

## FCC moves to kill LightSquared over GPS interference concerns

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The Federal Communications Commission (FCC) moved to reject LightSquared's planned wireless network on Tuesday after the president's top adviser on telecom issues said there is "no practical way" to prevent the network from disrupting GPS devices.

Philip Falcone and his investment firm Harbinger Capital invested billions of dollars in LightSquared's plan to build a nationwide high-speed cellphone network, which now appears dead.

The FCC granted LightSquared a conditional waiver to move forward last year, but the company was required to demonstrate that it could first solve the interference problem.

On Tuesday, Lawrence Strickling, the assistant secretary for communications and information at the Commerce Department, said government testing showed LightSquared's network would cause widespread problems with GPS devices, including ones used by pilots to prevent their airplanes from crashing.

"We conclude at this time that there are no mitigation strategies that both solve the interference issues and provide LightSquared with an adequate commercial network deployment," Strickling wrote in a letter to FCC Chairman Julius Genachowski.

Strickling, who heads the National Telecommunication and Information Administration, concluded that even if LightSquared could develop a technology to fix the interference problem, "the time and money required for federal, commercial, and private sector users to replace technology in the field and the marketplace... cannot support the scheduled deployment of terrestrial services proposed by LightSquared."

As a result of Strickling's recommendation, the FCC will propose revoking LightSquared's conditional waiver and indefinitely suspending its authority to operate cell towers.

Testing showed that LightSquared's signal did not bleed into the GPS band. Instead, the problem was that GPS receivers were too sensitive to filter out LightSquared's powerful cell towers operating on nearby frequencies.

LightSquared argued that it was the GPS industry's responsibility to build receivers that only listened to their own designated frequencies, but GPS companies argued that LightSquared was trying to build a cellphone network relying on frequencies that should only be used by satellites, which transmit much fainter signals.

The FCC had argued that by allowing a cellphone company to use frequencies traditionally used by satellites, it would eliminate regulatory barriers preventing more people from gaining access to wireless broadband.

"LightSquared's proposal to provide ground-based mobile service offered the potential to unleash new spectrum for mobile broadband and enhance competition," FCC spokeswoman Tammy Sun said in a statement.

But in light of Strickling's recommendation, the FCC acknowledged that the obstacles to LightSquared launching its network without disrupting millions of GPS devices were just too high.

"This proceeding has revealed challenges to maximizing the opportunities of mobile broadband for our economy," Sun said. "In particular, it has revealed challenges to removing regulatory barriers on spectrum that restrict use of that spectrum for mobile broadband. This includes receivers that pick up signals from spectrum uses in neighboring bands. There are very substantial costs to our

economy and to consumers of preventing the use of this and other spectrum for mobile broadband."

She said policymakers should work together to free up more airwaves for mobile broadband.

"Part of this effort should address receiver performance to help ensure the most efficient use of all spectrum to drive our economy and best serve American consumers," she said.

Some Republicans had questioned whether the FCC and the White House have shown inappropriate favoritism to LightSquared. Sen. Chuck Grassley (R-Iowa) vowed to block President Obama's two FCC nominees unless the agency releases internal records on its review of the company.

The White House and the FCC denied giving any special treatment to LightSquared, but expanding broadband access has been a top priority for both agencies.

Last September, Rep. Michele Bachmann (R-Minn.) accused President Obama of "crony capitalism" for allegedly giving favor to his political supporters, pointing to Harbinger Capital's Philip Falcone.

Falcone, who has donated thousands of dollars to both Democrats and Republicans in recent years, says he is a registered Republican and has denied any attempts to influence the process through political connections.

*--Updated at 7:54 p.m.*

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