≈6/15/09

≈12/15/10

≈ 12/15/11

Relocation Planning Period By Narrowband Licensees

120 Days

Review Period

60 Days

Auction Period

≈30 Days

NSA Negotiation Period

180 Days

Relocation Notice To Proceed

Relocation Period

12 Months

Phase I – Initial Planning Phase
Initial Relocation Planning Period
By Narrowband Licensees
(Development and Submittal of Preliminary Relocation Plans & Not-to-Exceed Cost Estimates)

120 Days

NSAs Approved & Relocation Funding Available From D-Block Winner(s)

Phase II – Final Planning Phase
Final Relocation Plans &
Firm Contractor Quotes / Final Contracts

180 Days

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700 MHz Narrowband Relocation Plans and Cost Estimates Required Detailed Information

Relocation Plans

- Detailed System Description
- Frequency Plan Changes (List of Sites / Frequencies at Each Site)
- List of Affected Equipment at Each Site (Repeaters / Combiners / Antennas)
- Field Equipment Inventory (Control Stations / Mobiles / Portables / Vehicular Repeaters / BDAs, etc.)
- Frequency Relocation Migration Process Description (Infrastructure and Fielded Units)
- Work Breakdown Structure / Project Schedule
- Acceptance Test Plan
- Documentation Requirements

Not-To-Exceed Cost Estimates

- Turn-Key Contractor Cost Estimates, or
- Task Level Labor Estimates and Subcontractor Costs
- Project Engineering and Project Management
- Travel Time and Travel Expenses
- Warehouse and Temporary Facilities Expenses
- Replacement Equipment and Software Costs
- Licensee Consultant and Legal Expenses
- Other Allowable Licensee Expenses

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