



800 MHz BAND RECONFIGURATION

RECONFIGURATION HANDBOOK

April 21, 2005

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LIST OF ACRONYMS

B/ILT	Business Radio/Industrial Land Transportation
CII	Critical Infrastructure Industries
EA License	Economic Area License
ECFS	(FCC's) Electronic Comment Filing System
ESMR	Enhanced Specialized Mobile Radio
FCC	Federal Communications Commission
NPSPAC	National Public Safety Planning Advisory Committee
POC	Point of Contact
R&O	Report and Order
RPP	Regional Prioritization Plan
SCADA	Supervisory Control and Data Acquisition
SMR	Specialized Mobile Radio
SOW	Statement of Work
TA	Transition Administrator
ULS	Universal Licensing System

I. INTRODUCTION

As an 800 MHz licensee, you may have received a letter from the Federal Communications Commission (FCC) containing information concerning your license and the possible relocation of that license to another part of the 800 MHz Band. The FCC ordered the reconfiguration of the 800 MHz band to minimize increasing levels of interference to critical public safety communications systems from commercial wireless carriers. As part of the 800 MHz reconfiguration, some licensees will be required to relocate. Nextel will fund all required relocations.

The FCC established the 800 MHz Transition Administrator (TA) as an independent party to oversee the administrative and financial aspects of the band reconfiguration process. The TA submitted its Regional Prioritization Plan (RPP), which includes the relocation schedule and approach to the FCC, and received approval on March 11, 2005. The RPP defines four "Waves" of the National Public Safety Planning Advisory Committee (NPSPAC) regions to be reconfigured, with the first Wave commencing on June 27, 2005.

The TA recognizes that NPSPAC regions have not been used for licensing Critical Infrastructure Industries (CII), Business Radio/Industrial Land Transportation (B/ILT) and commercial systems. The FCC's Report & Order (R&O) and the TA's RPP use NPSPAC regions to divide the nation geographically for purposes of administering an orderly reconfiguration of the 800 MHz Band for all users. The concept of NPSPAC regions will be applied to such entities solely for reconfiguration timing purposes. If you want to know which Wave or NPSPAC region you fall under, you can go to the TA Tools section of our website (<http://www.800TA.org/tools.htm>) and type in your call sign (if it is a non EA license) or review the map on the same page.

This document provides background information on 800 MHz reconfiguration and overview of the RPP. It also describes the roles of the TA, Nextel and licensees, providing guidelines on planning for reconfiguration. It describes:

- The activities associated with planning for reconfiguration
- The steps required to execute a reconfiguration contract with Nextel
- Guidelines for allowable costs and reimbursement
- The payment process and funding guidelines
- Contact information for the TA and Nextel

The guidelines provided in this document are designed to support reasonable and prudent reconfiguration planning activities while conforming to the FCC's requirements. The TA recognizes that there is no one "right" way to reconfigure due to the varieties and sizes of systems and the unique circumstances involved in the 800 MHz reconfiguration. The TA anticipates receiving different reconfiguration proposals based on the particular system characteristics and will approve all reasonable costs associated with reconfiguration. You are primarily responsible for your reconfiguration and have

the fundamental responsibility to take appropriate actions to plan and manage your reconfiguration process.

The TA is an information source to support the reconfiguration process. You are encouraged to contact the TA with any questions. We will work with you to get you the information that you need. The TA will publish additions and amendments to these guidelines as warranted from time to time. Licensees are encouraged to check our website regularly for updates and important announcements at www.800TA.org.

You will receive a mailing, which includes a request to provide appropriate contact information to the TA, shortly before the start of your reconfiguration prioritization Wave. The TA reminds 800 MHz stakeholders that representations made to the TA are held to the same requirement of truth and candor as representations made to the FCC. The TA uses information it receives solely for purposes of administering the 800 MHz reconfiguration process and may disclose such information to the FCC or other authorized parties pursuant to the requirements of the FCC's orders or other applicable law.

II. OVERVIEW OF 800 MHZ RECONFIGURATION

Overview of the 800 MHz Interference Issue

Over the past several years, public safety and other high site radio systems—including those used by police, firefighters, emergency services, utilities, businesses, and others operating in the 806-824 MHz/851-869 MHz band (the “800 MHz band”)—have increasingly been experiencing equipment interference problems and communication “dead zones” as a result of technically incompatible low site commercial wireless systems operating in the same or adjacent spectrum bands.

The 800 MHz interference problem surfaced in large part because the FCC’s original 800 MHz band plan did not anticipate the extent of development and growth of “low site” cellular-type systems. As these low-site systems flourished, and as high-site 800 MHz public safety systems also became more widespread, interference problems became more common. Given the paramount importance of effective first responder and emergency communications, the FCC began addressing this serious issue in April 2000.

The FCC’s Solution

On August 6, 2004, the FCC released a Report and Order (R&O) (<http://wireless.fcc.gov/publicsafety/800MHz/bandreconfiguration/downloads/FCC-04-168A1.pdf>) establishing a two-pronged solution to address 800 MHz interference problems in both the short-term and the long-term. On December 22, 2004, the FCC released a Supplemental Order (<http://wireless.fcc.gov/publicsafety/800MHz/bandreconfiguration/downloads/FCC-04-294A1.pdf>) providing additional guidance on the 800 MHz solution. The first prong of FCC’s solution is the creation of a technical standard for determining whether an 800 MHz licensee is entitled to interference protection and related procedures for avoiding and eliminating harmful interference. The second prong, the long-term solution, involves reconfiguration of the 800 MHz Band to separate generally incompatible high-site and low-site technologies

The FCC’s R&O is designed to provide an effective and equitable solution with minimal disruption to users of the 800 MHz Band. Nextel will pay for all relocations necessary to implement 800 MHz Band reconfiguration, and relocated licensees will receive comparable facilities when they reconfigure. The TA was created to help licensees during the reconfiguration process and ensure that the reconfiguration proceeds as smoothly and rapidly as possible. Reconfiguration of the 800 MHz Band is scheduled to be completed in 2008.

As shown in Figure 1, the new 800 MHz Band Plan places NPSPAC users in the lower portion of the 800 MHz Band and commercial cellular-type systems in the upper portion of the 800 MHz Band, separated by:

- the “809-815 MHz” band of mixed-use spectrum designated for public safety, business, and other high-site users
- an “Expansion Band” to be used primarily by business and Specialized Mobile Radio (SMR) licensees, and

- a “Guard Band” where any 800 MHz licensee can elect to move, with less strict interference protection requirements next to the cellular band.

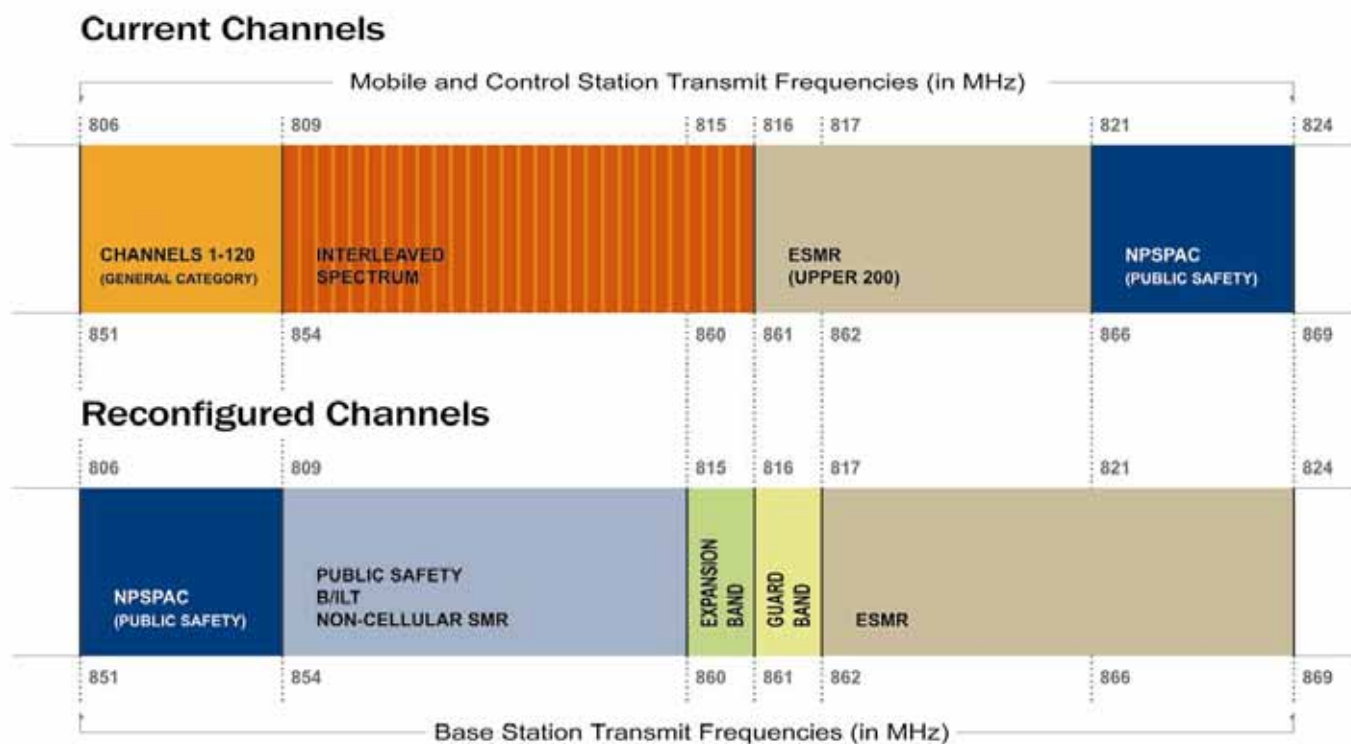


Figure 1: 800 MHz Band Reconfiguration

Who Needs to Reconfigure?

Many 800 MHz systems, including public safety, CII, B/ILT, and commercial SMR systems operating in the 800 MHz Band MHz will be required to relocate. Licensees in the 809-815/854-860 MHz Band are not required to relocate. The following general guidelines apply:

- Licensees currently in the 806-809 MHz/851-854 MHz band (“Channels 1-120”) will be relocated.
- NPSPAC licensees currently in the 821-824 MHz/866-869 MHz band will be relocated.
- Public safety systems currently operating in the newly created “Expansion Band” at 815-816 MHz/860-861MHz will be relocated unless they elect otherwise.

- EA licensees who qualify and wish to operate ESMR systems may elect to relocate into the “ESMR Band” at 817-824 MHz/861-869 MHz.
- Licensees operating below 817 MHz/862 MHz may elect to relocate to the “Guard Band” at 816-817 MHz/861-862 MHz.
- All licensees may request to make voluntary relocations during the 800 MHz reconfiguration under certain circumstances.
- There is a slightly different 800 MHz band plan for certain areas in the Southeastern United States (sometimes known as the “Appendix G area”). In these affected areas, licensees operating at 812.5-817 MHz/857.5-862 MHz may also be required to relocate.
- Licensees generally operating within 110 km (68.4 miles) of the Mexican border and 140 km (87 miles) of the Canadian border may also need to reconfigure. Details regarding border area reconfiguration requirements will be determined in the future based on ongoing international negotiations related to the use of that spectrum.

What Are Other Reconfiguration Options?

As part of the 800 MHz reconfiguration, some licensees will have the option to relocate while some others will be required to make elections for moving to specific areas of the 800 MHz Band. Nextel will fund all required relocations.

