FCC Plans To Nix National Wireless Network

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NEW YORK (AP) — Federal officials plan to kill a proposal to build a new national high-speed wireless network after concluding it would in some cases jam personal-navigation and other GPS devices.

The Federal Communications Commission said it will seek public comment as early as Wednesday on revoking LightSquared's permit after a federal agency that coordinates wireless signals, the National Telecommunications and Information Administration, concluded that there's no way to eliminate the risk of interference with GPS devices.

The FCC had seen LightSquared's proposal as a way to make more airwaves available to feed consumers' appetites for movies, music and games on a variety of mobile devices.

Makers of GPS devices and those who rely on them feared that GPS signals would suffer the way a radio station can get drowned out by a stronger broadcast in a nearby channel. The problem is that sensitive GPS receivers, designed to pick up relatively weak signals from space, could be overwhelmed by high-power signals from as many as 40,000 LightSquared transmitters on the ground. LightSquared planned to transmit on a frequency adjacent to that used by GPS.

When the FCC gave LightSquared tentative approval last year to build the network, it said the company wouldn't be allowed to start operations until the government was satisfied that any problems are addressed. LightSquared and the FCC had insisted the new network could co-exist with GPS systems.

After conducting tests, the NTIA said Tuesday that it found interference with dozens of personal-navigation devices and aircraft-control systems that rely on GPS.

The agency said that new technology in the future might mitigate the problems, but it would take time and money to replace GPS equipment already used extensively in the U.S. The NTIA, a branch of the Commerce Department, also said adjustments to LightSquared's network could cost billions of dollars and might not solve all of the problems.

LightSquared, which is based in Reston, Va., had no immediate comment Wednesday.

LightSquared had hoped to compete nationally with super-fast, fourth-generation wireless services being rolled out by AT&T, Verizon Wireless and other traditional wireless companies. It hadn't planned to sell directly to consumers. Rather, it would have provided network access to companies including Leap Wireless, parent of the Cricket phone service, and Best Buy, which planned to rebrand the service under its

own name.

LightSquared is owned by Harbinger Capital Partners, a private-equity firm that made billions betting against subprime mortgages ahead of the collapse of the housing market.

Part of the problem stems from the fact that today's GPS devices have been designed to screen out low-power signals in the adjacent wireless spectrum used by LIghtSquared, not the high-power ones planned.

Public Knowledge, a group that advocates more wireless competition, said the FCC needs to improve GPS-receiver standards so that the LightSquared spectrum can be used to meet growing demand for wireless services.

In a research note, telecom analyst Christopher C. King of Stifel Nicolaus said the move should benefit traditional wireless companies such as AT&T and Verizon as well as two other companies whose spectrum holdings may become more valuable: Dish Network Corp. and Clearwire Corp.

Dish's stock gained 69 cents, or 2.4 percent, to $29.05 in afternoon trading. Clearwire gained a penny to $2.30 per share. AT&T Inc. fell 20 cents to $29.87 while Verizon Communications Inc. lost 21 cents to $37.83 per share.

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