

Broadband USA Applications Database

Applicant Name: KeyOn Communications, Inc.

Public Notice Submissions

-----**Service Area:** Iowa

Submitter: Goldfield Access Network

Comment: Applicants request for Broadband Stimulus funding for the proposed service area of Renwick, Iowa does not meet the qualifications and goals of the American Recovery and Reinvestment Act.

Submitter: Cascade Communications Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Walnut Telephone Company, Inc. dba/Walnut communic

Comment: Walnut Telephone Company, Inc. dba/Walnut Communications is a 95 year old telecommunications company that has provided broadband to its customers for 11 years at speeds of up to 5MB or higher. Broadband is transmitted via twisted pair copper, COAX, fiber-to-the-home, and wireless.

Submitter: Alpine Communications, L.C.

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Mutual Telephone Co. d/b/a Premier Communications

Comment: The information contained in this response supports the fact that customers within our service territory, which overlaps portions of the applicant's proposed service area, have access to high quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: HTC Communications

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: MTC Technologies

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Northwest Communications, Inc

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Mediacom Communications Corporation

Comment: A large number of households in applicant's proposed service area are currently served by Mediacom. Broadband speeds well in excess of the minimum broadband speeds set forth in the NOFA are currently available within the applicant's proposed service area. For its part, Mediacom advertises and provides broadband services within the proposed service area at speeds up to 20 Mbps.

Submitter: Evertex, Inc

Comment: Evertex provides Broadband Internet to the service area indicated and has been a provider within this territory for the past 10 years. We have continued success with the packages and bundling that we offer and are able to meet the demands of our customer base by providing a feature rich and redundant system.

Submitter: Van Buren Telephone Co. Inc.

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Panora Communications Cooperative

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Modern Cooperative Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: The Community Agency

Comment: KeyOn Communication overlaps all of TCA's service area.

Submitter: Wellman Cooperative Telephone Association

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Northwest Telephone Cooperative Association

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Iowa Telecom

Comment: Applicant proposes to build a statewide 4th generation wireless last-mile project. Iowa Telecom serves 200 exchanges as the incumbent local exchange carrier in the service area proposed by this applicant. Iowa Telecom offers 1.5 mbps broadband service to approximately 80% of all households in these exchanges and offers 3 to 15 mbps broadband service in 58 of these exchanges. In addition, Qwest, Mediacom and numerous small rural incumbent LECs, rural CLECs and rural CATV companies provide comparable services in each of their certificated areas. Each of these entities already has built or leased middle-mile facilities. Based on the variety of broadband services already available in this corridor, Iowa Telecom asks that this application be rejected.

Submitter: Panora Telecommunications, Inc.

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Goldfield Access Networks

Comment: Applicants request for Broadband Stimulus funding in Iowa is inconsistent and does not meet the qualifications and goals of the American Recovery and Reinvestment Act.

Submitter: Farmers Mutual Telephone Company

Comment: Farmers Mutual Telephone Company is providing voice, data and video within our exchange borders, which is registered with the Iowa Utility Board. Farmers Mutual Telephone Co. is providing a broadband connection that exceeds the broadband standards set forth by the FCC. Our advertised broadband transmission speeds are advertised at www.jtt.net. We are providing this connection by using ADSL2+ technology and our entire exchange can be served by this technology.

Submitter: Spencer Municipal Utilities

Comment: Spencer Municipal Communications Utility ("Spencer") demonstrates herein that it provides broadband service throughout its entire service area located in Clay County, Iowa, which is included in the proposed funded Service Area of the KeyOn Communications, Inc. ("KeyOn") broadband infrastructure application. Spencer's service area is not unserved or underserved.

As demonstrated, 99% of households in Spencer's service area are able to readily subscribe upon request to facilities-based, terrestrial broadband services at a minimum transmission speed of greater than 768 kbps downstream and 200 kbps upstream from Spencer; 99% of the households in Spencer's service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed as set forth in the definition of broadband; Spencer advertises broadband service at broadband transmission speeds of at least 3 megabits per second downstream throughout its service area; and the rate of broadband subscribership in Spencer's service area is greater than 40 percent of households.

