



**For Immediate Release**

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## **Cyren Call Sets Record Straight on False Accusations**

**McLean, Va. – April 3, 2008** – Today, Cyren Call Communications Corporation (Cyren Call) commented on accusations in both the press and the blogosphere attributed to unidentified sources regarding its activities prior to the start of the 700 MHz auction. At the request of the Federal Communications Commission (FCC), Cyren Call observed the FCC's anti-collusion rules, lifted late today, that had prevented Cyren Call from addressing these false accusations earlier.

Morgan O'Brien, Chairman of Cyren Call, said, "Anyone stating or implying that I or any member of Cyren Call or the Public Safety Spectrum Trust Corporation (PSST) 'demanded' a spectrum lease payment is lying. Furthermore, anyone suggesting that any spectrum lease payment would be paid to Cyren Call is lying."

Potential bidders on the 700 MHz D Block requested guidance on public safety expectations for the nationwide 20 MHz shared network to be created from combining the D Block with public safety spectrum. For example, AT&T Inc., Frontline Wireless LLC (Frontline) and Verizon Wireless each made such requests in FCC filings. While the FCC did not act on these requests, the PSST addressed these legitimate concerns by preparing and releasing a Bidder Information Document (BID) so that all interested parties would understand public safety's expectations and preferences for the shared network in advance of the FCC's filing deadline to participate in the auction. The PSST initiated the BID process by asking the National Public Safety Telecommunications Council (NPSTC) to create a draft set of technical expectations. At the same time, the PSST directed Cyren Call to facilitate meetings with parties interested in potentially bidding for the D Block license to discuss partnership expectations. After incorporating input based on the NPSTC draft and feedback from the potential bidder meetings, the PSST released the final BID on November 30, 2007.

In the BID, the PSST set forth one expectation by stating it "intends to request" the D Block auction winner make an annual lease payment for the use of 10 MHz of nationwide public safety spectrum. The foundation of the lease payment is rooted in the FCC's Second Report & Order. That order mandated a long-term spectrum leasing arrangement between the PSST and the D Block winner with the D Block winner being granted certain pre-emptible secondary usage rights to the 10 MHz of public safety broadband spectrum. Like all expectations stated in the BID, the lease payment was subject to negotiation in the Network Sharing Agreement (NSA) discussions and, therefore, was also subject to FCC approval. During conversations with potential bidders, Cyren Call presented an estimate of \$50 million when asked about the spectrum lease payment likely to be requested by the PSST during the NSA negotiations. Neither Cyren Call nor the PSST demanded any kind of payment or suggested that this topic would not be subject to negotiation or could not—as expressly stated in the BID—be affected by a variety of other factors.

The PSST and Cyren Call stopped all communications with potential bidders after the PSST's publication of the BID on November 30, 2007, observing the "quiet period" under the FCC's anti-collusion rules.

Anonymous third-party allegations that the prospect of an annual spectrum lease payment "killed" Frontline do not stand up to scrutiny. After publication of the BID and after the final conversation with Cyren Call, Frontline issued a news release on November 30, 2007 headlined "Frontline Wireless Commends the PSST for Releasing a Final Version of its Bidder Information Document." In the news release, Frontline partner Jim Barksdale said public safety requirements "dovetail with Frontline's own business and construction plans." On December 3, 2007, Frontline filed a 700 MHz FCC auction application, stating in a press release, "We are bidding to win and to build out a 4G network to meet the needs of public safety....We are now moving to the next phase of making these public interest goals a reality." Then, on December 4, 2007, after it was aware of the PSST's spectrum lease expectation, Frontline filed an amendment to its Petition for Reconsideration before the FCC in which Frontline withdrew its request that the FCC lower the \$1.33 billion D Block reserve price.

These statements and actions cannot be made to square with the ex post facto allegation that a possible \$50 million lease payment to the PSST was the death knell for an otherwise well-formulated Frontline business plan. Whatever caused



Frontline to abandon its pursuit of the D Block occurred after it was well aware of and even had endorsed both the PSST's partnership expectations and the FCC's reserve price.

O'Brien said, "Cyren Call stands on its record, beginning with its April 2006 Petition for Rulemaking, of steadfast support to assist in the creation of a nationwide broadband network for public safety. What is most important now for the PSST, and therefore most important to Cyren Call, is to assist the FCC in constructing new rules for a subsequent auction of the D Block. Cyren Call also looks forward to working with Members of Congress and others to help create the right conditions for a successful re-auction."

**About Cyren Call**

Founded in early 2006, Cyren Call is advisor to the Public Safety Spectrum Trust Corporation. Cyren Call is led by veterans of the wireless industry and public safety communications, who will assist the PSST in the creation of a nationwide, wireless broadband network that will carry priority public safety communications. For more information, please visit [www.cyrencall.com](http://www.cyrencall.com).

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