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Former Nextel execs have ‘high expectations’ for new push-to-talk service in Phila.



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Remember Nextel? The wireless network and its push-to-talk service, popular with business clients who need direct communication with workers, was shut down in 2013 following a 2005 merger with Sprint and subsequent spin-off as Sprint Direct Connect.

Things were never the same for William Hartig following the change.

“Everybody jumped ship. It never worked right after that,” said Hartig, the president, founder and CEO of Bala Cynwyd-based Veteran Emergency Services.

Other radio carriers working on a repeater system just didn’t provide reliable, Philadelphia suburbs-to-Jersey Shore coverage that he needed to communicate with his staff. Frustrated with options, Hartig decided early this year to give North Jersey-based pdvWIRELESS — which is in the midst of a major push into the Philadelphia market — a try.

“I’m very happy with the service,” he said.

The publicly traded company is the next venture for Nextel’s former C-suite. Its co-founder and former CEO Brian McAuley serves as pdvWIRELESS chairman, along with fellow Nextel cofounder and former chairman Morgan O’Brien, who is now vice president of pdvWIRELESS (NASDAQ: PDVW).

“We felt [the decommissioning of the Nextel network] left a void in the market for push-to-talk solutions for wide areas,” said John Pescatore, pdvWIRELESS president and chief executive officer, also a former Nextel senior-level executive.

The company raised close to \$300 million in 2014 and acquired Sprint’s nationwide 900 MHz spectrum in 2014 before going public in February of 2015. It has an application pending with the FCC to reconfigure its network, which would allow pdvWIRELESS to tap into the broadband spectrum, a move that would be “a real game changer,” said Jason Bernstein, senior vice president and analyst at Odeon Capital.

“We also think their experience with regulators is an advantage for what they’re trying to accomplish at the FCC,” he added. It faces heavy-hitting competition, as Verizon and AT&T both offer similar solutions, but the leaders’ backgrounds and the company’s sole focus on push-to-talk is a differentiating factor, Bernstein said.

“The founders’ background at Nextel certainly will help in my opinion, and was one of the motivating factors in the IPO last year,” said Bernstein. “They can help identify opportunities and customers, many of whom they know.”

The company partnered with Motorola to roll out new, smaller PTT devices that are designed to withstand heavy industrial use, and unlike products offered by the competition, they don’t require using an app on a smartphone menu. That means drivers can keep their eyes on the road, and employees can’t get distracted by web browsing.

“It’s only business communication on these devices,” said Pescatore. Companies have the option of tapping into just the PTT network or signing up for its dispatchPLUS service that enables data and GPS tracking to locate employees, provide text-based communication and additional customized support.

pdvWIRELESS plans to establish a presence in 20 top markets. Pescatore said they cater toward small- to -mid-sized businesses that have a need for push-to-talk communication with direct users or specific groups of employees, as well as those who may need to keep track of staff, such as courier companies, fleet managers, security firms and private emergency services like Hartig’s. He likes being able to lease the radios, its continually growing coverage area and the ability to keep track of which employee is where, and when, to better deploy resources.

“PDV is not the cheapest on the market by far, but their cost is less than how much it will cost us to be inefficient,” said Hartig.

The Navy Yard’s Director of Security Jim Wolfson, of Allied Barton, started using pdvWIRELESS’ PTT service about a year ago after getting fed up with their previous radios, especially since secu-



Courtesy of pdvWIRELESS

ity is an industry where clear communication is pivotal to officers’ safety.

“I couldn’t talk from the east side to the west side. We had to put a landline in because we couldn’t reach each other, and it’s probably about a mile,” said Wolfson. “With these radios, I can talk 20 miles away. It’s helped immensely.”

The coverage around Greater Philadelphia will only widen as the company, which has about 80 employees, builds a business development team and infrastructure in the region, said Pescatore. The company doesn’t provide specifics about investments in particular markets, but on average it builds out 10 to 12 communication sites for an initial launch, at a cost of about \$1 million to \$2 million, as well as operating costs, and grow out to meet customer needs.

pdvWIRELESS set its sights on the region based on the strength of competition in the area; proximity to its Woodland Park, New Jersey headquarters; the company’s current presence in the New York and Baltimore area; as well as the city’s strong technology market, he said. He declined to disclose an exact timeline, but said he expects to start seeing incremental growth on a quarterly basis.

“Philadelphia is a great market,” said Pescatore. “We have high expectations.”