

Comments of
Signal Ridge Broadband
On the
American Recovery and Reinvestment Act Broadband Initiatives
Before the
National Telecommunications & Information Administration
And the
Rural Utilities Service
Docket No. 090309298-01

April 13, 2009

Introduction

These comments are filed on behalf of Signal Ridge Broadband (“SRB”), a joint venture of Signal Mountain, LLC, a Utah Limited Liability Company (“Signal Mountain”) and Ridge Communications, Inc., a California Corporation (“Ridge”).

SRB and its venture partners represent decades of broadband wire-line and wireless development, deployment and operations experience both domestically and internationally. The principals of Signal Mountain were part of the design and implementation team for the rural affiliate strategy of Sprint PCS and Ridge is today one of the most experienced independent developers and operators in the United States of wireless broadband tower sites and broadband wireless and infrastructure systems and distributed antenna systems (“DAS”). Ridge develops and operates these systems which are used by some of the largest US wireless carriers and DAS developers including, among others, AT&T, Verizon, T-Mobile and Newpath Networks.

SRB believes that the broadband deployment objectives of the Broadband Technology Opportunities Program (BTOP) under the American Recovery and Reinvestment Act (the Act) can best be achieved by giving a priority to the deployment of infrastructure on which multiple carriers can deploy and by supporting qualified independent equipment and system operators that can spread the cost of operations in unserved and underserved areas across multiple carrier service deployments (“Multi-Carrier System Operators”). Accordingly, these comments in response to the joint request for information of the National Telecommunications and Information Administration (“NTIA”) and the Rural Utilities Service (“RUS”) focus on topics 1, 3, 4 and 13 of the NTIA request and topics 1, 2, 3, 4 and 5 of the RUS request.

Summarized Objectives of the BTOP Program

The objectives of the BTOP program are to 1) provide broadband service to unserved areas 2) provide improved broadband access in underserved areas 3) provide broadband education, awareness, training,

access, equipment and support to public agency and private stakeholders 4) improve broadband access and use by public safety agencies and 5) stimulate broadband demand, economic growth and job creation.

Challenges to Meeting the Objectives of the BTOP Program

The key challenge to the BTOP program is the cost of deployment of “last mile” broadband connectivity to facilities and homes in less dense and remote unserved and underserved areas. This challenge is exacerbated by the desire to have the competitive benefits of multiple carriers providing service in such areas. If multiple carriers must deploy separate service platforms, the cost of deployment in less dense markets becomes prohibitive against projected market penetrations. The inevitable result is less service providers in the targeted areas with a higher cost of service for those who do deploy on dedicated equipment and systems.

Insofar as grants or loans are awarded to a single carrier, equivalent access to stimulus funds and to a targeted service territory will not be given to another carrier. As a result the preferred carrier will have a competitive advantage and desired competition from multi-carrier deployments to end-users in unserved and underserved areas may be lost. While a service provider grant recipient may state a willingness to allow other carriers to use its infrastructure this does not address the issue of how the separate networks will be managed and maintained, including in particular the Radio Access Network (RAN) of wireless carriers. While it not unusual for carriers to share network infrastructure SRB is unaware of any instance in which a carrier has given operational management of its service delivery to a competitor even in a remote area. Yet, without a shared services solution in remote areas service costs become prohibitive and coverage and competitive choice limited.

Response to NTIA Topic 1 and RUS Topic 2:

Providing Priority to Non-Carrier Multi-Carrier System Operators will Optimally Meet the Purposes of the BTOP Program and Align the activities of the RUS and NTIA to make the most efficient and effective use of the Recovery Act broadband funds.

The optimal approach to accomplishing the BTOP objectives is to use the stimulus program to support the deployment of network equipment and deployment capacity by non-carrier Multi-Carrier System Operators over which several carrier competitors may deploy. This will avoid the inherent conflicts in providing a grant to one competitor over another, provide a multi-competitor services platform and optimize the use of the BTOP grant money in meeting its stated objectives. The applicable rules should reflect providing a priority to non-carrier Multi-Carrier System Operators deploying a service platform for multiple carriers.

Response to NTIA Topics 3, 4 and 13 and RUS Topic 1:

Non-Carrier Multi-Carrier System Operators should be eligible for grant receipts and given priority in the grant issuance insofar as they can show infrastructure management and services capabilities acceptable on a non-discriminatory basis to carriers providing services to end-users.

Multi-Carrier System Operators must be sufficiently qualified and unconnected with any particular network provider so as to provide assurance to deploying carriers that 1) the carriers systems will be properly managed at acceptable service levels under service level agreements (SLAs) and that 2) no competitor using a common facility and common operations will be discriminated against or over another competitor.

This approach will also allow for the ability to use common platforms for high capacity links to regional aggregation points either through fiber or microwave links and implementation of last mile connectivity using landline and/or wireless technologies using and across shared services platforms in which no single competitor has a competitive advantage. The result will be more cost-effective deployments across broader geographic areas making for much more effective and efficient use of the stimulus monies under the BTOP program.

