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William F. Caton
Acting Secretary
Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Washington, DC 20554

RE: WT Docket No. 02-55, Notice of Proposed Rulemaking, Improving Public Safety Communications in the 800 MHz Band; Consolidating the 900 MHz Industrial/Land Transportation and Business Pool Channels

Dear Mr. Caton:

Federated Rural Electric, Jackson, submits these comments to convey our concerns regarding the effects the proposed reallocations of the 800 MHz band described in the Notice of Proposed Rulemaking in WT Docket No. 02-55 ("NPRM") would have on the operations of our electric system.

Federated is an electric cooperative serving two counties in southwestern Minnesota with about 4,800 member-owners. Incorporated in 1935 as a cooperative, we provide electric service at cost and are owned by the consumers we serve. Our board of directors is elected by and from our consumers. Federated's primary goal in operating is to provide electricity to our consumer-owners at the lowest possible cost. Federated holds an 800 MHz license that allows our linemen to communicate from the field to the office and vice versa. This new system was installed in 1997.

We fully support the Commission in seeking to ensure that public safety units have adequate spectrum that is free from harmful interference. Our cooperative, like other critical infrastructure providers, often works closely with local public safety systems. In storms and other natural disasters and emergencies, we are among the "first responders." We make sure that electric power is maintained or quickly restored so that police, fire and rescue can get their jobs done. We get traffic signals up and running. We keep the lights on in

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emergency shelters and medical care facilities. Without the necessary radio spectrum to operate our communications systems, we cannot do our job, nor can we help public safety units do theirs. Because our system lies along an Interstate Highway these radios allow linemen to report traffic hazards and accidents. In addition, this investement by Federated is also available to Federated members for a fee to use in their farming operations, school bus operations and other small businesses. Plus, during emergencies and major outages, phone lines become busy and jammed. This radio spectrum allows us to communicate with linemen in the field so they can work efficiently to restore service after a tornado, ice storm or other disaster.

Our system is relatively new and was installed in 1997 through a partnership with Alpha Wireless, Mankato. They own the tower equipment and Federated owns the towers. This system replaced old 1970s-vintage equipment where parts were no longer available. With this new system, the linemen also gained the ability to use their radios like a phone to call members at home to see if service was restored. Special loads on our system include hospitals, shelters, police, drug enforcement, fire and rescue squads.

We believe the Commission should reject Nextel's proposal because it is costly, disruptive, and will not likely solve the interference problem. Under Nextel's proposal, we would be forced to move to either the 700 or 900 MHz bands. As will be discussed below, Nextel's "alternative" to allow incumbent 800 MHz licensees to remain on the band on a "secondary, non-interference" basis is not feasible for us as a provider of electricity, an essential service. Federated estimates that the cost to replace its radio system would be $250,000 for the infrastructure. In addition, the radio units themselves for the co-op and all other users would need to be replaced costing about half a million dollars. In addition, no used equipment would be available making it so costly. Our system could not be retrofitted for the 700 or 900 spectrum.

Operating on a secondary, non-interference basis within the 800 MHz band, as Nextel suggests as an alternative, is not an option for us. As the Commission itself noted in the NPRM, "it would not appear

advisable to require a station associated with the restoration of electrical power service to precipitously discontinue service." (NPRM at ¶34.) We operate a private, wireless communications network because we need a very high level of reliability, that is, we need a communications system that is always operating. That's because we provide an essential service –electricity– that must be provided as continuously as possible or consumers go without light, or heat, or the power to run equipment and appliances. And, in times of storms and other emergencies, our reliance on our communications system is perhaps at its greatest. This is also the time when police, fire and rescue squads would need the spectrum. Obviously, a secondary status to remain in the 800 MHz band is not a workable alternative for us.

Our electric consumers should not be forced to pay to solve a problem that their electric cooperative did not create, nor for which they receive any benefit from its resolution. To the best of our knowledge, no interference exists with our radio system.

The Commission must understand that as a not-for-profit electric cooperative, all the costs associated with moving to other spectrum ultimately fall to the consumer at the end of the line. We cannot simply reduce our profits or shareholder dividend checks to cover this new and unexpected expense as an investor-owned company might. All of Federated's operating expenses are covered in our consumers' electric bills. The costs associated with implementing Nextel's proposal might be easier for our consumers to accept if there was some benefit to our community. Our radio equipment is only five years old. It has another 10-15 years of life expectancy. It would be terribly wasteful to throw out a perfectly fine system.

We urge the Commission to explore alternative solutions that are less burdensome and stand a better chance of actually resolving the interference problems where they exist. The NAM/MRFAC alternative proposal discussed in the NPRM would allow our system to remain in the 800 MHz band. Retuning our equipment is not even an option.

However, we urge the Commission to investigate other alternatives, including those short of reallocation as well. We understand that others have looked at the public safety interference problem and believe both its root causes and possible solutions are different than what Nextel proposes. Because we are not currently a source of interference, nor are we experiencing harmful interference on our system at this time, we urge the Commission to reject Nextel's proposal. If more targeted, technological or market-oriented alternatives will alleviate the interference in those areas of the country where it exists, then it is not necessary to subject all other, non-interfering 800 MHz spectrum users to a costly and disruptive relocation.

Federated is pleased to see that the Commission is seeking input on the issue of who should be entitled to reimbursement if required to move to other spectrum. As we stated above, we do not believe it is fair to make our consumers pay to solve a problem that their electric cooperative did not cause. If Federated is required to relocate, we believe we should be reimbursed for those expenses. Further, we have serious concerns about whether there will be sufficient replacement spectrum on the other bands to accommodate all the displaced users, how that spectrum will be made available and when, and whether the spectrum and the equipment available for use in that band can support our current mission-critical applications and our future plans.

In conclusion, we ask that the Commission in seeking to remedy interference to public safety not unnecessarily disrupt Federated's provision of an essential consumer service. If the Commission determines that a reallocation of the 800 MHz spectrum band is necessary, then fair compensation must be made to us to fully cover the costs of relocating or retuning. We therefore urge the Commission to reject Nextel's proposal and to consider, after further study, other alternatives that will more efficiently and effectively address the causes of public safety signal interference. We applaud the Commission for seeking to remedy this significant problem while minimizing the disruption and costs to incumbent 800 MHz users. To that end, we request that

the Commission consider the essential services being provided by Federated, the fact that we are a not-for-profit organization, and that we are a small entity, as it considers the impacts of any reallocation proposal on current 800 MHz users. If Federated is required to move to other spectrum, it must be of comparable quality, technically capable of supporting our current and future communications functions, and available. Further, our costs to move to other spectrum bands should be fully reimbursed. Our electric consumers should not have to pay higher electric bills to cover the costs of replacing communications equipment that is not obsolete or worn out, nor should they be forced to pay to resolve a problem that we did not create and are not experiencing in our community.

Respectfully submitted:

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