

VERMONT STATE PLAN

INDEPENDENT TECHNICAL REVIEW

OCTOBER 30, 2017

Our Recommendation

After performing our technical review, Televate concluded that **Vermont should opt-in to FirstNet's proposed network**. This is based on our conclusion that AT&T's proposed service meets most of public safety's need in the state, and that opting-out is likely to incur a substantial amount of risk given Televate's knowledge of the likely participants in an opt-out RFP¹. This conclusion is based on a thorough analysis of a comprehensive suite of data points as detailed below.

There would be no cost to the State to build, deploy and operate the radio access network (RAN). If the state opts-in, AT&T will implement the public safety network in the state, and will be responsible for all aspects of the proposed buildout and operations. This service is implemented at no cost or risk to the state and positions the state at no risk of experiencing default or failure, which would result in substantial financial penalties.

There is no requirement for public safety to subscribe to FirstNet. AT&T and FirstNet must earn public safety's business. If the state opts-in, and AT&T does not provide the level of service public safety needs, agencies in the state will simply contract with a different cellular carrier. Verizon, for example, has announced that it will market a mission-critical service with priority and preemption to compete with what AT&T proposes to offer through FirstNet; these competitive forces will help to ensure the best outcome for public safety. If the state opts-in, it can leverage the competitive market without assuming any direct risk itself.

Opting-in provides immediate access to an established nationwide network with important public safety enhancements as AT&T deploys the public safety service over a 5-year term. The opt-out state must secure a spectrum lease from FirstNet, apply for grant funding from National Telecommunications and Information Administration (NTIA), and have approved by the NTIA and the Federal Communications Commission (FCC) a complete alternative Radio Access

¹ Televate has not reviewed proposal responses of the State's Request For Proposal. This position is based on Televate's understanding of the wireless marketplace, and the understanding that financial sustainability requires a substantial number of customers in Vermont in an already saturated marketplace. In the event that the State was provided with a proposal that gives the State confidence that the bidder will succeed, and that a better plan than AT&T's was delivered, the State may consider opt-out. However, Televate has reservations regarding the availability of a viable opt-out option.

Network (RAN) plan. Proceeding through this entire process could take a year or more, all the while delaying public safety's access to the mission critical cellular service that it demands.

AT&T proposes a number of compelling value-added services to the opt-in customer, including a 25-year commitment from AT&T to build and operate the NPSBN, dedicated 24x7x365 technical support, a public safety application environment and storefront and an incident management tool to facilitate local control and priority access. These features are integral to the AT&T's proposal and the state would have to establish mechanisms to replicate them above and beyond building out a statewide cellular network.

Conclusion

Based on the technical merits of AT&T's proposal and Televate's understanding of opt-out risks, Televate recommends that the State of Vermont opt-in to the FirstNet service. We believe it is unlikely that the State will secure an opt-out partner to provide a better solution than what AT&T offers. Opting-out may introduce enormous financial risk that would be borne by the state; an opt-out partner would have the responsibility of deploying a comparable or better solution than proposed by FirstNet/AT&T, and would be required to bond/insure the financial penalties in the event of a failure to perform. This is particularly challenging because AT&T does offer a robust product that meets most of the needs of the first responder community, and, also considering that competitive market forces will help ensure that AT&T must deliver a compelling service offering to earn public safety's business. Given the magnitude of the opt-out risks, juxtaposed to the scope of the plan offered by FirstNet, there is reasonable assurance that opting-in will result in the best possible outcome for public safety in the State of Vermont.

However, the FirstNet/AT&T offering is not perfect. There is no guarantee that FirstNet/AT&T will win the business of public safety entities, and there are opportunities to further enhance the plan as we have recommended below. We encourage the state to continually engage with FirstNet/AT&T to address the needs and objectives of the State's public safety community.