Non-Enhanced Specialized Mobile Radio (ESMR) Economic Area (EA) Licensees: The FCC’s 800 MHz Supplemental Order allows all non-ESMR EA licensees to elect to relocate to the ESMR portion of the 800 MHz band (817-824 MHz/862-869 MHz) as well as the 809-815 Band and Guard Band. EA licensees must contact the TA if they wish to remain in or move to the ESMR Band. A licensee electing to move to the ESMR portion of the band will:

- Receive only its “white area” spectrum, i.e., the same unencumbered area that it had before it relocated
- Be entitled only to reasonable transactional costs associated with reconfiguration, and
- Be required to operate as an ESMR

Expansion Band Public Safety Licensees

- Public safety entities currently located in the new Expansion Band at 815-816 MHz/860-861 MHz (812.5-813.5 MHz/857.5-858.5 MHz in the Appendix G area) must make an election if they wish to remain in the new Expansion Band. Although the Expansion Band is meant to serve as a buffer between cellular and non-cellular communications, public safety entities electing to stay in the Expansion Band will receive full interference protection.

- Public safety entities that do not make an election to stay in the Expansion Band will be relocated at Nextel's expense to the 809-815 MHz/854-860 MHz Band (809-812.5 MHz/854-857.5 MHz in the Appendix G area). Expansion Band public safety entities will be required to make elections not to reconfigure when initially contacted by the TA or Nextel.

Other Relocation Requests: Entities with other relocation requests should communicate their requests to the TA as soon as possible, and no later than at the initiation of reconfiguration negotiations with Nextel.

- Non-NPSPAC public safety licensees may request to move into the Expansion Band. Non-NPSPAC public safety, CII, B/ILT, and SMR licensees otherwise being relocated may also request to be relocated into the Guard Band under certain circumstances.
- In addition, the TA will consider other requests for voluntary relocation as spectrum limitations and sound spectrum policy permit. Such voluntary relocations will not be paid for by Nextel.

Parties Involved in Reconfiguration

As the government entity in charge of regulating interstate and international communications by radio, television, wire, satellite and cable, the FCC released the R&O ordering the reconfiguration of the 800 MHz Band. Per the FCC's R&O, specific roles have been assigned to the TA, Nextel and reconfiguring licensees in the 800 MHz Reconfiguration Program.

The Transition Administrator: The FCC appointed an independent party to serve as the Transition Administrator (TA) for the 800 MHz Reconfiguration Project. The 800 MHz TA is charged by the FCC to oversee the reconfiguration of the 800 MHz Band. The FCC will provide oversight over the TA to ensure that band reconfiguration proceeds on schedule, and resolve any disputes that are referred to them by the TA. Responsibilities of the TA include:

- Overseeing the administrative and financial aspects of the reconfiguration process
- Establishing a relocation schedule
- Specifying replacement spectrum for relocating licensees
- Monitoring and facilitating issue resolution related to the relocation process
- Approving licensee requests for planning funding
- Approving licensee relocation Cost Estimates/reconfiguration contracts
- Reporting progress of 800 MHz reconfiguration to the FCC
- Facilitating resolution of disputes that may arise related to reconfiguration

The TA is a neutral party that recognizes its obligation to follow the FCC's guidance to treat all licensees fairly and equitably with minimum disruption to both the spectrum users and the public. For purposes of operating efficiency, the TA's procedures may require reconfiguring licensees to provide information ultimately intended for the TA to Nextel who will then forward this information to the TA (for example, minimum cost certification).

Reconfiguring licensees should use the TA as a fair and independent source of information and assistance related to the 800 MHz reconfiguration process.

Nextel: As the primary spectrum holder and commercial cellular-type service provider in the 800 MHz Band, Nextel has been an active participant in the FCC's proceedings regarding 800 MHz interference. As early as 2001, Nextel, both alone and as part of a coalition of 800 MHz licensees (the "Consensus Parties"), proposed potential resolutions to the 800 MHz interference problem. The FCC's R&O adopted some of Nextel's proposed solutions and made Nextel a party to the 800 MHz reconfiguration effort. Nextel has formally accepted the related obligations established by the FCC. Responsibilities of Nextel include:

- Paying all allowable costs for relocating other 800 MHz incumbents required to reconfigure. To ensure the completion of the reconfiguration nationwide, Nextel obtained letter(s) of credit \$2.5 billion, with no "cap" on its potential funding obligation.
- Reconfiguring many of its own 800 MHz operations. In exchange for funding the reconfiguration and giving up some of its 700 MHz and 800 MHz spectrum, Nextel will receive 10 MHz of spectrum in the 1.9 GHz band.

Relocating licensees are expected to work closely with Nextel "in good faith" during the course of the 800 MHz reconfiguration. The FCC's R&O states that Nextel personnel shall not be "involved" in the reconfiguring of a licensee's system. Nextel's involvement in each licensee's reconfiguration effort will be limited to activities that do not directly involve reconfiguring the licensee's system, such as relocation negotiations and direct payment of reconfiguration costs.

Licensees: Reconfiguring licensees generally have the right to:

- Have their reasonable reconfiguration costs covered by Nextel
- Obtain comparable facilities
- Obtain funding for reconfiguration planning activities
- Obtain reasonable assistance from experts such as spectrum consultants, inventory consultants, relocation planners, engineers, legal counsel, equipment suppliers, etc.
- Seek TA assistance for resolution of disputes

Reconfiguring licensees generally have the obligation to:

- Enter into a reconfiguration implementation agreement with Nextel
- Negotiate in good faith
- Mediate disputes when so instructed by the TA
- Retain copies of all documents sent to Nextel as part of the reconfiguration
- Certify that their costs reflect the minimum costs necessary to obtain comparable facilities
- Certify when reconfiguration has been completed
- Submit documentation to Nextel for receipt of goods/services provided by third parties to enable accurate and timely payments
- Submit documentation in a timely manner to Nextel of the actual costs incurred if advance funding is provided. This information is subject to audit by the TA.
- If required, provide timely refund to Nextel of any overpayment of actual costs.
- Make representations to the TA with the same requirement of truth and candor as representations made to the FCC

Q&A

How do I know if I need to reconfigure?

- If you are a non-EA based licensee, you can go to the TA Tools section of our website (<http://www.800TA.org/tools.htm>) for assistance with determining whether you need to reconfigure. You can enter your call sign or operating frequency to review information regarding reconfiguration. EA licensees may determine whether they need to reconfigure by examining their license information or contacting the TA. License information can be found on the FCC's website at <http://wireless2.fcc.gov/UlsApp/UlsSearch/searchLicense.jsp>.

How do I know if I am affected by the Southeastern U.S. band plan?

- You can determine whether you are affected by the Southeastern U.S. 800 MHz band plan by reviewing Appendix G of the FCC's R&O (<http://wireless.fcc.gov/publicsafety/800MHz/bandreconfiguration/downloads/DOC-252929A1.pdf>). The TA Tools section of our website (<http://www.800TA.org/tools.htm>) may also provide assistance in determining if your systems are covered by the Southeastern U.S. band plan.

As an EA licensee, how do I decide whether I should make an election or a relocation request?

- If needed, reconfiguring 800 MHz licensees may obtain the services of third party contractors such as frequency consultants, relocation planners, etc. to assist in determining whether to make an election or relocation request. Anticipated costs must be submitted to Nextel in a Request for Planning Funding or Cost Estimate. Forms for such submissions will be available on the TA's website.

Can I see what other EA licensees elected?

- Licensees are asked to submit their elections to the FCC's Electronic Comment Filing System (ECFS) in WT Docket No. 02-55. To the extent elections or requests are not submitted on a confidential basis, such information will be available through the FCC.

What happens if many EA licensees select the same band?

- In the event that spectrum in the Guard Band, the ESMR band or another part of the 800 MHz Band is not adequate to accommodate all eligible licensees that wish to relocate, the TA will attempt to facilitate a resolution between the affected parties or will refer the matter to the FCC. Relocation requests related to licenses covering the Canadian and Mexican border areas will be deferred pending additional guidance from the FCC.

How will the FCC ensure that Nextel pays my reconfiguration costs?

- Nextel is required to directly pay approved reconfiguration costs. If Nextel fails to do so in a timely manner as defined in the R&O, however, the TA is authorized to use funds from Nextel's Letter(s) of Credit to cover your costs.

III. OVERVIEW OF RECONFIGURATION PRIORITIZATION PLAN

Summary of the Regional Prioritization Plan

As required by the FCC, the TA developed a Regional Prioritization Plan (RPP) that lists the order in which the 55 NPSPAC regions will start the process of reconfiguration. NPSPAC stands for the National Public Safety Planning Advisory Committee set up by the FCC in the 1980's to determine how public safety communications in the 800 MHz channels were going to be used. NPSPAC developed a usage plan for public safety that divided the country into many different NPSPAC regions.

The TA recognizes that NPSPAC regions have not been used for licensing CII, B/ILT and commercial systems. The FCC's R&O and the TA's RPP use NPSPAC regions to divide the nation geographically for purposes of administering an orderly reconfiguration of the 800 MHz Band for all users. The concept of NPSPAC regions will be applied to such entities solely for reconfiguration timing purposes. If you want to know which Wave or NPSPAC region you fall under, you can go to the TA Tools section of our website (<http://www.800TA.org/tools.htm>) and type in your call sign (if it is a non EA license) or review the map on the same page.

The FCC approved the RPP on March 11, 2005. The TA considered many factors in crafting the RPP, including FCC's reconfiguration timeline targets, population, existing instances of interference to public safety systems, the need to reconfigure interconnected regions together, workload balance, seasonal cycles, and the need for new international treaties in border areas.

Beginning with the official start date for reconfiguration, June 27, 2005, the RPP defines four "Waves" or groupings of NPSPAC regions to be reconfigured. Each Wave contains groups of NPSPAC regions that will begin reconfiguration at the same time. Figure 2 shows the NPSPAC Regions within each prioritization Wave.

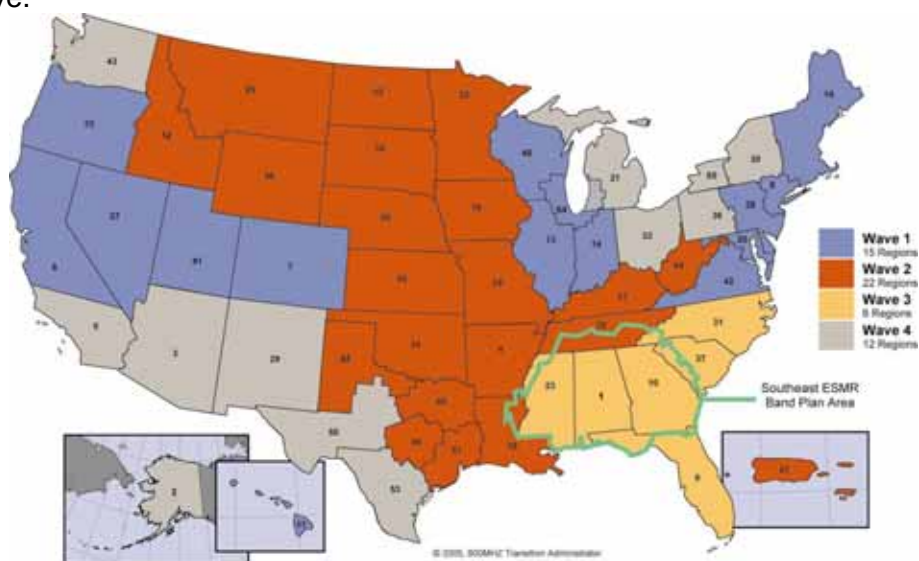


Figure 2: NPSPAC Prioritization Map

Within each NPSPAC region, licensees operating at 806-809 MHz/851-854 MHz (Channels 1-120) must relocate prior to NPSPAC licensees. The start date of each Wave triggers the beginning of the Channels 1-120 “stage” of licensee relocation negotiations with Nextel. Physical reconfiguration will occur after licensees complete negotiations with Nextel and the TA approves the related agreements. Figure 3 shows the prioritization schedule established in the RPP.

