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Vermont Public Safety Broadband Network Commission

Recommendation: FirstNet

The Vermont Public Safety Broadband Network Commission (PSBC) was established by Executive Order on April 30, 2013. The purpose of the PSBC is to ensure the building, deployment and operation of a statewide interoperable public safety broadband network that meets the interoperability goals and specifications of the FirstNet nationwide public safety broadband network, pursuant to Title VI of the Middle Class Tax Relief and Job Creation Act of 2012. The commission shall advise the Governor on issues related to the public safety broadband network and shall report to the Governor annually.

Commission members appointed by the Governor are:

- Terry LaValley, Single Point of Contact (SPOC), Chair, Department of Public Safety
- Chris Herrick, Deputy Commissioner, Department of Public Safety
- Steven Locke, Professional Firefighters of V.T., Chief, Burlington Fire Dept.
- Al Barber, VT Fire Chiefs Association, Chief, Hinesburg Fire Department
- Ron Kumetz, VT State Firefighters Association, Alburgh Vol. Fire Dept.
- Dan Manz, VT Ambulance Association, Vice President
- Douglas Johnston, Chief, Springfield Police Department
- Thomas Hango, Captain VSP Emergency Comm. Commander
- Jim Porter, Department of Public Service, Director, Public Advocacy
- Barb Neal, E 9-1-1 Board, Executive Director
- Robert White, Agency of Transportation, Senior Manager
- Frank Costantino, Agency of Digital Services, ERP Tech Services Director
- Ken Jones, Agency of Commerce & Community Dev., Economic Research Analyst

At the November 20, 2017 meeting of the PSBC, the commission voted to recommend to the Governor that he opt-in to the FirstNet solution for the State of Vermont. This recommendation fulfills the commission's charge to advise the Governor on issues related to the development of a public safety broadband network in Vermont.

PSBC Recommendation: Overview

The FirstNet network is a federal program that is offered to states at no cost -- maintained, and operated for the benefit of the public safety community. In 2012, Congress passed legislation creating FirstNet. The law gives FirstNet the duty to build, operate and maintain the first high-speed nationwide wireless network dedicated to public safety entities. This network will provide a cellular-type coverage to first responders, with priority and pre-emption features. FirstNet is an independent authority within the U.S. Department of Commerce's National Telecommunications and Information Administration. The Vermont Public Safety Broadband Network Commission (PSBC) was established by Executive Order in 2013 to guide and prepare for FirstNet in this state. Commission members are appointed by the Governor, with key leadership representing police, fire and EMS across the state. The PSBC is charged with advising the Governor on issues related to the National Public Safety Broadband Network (NPSBN).

One of the defining tasks of the commission is to prepare a recommendation for the Governor to either opt-in or opt-out of the FirstNet plan for Vermont.

If the Governor chooses to opt-in, FirstNet, and its commercial partner AT&T, will build the network at no cost to the State and assume all financial and technical responsibility for the network in Vermont. If the Governor chooses to opt-out, Vermont will take on the responsibility for leading the building, deployment and maintenance of the network over 25 years. Nationwide, governors have until December 28, 2017 to communicate an opt-in/opt-out decision to FirstNet.

Preparing to Make a Recommendation

In preparing to make a recommendation, the PSBC:

1. Critically reviewed the draft and final proposals submitted by FirstNet/AT&T to the State of Vermont for a statewide Radio Access Network (RAN);
2. Worked with FirstNet/AT&T to improve the solution recommended for Vermont by FirstNet/AT&T – specifically improvements in coverage and deployable technology;
3. Secured the services of an independent consultant (Televate) to conduct a technical review of the FirstNet/AT&T RAN offer and reviewed their findings;
4. Conducted outreach with Vermont's practitioner community to share information and request feedback on the commission's activities;
5. Issued an RFP for optional RAN proposals and evaluated the responses for suitability;
6. Worked with the State Treasurer's Office to obtain an opinion on financial risks to Vermont on the various approaches; and
7. Considered the findings of the Independent Review (IR) conducted by Couer Business Group on behalf of the Agency of Digital Services.

