

§ 90.1410 Network sharing agreement.

The relationship between the Upper 700 MHz D Block licensee, the Public Safety Broadband Licensee, and related entities as the Commission may require or allow will be governed by the Network Sharing Agreement (NSA) and such other separate agreements as the Commission may require or allow that are negotiated and entered into between the parties. The NSA must, at a minimum, include the following terms:

(a) All of the substantive rights and obligations of the parties relating to the NSA, as established by the Commission concerning the 700 MHz Public/Private Partnership.

(b) Network specifications that comply with § 27.1305 of this chapter.

(c) The definition of “emergency” for purposes of emergency priority access.

(d) All service fees to be imposed for services to public safety, including fees for normal network service and fees for priority access to the D Block spectrum in an emergency.

(e) A detailed build-out schedule consistent with § 27.1327 of this chapter, including coverage of major highways and interstates, as well as incorporated communities with a population in excess of 3,000.

(f) The right of the Public Safety Broadband Licensee to determine and approve the specifications of public safety equipment used on the network and the right to purchase its own subscriber equipment from any vendor it chooses, to the extent such specifications and equipment are consistent with reasonable network control requirements established in the NSA.

(g) The Upper 700 MHz D Block licensee must offer at least one handset suitable for public safety use that includes a seamlessly integrated satellite solution pursuant to the terms, conditions, and timeframes set forth in the NSA.

(h) Any major modification of the terms of the NSA, related agreements or documents, or such other agreements as the Commission may require or allow must be submitted to the Commission for prior approval. All other modifications must be submitted to the Chiefs of the Wireless Telecommunications Bureau and the Public

Safety and Homeland Security Bureau for prior approval.

(i) The NSA shall require, in a separate agreement, the granting of an irrevocable and assignable right of first refusal to purchase the network assets if and whenever such assets are otherwise to be sold and an irrevocable and assignable option in favor of the Public Safety Broadband Licensee to purchase the network and all network assets if and whenever the Upper 700 MHz D Block license is cancelled or terminated, by reason of default or for any other reason, for a consideration equivalent to the fair market value of the tangible and intangible assets sold. This right and option shall be senior to, and have priority over, any other right, claim, or interest in or to the network or the network assets. The NSA shall also include a fair market valuation methodology to determine the fair market value of the shared wireless broadband network assets.

(j) The NSA must have a term, not to exceed 10 years from February 17, 2009, that coincides with the terms of the Upper 700 MHz D Block license and the Public Safety Broadband License.

§ 90.1415 Establishment, execution, and application of the network sharing agreement.

The following requirements and processes relate to the establishment, execution, and application of the NSA:

(a) *Approval of NSA as pre-condition for granting the Upper 700 MHz D Block License.* The Public Safety Broadband Licensee must negotiate an NSA and such other agreements as the Commission may require or allow with the winning bidder for the Upper 700 MHz D Block license. The NSA and related agreements or documents must be approved by the Commission and then executed by the relevant parties. Parties to the NSA must also include the Upper 700 MHz D Block licensee, the Network Assets Holder, and the Operating Company, as these entities are defined in § 90.7.

(b) *Requirement of negotiation.* Negotiation of an NSA between the winning bidder for the Upper 700 MHz D Block license and the Public Safety Broadband Licensee must commence by the date the winning bidder files its

long form application or the date on which the Commission designates the Public Safety Broadband Licensee, whichever is later, and must conclude within six months of that date. Parties to this negotiation are required to negotiate in good faith. Two members of the Commission staff, one from the Wireless Telecommunications Bureau and one from the Public Safety and Homeland Security Bureau, shall be present at all stages of the negotiation as neutral observers.

(c) *Reporting requirements.* Beginning three months from the triggering of the six-month negotiation period, the Public Safety Broadband Licensee and the winning bidder for the Upper 700 MHz D Block license must jointly provide detailed reports, on a monthly basis and subject to a request for confidential treatment, on the progress of the negotiations throughout the remainder of the negotiations. These reports must include descriptions of all material issues that the parties have yet to resolve.

(d) *Submission of final agreement.* As soon as the parties have reached an agreement on all the terms of the NSA, related agreements or documents, and such other agreements as the Commission may require or allow but not later than five business days after the six-month period for negotiation has expired, they must submit the NSA together with all agreements and related documents referenced in the NSA, for review and approval by the full Commission. The Commission will act on the NSA within 60 days of receipt. The Commission may approve the NSA in its entirety, approve with modifications, or require the parties to address additional terms or re-draft existing terms within a specified timeframe. After the NSA is approved, the parties must execute the NSA and such other agreements as the Commission may require or allow and submit executed copies to the Commission within 10 business days of approval.

(e) *Submission of disputed issues.* If the parties have not reached agreement on all terms of the NSA and related agreements by the end of the six-month period, they must notify the Commission not later than five business days after the expiration of the six-month period

of the terms on which they have agreed, the nature of the remaining issues, each party's position on each issue, whether additional negotiation is likely to produce an agreement, and, if so, a proposed deadline for reaching agreement on the NSA. Authority is delegated jointly to the Chiefs of the Wireless Telecommunications Bureau and the Public Safety and Homeland Security Bureau to resolve any remaining disputes.

(f) *Resolution of disputes.* Actions to resolve disputes may include, but are not limited to:

(1) Granting additional time for negotiation;

(2) Issuing a decision on the disputed issues and requiring the submission of a draft agreement consistent with the decision;

(3) Directing the parties to further brief the remaining issues in full for immediate Commission decision; and/or

(4) Immediate denial of the long-form application filed by the winning bidder for the Upper 700 MHz D Block license.

(g) *Default by winning bidder for Upper 700 MHz D Block license.* If the winning bidder for the Upper 700 MHz D Block fails to comply with negotiation or dispute resolution requirements or fails to execute a Commission-approved NSA, its long form application will be denied. If the long form application of the winning bidder of the Upper 700 MHz D Block license is denied for any reason, including as a consequence of an action taken pursuant to paragraphs (e) and (f) of this section, it will be deemed to have defaulted under § 1.2109(c) of this chapter and will be liable for the default payment specified in § 1.2104(g) of this chapter.

§ 90.1420 Failure to comply with the NSA or the Commission's rules.

(a) Failure to comply with the Commission's rules or the terms of the NSA may warrant cancelling the Public Safety Broadband License. The potential remedies also include, but are not limited to, assigning the license to another entity, directing the Public Safety Broadband Licensee to transfer the assignable right to purchase the assets at fair market value, ordering specific performance, or ordering removal and