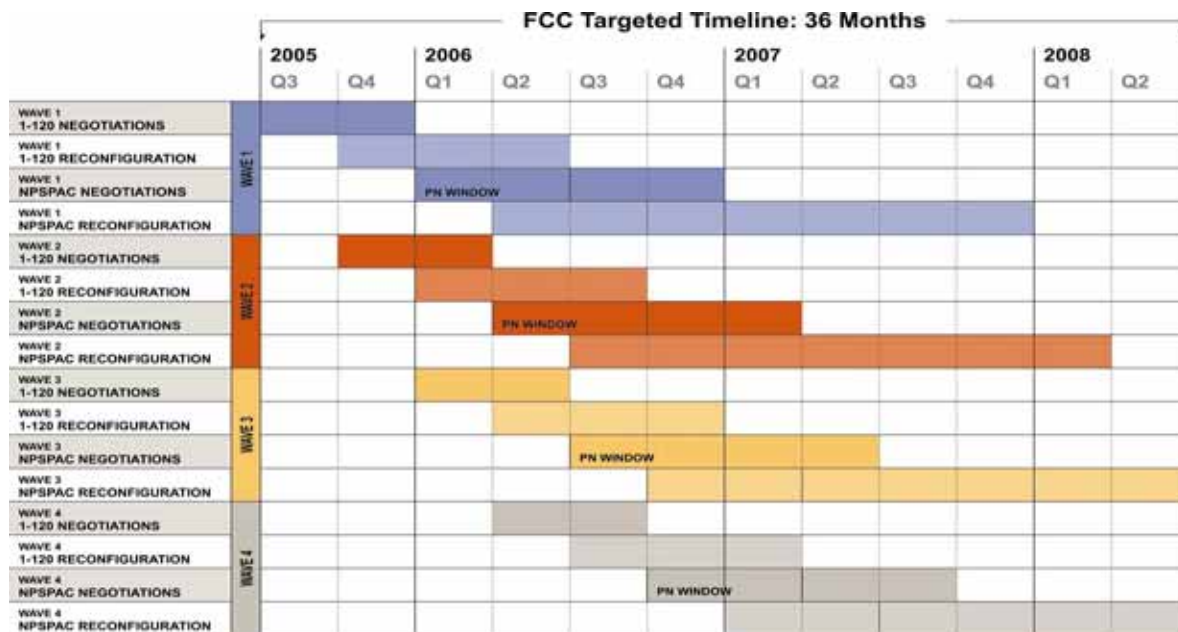


Figure 3: Prioritization Schedule

Thirty days before the start of reconfiguration for Channels 1-120 and NPSPAC licensees, the FCC will issue a Public Notice (PN) announcing the start date. The start date for Wave 1 is June 27, and accordingly, Wave 1 Channels 1-120 licensees should expect their PN to be released by the FCC on May 27, 2005. There is no way of knowing precisely when the Channels 1-120 reconfiguration stage will be complete. Therefore, the TA estimated "PN windows" for when the FCC will release Public Notices announcing the start of a NPSPAC stage of reconfiguration within any given Wave.

“Wave 4” of the RPP consists of NPSPAC regions with complex licensing environments along the Canadian and Mexican borders. These regions cannot be reconfigured until new border band plan treaties are in place with Canada and Mexico, and may need to be delayed if new international treaties for border areas are not in place by April 3, 2006.

The full text of the RPP and related materials can be found on the TA’s website at <http://www.800TA.org/pdfs/RPP.pdf>.

Voluntary and Mandatory Negotiations

Reconfiguring 800 MHz licensees are required to negotiate the specifics of their reconfigurations directly with Nextel, or ask to communicate with Nextel through the TA to reach an agreement. The FCC has established two negotiation “periods” that reconfiguring licensees and Nextel should use to reach reconfiguration agreements.

To seek the TA’s assistance in the transmission of documents and information between parties as part of the negotiation process, licensees should complete the Request for TA to Communicate with Nextel Form (forms will be available on the TA’s website) and submit it to the TA as soon as possible.

Voluntary Negotiations: The first or “voluntary” negotiation period lasts three months. During the voluntary negotiation period, reconfiguring licensees and Nextel may agree to negotiate reconfiguration contracts. Figure 4 shows the start dates for Channels 1-120 voluntary negotiations (also the start date for the Wave) and the earliest start dates for NPSPAC voluntary negotiation. The voluntary negotiation period begins on the:

- Start date for each Wave for Channels 1-120 licensees. For example, for Wave 1 Channels 1-120 licensees, the voluntary negotiation period will begin on June 27, 2005.
- Dates specified by the FCC in its Public Notices for NPSPAC licensees. The TA estimated earliest NPSPAC voluntary negotiation start date based on the PN window for Wave 1 is February 1, 2006.

	WAVE 1	WAVE 2	WAVE 3	WAVE 4
Channels 1-120 Wave Voluntary Start Dates	June 27, 2005	October 3, 2005	January 3, 2006	April 3, 2006*
Earliest NPSPAC Voluntary Start Dates	February 1, 2006	May 1, 2006	August 1, 2006	November 1, 2006*

*Pending treaties with Canada and Mexico

Figure 4: Voluntary Negotiations Start Dates

Mandatory Negotiations: The second or “mandatory” negotiation period immediately follows the voluntary negotiation period and also lasts three months. During the mandatory negotiation period, all parties are required to negotiate in good faith, and either party may request TA involvement to help mediate a reconfiguration contract. During mandatory negotiations:

- Nextel must make an offer to relocate the incumbent to comparable facilities
- Licensees may make written and reasonable counter-offers to the initial offering by Nextel
- Licensees must take reasonable steps to determine the actual costs of relocation

- Parties may not unreasonably withhold information essential to the accurate estimation of relocation costs and procedures
- Parties are required to attend mandatory negotiations if scheduled by the TA

The TA encourages licensees to work directly with Nextel to reach agreement on a frequency relocation contract that will then be reviewed by the TA. If a reconfiguring licensee and Nextel fail to complete a reconfiguration agreement during the voluntary and mandatory negotiation periods, the parties will be required to participate in a 30-day mediation process designed to help the parties reach a reconfiguration agreement. A TA Mediator will conduct the mediation. If this mediation also does not result in a reconfiguration agreement, the TA will refer the matter to the FCC for resolution.

Q&A

How do I find out about the status of the new border area treaties?

- The FCC will provide periodic updates on the status of new border area treaty negotiations on its website (www.800MHz.gov). The TA will also provide information as it becomes available on its website (www.800TA.org).

How will I know when the FCC releases a Public Notice for the start of voluntary negotiations?

- The FCC will release reconfiguration Public Notices for Channels 1-120 licensees approximately 30 days prior to the start date for each Wave. NPSPAC licensees should take care to monitor the TA's website regularly during their estimated "PN windows" mentioned above for details regarding the release of the FCC's Public Notice.

What if I operate on both Channels 1-120 and NPSPAC channels?

- Public safety entities with systems using a combination of NPSPAC channels and non-NPSPAC channels that must be reconfigured (such as 1-120 channels) should inform the TA and work with Nextel to develop a customized reconfiguration plan. The TA recognizes the need to address such systems to minimize disruption.

If I am in Wave 1 but have a license within the Canadian border area, do I have to wait until an agreement is reached with Canada?

- In the RPP, the TA scheduled some NPSPAC regions along the Canadian border to reconfigure in the early waves because they included high population areas such as Boston and Minneapolis that would have been unduly delayed if they were held until Wave 4. For any systems in Waves 1 (or other Waves) affected by the border, reconfiguration will be delayed until an agreement with Canada is reached. Your other systems that do not have border considerations will be reconfigured during your scheduled Wave. (Similarly for licenses within the Mexican border areas.)

How will I know when voluntary negotiations end and mandatory negotiations begin?

- The mandatory negotiation period begins automatically after the voluntary negotiation period ends. The voluntary negotiation period lasts from “Day 1” of your reconfiguration negotiation start date through Day 90. The mandatory negotiation period lasts from Day 91 through Day 180.

How does mediation begin?

- If a licensee and Nextel have not reached a licensee relocation agreement, the mediation period will automatically begin on Day 181 after your reconfiguration negotiation start date. If you want the TA to help mediate your reconfiguration negotiations earlier, you may complete and submit a Request for Mediation Form. The Request for Mediation Form will be available on the TA’s website.

What is Nextel’s contact information for negotiations?

- If you wish to contact Nextel to initiate negotiations, you should send an e-mail to 800MHz@Nextel.com

If the majority of the frequencies used in my system are in the NPSPAC band, can I reconfigure ahead of my Wave or at the same time as the 1-120 channels within my NPSPAC region?

- Channels 1-120 in a NPSPAC region must be cleared of all users (most of whom are commercial entities, not public safety) to allow NPSPAC relocation. This means NPSPAC licensees cannot move the timing of their physical relocation outside of their Wave, region, or stage.

IV. OVERVIEW OF LICENSEE RECONFIGURATION PHASES

The TA has organized the reconfiguration process and all associated activities into two phases: a Planning and Negotiation Phase and a Reconfiguration Implementation Phase.



The objectives of the Planning and Negotiation Phase are to:

- Develop your plan for implementing the reconfiguration of your system(s)
- Execute a contract with Nextel for the reconfiguration of your system(s)

The objective of the Reconfiguration Implementation Phase is to execute the reconfiguration of your system(s) according to the plan and contract developed in the first phase.

The TA has organized each phase into a series of steps that are described in this document. The emphasis of this document is on the Planning and Negotiation Phase to enable licensees to understand how and when to get started. While the two phases generally apply to all licensees, please note that not all of the steps are relevant for all licensees. We expect that the amount of planning required will vary significantly based on the size and complexity of the system to be reconfigured. Similarly, we expect that the amount and types of testing required during implementation will also vary.

When should I get started?

Licensees should expect to be contacted by a Nextel representative to initiate negotiations before the end of the voluntary negotiations period for their Wave. Reconfiguring licensees that are not contacted by Nextel may contact Nextel directly or contact the TA for further instruction.

Licensees and Nextel may agree to begin voluntary negotiations before the official start date of a licensee's reconfiguration. You may also initiate early contact with Nextel if you wish, in case of a large and complex system.

In general, requests for planning funding should not be made earlier than 75 days prior to a licensee's voluntary negotiation start date. Similarly, Cost Estimates for reimbursement of actual system reconfiguration costs should not be submitted until a licensee's voluntary negotiation start date. However, the TA expects that there will be exceptional situations requiring early review. Valid reasons may include reconfiguration of large and complex systems, systems spanning more than one stage/wave and systems involving multiple organizations. If the licensee and Nextel jointly agree to submit a contract prior to the defined start date, the TA will agree to review such contracts early.

Requests for planning funding (forms will be available on the TA’s website) should be submitted directly to Nextel as part of the negotiation process. The TA recommends that funding for all licensee reconfiguration activities be approved by both Nextel and the TA in advance of incurring costs to ensure that they are reimbursable activities. Any costs incurred prior to approval are at risk for non-payment/reimbursement if both Nextel and the TA do not subsequently approve them.

The submission dates for each Wave and Stage of the RPP are identified in Figure 5:

	WAVE 1		WAVE 2		WAVE 3		WAVE 4	
	1-120	NPSPAC	1-120	NPSPAC	1-120	NPSPAC	1-120	NPSPAC
Voluntary Start Date for 1-120 / Earliest Date for NPSPAC Voluntary Start	Jun. 27 2005	Feb. 1 2006	Oct. 3 2005	May 1 2006	Jan. 3 2006	Aug. 1 2006	Apr. 3 2006*	Nov. 1 2006*
Planning Window Start	Apr. 15 2005	Nov. 18 2005	Jul. 20 2005	Feb. 15 2006	Oct. 20 2005	May 18 2006	Jan. 18 2006*	Aug. 18 2006*

*Tentative dates; actual dates for this Wave depend on border treaties with Mexico and Canada

Figure 5: Start Dates For Submission of Cost Estimates

Planning and Negotiation Phase

The Planning and Negotiation Phase begins with providing your contact information to the TA and ends with the execution of a contract for reconfiguration. The activities for this phase include:

1. **Provide contact information to the TA:** It is important that we know how to get in touch with you with any questions concerning your Cost Estimate for reconfiguration or other matters.
2. **Submit Request For Planning Funding, if necessary:** If you have identified planning activities requiring funding or reimbursement, you are asked to submit a written request to Nextel per the instructions provided in this document.
3. **Document subscriber equipment inventory:** Identify the 800 MHz end user devices that must be retuned, reprogrammed, or replaced during reconfiguration.
4. **Document infrastructure facilities inventory:** Identify the 800 MHz network infrastructure that comprises your system.
5. **Define interoperability environment:** Determine the agencies operating on your licensed system to ensure that no organizations or groups of users are missed during reconfiguration
6. **Evaluate proposed new frequencies:** The TA will send you your proposed new frequencies and you will have the right to review them for comparability to your existing frequencies as part of your negotiations with Nextel.
7. **Prepare a Cost Estimate:** Identify in detail the costs required to reconfigure your system. If you have a complex system, you should also prepare a Statement of Work (SOW) identifying the specific tasks required to reconfigure your system.