Submitter: South Slope Cooperative Telephone Company

Comment: South Slope Cooperative Telephone Company (South Slope) demonstrates that it provides broadband service throughout the entire area encompassed in the proposed funded service area in the KeyOn Communications, Inc. application and that the proposed funded service area is not unserved or underserved.

As demonstrated, 100% of households in the proposed funded service area are able to readily subscribe upon request to facilities-based, terrestrial broadband services at a minimum transmission speed of greater than 768 kbps downstream and 200 kbps upstream from South Slope; 100% of the households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed as set forth in the definition of broadband; South Slope advertises broadband service at broadband transmission speeds of at least 3 megabits per second downstream throughout the proposed funded Service Area; and the rate of broadband subscribership for the proposed funded service area is greater than 40 percent of households.

Submitter: Webster-Calhoun Cooperative Telephone Association

Comment: Webster-Calhoun Cooperative Telephone Association demonstrates that it provides broadband service throughout Humboldt County which is encompassed in the proposed funded Service Area in the KeyOn Communications, Inc. application and that the proposed funded Service Area is not unserved or underserved.

As demonstrated, 100% of households in Webster-Calhoun's service territory within the proposed funded Service Area are able to readily subscribe upon request to facilities-based, terrestrial broadband services with an advertised speed of greater than 768 kbps downstream and 200 kbps upstream from

Webster-Calhoun; 100% of the households in Webster-Calhoun's service territory within the proposed funded Service Area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed as set forth in the definition of broadband; and the rate of broadband subscribership for the proposed funded Service Area is greater than 40 percent of households.

Submitter: Sac County Mutual Telephone Company

Comment: We are responding to this application to make it known that we do have the ability to supply all of our customers within this application area with 3 meg Broadband. The customer base that we have are not using the faster speeds of broadband we have. We currently have DSL download speeds/upload speeds of 512/512, 1024/512, 1536/512, 3072/512. We currently have 5 customers with the 3 meg service. The majority of our customers with high speed internet are currently using our 512 speed (90%), with a few others using 1024 (6%), 1536 (3%) and 3072 (1%).

Submitter: Guthrie Telecommunications Network, Inc

Comment: The information contained in this response supports the fact that customers within our service territory, which overlaps portions of the applicant's proposed service area, have access to high quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Northern Iowa Tel. Co. dba Premier Communications

Comment: The information contained in this response supports the fact that customers within our service territory, which overlaps portions of the applicant's proposed service area, have access to high quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Sully Telephone Association

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Sharon Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: La Porte City Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Shellsburg Cablevision

Comment: Broadband stimulus funding for the Iowa exchanges of Coggon and Ryan should be funded through the Shellsburg Cablevision, Inc. application rather than the KeyOn Communications, Inc. application. Data to further substantiate this response can be found in the comments section below.

Submitter: Palmer Mutual Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Jefferson Telephone Company

Comment: Jefferson Telephone Company demonstrates that it provides broadband service throughout its entire service area located in Greene County, Iowa, which is included in the proposed funded Service Area of the KeyOn Communications, Inc. application and that Jefferson Telephone's service area is not unserved or underserved.

As demonstrated, 100% of households in Jefferson Telephone's service area are able to readily subscribe upon request to facilities-based, terrestrial broadband services at a minimum transmission speed of greater than 768 kbps downstream and 200 kbps upstream from Jefferson Telephone; 100% of the households in Jefferson Telephone's service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed as set forth in the definition of broadband; Jefferson Telephone advertises broadband service at broadband transmission speeds of at

least 3 megabits per second downstream throughout its service area; and the rate of broadband subscribership in Jefferson Telephone's service area is greater than 40 percent of households.

