

October 2008

Proposed Rules for Public Safety Network

On September 25 2008, the FCC released an NPRM for implementing a nationwide broadband interoperable public safety network in the 700MHz band.

The FCC is proposing that the "D" block licensee (758-763/788-793MHz) enter into a public/private partnership with the nationwide licensee of the public safety broadband spectrum (763-768/793-798MHz). Because

of limited funds in the public safety sector, this partnership remains the best option to build a nationwide public safety network.

The FCC proposed to use three alternative sets of licenses: (1) a nationwide license with technology chosen by the licensee; (2) regional licenses conditioned on the use of Long Term Evolution (LTE); and (3) regional licenses conditioned on the user of WiMAX.

FCC Auctions

The Federal Communications Commission (FCC) developed rules for spectrum auctions in 1994. Since then, the FCC has used this avenue to grant licenses for highly sought out frequencies.

People or entities can apply to participate in an auction by submitting to the FCC a "short form" application along with an initial monetary deposit. FCC auctions are conducted electronically and any qualified bidder can place bids over the Internet.

The FCC prohibits communication between bidders in the same geographic area. This anti-collusion rule goes into effect from the time the FCC receives the "short form" and ends when winning bidders submit payment for the amount of the winning bid or when losing bidders receive back their initial deposit.



What is Frequency Coordination?

Frequency coordination is a technical and regulatory process intended to mitigate radio-frequency interference among different radio systems that operate in the same frequencies. In the C-band, frequency coordination is required by the FCC to be

conducted among providers of satellite and terrestrial microwave systems. The frequency coordination period is 30 days.

There are three primary trade-offs that satellite service (*Continued on Page 2*)

Did You Know The Law Office of Raul Magallanes represents clients in FCC Auctions?

The FCC is planning to auction the "D" block of the 700MHz frequencies. The "D" block represents a total of 10MHz of bandwidth.

On Your Radar Screen FCC Form 499Q reports are due November 1, 2008.

The USF contribution factor for the fourth quarter of 2008 has been set to 11.4%.

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Facts of Interest:

- The FCC was created through the passage of the Communications Act of 1934.
- Some wires can carry higher frequencies that others, resulting in greater capacity or bandwidth (e.g. coaxial cables can carry higher frequencies than twisted-pair copper wires).

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What is Frequency Coordination (continued)

providers must balance in frequency coordination. Namely: transmit power, bandwidth, and the number of potential satellites to be accessed. Ideally, a satellite service provider should seek to coordinate the maximum planned power; the entire 500MHz of bandwidth allocated to the C-band; and the entire visible satellite arc.

However, because of nearby incumbent systems, the ideal coordination is now always possible. In order to co-exists with already licensed systems, a satellite service provider

may have to lower its power; confine its operations to only part of the C-band; and/or limit the number of satellites it can access.

Ultimately, frequency coordination allows for better utilization of the radio spectrum because more systems can share the same frequencies. But the cost and delays of frequency coordination should be considered in the final system design.



Responding to an FCC Letter of Inquiry

Candor and due diligence are of critical importance when responding to an FCC Letter of Inquiry (LOI). In a recent action, the FCC fined Cardinal Communications, Inc. \$25,000 for providing incorrect information when responding to an LOI.

Any person that receives an LOI from the FCC or is otherwise subject to an investigation must follow FCC Rule

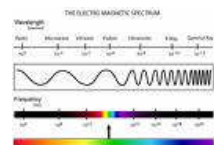
1.17. This rule states in pertinent part, that in any FCC investigation, no person shall provide statements, or omit statements, without a reasonable basis for believing that such statements are correct; neither shall any person intentionally make misleading statements or intentionally omit information necessary in the investigation. The FCC can impose a maximum fine of \$130,000 per day for lack of candor in an investigation.

How the FCC Regulates Spectrum

The FCC is in charge of regulating the private use of the air waves. This spectrum management function is accomplished in three primary ways:

1. By determining which services to allow on which frequencies and for how many users.
2. By deciding how to allot licenses for a given service.
3. By articulating public obligations to license holders. (e.g. a requirement to air educational programs in the case of broadcast licenses).

These three functions can be summarized as allocation, assignment, and public interest requirements.



As part of the process, the FCC creates rules for the technical operation of each frequency band as well as the assignment, transfer, renewal, or termination of licenses. Furthermore, the FCC can make the rules applicable to particular geographic regions or apply them nationwide.

VSAT Licensing in Brazil

VSAT Licensing in Brazil is regulated by ANATEL (Agencia Nacional de Telecomunicações). There are three primary requirements that an applicant must fulfill in the license application process:

1. The proposed VSAT system must be integrated using homologated (e.g. ANATEL-certified) equipment.
2. The proposed VSAT service must be provided by a

Brazilian operator.

3. The Space segment for the proposed VSAT system must be leased from a Brazilian capacity provider.

Because of these requirements, non-Brazilian service providers face high barriers to entry for offering VSAT services in Brazil.