8. **Negotiate the contract with Nextel:** Work with Nextel to reach agreement on the specifics of reconfiguring your system and execute a contract.

Reconfiguration Implementation Phase

The Reconfiguration Implementation Phase will generally consist of the following activities:

1. **FCC applications filed and granted for new frequencies:** You may request that Nextel prepare and file required application(s) and certification(s) on your behalf. If you prefer this option, you will need to provide additional information to Nextel regarding your FCC Universal Licensing Service (ULS) registration to enable Nextel to prepare and process the applications.
2. **Nextel clears frequencies:** Nextel will retune its network to make the new frequencies for your system available for use.
3. **Licensee relocates to new frequencies:** You will retune your system, using the resources of your choice identified in the Cost Estimate (and SOW for complex systems).
4. **Nextel makes payments for reconfiguration:** Payments will occur in accordance with the terms and schedule identified in the contract.
5. **Acceptance testing:** Large and complex systems may conclude the retuning process with a formal acceptance test of the system to validate operations on the new frequencies.
6. **Channel surrender applications are filed with the FCC to clear old frequencies:** This step clears old frequencies from licenses if necessary, and assists the TA and the FCC in determining that your reconfiguration is complete.
7. **Licensee and Nextel certify completion:** At the end of the process, you and Nextel will verify that all obligations have been met and perform a “true-up” of expenditures. Completed documentation will be filed with the TA and the TA will record that your reconfiguration is complete.
8. **Licensee completes other FCC filings:** Two additional FCC filings must be made in conjunction with reconfiguration. You should file a Certification of Construction with the FCC when your new frequencies are operational, and Nextel will file a Notice of Consummation with the FCC if frequencies were assigned to Nextel for their use as part of the transaction.

V. PLANNING AND NEGOTIATION PHASE

Complete Point-of-Contact Form

All licensees will be asked to complete a Point-of-Contact (POC) Form that will provide the TA with contact information. The TA and Nextel both require POC information, and plan to share official contact data for reconfiguration. Shortly before the start of your reconfiguration Wave, you will receive a mailing, which includes copy of the POC Form.

The TA also recommends that licensees review and update contact information on their FCC licenses via the FCC’s website. Please note that it is the licensees’ regulatory obligation to ensure the accuracy of their FCC licenses. Updating licenses or correcting errors is not a reimbursable reconfiguration expense.

What inputs are required?

- TA-Specific POC Form(s) (mailed by the TA)

What is the expected outcome?

The information collected in the POC Forms will be used to:

- Create an accurate TA contact database for timely notification of proposed frequencies, other important notifications, and receipt of payments
- Augment the license records and call sign information received from the FCC to aid the TA during the frequency planning and assignment process

How do I complete this activity?

Step	Description
1	<p><i>Determine who in your organization will serve as the single point of contact to the TA for reconfiguration.</i></p> <ul style="list-style-type: none"> • The requested point of contact should be the individual that will have overall responsibility for the reconfiguration process and can coordinate the various activities associated with negotiating a contract, evaluating proposed frequencies, and preparing Cost Estimates. • If possible, you should also identify an alternate secondary contact that can be reached in the event that the primary contact is unavailable for an extended period of time.

2 Complete and return the POC Form.

- Fill out the TA-Specific POC Form in its entirety. Remember to sign the POC Form. You are advised that representations made to the TA are held to the same requirement of truth and candor as representations made to the FCC.
- Return the POC Form to the TA in the enclosed envelope within 30 days of receipt of the mailing. If you received multiple copies of the form, please include them all in your return mailing to: 800 MHz TA, c/o Squire, Sanders & Dempsey LLP, 1201 Pennsylvania Avenue N.W, P.O. Box 407, Washington, D.C. 20044-0407. You can fax Forms to the TA at 888-701-4380. We request that you return the POC Form according to the following timetable:

If you are in:	WAVE 1	WAVE 2	WAVE 3	WAVE 4
Please return the Survey no later than	May 27, 2005	September 2, 2005	December 2, 2005	March 3, 2006*

* This date may change pending treaties with Canada and Mexico

Q&A

What should I do if I receive multiple Forms from the TA?

- It is possible that you will receive multiple copies of this mailing, because we are using the information currently on file in the FCC’s ULS, which lists addresses separately by call sign. Should your organization receive multiple copies, we ask that you consolidate all copies received and return them to the TA for tracking purposes, although you need only complete a single form with your contact information.

Will the TA allow licensees to modify POC information?

- Yes. Licensees may modify their POC information at any time by mail, e-mail, phone or fax. You may reach the TA at the addresses and numbers provided at the end of this document.

Submit Request for Planning Funding

If you require funding for activities associated with planning for reconfiguration, you should submit a Request for Planning Funding Form (forms will be available on the TA's website) to Nextel and enter into a letter agreement with them outlining the terms of payment. Planning activities may be performed by your internal personnel or external service providers and include items such as:

- Documenting your subscriber equipment and infrastructure facilities inventories
- Evaluating proposed frequencies
- Legal fees associated with negotiating your reconfiguration contract with Nextel
- Preparing a Cost Estimate (and Statements of Work for complex systems) for your reconfiguration implementation

What inputs are required?

- Firm quotes and bids from service providers who will perform planning activities. Labor rates may be on a time and materials or fixed fee basis. (Statements of Work may be required for complex systems resulting in extensive planning activities)
- Estimates of costs of your internal personnel, including hours and cost-based hourly rates
- Contact information and payment instructions for you and your vendors
- Request for Planning Funding Form and supporting templates

What is the expected outcome?

- An estimate of the costs of the planning activities associated with your reconfiguration. This step will not generate an estimate of costs for your reconfiguration implementation.
- A completed Request for Planning Funding Form submitted to Nextel to request payment for the costs of your planning activities.

How do I complete this activity?

Step	Description
1	<p>Determine the level of planning activities you will need to perform and decide if you will need to obtain funding for planning from Nextel.</p> <p>The specific planning activities required will vary depending on the size and scope of the licensee’s existing system.</p> <ul style="list-style-type: none"> • For many simpler systems – single-site conventional or trunked systems – there may be minimal to no planning costs for your reconfiguration and you may not need to request and obtain funding for these costs until you negotiate funding for your reconfiguration implementation. • For more complex systems - inventorying your system, evaluating proposed frequency assignments, preparing your Cost Estimate, and negotiating with Nextel could be an extensive undertaking. <p>You should decide how extensive your planning activities will be and whether you will request funding for these activities from Nextel in advance of seeking funding for your reconfiguration implementation.</p>
2	<p>Select the vendors who will assist you with your planning activities and obtain firm bids and quotes.</p> <p>If you will use outside service providers to assist you with your planning activities, obtain:</p> <ul style="list-style-type: none"> • Firm quotes and bids of costs from these vendors • Contact information • Payment instructions (bank information, wiring instructions, payment lock box information) <p>For more complex systems, a Statement of Work (SOW) outlining the planned activities, schedule, deliverables, and resources will be required to substantiate the validity of the costs.</p>

<p>3</p>	<p><i>Estimate the amount of time and associated cost your internal personnel will spend on planning.</i></p> <p>If your internal personnel will perform planning activities, estimate the amount of hours those personnel will spend at regular time and overtime. Also, determine the hourly cost of those personnel. To determine the hourly cost, you will need to know:</p> <ul style="list-style-type: none"> • Hourly rate of each person performing planning activities. You should obtain this rate from your Human Resources or Payroll organization. • To determine the hourly rate of a salaried employee, divide the employee's salary by 2,080 hours
<p>4</p>	<p><i>Complete a Request for Planning Funding Form</i></p> <p>Once you have obtained the Request for Planning Funding Form (forms will be available on the TA's website) and supporting sample forms:</p> <ul style="list-style-type: none"> • Complete the Request for Planning Funding – Initial Request Form designed for use as the initial request to Nextel. • Provide documentation supporting the buildup of the planning costs, as requested in the instructions within the Form. You may use the supporting sample forms developed by the TA or submit the supporting documentation in another format of your choosing, so long as you provide all of the requested information.
<p>5</p>	<p><i>Submit the Request for Planning Funding to Nextel and sign a letter with Nextel authorizing planning funding.</i></p> <p>Once you have completed the Request for Planning Funding – Initial Request Form:</p> <ul style="list-style-type: none"> • Fax the Form to Nextel at 678-405-8252. • Negotiate a letter agreement with Nextel governing the terms of your planning funding and payment. You will be required to certify that the total cost estimated for planning activities is the minimum necessary to support planning activities and submit the Request for Planning Funding – Certified Request Form, designed for use after agreement is reached with Nextel. <p>Maintain documentation to support the costs you incur for your planning activities (vendor invoices, statements of work, contracts, employee timesheets, or equivalent documentation). We encourage you to request Nextel to pay your vendors directly. For more information on the payment process and reimbursable costs, please reference the sections of this document entitled "Payment Process" and "Funding Guidelines".</p>

Q&A

Am I required to submit a Request for Planning Funding?

- No. Some licensees may incur minimal costs, if any, associated with planning and may not need to seek funding for planning in advance of obtaining funding for their actual reconfiguration implementation.

What happens if I incur costs associated with planning activities, but do not submit a Request for Planning Funding?

- For simplicity, you can always request funding for planning activities when you submit the required Cost Estimate for reconfiguration implementation. However, if you do not request reimbursement for your planning activities by submitting either a Request for Planning Funding or the Cost Estimate (forms will be available on the TA's website), you will be at risk for not being reimbursed if these costs are subsequently determined not to be acceptable by Nextel and the TA.

What type of documentation should I maintain to support the costs incurred for planning activities?

- You should maintain any related vendor invoices, proof of receipt of goods/services, contracts, SOWs (if prepared) and your employees' timesheets (or equivalent documentation). This information will need to be provided to Nextel unless Nextel pays the vendors directly in which case you will only need to provide proof of receipt of goods/services. We encourage you to request Nextel to pay your vendors directly. When advance funding is provided to the licensee, you will be required to submit this documentation to Nextel to reconcile the actual costs incurred with the estimated costs. The costs you incur and payments made to you by Nextel will be subject to audit by the TA. Only actual costs that are incurred are reimbursable. For further details on reimbursable costs, please reference the section of this document entitled "Funding Guidelines".

Document Subscriber Equipment Inventory

The reconfiguration of your 800 MHz systems may require changes to subscriber radios currently in service. If necessary, conducting a subscriber inventory is an allowable planning cost, eligible for reimbursement. However, unnecessary details that increase costs without adding meaningful information will not be considered allowable. The purpose of the subscriber equipment inventory is to:

- Assess the quantity of your subscriber devices that will need to be retuned, reprogrammed or replaced
- Provide the information necessary to develop a detailed Cost Estimate (and SOW for complex systems)

What is the expected outcome?

This step will generate a subscriber equipment inventory to provide a reasonably accurate basis for generating a Cost Estimate (and SOW for complex systems) for reconfiguration.

How do I complete this activity?

