Bringing it all Together
An Economic Policy Perspective on Terrestrial Mobile Broadband and Space-to-Earth GNSS Spectrum Management

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Repurposing is the future of spectrum policy
AWS-3 Auction
repurposed government spectrum
DISH
repurposed 40Mhz MSS spectrum
Secondary Markets for spectrum must further develop
Spectrum like land, is often “zoned” to uses
Interference concerns may arise in repurposings
Ligado seeks to convert satellite to terrestrial use via the ATC
Unlike DISH
Ligado faces substantial interference claims from GPS, Iridium, NOAA, etc.
§ 25.255 requires Ligado to address interference with existing license holders
§ 25.255 establishes the property right that permits market transactions
If Overall Market Value rises, then a deal can generally be struck.
Ligado Value = V
Incumbent Value = L
Simple Nash Bargain is \((V-L)/2\)
Failure is a market outcome \((V<L)\)
Success requires creating more value than you destroy.
Coercive power of government may be sought to force a non-market outcome.
Coordination by government may be used to reach, not merely override, a market outcome.
Problems in such deals include, e.g., holdouts, entry deterrence, large numbers bargaining, social surplus disparities
Evidence and not assertions of “bad” behavior is required, and none yet provided.
Social Surplus claims are dubious and dangerous, as comparison involves \((V+S_V)\) and \((L+S_L)\).
A Sixth nationwide LTE network is a marginal, improbable event
Changing Rules
for private benefits threatens the value of spectrum by reducing investment
Parties with large investments must be given greater weight in deliberations.
Ligado’s Woe

is an opportunity to affirm precedent, adding certainty, and improve understanding of processes
900 MHz is an another opportunity to establish deal-friendly rules for repurposing
FCC must establish procedures and processes that better facilitate deals and establish clear rules for its intervention.