Submitter: River Valley Telecommunications Coop

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Loganet

Comment: To Whom It May Concern:

Hello, my name is Danny Olsen and I am writing this on behalf of my employer, Loganet. Loganet specifically focuses on the delivery of broadband Internet services via wireless methods, using the unlicensed spectrums available from the FCC. Our organization has been in business for over 7 years and services the broadband needs of rural Southeastern Nebraska and Western Iowa. Through careful business management and investment we have built a network which now provides broadband services to nearly 1200 subscribers, in 2 states, 12 counties and from 50 tower sites. In the areas we provide service we often compete with wire-line and other wireless service providers who may use license and license-exempt delivery methods. We differentiate our product through helpful technical support and quality customer service. We grow our business as customer demand drives our revenues and retract in areas of significant competition.

We recently discovered that Keyon has requested funds to build a network in Harrison County and Mills County, IA. from the Broadband stimulus program. I wish to submit a dispute regarding the "underserved" designation of this area by Keyon. I will carefully detail the evidence to show that the funds request is without merit and will likely damage the ability of both or organization to provide quality services.

The areas Keyon intends to provide service already have 2 or more local providers and can also receive mobile broadband services from various national mobile providers.

This area does not need additional broadband competition as it is well served by private organizations who have invested private dollars to services the broadband needs of the area residents.

Underserved Criteria – Advertised Speeds

Our wire-line competitor offers speeds of 6 Mbps in each of these service areas and Loganet offers speeds of 3 Mbps in each of the service areas. Attached is an advertisement showing that we do advertise these speeds which Keyon would like to service.

Penetration Rate

Our organization does regular marketing by multiple methods and we occasionally trade customers with the DSL carrier but we are most after the new residents to the area who are newly choosing between multiple carriers.

Our organization has been offering services in this market for 7 years. Based on our marketing and survey's we find that market penetration between our services and those competing with us is well into the 60% range. The remaining 40% of households simply do not want or cannot afford any of the competing service providers, who offer services as low as \$25/mo.

Submitter: Danville Telecom

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: USA Communications, Inc.

Comment: Based on the definition of underserved in the Notice of Funds Availability (NOFA), the Iowa exchange of Urbana is not underserved and should not qualify for Broadband Stimulus funds. USA Communications (USA) provides broadband to 100% of the residences and businesses in Urbana. In addition, USA advertises broadband services in excess of 3 Mbps, and has subscribership in excess of 40%. Therefore, based on the requirements for qualification of Broadband Stimulus funds, Urbana, IA does not qualify. Data to further substantiate this response can be found in the supporting document attached and the comments section below.

Submitter: Webb-Dickens Tel. Corp. dba Premier Communications

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Winnebago Cooperative Telecom Assn.

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the KeyOn Communications, Inc. Application

Application name: KeyOn Communications, Inc..

Project Title: KeyOn WiMAX Iowa

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

KeyOn Communications, Inc. (KeyOn) seeks over a combined \$20.5 million to deliver a 4G, last-mile wireless broadband and digital phone service that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

The geographical areas identified for build out by KeyOn are not unserved or underserved territories.

Iowa Network Services (INS) offers access to over 5,000 existing fiber optic route miles within the state of Iowa. In addition, fiber networks operated by Qwest, Iowa Telecom and other smaller carriers also serve some locations throughout the state. Through our 34 points of presence and local LEC partnerships throughout Iowa, the INS statewide fiber optic network featuring fully redundant DS1 to 10 Gigabit Ethernet service connects all 99 counties of the state and primarily serves the rural sector. There is a competitive broadband backbone and middle mile service in all of the areas listed in the KeyOn application.

In 1984, Iowa Network Services was conceived to provide state-of-the-art telecommunications services to rural Iowa and has successfully done so over the past two decades. Iowa Network Services has been critical to the delivery of competitive long distance telephone services since the late 1980's, Internet access in the early 1990's, and Internet protocol television today. The INS Network was initially intended for use by 150 locally owned independent telephone companies in rural communities throughout the state of Iowa.