Step	Description
1	<p><i>Agree on subscriber inventory documentation and plan with Nextel</i></p> <p>Items to discuss with your equipment vendor and Nextel include:</p> <ul style="list-style-type: none">• Level of detail• Accuracy of existing equipment inventory <p>You may also need to discuss the tasks to conduct an inventory and who will perform this work. If your equipment records are fairly complete, it is possible that no subscriber inventory is required.</p> <p>If conducting the inventory requires funding, the costs must be agreed to with Nextel via a written letter of agreement and you must submit a Request for Planning Funding Form.</p>

<p>2</p>	<p><i>Consult your system vendor regarding inventory tools and special issues</i></p> <p>Your equipment vendor may offer spreadsheet templates or other tools to assist with the subscriber inventory. Such tools generally will be necessary only for licensees operating larger systems with a mix of device types. Your vendor may also provide special guidance regarding the inventory information that needs to be collected.</p> <ul style="list-style-type: none">• Often, the only detail required will be the number of devices by model number.• Collecting serial number-level detail will generally not be an allowable expense unless a valid reason exists to collect this information. For instance, on occasion, additional device information such as serial number or software revision level may be required to determine the appropriate retuning method. We recognize that some licensees may require tracking of specific devices to perform their reconfiguration and we will consider this when reviewing these cost estimates. <p>Your equipment vendor should be able to provide detailed information on entire model lines of equipment that must be replaced no matter what the generation of the model. There is no need do an inventory beyond make and model on these devices.</p>
<p>3</p>	<p><i>Conduct the subscriber equipment inventory, if necessary</i></p> <p>If your existing inventory records are fairly complete, it is possible that no additional inventory is required. If not, you may need to conduct an inventory of subscriber equipment. The equipment categories and devices that are relevant for the inventory include:</p> <ul style="list-style-type: none">• Mobiles and portables• Radio programming equipment/software• Accessories by subscriber device model number• Active devices in daily service• Spare devices that are used for special events or emergencies• Location of devices and any special issues for access during implementation• Devices used on your licensed system that are assigned to related agencies• Special applications such as traffic light control, fire alarm enunciators, other SCADA systems• Other 800 MHz systems programmed into your devices <p>You are responsible for determining that all subscriber devices and related accessories identified for retuning, reprogramming or replacement are fully operable.</p>

4	<p><i>Assess and document your subscriber equipment inventory</i></p> <ul style="list-style-type: none">• Assess and document the quantities of your subscriber devices that will need to be retuned, reprogrammed, or replaced• Document the information necessary to create a detailed Cost Estimate (and SOW for complex systems) for reconfiguration
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Q&A

I operate a single-channel conventional system. How detailed does the inventory need to be?

- Typically, all that will be required is a simple count of devices on your systems in order to estimate retuning costs. In your initial discussions with Nextel, you will determine if any additional detail is required.

What will happen if my estimated inventory count falls short of the actual number of units?

- Precisely counting subscriber devices is not necessary to support a Cost Estimate as long as all model types are identified. In general, the inventory should be accurate to within 5% of units. It is anticipated that during the implementation, extra subscriber devices may be shipped to handle any shortfalls.

What equipment should not be counted?

- Only subscriber equipment operating on an 800 MHz system subject to reconfiguration should be included in the inventory. Conducting an inventory of equipment operating on 150 MHz or 450 MHz or other systems is not an allowable expense.

When should I do an inventory?

- Many users may already have an active inventory in place. The existing inventory should be updated and checked to be sure relevant information is included and maintained in the normal course of operations.
- Large complex systems that do not have an inventory should start investigating resources for conducting inventory as an early planning item.
- Smaller and simpler systems may not need to start an inventory process much before the start of their voluntary negotiation period. The exception to this may be systems that have unusual uses like special equipment operators and/or equipment dispersed over a very wide area.

Document Infrastructure Facilities Inventory

All your 800 MHz systems subject to reconfiguration will require, at a minimum, the retuning of channels from your current frequencies to new frequencies. Conducting an infrastructure inventory is an allowable planning cost that is eligible for reimbursement. However, the licensee must confirm that all systems included in the inventory are directly associated with the 800 MHz reconfiguration. The purpose of the infrastructure inventory is to:

- Assess precisely what infrastructure equipment needs to be modified or replaced
- Provide the information necessary to develop the detailed Cost Estimate (and SOW for complex systems)

Single-channel conventional systems and small trunked systems will typically require a fairly simple infrastructure inventory. Larger multi-site networks may require an in-depth inventory and system analysis. The goal is to anticipate and resolve in advance any technical issues that might lead to service degradation during reconfiguration. Your system vendor or design consultant may play an important role in this process.

It is particularly important to identify any system characteristics that will require additional capacity during retuning. In general, this applies only to sites that regularly experience peak-period busy conditions.

What is the expected outcome?

This step will generate a detailed infrastructure inventory to support an in-depth Cost Estimate (and SOW for complex systems) for reconfiguration.

How do I complete this activity?

Step	Description
1	<p><i>Agree on infrastructure inventory documentation and plan with Nextel</i></p> <p>Topics to discuss with your equipment vendors and Nextel include:</p> <ul style="list-style-type: none"> • Level of detail • Accuracy of existing infrastructure inventory <p>If required, you may also need to discuss the tasks to conduct an inventory and who will perform this work.</p> <p>If conducting the inventory will require funding, the costs must be agreed to with Nextel and you must submit a Request for Planning Funding Form.</p>

<p>2</p>	<p><i>Consult your system vendor regarding inventory tools and special issues</i></p> <p>Your equipment vendor may offer spreadsheet templates or other tools to assist with the infrastructure inventory.</p> <p>Your vendor may also provide special guidance regarding the inventory information that needs to be collected, such as infrastructure equipment that may need to be examined to determine memory size or other configuration parameters. Special procedures may be necessary to perform this work.</p>
<p>3</p>	<p><i>Conduct the Infrastructure equipment inventory</i></p> <p>The exact steps required for the infrastructure inventory will depend on the system type and vendor. It is important that you identify all infrastructure elements that interact with your network. Common considerations include:</p> <ul style="list-style-type: none"> • Repeater make and model, with operating frequencies. Clearly identify systems that integrate NPSPAC channels with 1-120, interleaved, or expansion channels • Other repeater-site facilities such as combiners, antennae, duplexers. Identify any of these elements that are shared with other licensees • Centralized facilities, consoles, and management systems that are frequency-specific <p>It is important to identify infrastructure elements and devices that are easily overlooked including:</p> <ul style="list-style-type: none"> • Bi-directional amplifiers with precise geographic location • Special applications such as traffic light control, fire alarm enunciators, other SCADA systems • Mobile data systems
<p>4</p>	<p><i>Assess and document infrastructure facilities inventory</i></p> <ul style="list-style-type: none"> • Assess and document the infrastructure facilities that need to be modified or replaced • Document the information necessary to create a detailed Cost Estimate (and SOW for complex systems) for reconfiguration

Define Interoperability Environment

It is common for 800 MHz public safety systems to be shared by multiple agencies spanning extended geographic areas. In some cases, an agency will purchase subscriber equipment to operate on channels licensed to another entity. If you are a licensee in such an environment, it is essential that you notify related agencies and ensure that all subscriber devices are included in the reconfiguration process.

This activity will not apply to most commercial or B/ILT licensees. It will be the responsibility of the licensee to identify unlicensed agencies operating under user agreements on their systems.

What is the expected outcome?

This step will ensure that no organizations or groups of users are missed during reconfiguration and will impact the Implementation Planning Phase. It will generate interoperability requirements for reconfiguration.

How do I complete this activity?

Step	Description
1	<p><i>Determine agencies operating on your licensed system</i></p> <ul style="list-style-type: none"> Identify all agencies and user groups that have subscriber devices operating on your system. Determine contact information for administrative and technical purposes. Notify the agencies and include them in the subscriber equipment inventory and Cost Estimate preparation (and SOW preparation for complex systems).
2	<p><i>Determine other systems programmed into your subscriber equipment</i></p> <ul style="list-style-type: none"> Evaluate your subscriber's equipment to determine if there are other 800 MHz systems programmed into their devices. Identify these systems to Nextel. This is especially important if the subscribers have not been already been contacted by the licensee that operates the other system.
3	<p><i>Determine NPSPAC mutual aid channels</i></p> <ul style="list-style-type: none"> Evaluate your subscriber equipment for any NPSPAC mutual aid channels used in your radios and networks. Identify licensee information and agency relationships.

4	<p><i>Define communications approach for affected user communities</i></p> <p>Recommended steps, especially for large networks in a multi-agency environment include:</p> <ul style="list-style-type: none">• Document all interoperability requirements for your systems, devices and NPSPAC mutual aid channels.• Establish well-defined reconfiguration communication plan for affected user communities to keep them informed and coordinated during planning and implementation.
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Evaluate Proposed New Frequencies

The TA will forward proposed new frequencies to those licensees who must change operating frequencies as part of reconfiguration. The licensee will then discuss the proposed frequencies with Nextel and reach agreement regarding comparability. The TA will mail the proposed frequencies to the contact listed in the FCC database approximately 30 days before the designated start of voluntary negotiations for the Wave and Stage (Channels 1-120 or NPSPAC) in which your system falls. If you have provided the TA with a POC, the proposed frequencies will also be mailed to that POC.

What inputs are required?

- Completed Point of Contact (POC) Form
- Proposed frequency assignments sent by the TA

What is the expected outcome?

This step will enable licensees to evaluate their proposed new frequencies for comparability and negotiate with Nextel if the proposed frequencies are not acceptable.

How do I complete this activity?

Step	Description
1	<p><i>Review your proposed frequencies</i></p> <ul style="list-style-type: none">• If the proposed frequencies are acceptable, no further action is required. Nextel will notify the TA.• If you are not sure whether the proposed frequencies work within your system – especially if you have a multi-frequency and/or multi-site system – you may engage an FCC certified Frequency Coordinator or other qualified consultant to review your proposed frequencies pursuant to the process for “Submit Request for Planning Funding”.

2 *Reach agreement on proposed frequencies with Nextel*

In your initial discussions with Nextel and your frequency consultant (if one has been retained), you should discuss the comparability of the new frequencies. If the proposed frequency is not comparable, or you are uncertain about the comparability:

- Provide Nextel with technical details regarding why the frequencies are not comparable (for instance that they don't work within your combiner scheme).
- Work with Nextel on identifying and agreeing to alternative frequencies.
- Nextel will coordinate with the TA for TA review of revised frequencies.

Q&A

As a NPSPAC licensee, can I determine my new frequencies now?

- Yes. If you are a NPSPAC licensee, it is possible to determine your new frequency now. The new band plan will shift NPSPAC frequencies down by exactly 15 MHz. For instance, if you have the frequency pair 821.4125/866.4125 MHz, your new frequencies will be 806.4125/851.4125 MHz.

What constitutes a comparable facility?

- Per the FCC's R&O, comparable facilities are those that will provide the same level of service as the incumbent's existing facilities, including:
 - Equivalent channel capacity
 - Equivalent signaling capability, baud rate and access time
 - Coextensive geographic coverage
 - Equivalent operating costs

If it looks like my newly proposed frequencies will either not work within my current combiner scheme, or are not suitable for other reasonable causes, can they be changed?

- Yes. Every licensee has the right to evaluate the proposed frequencies (if necessary using appropriate support available through the Planning Funding process) and negotiate with Nextel for alternative frequencies. Reasonable causes need to be documented for negotiation. Licensees should keep in mind that the FCC rules ensure that they will receive comparable, not necessarily better, facilities – including frequencies.

Will I know the co-channel licensees on my new frequencies?

- Yes. Affected licensees will be provided information from the TA on non-Nextel co-channel licensees, if any, within 70 miles of their systems (for certain areas of the western United States, the applicable distance may be within 105 miles of their systems). As a general practice to ensure comparability, the TA will propose that you and any current non-Nextel co-channel licensees move together to a new frequency. For instance, if you and Acme Towing currently operate on 806.4375/851.4375 MHz, 68 miles away from each other, the TA will propose that both you and Acme Towing be moved together to a new frequency, maintaining the 68-mile distance.