Consolidated infrastructure solutions are consistent with recent changes in the broadband wireless service industry. For example, on March 23, 2009 Telefonica and Vodafone, two of the world's largest operators, stated that they would share network infrastructure in several European countries. In October Chinese regulators ordered the country's operators to share parts of their networks to curb duplication in investment. As stated in the March 28, 2009 issue of the Economist magazine "Such practices are now becoming more widespread in developed countries as the financial crisis puts pressure on operators to cut costs and to reduce their need for capital" (See Page 76, The Economist, March 28, 2009). As the Act and the BTOP program are essentially subsidizing the capital for deployments in unserved and underserved America this lesson from the industry should be applied to maximize the efficiency of the stimulus monies deployed and to maximize desired coverage and service.

Not only will the SRB approach increase the efficiency of the use of available capital for infrastructure deployment, it will also decrease ongoing operating expenses allowing for less expensive broadband service and greater penetration. Operational savings include savings from 1) shared facilities rents such as shared backhaul and tower rental expenses and 2) shared network monitoring and operations. Such network operations expenses include the following that can be provided as a shared operating service:

- Network Monitoring
- Alarming
- Remote Network Diagnostics and Break-Fix Management from a central location
- Dispatch for Physical Repair

Of all of these the most expensive is the personnel and equipment required to support the dispatch component in remote areas. To the extent that carrier grade dispatch and repair services can be a shared expense, this can substantially reduce operating costs particularly in remote unserved and underserved areas. The use of the stimulus funds to encourage consolidation of these capabilities and services will decrease operating cost, increase coverage, increase available services and competition and maximize the benefit from the deployment of public funds under the BTOP program.

Additional Response to NTIA Topics 1, 3, 4 and 13 RUS Topics 1, 2, 3, 4, and 5:

Non-Carrier Multi-Carrier System Operators will create high-quality jobs in more remote areas, increase broadband coverage by multiple competitors, stimulate investment and service by more carriers, assure a greater likelihood of service to key community stakeholders and encourage the demand for broadband services through high quality and cost-effective multi-network deployments.

In summary, the benefits to the BTOP program from the SRB proposed approach are several fold including, among others, the following:

1. The creation of additional high-quality jobs in Unserved and Underserved Areas—As a Multi-carrier System Operator deploys in rural and underserved areas creating a service platform for multiple carriers it becomes more and more cost-effective to deploy high-quality operating personnel and dispatch capability closer to service territories. This will result in the deployment and maintenance of experienced technical personnel and quicker service response times in more and more remote unserved and underserved areas. Higher quality technical personnel will also support overall economic development.
2. Increased Broadband Coverage in Rural, Remote and Underserved Areas—More efficient use of infrastructure deployment capital and decreased operating expenses will increase not only the geographic coverage realized from the stimulus monies but also the choice of multiple service providers as well in the areas deployed.
3. Stimulate Investment of Funds by Program Participants—By supporting a Multi-Carrier System Operator who services several carriers additional network related capital for those carriers will be deployed at the physical point of most benefit to future customers.
4. Assurance of Broadband Access to Key Community Stakeholders—By providing large broadband deployments to key aggregation points many of local community stakeholders will have direct access to high bandwidth services. Moreover, with multiple carriers providing service, more competition will lead to more effective service coverage and choice of service providers.
5. Encourage the Demand for Broadband—More coverage, more service and competitive prices will encourage access to and use of Broadband.

Proposed Criteria for Rules Defining a Multi-Carrier System Operator grant participant

In order to be effective in attracting national and regional carriers to provide services to end-users across the platform of a Multi-Carrier System Operator such an operator should 1) not be a carrier 2) meet carrier required equipment deployment standards 3) meet carrier required SLAs for ongoing operations and 4) provide commercially reasonable assurance that the Multi-Carrier System Operator can complete requisite carrier deployments within a commercially reasonable period of time.

Accordingly, SRB proposes that the requirements for a Multi-Carrier System Operator grant should be set forth in the rules incorporating the following criteria and, insofar as these criteria are met, given priority over other grant applicants under the applicable rules:

1. The Multi-Carrier System Operator is not a licensed telecommunications service provider to end-users and is not a holder of spectrum or a certificate of public convenience and necessity for the provisioning of services to end-users in the area to be served by the grant recipient.
2. The Multi-Carrier System Operator has built out shared services facilities on which two or more licensed carriers have provided service or has contracts to do so.
3. The Multi-Carrier System Operator currently provides services under contract to two or more licensed wireless carriers or has agreements to do so.
4. The Multi-Carrier System Operator must make a showing to the BTOP program that it has the capability to provide each of the following in the targeted service area currently or concurrent with the deployment of the equipment and facilities necessary to support carrier services in the targeted area:
 - a. Network Monitoring Capabilities
 - b. Alarming Capabilities
 - c. Remote Network Diagnostic and Break-Fix Capabilities
 - d. Physical Network Dispatch and Fix Capabilities

Summary

Signal Ridge Broadband appreciates the opportunity to present these comments and looks forward to implementation of the BTOP program. The undersigned principals of Signal Ridge Broadband are available to provide additional information and comment as desired by the review and implementation team at NTIA, the Rural Utilities Service or any of the staff of either organization.

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