

**Before the
Department of Commerce
National Telecommunications and Information Administration
and
Department of Agriculture
Rural Utilities Service**

**The American Recovery and Reinvestment Act of 2009
Broadband Initiatives
Docket No. 090309298-9299-01**

Comments of
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RapidDSL & Wireless, Inc. Background

RapidDSL & Wireless, Inc is a Maryland based, family owned and operated small business, currently providing Fixed Wireless Broadband services to the public. Since our start in 2001, we have grown to serve approximately a 30 mile radius around the nation's capitol, to include the downtown urban DC, the surrounding suburbs of Maryland and Virginia, technology corridors, and a significant portion of the Montgomery County Agricultural Preserve. Our strength is our 25 broadcast tower sites located on the tallest real estate in the area, enabling our coverage locally and further out to remote areas. We first got the idea to start our company, when we were unable to gain broadband to our rural hometown of Boyds, MD. We quickly learned a wireless business model would never work, if our only option were to pay RBOC high price for limited capacity upstream bandwidth. So we decided to start in the city where fiber was plentiful, and build our way back to home via wireless transport technology. From that point forward, we committed ourselves to expanding wireless broadband to the underserved. Many of our plans and ideas were not fully realized due to capitol constraints, but we demonstrated "Proof of Concept" to numerous core business models using wireless technology. We currently provide services both on a wholesale and retail basis, serving residential, small business, large business, hospitals, private schools, elderly, data centers, retail complexes, and ISPs. We have provided speeds anywhere from 1 Mbps to 1 Gbps, using wireless technology, depending on the application.

RapidDSL heavily supports the filing made by WISPA (Wireless Internet Service Providers Association) in just about all respects. Herein, RapidDSL is offering a few additional comments specific to RapidDSL's personal viewpoint.

Topic 2 The Role of the States-

RapidDSL believes local broadband providers and the States should attempt to be in close communications and cooperation with each other in order to maximize the public good and efficient use of Stimulus grant funds. However, RapidDSL believes there could be an unavoidable conflict-of-interest, if the States were directly involved in ranking applicants for grant awards. The conflict-of-interest is that in many cases the States control many of the assets and factors needed to successfully deploy broadband, which could be leveraged to either give the States an unfair advantage or discourage third party applicants from applying. For example, States often control processes and terms for easements, right-of-ways, permits, tax liabilities and/or waivers. If States are in competition with private industry, it is not clear that private industry will have fair access and consideration to access public assets at favorable terms.

The goal of the Federal stimulus program should be to encourage States to also offer additional assistance and matching funds to its local private industry broadband providers deploying broadband. For example, States that are serious about expanding broadband deployment in their states for the good of the public, might chose to waive state property tax on new broadband deployment infrastructure, apposed to increasing

property taxes on the infrastructure deployed by grant funds and private industry investments.

In the bill text, “At least one grant awarded to each state”, the word “state” was not necessarily referring to an entity (the State government), but instead using “state” to define a wide geographic area where an applicant would propose to serve.

In the event, that States are directly awarded grants for fiber optic backbone deployments, RapidDSL recommends that the States be required to allocate a significant amount of Dark Fiber strands (no less than 5 pair), to third party ISPs and/or WISP, to be independently managed by each recipient. This could be allocated via a lottery, or at a fee no greater than 20% (matching fund amount) of the cost to deploy the strand, calculated as cost to deploy bundled fiber strands divided by number of strands.

In summary, the role of the State should be to help foster deployment of broadband, and offer their assistance to any entity willing to contribute. States roles should not be to compete with or chose between willing and able Broadband providers.

Topic 4 Establishing Selection Criteria for Grant Award:

RapidDSL believes that all Wireless ISPs in Urban Metro areas have an existing and prospective subscriber base defined as “underserved”. In spirit, the term “underserved” should not only represent areas, but also a segment of people who have an unfilled broadband need. All it takes to gain evidence of this is to simply sit in on a WISP’s sales floor operations for a few days. The service inquiries are all similar in nature. First, the prospect called their local RBOC, second they called their local Cable operator, and third or fourth after all efforts were exhausted, they learn about and call their local WISP, telling their story and asking for help, because they have not yet found a solution for their need. The small local WISP then takes action, and provides a top quality wireless broadband solution specific to the prospect’s need. The problems are not always the same. Sometimes it is no pre-existing broadband option. Sometimes it is port, capacity, or application blocking. Sometimes it is high cost. Sometimes it is slow service. Sometimes it is poor support and/or downtime. Sometimes it is failure to deliver service on time. Sometimes it is the inability to overcome an easement or structural barrier preventing successful deployment. There are 100s of reasons, but none-the-less, it is always a case where the pre-existing Duopoly providers could not solve the problem, but with a little special attention, the local WISP can solve it. It is near impossible for a provider to identify who and where the “underserved” people reside in advance of a grant application, as they exist all over the place, and in many cases their “underserved” need may not yet have been realized yet. Identifying these peoples and areas is a “reactive” process. The fact that the WISP is there and ready, positions the WISP to be able to respond and quickly help these “underserved” people as needs arise.