Prepare a Cost Estimate

To obtain funding for your reconfiguration, you should submit a Cost Estimate to Nextel. You should also enter into a contract governing the terms of your reconfiguration and associated funding with Nextel. The Cost Estimate defines in detail all the costs required to reconfigure your system. If you have a complex system, you should also prepare a Statement of Work (SOW), which will define in detail the tasks required to reconfigure your 800 MHz system to operate on the proposed frequency assignments.

What inputs are required?

- Completed subscriber inventory equipment document
- Completed infrastructure facilities inventory document
- Interoperability requirements (public safety agencies)
- Proposed frequency assignments sent by the TA
- Firm quotes and bids from service providers who will perform reconfiguration activities. Labor rates may be on a time and materials or fixed fee basis.
- Estimated costs of your internal personnel, including hours and hourly rates
- Contact information and payment instructions for you and your vendors

What is the expected outcome?

This step will generate an estimate of planning and implementation costs required to achieve comparable operability after reconfiguration.

How do I complete this activity?

Step	Description
1	<p>Select vendors to assist you with your reconfiguration and obtain firm bids and quotes</p> <p>If you plan to use outside service providers to assist you with your reconfiguration, obtain:</p> <ul style="list-style-type: none"> • Firm quotes and bids of costs from these vendors • Contact information • Payment instructions (bank information, wiring instructions, payment lock box information)

<p>2</p>	<p><i>Estimate the amount of time and associated cost your internal personnel will spend on reconfiguration</i></p> <p>If your internal personnel will perform work associated with your reconfiguration, estimate the amount of hours those personnel will spend at regular time and overtime. Also, determine the hourly cost of those personnel. To determine the hourly cost, you will need to know:</p> <ul style="list-style-type: none">• The hourly rate of each person working on your reconfiguration. You should obtain this rate from your Human Resources or Payroll staff• To determine the hourly rate of a salaried employee, divide the employee's salary by 2,080 hours
<p>3</p>	<p><i>Prepare a SOW for complex systems</i></p> <p>For many smaller systems, such as single-site conventional or trunked systems, the SOW may not be required, and a Cost Estimate will suffice. For complex systems,</p> <ul style="list-style-type: none">• The specific tasks and level of detail required for the SOW will be dependent on the size and scope of your system• Outside consulting or vendor assistance may be required to define the system design work, plan system cutover, plan subscriber and infrastructure reprogramming, and develop the plan for coverage benchmarking, if required.• The SOW should include the scope and description of planned activities, schedule, milestones and deliverables, and required resources. <p>If funding is required to prepare the SOW, you must submit a Request for Planning Funding and obtain approval from Nextel and the TA, prior to incurring costs.</p>

<p>4</p>	<p><i>Prepare a Cost Estimate</i></p> <p>Prepare a Cost Estimate of the your reconfiguration with both outside service provider costs and internal costs. For many smaller systems, a Cost Estimate may require just a few pages outlining the equipment to be retuned and resources that will perform the work. For complex systems, a Cost Estimate will include:</p> <ul style="list-style-type: none">• Equipment costs – include description of equipment, vendor and model name, and number of items in current inventory. For handsets, indicate whether the item will be retuned, reprogrammed, or replaced. Where replacements are requested, indicate why retuning or reprogramming is not an option.• Engineering/consulting/legal fees – include description of services, vendor name and contact information, number of hours estimated by activity, and associated bill rates or fixed fee. Indicate whether Nextel will pay the service provider or contractor directly (this is the preferred method).• Internal labor costs – include name and title of employee, description of reconfiguration activities to be performed, number of hours estimated by activity, and hourly rate. Note: If you do not pay overtime to your employees, overtime will be reimbursed at standard hourly rates.• Detailed description of non-labor costs (these are expected to be minimal)
<p>5</p>	<p><i>Submit the Cost Estimate and SOW (if prepared) to Nextel</i></p> <p>Once you have completed the Cost Estimate (and SOW for complex systems):</p> <ul style="list-style-type: none">• Submit the documents to Nextel at: 800MHz@Nextel.com• Negotiate a Letter of Agreement with Nextel governing the terms of your reconfiguration and payment. At this time you will be required to certify that the total cost estimated is the minimum cost required to obtain comparable facilities. For more information, reference the sections entitled “Negotiate Contract With Nextel”, and “Funding Guidelines”.• Maintain documentation to support the costs you incur for your reconfiguration (vendor invoices, statements of work, contracts, employee timesheets, or equivalent documentation).

Q&A

Am I required to submit a Cost Estimate?

- If you do not submit a Cost Estimate and certify that the costs estimated are the minimum required to obtain comparable facilities, you will not obtain funding for the costs of your reconfiguration.

What happens if I over or under estimate the costs of my reconfiguration when I submit the Cost Estimate to Nextel?

- If, during your reconfiguration, you determine that the Cost Estimate you submitted is inaccurate you should re-estimate your costs and submit a revised Cost Estimate to Nextel. Nextel and the TA will review this Cost Estimate. Upon approval, if you have been overpaid, you will be required to refund Nextel for any overpayments. If you underestimated costs, you will negotiate a revised payment schedule with Nextel. Licensees must amend their contract with Nextel before incurring new or additional expenses beyond the cost estimate. These amendments will be reviewed and approved by the TA.

Can I perform upgrades to my system as part of the reconfiguration process, or apply the costs of reconfiguration toward the purchase of new equipment?

- The TA discourages upgrades during reconfiguration, out of concern that system upgrades or replacements may jeopardize the 36-month schedule set forth by the FCC in the R&O. However, we recognize that some licensees may have already planned for the implementation of certain system upgrades prior to adoption of the R&O. We will, therefore, review such plans on an individual basis, as they are put forth during the contract negotiation process with Nextel, subject to the following considerations:
 1. Licensees must submit an implementation schedule for reconfiguration that is absent of any upgrades or replacements not required for reconfiguration, and demonstrate to the TA's satisfaction that the proposed upgrades will not lengthen this schedule.
 2. Licensees will be responsible for any costs over and above the costs of reconfiguring the system. Licensees must therefore submit a Cost Estimate for the full reconfiguration of the system, absent of any upgrades or replacements not required for reconfiguration, and certify that this estimate represents the minimum cost required for reconfiguration. The TA will evaluate and approve costs only on the basis of this estimate.
 3. Licensees must demonstrate to the TA that the funding needed for incremental costs will be approved and available prior to commencement of physical reconfiguration.
 4. Licensees must demonstrate that all vendors involved in the upgrade have committed necessary resources to accomplishing the upgrade in a timely manner and can deliver all necessary hardware and software in a timely manner.
 5. Licensees that upgrade either frequency-dependent infrastructure or end-user devices must certify that the upgraded facilities will be comparable.

Negotiate the Contract with Nextel

Negotiating and successfully completing a reconfiguration contract is a critical step in the reconfiguration process. Initially, you will need to reach an agreement with Nextel regarding costs and activities required to perform planning activities for reconfiguration. Such agreements can be very simple and short “letter agreements” authorizing planning funding. These planning activities that 800 MHz licensees conduct in preparation for reconfiguration (e.g., inventories, frequency evaluation, development of Cost Estimates, etc.) are used as important inputs to the actual reconfiguration contract you will negotiate with Nextel.

Once agreement has been reached on a licensee’s Cost Estimate for reconfiguration (and SOW for complex systems), Nextel will generally develop the first draft of the reconfiguration contract for review by the licensee, and/or its legal counsel.

Activities related to negotiating reconfiguration contracts potentially include:

- Establishing and maintaining communications channels with Nextel
- Participating in negotiations
- Obtaining the assistance of counsel to help with contract negotiations and review (if desired)
- Obtaining TA assistance with the mediation of disputes preventing the formation of a reconfiguration contract (if necessary)
- Requesting the TA’s assistance for exchanging information during negotiations (if necessary)

What inputs are required?

- Completed and approved Request for Planning Funding Form (if necessary)
- Agreement on the Cost Estimates (and SOW for complex systems) between you, Nextel, and the TA (if negotiating a reconfiguration contract)
- Your Point of Contact and/or legal counsel
- Completed Request for Mediation Form, if needed (will be available in the near future on the TA’s website)

What is the expected outcome?

This step will generate an approved contract between you and Nextel enabling the physical retuning to begin.

How do I complete this activity?

Step	Description
<p>1</p>	<p><i>Enter into contract negotiations with Nextel</i></p> <p>Licensees seeking a Reconfiguration Planning Letter Agreement to obtain advance planning funds will need to submit a Request for Planning Funding Form to Nextel. Otherwise, licensees should expect to be contacted by a Nextel representative to initiate negotiations before the end of voluntary negotiations.</p> <p>Once you and Nextel have agreed on Cost Estimates (and for SOW for complex systems), Nextel will generally develop an initial draft of the reconfiguration contract for review and further negotiation by the licensee and/or its legal counsel.</p> <ul style="list-style-type: none"> • Licensees may ask for TA assistance with the transmission of information between the parties during contract negotiations or to mediate disputes when negotiating parties cannot agree. • Licensees may seek assistance from legal counsel in contract negotiation and review.
<p>2</p>	<p><i>Reach agreement on key terms and conditions</i></p> <p>Upon approval of licensee's Cost Estimate (and SOW for complex systems), Nextel and the licensee will negotiate toward agreement on the estimated requirements and costs of the relocation.</p> <p>Key terms and conditions to be negotiated include:</p> <ul style="list-style-type: none"> • Agreement on the reconfiguring licensee's new frequencies (i.e., that they are comparable) • The overall costs and timetable for physical reconfiguration • A Cost Estimate (and SOW for complex systems) • "Soft" transaction costs (e.g., legal and administrative costs) • Payment terms • Who will prepare and file FCC applications <p>Some of the provisions in reconfiguration contracts are required by the FCC's R&O or have been provided by the TA and may not be altered by the parties without the TA's consent.</p>

<p>3</p>	<p><i>Provide required certifications</i></p> <p>The FCC’s R&O requires reconfiguring licensees to certify that the funds requested for reconfiguration are the “minimum necessary to provide facilities comparable to those presently in use.” The R&O also requires reconfiguring licensees and Nextel to certify that all necessary reconfiguration work has been completed and that Nextel and the licensee agree on the sum paid for such work.</p> <p>The TA has created template certifications to cover these requirements, and the certifications will be part of your reconfiguration contract.</p>
<p>4</p>	<p><i>Submit draft to TA for review</i></p> <p>When Nextel and the licensee have reached a verbal agreement on the estimated cost, Nextel will submit to the TA a transaction summary that will include the proposed Cost Estimate (and SOW for complex systems) agreed upon by Nextel and licensee.</p> <p>Later, when the licensee and Nextel have agreed upon the final version of the reconfiguration contract, the parties will submit the contract to the TA for review and approval prior to execution. (If the parties choose to negotiate a reconfiguration planning letter agreement earlier in the process, the final version of that agreement also would be submitted to the TA for review and approval prior to execution).</p>
<p>5</p>	<p><i>Receive TA feedback or approval</i></p> <p>Upon receipt, the TA will review the reconfiguration planning letter agreement (if applicable), the transaction summary and the reconfiguration contract in a timely manner.</p> <p>The TA’s primary goals are to ensure that the Cost Estimates cover reasonable and prudent expenses directly related to reconfiguration and that the reconfiguration contract is consistent with the FCC’s R&O.</p> <p>The TA then will either:</p> <ul style="list-style-type: none">• Approve the agreement• Reject the agreement and provide an explanation and/or recommended corrections• Request additional information for further review and analysis <p>Parties should comply with the TA’s instructions in an effort to obtain an approval.</p>

6 ***Execute approved contract***

Once the TA approves the agreement, Nextel will prepare the final agreement for signature. The parties may sign the agreement and commence reconfiguration planning or actual reconfiguration, as the case may be and pursuant to the terms of the agreement. Nextel will provide a copy of the signed agreement and any related closing documents, when executed, to the TA.

