

Recommendations Regarding the Application of Broadband Stimulus Funds

Introduction

Next Generation Broadband, founded in 2001, is a broadband networking and software company that specializes in advanced application technology that enables automation and enhanced services for broadband networks. Located in the District of Columbia, Next Generation Broadband has developed and deployed, both domestically and internationally, systems that allow for advanced functionality such as fully automated customer installations, customer device management and session managed services.

NGB thanks the FCC for the opportunity to submit comments in relation to the proposed Broadband Stimulus funding, which we believe will provide insight and an alternative perspective to the Commission in determining the appropriate use of the funds allocated by Congress to achieve its aims in promoting the use and availability of broadband service to the highest level in the United States.

Comment on Application of Broadband Stimulus Funds

NGB's interest in providing comments to the FCC is to suggest ways in which advanced technologies, like our own, can be used to enhance and leverage the investment that the government, and in particular the Department of Commerce's National Telecommunications and Information Administration (NTIA) and the Department of Agriculture's Rural Utilities Service (RUS) FCC and the Department of Agriculture to extend the use and availability of broadband services across the country. In this respect, Next Generation Broadband would like to comment on how advanced software based technology can support:

- Making access to broadband services more accessible to underserved and unserved markets through automation of systems supporting the broadband networks
- Reducing installation and operating costs through automation to make broadband generally more affordable
- Making systems at service providers more flexible to allow a greater variety of services that can address underserved markets
- Offering Pay-As-You-Go broadband to allow customers to buy broadband on an as needed basis
- Leveraging innovation and efficiency of productized software solutions to quickly impact these market segments
- Insuring US global leadership in advanced applications for broadband networks, which can then be exported, resulting in an increased and extended return on the government funds invested

Reducing Installation Costs Allows Operators to Offer Service to More Consumers

Beyond the investment in the core infrastructure, for both wireline or wireless networks, a key barrier to subscriber take-up is the cost of installation and activation of service. This cost on average is \$100-150 per subscriber depending on a variety of factors. By automating all or part of the installation process through advanced software applications, this number can be reduced by at least 50%. Reducing this fixed cost, allows operators to:

- Offer services without an annual commitment
- Have more flexibility in pricing of services
- Loosen credit requirements for new customers
- Potentially lower cost of service

Flexible Systems in an Operator's Data Center allows Economical Support of Underserved Markets

At the present, it is very difficult for operators to handle different groups of users in a unique manner, whether its low-income families that need subsidized service or government sponsored entities. Currently all subscribers have to be managed in the same manner, due to the inflexibility of the operator's back-end systems. Next Generation Broadband has developed software that resides in the operators' central data center that can identify and direct different types of users to different product or service options in a cost effective automated manner. The possible benefits include:

- Special services and pricing for different groups of users
- Government sponsored subscriber segments that are provided free or subsidized service
- Virtual secondary networks for government or educational entities that can leverage the primary network of the service provider

Pay As You Go Broadband Makes Broadband more Affordable to a Larger Base of Subscribers

For most underserved markets, the service cost is a key impediment, new pricing options such as Pay as You Go" can be implemented that do not require a high monthly fee for broadband usage. Pay As You Go broadband also removes issues around credit checks. This service class is a model already used in the cellular telephone space with some success, and NGB has already had discussions with a number of large broadband service providers in North America and in Europe on our session management system that allows a cost effective means of automating the control and pricing of pay as you go services. Benefits include:

- Reduce need for credit checks
- Eliminating requirement for high fixed monthly payment by subscriber
- Cost effective solution for occasional users
- New service option for subscribers on a fixed income

Product Based Software Solutions Allow Immediate Impact and Access for the Underserved Markets

In making broadband services more accessible to underserved markets there are multiple options such as hardware based solutions or custom built applications. These options are very expensive and can take years to implement. Product based software solutions, from small innovative companies like Next Generation Broadband, are existing technology that can be deployed quickly and can have immediate impact on underserved markets. This technology is applicable to cable, DSL and wireless based networks. Productized software solutions allow:

- System deployments in months instead of years
- Impact on underserved markets in months instead of years
- Proven technology that has been previously deployed, supporting a national footprint both in the US and internationally
- Lower operational and technology risks for operators and service providers

Investing in Technology Developed by Small Businesses can be Leveraged and Exported Globally

The US has an opportunity to be a global market leader in developing advanced applications and software systems that expand functionality of broadband networks. Investment in these systems can be leveraged in international markets and have a multiplier effect beyond addressing underserved markets in the US. Government support of the capital expense of these technologies can help insure the leadership of US companies in this space. This type of innovation, historically originates from small businesses such as Next Generation Broadband, resulting in:

- New jobs created in the US to support the development and deployment of these applications
- US based intellectual property that can be sold and exported to overseas markets
- Global recognition of US as market leader in broadband technology
- Creation of cottage industries to support extensions of core technology

About Next Generation Broadband

Next Generation Broadband has installed systems both domestically and internationally to large broadband service providers, enabling automation and advanced functionality on broadband networks. Some of our systems include: auto installation for broadband data and VoIP, session managed solutions for pay as you go and free user trials, as well as, systems to identify and manage different types of broadband devices such as PCs, cable modems, gaming devices and home networking equipment. Currently NGB is developing new products for wireless and video networks.

NGB's core team has worked at many key broadband service providers like, AT&T, Verizon, USWest, Time Warner, Telstra, Road Runner, and others. Our executive team has experience across international markets in Asia, Europe, South America as well as North America. Market experience includes Japan, Korea, Singapore, Hong Kong/China, Singapore, Australia, New Zealand in Asia and Oceania, and in Europe, the Netherlands, France, United Kingdom, Germany, Ireland, Spain, and Belgium.