Due to the nature of the business as explained above, typical ranking and selection criteria would not likely adequately consider the needs of the Urban “underserved” population typically served by small local WISPs, but yet small local WISP provide an

important role towards facilitating these “underserved” needs. For this reason, RapidDSL urges NTIA and RUS to establish a mechanism for allocating some funds to support these needs, that may not typically qualify based on “highest points”. One suggestion is to provide an option for NTIA to award a grant via a special “waiver”, if a worthy applicant does not qualify by the standard criteria or point system, but can make a strong case why they should be awarded a grant.

RapidDSL believes that there are some small wireless providers that are “competitively disadvantaged”, but yet play a unique invaluable role in the broadband industry, simply because they are willing to try to serve prospects that other larger higher volume cookie cutter providers just aren’t willing to take the time to serve, for what ever reason, even in the most Urban areas. We believe these “competitively disadvantaged” wireless providers should be allowed to apply and be awarded grants to expand and build out infrastructure within their pre-existing network coverage areas, where they can do it MOST cost effectively and create the MOST good, and sustainable operations. There are several reasons for this. First, Urban WISPs typically serve “underserved population” that are not easily identified by mapping initiatives, and often do not fit into the mold of the general public. Second, because these relevant providers may not have the financial resources available to expand their networks to new areas far away, but are able to expand penetration within their existing coverage far more cost effectively than any other entity, utilizing the assets that the provider uniquely holds, such as pre-existing tower assets and relationships, that will never be able to be utilized to their full potential without financial assistance.

RapidDSL believes that the Stimulus Grant opportunity has come years late. Many of the smaller “competitively disadvantaged” but experienced providers have already been “paying it forward” the last 8 years, giving to the industry, but having spent most of their available personal finance and capitol to build their sustainable networks that serve the underserved, R&D their business models, bring their operations to cash flow positive, and put core infrastructure in place that are the roots to future success and scale, but simply need more funding to complete the projects or update them to current standards to reach full potential. In other words, these networks have been brought to the stage that they are now self-sustaining, but that will never be able to be expanded due to finance and capitol constraints, without assistance. Having significant pre-existing investments and resources left behind under used and under potential is throwing away value equivalent to any value new money could bring in.

Providers, areas, and technologies can all incur, require or lend different assets and costs. For example, in some states it is prohibited or highly discouraged to build new towers, and instead wireless providers there may incur higher operational expenses, since they’ll be required to lease tower space on a reoccurring basis. However, in that situation less stimulus grant funds would be used for the project (infrastructure), and more private capitol would need to be raised for operations and reoccurring costs. Similar situation occurs with fiber deployment, where it has a higher upfront cost using more stimulus funds and less operational costs. However, considering the wireless industry, what if the applicant doesn’t need to build costly towers, and already has all the expensive

reoccurring tower lease fees covered by their pre-existing monthly cash flow? And only needed a small amount of stimulus funds for equipment infrastructure to add to the existing network? That applicant would need the least amount of stimulus funds to impact the greatest amount of broadband expansion and public good, at the highest sustainability, in the shortest amount of time. This is the reason that I feel small financially or competitively disadvantaged Urban WISPs should be able to obtain grant funds to expand its pre-existing coverage area. Strengthening their core base first, both with capacity and revenue, will enable them to fund operational expenses as they expand to more rural areas.

RapidDSL expresses caution regarding the use of a point system and defining areas. Point systems can be manipulated. Grant writers will typically write applications focused to maximize points to optimize the chance of award, apposed to focusing on what would be the best project that could maximize the benefits to the public.

9. *Financial Contributions by Grant Applicants:*

See above. In kind contributions should be heavily considered, for all applicants who are small competitively disadvantaged broadband providers, as they have some thing of value to offer far greater than cash. It is the “secret sauce” that has enabled them to survive and grow, when they are competing at a disadvantage.