Licensees must amend their contract with Nextel before incurring new or additional expenses beyond the cost estimate. These amendments will be reviewed and approved by the TA.

Parties negotiating reconfiguration planning letter agreements or reconfiguration contracts may also be able to request the TA to become involved in mediating disagreements or similar issues. For example, a party may request TA mediation during the mandatory negotiation phase when trying to agree on the terms of a reconfiguration contract. In such cases, interested parties should complete the Request for Mediation Form that will be available on the TA's website and submit it to the TA as soon as possible.

Parties should be aware that the TA may initiate a mediation proceeding during the reconfiguration agreement mandatory negotiation period if the TA believes that the parties are otherwise unlikely to reach a reconfiguration implementation contract. In such cases, the TA will contact the parties and inform them that mediation will occur. The parties are required to conform to the schedules established by the TA Mediator.

If the parties fail to complete a reconfiguration implementation agreement during the six-month voluntary and mandatory negotiation periods, they will be required to participate in a 30-day mediation process designed by the TA to help the parties successfully negotiate a reconfiguration implementation contract. A TA Mediator will conduct the mediation. If this mediation does not result in a reconfiguration contract, the TA will refer the matter to the FCC for resolution. Expenses related to TA mediation of reconfiguration negotiations are recoverable. Additional details regarding TA mediation and dispute resolution will be available in the near future.

Q&A

Can the TA negotiate with Nextel for me?

- While the TA is available to assist with the exchange of information between parties, the TA cannot negotiate with Nextel on behalf of a reconfiguring licensee or act as your agent, attorney or in any other representative capacity. The TA cannot bind Nextel or any incumbent to any obligation associated with reconfiguration. Further, the use of the TA as a conduit should not be considered a substitute for legal or other expert subject matter representation in negotiations. You may obtain the assistance from legal counsel for your negotiations as a recoverable reconfiguration cost.

VI. PAYMENT PROCESS

The FCC's R&O provides for a funding mechanism by which Nextel will pay for the costs of reconfiguring licensee systems. The FCC ordered Nextel to secure \$2.5 billion in irrevocable letters of credit to ensure funds are available to cover the costs of reconfiguration. There is no "cap" on Nextel's funding obligation and Nextel is required to make timely payments to ensure that reconfiguration proceeds on schedule. Nextel will make the following types of payments:

- Direct payments to vendors who provide goods and services to licensees for their reconfigurations and associated planning activities as agreed to with licensees
- Payments directly to licensees for
 - Costs incurred by licensee personnel in performing reconfiguration or planning activities
 - Vendor costs paid directly by the licensee

PAYMENT PROCESS OVERVIEW

Following is an outline of steps that licensees should follow in the Payment Process. Several of these steps are described in more detail within this document. In those cases, references are made to the relevant sections within the document.

Step	Description
1	<p><i>Submit a Cost Estimate (and Request For Planning Funding, if necessary) to Nextel</i></p> <p>To obtain funding for reconfiguration:</p> <ul style="list-style-type: none"> • If you require funding for planning activities, a Request for Planning Funding, together with an estimate of the costs of planning activities, should be submitted to Nextel. • To obtain funding for your reconfiguration, submit a Cost Estimate (and SOW for complex systems) of your system reconfiguration to Nextel. <p>Requests for Planning Funding and Cost Estimates will be accepted from licensees, but not from vendors or consultants. Your vendors or consultants may assist you in preparing these forms, but because the forms will become part of your contract with Nextel, you are responsible for submitting the forms and making certain representations about the information contained within the forms.</p> <p>You may submit your forms to Nextel at: 800MHz@Nextel.com.</p>

Timeline for Submissions

- The schedule established in the RPP will be used as a reference in prioritizing review of Requests for Planning Funding and Cost Estimates. Accordingly, Requests for Planning Funding and Cost Estimates of earlier Waves will take precedence over those of later Waves and 1-120 Stages will take precedence over NPSPAC Stages.
- For planning activities requiring funding, the TA has established a timetable for submission of Requests for Planning Funding that aligns with the schedule identified in the RPP. Licensees may submit Requests for Planning Funding to Nextel no earlier than 75 days prior to the start of the voluntary negotiation period for their Wave (1, 2, 3, or 4) and Stage (1-120 or NPSPAC). The submission dates for each Wave and Stage of the RPP are identified in the table below:

	WAVE 1		WAVE 2		WAVE 3		WAVE 4	
	1-120	NPSPAC	1-120	NPSPAC	1-120	NPSPAC	1-120	NPSPAC
Voluntary Start Date for 1-120 / Earliest Date for NPSPAC Voluntary Start	Jun. 27 2005	Feb. 1 2006	Oct. 3 2005	May 1 2006	Jan. 3 2006	Aug. 1 2006	Apr. 3 2006*	Nov. 1 2006*
Planning Window Start	Apr. 15 2005	Nov. 18 2005	Jul. 20 2005	Feb. 15 2006	Oct. 20 2005	May 18 2006	Jan. 18 2006*	Aug. 18 2006*

*Tentative dates; actual dates for this Wave depend on border treaties with Mexico and Canada

- For more information on preparing Requests for Planning Funding and Cost Estimates, please reference the sections of this document entitled “Submit Request for Planning Funding” and “Prepare a Cost Estimate”.

<p>2</p>	<p><i>Execute a contract with Nextel</i></p> <p>If you require funding for planning activities, after you submit a Request for Planning Funding, you will negotiate a Planning Funding Letter Agreement with Nextel. For your actual system reconfiguration, after you submit a Cost Estimate (and SOW for complex systems), you will negotiate a contract with Nextel governing the terms of your reconfiguration. You will be required to certify that the costs estimated on your Request for Planning Funding and Cost Estimate for reconfiguration are the minimum necessary for obtaining facilities comparable to those presently in use.</p> <p>Once you and Nextel have reached an agreement, the TA will review your Cost Estimate (or Request For Planning Funding), contract, and supporting documentation in a timely manner and will:</p> <ul style="list-style-type: none">• Approve it• Reject it (and provide reasons and/or recommendations)• Request additional information <p>Once the TA approves your Cost Estimate (or Request For Planning Funding) and contract, you and Nextel will sign and finalize the contract. For more information on contracting, please reference the section of this document entitled “Negotiate the Contract With Nextel”.</p>
<p>3</p>	<p><i>Receive payment from Nextel</i></p> <p>Upon the TA’s approval of your contract (or letter agreement for planning funding), Nextel will initiate payment in accordance with the contractually agreed terms.</p> <p>Licensees will be paid in accordance with contractually agreed milestones with Nextel. When vendors are not paid directly by licensees, Nextel will pay vendors by the vendor payment obligation date, which will fall within 30 days of the later of:</p> <ul style="list-style-type: none">• Nextel’s receipt of a vendor invoice.• Licensee approval of a vendor invoice and acknowledgement of acceptance of goods/services. <p>Note that both the vendor invoice and licensee approval of the vendor invoice are required before Nextel will initiate payment to vendors. Licensee signed vendor invoices will constitute approval and proof of receipt of goods and services.</p> <p>The Transition Administrator will monitor the payment process. If Nextel fails to pay you or your vendors in accordance with contractually agreed terms (and within 30 days of a payment obligation date), and the TA determines that no good cause exists for Nextel’s failure to pay, the TA will initiate payment through draws against Letters of Credit on the 40th day after the payment obligation date.</p>

4 ***True-up payments at conclusion of your system reconfiguration when the licensee was paid based on a Cost Estimate***

You are required to maintain documentation of the actual costs incurred to reconfigure your system (e.g., vendor invoices, your receiving reports, internal personnel timesheets). Nextel is only required to make payments for actual, reasonable costs incurred to obtain comparable facilities. If a cost is not actually incurred, it is not reimbursable. You will be required to submit documentation to Nextel no later than the closing of your reconfiguration. You may also be requested to provide your documentation to the TA, upon audit.

At the conclusion of your reconfiguration, payments made to you based on your Cost Estimate will be reconciled to the documentation evidencing actual cost.

- If your actual costs exceed the value of your approved Cost Estimates, you must obtain approval from Nextel and the TA for these excess costs before you can be reimbursed. Licensees must amend their contract with Nextel before incurring new or additional expenses beyond the cost estimate. These amendments will be reviewed and approved by the TA. If additional payments are due to you, Nextel will make a final true-up payment.
- If you were overpaid, refunds for overpayments will be due to Nextel.

After all payments are made (including any final true-up payments or refunds), you and Nextel must certify that reconfiguration is complete and that both parties agree upon the payments made.

The TA will audit the amounts expended. If documentation is incomplete or if the audit generates questions about payments made, the TA will contact you and Nextel and request reconciliation to the satisfaction of the TA.

Q&A

Am I required to submit a Request for Planning Funding?

- No. Some licensees may incur minimal costs, if any, associated with planning and may not need to seek funding for planning in advance of obtaining funding for their actual reconfiguration implementation.

What happens if I incur costs associated with planning activities, but do not submit a Request for Planning Funding?

- For simplicity, you can always request funding for planning activities when you submit the required Cost Estimate for reconfiguration implementation. However, if you do not request reimbursement for your planning activities by submitting either a Request for Planning Funding or the Cost Estimate, you will be at risk for not being reimbursed if these costs are subsequently determined not to be acceptable by Nextel and the TA.

Am I required to submit a Cost Estimate?

- To obtain funding for your system reconfiguration, you must submit a Cost Estimate to Nextel and represent that the costs estimated are the minimum necessary to obtain facilities comparable to those presently in use.

What happens if I learn in undertaking my planning activities or reconfiguration that I underestimated the amount of costs on the Request for Planning Funding or Cost Estimate?

- If at any point in time you determine that you underestimated the amount of costs required to plan for or implement your reconfiguration, you should re-estimate the costs and submit a revised Request for Planning Funding and/or Cost Estimate. Licensees must amend their contract with Nextel before incurring new or additional expenses beyond the cost estimate. These amendments will be reviewed and approved by the TA.

What happens if I learn in undertaking my planning activities or reconfiguration that I over estimated the amount of costs on the Request for Planning Funding or Cost Estimate?

- If at any point in time you determine that you over estimated the amount of costs required to plan for or implement your reconfiguration, you should re-estimate the costs and submit a revised Request for Planning Funding and/or Cost Estimate. You should also notify Nextel if you have been overpaid and submit a refund to Nextel based on actual costs incurred.

What type of documentation should I maintain to support the costs incurred for planning activities?

- You should maintain any related vendor invoices, proof of receipt of goods/services, contracts, statements of work and your employees' timesheets (or equivalent documentation). This information will need to be provided to Nextel unless Nextel pays the vendors directly in which case you will only need to provide proof of receipt of goods/services. We encourage you to request Nextel to pay your vendors directly. When advance funding is provided to the licensee, you will be required to submit this documentation to Nextel to reconcile the actual costs incurred with the estimated costs. The costs you incur and payments made to you by Nextel will be subject to audit by the TA. Only actual costs that are incurred are reimbursable.

What kind of representations will I be required to make?

- When you submit a Request for Planning Funding or Cost Estimate you are required to certify that the costs estimated are the minimum required to obtain facilities comparable to those presently in use. If you do not make this certification, you will not receive funding for your planning activities or system reconfiguration. Additionally, at the completion of your system reconfiguration, you are required to certify that your system reconfiguration is complete and that you agree upon the payments made. The TA reminds licensees that representations made to the TA are held to the same requirement of truth and candor as representations made to the FCC.

VII. FUNDING GUIDELINES

Following are general guidelines about the types of costs that will be funded.