Recommendation – Opt-In

Based on our evaluation of the proposals, reports and materials available, the commission recommends that Governor Phil Scott opt-in to the FirstNet plan. It is important to note that the opt-in decision was independently supported by Televate, the Coeur Business Group, and by the State Treasurer's Office. Opting-out would introduce enormous financial risk that would be borne by the State. An opt-out partner for Vermont would have the responsibility of deploying a comparable or better solution than that proposed by FirstNet/AT&T and would be required to bond/insure the financial penalties in the event of a failure to perform. It was the commission's opinion that alternative proposals submitted represented a consortium of players with no previous experience in building and operating a network under such a partnership. Therefore, an opt-in decision is recommended. The over-arching reasons for the opt-in recommendation are service considerations for Vermont's first responders, coverage plans for Vermont, and least financial and operational risk for the State of Vermont.

Service to Vermont's public safety community

- **Immediate service:** Due to the all-bands approach by AT&T, Vermont's first responders will have immediate access to all bandwidth owned and operated by AT&T in Vermont and immediate access to priority calling. In an opt-out scenario, Vermont first responders would have to wait for the Band Class 14 network to be built over the next several years. While an alternative plan suggested the option to use the Sprint network during the construction, this network has several coverage gaps today, which presents a serious concern.
- **Pricing:** No first responder is required to use the FirstNet/AT&T network, but must be persuaded to subscribe to the service. The majority of Vermont's first responders currently use Verizon—who has promised to work competitively to keep their customers. The commission anticipates that an opt-in decision will spur competition and drive down costs for first responders, while enhancing services.
- **Interoperability:** The purpose of the national legislation creating FirstNet was to promote a seamless, nationwide communication network that would enable first responders to effectively communicate with each other. The commission believes by opting-in to the FirstNet managed solution, Vermont first responders will have the best access and operational capability to communicate within this state and across state lines.

Coverage

- **Commitment to expanded coverage:** As part of an opt-in decision, AT&T will leverage funds allocated to FirstNet to increase the number of cell sites in Vermont within the next five years. The new cell infrastructure will be located in many areas that now have challenges with cell coverage. The 25-year contract with FirstNet requires further build-out and improvements to the network beyond those five years. The commission believes an opt-in decision offers the best insurance that reliable service will be developed in areas of the state where first responders currently lack good coverage.
- **Deployables:** An opt-in decision will significantly broaden Vermont's access to deployable units needed in developing emergencies. Upon opt-in, AT&T will base one deployable unit in Vermont and supply two new customer owned units that can be affixed to existing Department of Public Safety vehicles at no cost to the State. Access to such resources in an emergency is needed for geographic areas of Vermont where the topography particularly makes cell coverage challenging.

Financial Risk

- **No financial cost to Vermont for the network:** The financial cost of building, maintaining and operating the Nationwide Public Safety Broadband Network in the State of Vermont will be born by the federal government. The national federal plan requires that the network be substantially in operation across the country by 2022. Further, Vermont will not be liable for payments to FirstNet for any use of the spectrum. In an opt-out scenario, Vermont would be liable to pay spectrum lease payments totaling more than \$6 million over the next 25-years.
- **No financial penalties to Vermont:** Key to the interoperability goal of the federal enabling legislation is the participation by first responders in the network. If Vermont opts-in, it will not be responsible for fulfilling required public safety adoption rates. As FirstNet's commercial partner, AT&T will be liable for paying any penalties levied due to low subscriber numbers in Vermont. Starting in year six of the network, such penalties total more than \$1 million annually, with provisions for the penalty to incrementally grow until subscriber numbers are achieved.
- **No impact on Vermont's borrowing capacity:** Opting out would require the State to pledge its full faith and credit behind the State's performance and would subject the State to termination payments as high as \$173 million. Adding the burden of such significant and uncertain obligations to the State could weaken Vermont's debt ratio as compared to other Triple-A rated states. An opt-in decision has no such risk.