

Broadband USA Applications Database

Applicant Name: Phalanx Technology Holdings, LLC

Public Notice Submissions

-----**Service Area:** Ely

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

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These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

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

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 Phalanx Technology Holdings, LLC 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.

-----**Service Area:** Anamosa

Submitter: CommSpeed, LLC

Comment: CommSpeed is a Wireless ISP have been using BRS\EBS spectrum to deliver broadband service in the Phalanx Technology Anamosa's proposed funded service area.

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

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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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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.

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Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport and last mile access.

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Submitter: Qwest

Comment: As authorized by the BIP and BTOP Notice of Funds Availability and the Public Notice associated with the publication of BIP and BTOP broadband infrastructure project funding applications found on the BroadbandUSA.gov website, Qwest responds with broadband service data to the application of Phalanx Technology Holdings, LLC, Anamosa, for funding for an area represented as “underserved” that is located, in whole or in part, in Qwest’s broadband service area.

-----**Service Area:** Mt Vernon - Lisbon

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Lisbon and Mt. Vernon, IA. Iowa Telecom is the incumbent local exchange carrier in Lisbon and already offers 1.5 mbps broadband last-mile service throughout the proposed service area. In addition, Qwest is the incumbent LEC in Mt. Vernon and offers broadband services. Based on the variety of broadband services already offered in Lisbon and Mt. Vernon, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

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-----**Service Area:** Robins

Submitter: Shellsburg Cablevision

Comment: Based on the definition of underserved in the Notice of Funds Availability (NOFA) regarding the American Recovery and Reinvestment Act of 2009, the Iowa exchange of Robins is not underserved and does not qualify for Broadband Stimulus funds. Shellsburg Cablevision, Inc. (Shellsburg) provides broadband to 100% of the residences and businesses in Robins. Data to further substantiate this response can be found in the comments section below.

Submitter: CommSpeed, LLC

Comment: CommSpeed is a Wireless ISP and has been using BRS\EBS spectrum to deliver broadband service in Phalanx Technology Vinton's funded service area.

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by wireline and wireless broadband service providers. 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.

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-----**Service Area:** Walford

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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 Phalanx Technology Holdings, LLC application and that the proposed funded service area is not unserved or underserved.

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-----**Service Area:** DeWitt

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. Broadband speeds well in excess of the minimum broadband speeds set forth in the

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Submitter: Iowa Telecom

Comment: Applicant proposes to offer broadband services in De Witt, IA. Iowa Telecom is the incumbent local exchange carrier in De Witt and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to De Witt. Mediacom competes in De Witt. Based on the variety of broadband services already offered in De Witt, Iowa Telecom asks that this application be rejected.

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- 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

-----**Service Area:** Dyersville

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Dyersville, IA. Iowa Telecom is the incumbent local exchange carrier in Dyersville and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Dyersville. Mediacom competes in Dyersville. Based on the variety of broadband services already offered in Dyersville, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

-----**Service Area:** Marengo

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Marengo, IA. Iowa Telecom is the incumbent local exchange carrier in Marengo and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Marengo. Mediacom competes in Marengo. Based on the variety of broadband services already offered in Marengo, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

Submitter: Coon Creek Telephone Company

Comment: Based on the definition of underserved in the Notice of Funds Availability (NOFA) regarding the American Recovery and Reinvestment Act of 2009, the Iowa exchange of Marengo is not underserved and does not qualify for Broadband Stimulus funds. Coon Creek Telephone Company (Coon Creek) provides broadband service to over 90% of the residences and businesses in Marengo. Data to further substantiate this response can be found in the comments section below.

-----**Service Area:** Monticello

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

-----**Service Area:** Central City

Submitter: Shellsburg Cablevision

Comment: Based on the definition of underserved in the Notice of Funds Availability (NOFA) regarding the American Recovery and Reinvestment Act of 2009, the Iowa exchange of Central City is not underserved and does not qualify for Broadband Stimulus funds. Shellsburg Cablevision, Inc. (Shellsburg) provides broadband to 100% of the residences and businesses in Central City. Data to further substantiate this response can be found in the comments section below.