Today that use has expanded. INS continues to provide connectivity services to the independents in addition to providing full network access to other entities including major land line interexchange carriers, regional and national wireless carriers, and private businesses requiring high capacity fiber, wireless backhaul, broadband services and more. Through our local independent telephone companies and affiliate partners, the INS Network is available to any customer.

The state of Iowa has more telecommunication providers than any other state. In 2008, over 250 Local Exchange Carriers filed revenue statements with the Iowa Utilities Board (IUB) and this number does not include all unregulated providers. Competition for voice, Internet and video subscribers is fierce; the state is well served. In July 2007, the IUB released a report that 96.1% of Iowa's rural communities currently have high-speed Internet access and that wireless/satellite technologies are available in the greatest number of Iowa communities.¹

KeyOn is seeking additional public funding to offer expanded services where services and competitive options already exist. The IUB report also stated that competition in the provisioning of high-speed Internet services is increasing in both rural and non-rural communities and that 64.8% of these rural areas have two or more providers to choose from for their broadband services.

If public money is used to build out KeyOn services, unfair competition will be created. When using the American Recovery and Reinvestment Act funds, the base line objective is to provide broadband services to unserved or underserved areas with the funds available.

The KeyOn goals can be met today without additional government funded build out. Broadband and digital phone service is available to rural Iowans by multiple, competitive carriers throughout the state. To address the last mile need, government should look to support providers such as Iowa Network Services and others that currently have the ability to provide state-of-the-art telecommunication services and last mile access.

To further invest public dollars by awarding this application would jeopardize current providers who successfully provide broadband services within Iowa.

We oppose the KeyOn Communications, Inc. application because:

- Developing a wireless network where broadband services already exist does not fulfill the need for broadband expansion in rural areas
- the taxes we pay would pay for their network
- it generates unfair, redundant competition
- it adds unnecessary infrastructure
- stagnant and/or decreasing revenues due to competition would make it

difficult for existing providers to provide broadband services in areas that are expensive and difficult to serve

- KeyOn is publically traded and reported a \$1.1M loss in 2Q 09 2

1 From the Iowa Utilities Board "Assessing High-Speed Internet Access in the State of Iowa: Sixth Assessment" January 2008

2 From the SEC Filings for KEYO.OB, Form 10-Q for KEYON COMMUNICATIONS HOLDINGS INC.; Section KEYON COMMUNICATIONS HOLDINGS, INC. AND RELATED ENTITIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) posted on <http://biz.yahoo.com/e/090819/keyo.ob10-q.html>

Submitter: ATC Cablevision

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Scranton Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Terril Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Clear Lake Independent Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: CommSpeed, LLC

Comment: CommSpeed is a Wireless ISP and has been using BRS\EBS spectrum to deliver broadband service in Vinton, Williamsburg & Belle Plaine' proposed funded service area.

Submitter: Peoples Telephone Company

Comment: Peoples Telephone Company serves the rural community and surrounding areas of Aurelia, in Cherokee County, Iowa. Peoples Telephone is the incumbent local exchange carrier and by the NOFA definition of broadband is neither unserved nor underserved. Due to the satisfaction of these definitions, no ARRA funds should be awarded to the applicant in this area.

Submitter: Mutual Telephone Company of Morning Sun

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Premier Communications

Comment: The information contained in this response supports the fact that customers within our service territory, which overlaps portions of the applicant's proposed service area, have access to high quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Dunkerton Telephone Cooperative

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Ayrshire Farmers Mutual Telephone

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Readlyn Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: East Buchanan Telephone Cooperative

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Cooperative Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Panora Cooperative Cablevision Association, Inc

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Miller Telephone Company

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).

Submitter: Louisa Communications

Comment: The information contained in this response proves that customers within our service territory, which overlaps the applicant's proposed service area, have access to quality, facilities-based broadband service as defined by the RUS/NTIA Notice of Funds Availability (NOFA).