Reimbursable Costs

Generally, costs that are reasonable, prudent, and necessary to obtain facilities that are comparable to those that are presently in use by a licensee are reimbursable. Funding will be available to assist licensees with valid planning activities as well as for the licensee's system reconfiguration. The licensee will be required to certify that the costs are the minimum necessary to obtain comparable facilities. Costs for the following types of activities as required for your circumstances may be reimbursable:

- Inventorying your subscriber equipment and infrastructure facilities
- Evaluating proposed frequencies (including use of Frequency Consultants)
- Defining the interoperability environment
- Equipment costs required for reconfiguration, including retuning, reprogramming, and replacement (where necessary)
- Filing FCC applications
- Installation, testing, and engineering associated with reconfiguration
- Legal fees associated with negotiating your reconfiguration contract with Nextel
- Preparing a Cost Estimate (and SOW for complex systems) for your reconfiguration implementation
- Activities of licensee personnel performing reconfiguration and associated planning activities

Non-Reimbursable Activities and Costs

Any costs that are not directly related to 800 MHz reconfiguration are not reimbursable. Costs for the following types of activities are specifically non-reimbursable:

- Inventorying systems and equipment that are not directly affected by 800 MHz reconfiguration
- Consulting or legal fees not related to 800 MHz reconfiguration
- Vendor charges associated with responding to proposals or providing bids and quotes
- Overtime incurred by licensee personnel if the licensee does not pay its employees overtime
- Costs which were not incurred or are not sufficiently supported by required documentation (invoices, receiving reports, documentation of internal costs)

Transactional Costs

Transactional costs (for administrative activities and legal advice) must not be excessive or unreasonable. The FCC has indicated that such transactional costs should generally not exceed 2% of hard costs (e.g., infrastructure or equipment replacement). The TA will scrutinize any request involving transactional costs that exceed the 2% guideline. The TA recognizes that the 2% guideline for transactional costs may be difficult to comply with for smaller 800 MHz systems. While it is likely that some of the simpler systems will be reconfigured with no transactional costs, the TA acknowledges that all licensees are entitled to compensation for basic legal advice and assistance with their negotiations. The TA will evaluate the reasonableness of transactional costs of smaller systems on a case-by-case basis. In general, Nextel is not required to pay any such costs unless Nextel and the licensee have agreed upon the amount to be paid and the TA has approved that agreement.

Many consultants are advising licensees to undertake certain planning and reconfiguration activities and to enter into contracts with them in advance of obtaining approval from Nextel and the TA. Licensees are reminded that any planning activities or reconfiguration work undertaken which has not been approved by Nextel and the TA is at risk for non-payment if Nextel or the TA do not approve the related costs when the licensee submits a Request for Planning Funding or Cost Estimate. Therefore, licensees are encouraged by the TA to obtain approval from Nextel and the TA prior to undertaking planning or reconfiguration activities.

Prior to submitting estimates to Nextel, licensees should also fully vet bids and quotes submitted by potential service providers to ensure that the activities are necessary and that the costs are not excessive or unreasonable.

Internal Labor and Outside Vendors

The licensee is free to choose its internal personnel or outside vendors to perform its reconfiguration and associated planning activities. Any personnel, whether internal or external, utilized during reconfiguration must be qualified and competent to perform the tasks that they are charged with completing.

Costs incurred in utilizing non-qualified personnel, or costs associated with correcting substandard work performed by non-qualified personnel, will not be recoverable. It is the licensee's responsibility to ascertain that the personnel and vendors they utilize for reconfiguration are qualified and competent.

Following are guidelines related to the use of internal labor and outside vendors.

Internal Labor: If your internal personnel perform reconfiguration or associated planning activities, you will be reimbursed for the actual time incurred by your employees at their hourly rate based on actual cost. Specific considerations of internal labor:

- To determine the hourly rate of a salaried employee, divide the employee's salary by 2,080 hours
- You will need to keep timesheets (or equivalent supporting documentation) indicating the activities performed and actual hours worked for each of your employees for which you will seek cost reimbursement.

Outside Vendors: Outside vendors may include 800 MHz system vendors, established radio service shops, and experienced land mobile system consultants. The TA or Nextel will not attempt to qualify, certify, or otherwise determine what constitutes a qualified resource. However, the TA encourages licensees to evaluate resources selected for reconfiguration work based on proven experience performing similar tasks and to carefully consider the competency of resources with limited historical experience.

The licensee will be required to certify that the costs of its reconfiguration and associated planning activities are the minimum required to obtain facilities comparable to those presently in use. When using outside vendors, the licensee should consider the following based on their specific circumstances:

- Obtaining multiple quotes for the work to be performed
- Validating that the proposed prices are consistent with prices that the licensee has paid to the selected vendor for comparable past work

Licensees, Nextel, and outside vendors (third party contractors) are free to negotiate most of the terms and conditions of their agreements. However, for third party contractors to receive payment, they must agree to certain terms and conditions imposed by the FCC and the TA. For example, a third party contractor may not obtain a mechanics lien or equipment financing lien against a licensee in connection with the relocation process, or alternatively, such liens must be released by the third party contractor upon its receipt of payment.

Documentation Requirements

You will be required to submit to Nextel documentation evidencing the costs incurred, including invoices, receipts, timesheets of internal personnel, statements of work, and vendor contracts. Signed vendor invoices constitute proof of receipt of goods and services.

At the conclusion of your system reconfiguration, the payments made to you and your vendors will be reconciled against your Requests for Planning Funding and Cost Estimates and your supporting documentation. Any amounts expended for your system reconfiguration are subject of TA audit and you will be required to comply with TA audit requests.

Disputes with Nextel

If you have disputes with Nextel regarding the funding of your reconfiguration or associated planning activities that you are unable to resolve, you may request the TA to assist in resolution of the dispute. Additional details regarding TA mediation and dispute resolution will be available in the near future.

VIII. RECONFIGURATION IMPLEMENTATION PHASE

This section further describes the activities that occur during the Reconfiguration Implementation Phase. As the purpose of this document is to inform the licensee regarding the administrative aspects of completing the reconfiguration, we do not go into technical detail, nor do we advise licensees regarding the engineering aspects of the process.

Key activities for the Reconfiguration Implementation Phase include:

1. FCC applications filed and granted for new frequencies.

The first step in the Reconfiguration Implementation Phase is to prepare and file the appropriate FCC applications for changing your licensed frequencies. Applications may include assignment of your old channels and the addition of the new frequencies to your FCC license, or simply an application to add the new frequencies. As noted in the Planning and Negotiation Phase, the TA sends out proposed frequencies to those licensees requiring them, but responsibility for filing the necessary applications with the FCC is necessarily left to the licensee and Nextel. As discussed in the section entitled "Negotiate Contract with Nextel", you and Nextel must agree and specify in your contract who will prepare and file these documents within a specified time frame. You should also negotiate and agree on the process and cost of filing required construction certifications with the FCC following the commencement of operations on the new frequencies. Your options include:

- You may prepare and file your own applications and certifications directly with the FCC.
- You may engage an FCC certified Frequency Coordinator or other competent and experienced consultant to prepare and file the applications and certifications. Such services are reimbursable.
- You may request that Nextel prepare and file the application(s) and certification(s) on your behalf. If you prefer this option, you will need to provide additional ULS related information to Nextel.

Note that reconfiguration of your system cannot commence until these applications are granted by the FCC.

2. Nextel clears frequencies.

Once the requisite FCC applications have been granted, the next step is for Nextel to retune its network to make the new frequencies for your system available for your use by your system. The detailed schedule for retuning for both Nextel and the licensee will be arranged as part of the reconfiguration contract, and Nextel will notify both you and the TA when it has cleared the new frequencies (by discontinuing operations), usually within five days of completing the clearing.

3. Licensee relocates to new frequencies.

Once you have received notification from Nextel that it has discontinued operating on your new frequencies within their network, you may begin the retuning of your system, using the resources identified in the Cost Estimate (and SOW for complex systems).

4. Nextel makes payments for reconfiguration.

Nextel will remit payments either to you or directly to your vendor(s) in accordance with the arrangements and schedule in your contract. See the Payment Process and Funding Guidelines sections of this document for more details.

5. Acceptance testing.

Larger public safety and CII systems may want to conclude the retuning process with a formal acceptance test of the system to validate operations on the new frequencies (validation of the retuning process for most conventional systems, by contrast, should be a simple exercise). Such a test would serve as the primary basis for certifying completion of your reconfiguration; you and/or your vendor would develop a structured test plan and schedule, with acceptance criteria that your personnel would validate have been met at each step in the test. We would expect that the scope of such a test would vary considerably depending upon the size and complexity of the system. Interoperability across agencies and Mutual Aid functions should also be built into the test where appropriate

If you will be performing an acceptance test of your system, it must be included in the agreed upon Cost Estimate (and SOW for complex systems) that will be part of your contract. The scope, level of effort and cost of the test must be specified and agreed to during contract negotiations.

For larger systems, especially wide area and simulcast systems, coverage analysis may also be part of the acceptance test. Licensees with these systems should consider the merits of performing coverage analysis in their discussions with Nextel. If such tests are warranted and agreed to, they should be performed immediately before retuning and again during acceptance testing in order to provide a meaningful comparison. Using historical coverage measurements taken at the time of initial system construction or too far in advance of retuning generally will not provide an acceptable basis for comparison.

In addition, it is common practice to perform coverage analysis using a simple mic test to verify audio quality at various locations in the coverage area. While these tests may be acceptable, it is not clear to the TA that they provide an objective basis for comparing coverage before and after retuning. A formal test using a well-documented route and an automated signal measurement and data collection procedure may be the only objective way to compare coverage.

6. Channel surrender applications are filed with the FCC to clear old frequencies.

Once you have completed retuning of your system, including any acceptance testing, you will be required per the terms of the contract to notify Nextel that the retuning is completed. At this time, either you and/or your authorized representative and/or Nextel, depending upon the terms of your contract, will file additional applications with the FCC to surrender the old frequencies or modify licenses to reduce power levels. This is an important step, as the TA and the FCC cannot verify that the reconfiguration is complete until the FCC has granted these applications.

7. Licensee and Nextel certify completion.

The reconfiguration ends with a “closing” process, in which both you and Nextel verify that all obligations have been met. The steps for completion are:

1. Provide Nextel with supporting documentation of the actual costs incurred for your reconfiguration (invoices, timesheets, receipts, etc.).
2. Perform true-up between payments made and actual costs incurred (refer to the Funding Guidelines section of this document for details):
 - a. If additional payments are due to you or your vendor(s), Nextel will make a final true-up payment(s). Licensees must amend their contract with Nextel before incurring new or additional expenses beyond the cost estimate. These amendments will be reviewed and approved by the TA.
 - b. If you and/or your vendor were overpaid, refunds will be due to Nextel.
3. Provide Nextel your Certification of Acceptance that confirms your receipt of:
 - a. Comparable facilities per the terms of the FCC’s R&O
 - b. All payments made under the terms of the contract to yourself and/or your vendor(s)
 - c. Nextel will forward all closing documentation to the TA for review and the TA will register the reconfiguration as complete

8. Licensee completes other FCC filings.

There are two additional FCC filings that must be made in conjunction with reconfiguration:

- The FCC requires that licensees file a Certification of Construction when new frequencies are placed into operation. Frequencies provided to the licensee through reconfiguration trigger this requirement. While this is not a condition to closing, it should be filed within 15 days upon the licensees commencing of operations on the new frequencies. A failure to file the construction certification may result in the cancellation of your license. It is the licensees’ responsibility to file the Certification either directly or through an authorized representative. The TA recommends that this process and any associated cost should be included in the reconfiguration contract with Nextel.
- If frequencies were assigned to Nextel for their use as part of the transaction, following the closing of the transaction, Nextel will file a Notice of Consummation with the FCC.

IX. CONTACTS

Transition Administrator (TA)

- Website: www.800TA.org
- Email: comments@800TA.org
- Phone: 888-800-8220
- Fax: 888-701-4380
- Address: 800 MHz Transition Administrator, c/o Squire, Sanders & Dempsey LLP, 1201 Pennsylvania Avenue N.W, P.O. Box 407, Washington, D.C. 20044-0407

Nextel

- Email: 800MHz@Nextel.com
- Fax: 678-405-8252

FCC

- Website: www.800MHz.gov