Submitter: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Central City, IA. Iowa Telecom is the incumbent local exchange carrier in Central City and already offers 1.5 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Central City. Based on the variety of broadband services that it already offers in Central City, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller

carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

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

-----**Service Area:** Ryan

Submitter: Shellsburg Cablevision

Comment: Broadband stimulus funding for the Iowa exchange of Ryan should be funded through the Shellsburg Cablevision, Inc. application rather than the Phalanx Technology Holdings, LLC. (Phalanx) application. Data to further substantiate this response can be found in the comments section below.

Submitter: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Ryan, IA. Iowa Telecom is the incumbent local exchange carrier in Ryan and already offers 1.5 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Ryan. Based on the variety of broadband services that it already offers in Ryan, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

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

-----**Service Area:** Tipton

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Tipton, IA. Iowa Telecom is the incumbent local exchange carrier in Tipton and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Tipton. Mediacom competes in Tipton. Based on the variety of broadband services already offered in Tipton, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

-----**Service Area:** Fairfax

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area, Fairfax Iowa, is currently served by at least two wireline broadband providers including Mediacom Communications and Slouth Slope Cooperative

Communications. Broadband services are widely available in Fairfax at speeds well in excess of the minimum broadband speeds in Notice of Funds Availability. Fairfax does not qualify as unserved or underserved under the definitions set forth in the Notice of Funds Availability.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

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

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 Phalanx Technology Holdings, LLC 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.

-----**Service Area:** Manchester

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Manchester, IA. Iowa Telecom is the incumbent local exchange carrier in Manchester and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Manchester. Mediacom competes in Manchester. Based on the variety of broadband services already offered in Manchester, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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
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2) From the Iowa Utilities Board "Assessing High-Speed Internet Access in the State of Iowa: Sixth Assessment" January 2008

-----**Service Area:** Center Point

Submitter: Shellsburg Cablevision

Comment: Based on the definition of underserved in the Notice of Funds Availability (NOFA) regarding the American Recovery and Reinvestment Act of 2009, the Iowa exchange of Center Point is not underserved and does not qualify for Broadband Stimulus funds. Shellsburg Cablevision, Inc. (Shellsburg) provides broadband to 100% of the residences and businesses in Center Point. Data to further substantiate this response can be found in the comments section below.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

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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.

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We oppose the Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

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

Submitter: Qwest

Comment: As authorized by the BIP and BTOP Notice of Funds Availability and the Public Notice associated with the publication of BIP and BTOP broadband infrastructure project funding applications found on the BroadbandUSA.gov website, Qwest responds with broadband service data to the application of Phalanx Tech Center Point for funding for an area represented as "underserved" that is located, in whole or in part, in Qwest's broadband service area.

-----**Service Area:** Maquoketa

Submitter: Bernard Telephone Co., 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: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers, Mediacom and Qwest. 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: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

These communities are currently served by Iowa Network Services and our affiliate local independent telephone companies and are not unserved or underserved rural areas. The Phalanx applications request middle mile build out that would essentially overlay existing fiber networks that are already established, in-service, and operated by Iowa Network Services and other providers.

Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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 companies providing broadband services. 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.²

Phalanx 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 Phalanx services unfair and unnecessary 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 Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network already exist does not fulfill the need for broadband expansion in rural areas
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2) From the Iowa Utilities Board "Assessing High-Speed Internet Access in the State of Iowa: Sixth Assessment" January 2008

Submitter: Qwest

Comment: As authorized by the BIP and BTOP Notice of Funds Availability and the Public Notice associated with the publication of BIP and BTOP broadband infrastructure project funding applications found on the BroadbandUSA.gov website, Qwest responds with broadband service data to the application of Phalanx Technology Holdings, LLC, Maquoketa for funding for an area represented as “underserved” that is located, in whole or in part, in Qwest’s broadband service area.

-----**Service Area:** Epworth

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area is currently served by at least two wireline broadband service providers. 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: Iowa Telecom

Comment: Applicant proposes to offer broadband services in Epworth, IA. Iowa Telecom is the incumbent local exchange carrier in Epworth and already offers 3 to 15 mbps broadband last-mile service throughout the proposed service area. In addition, Iowa Telecom provides dual fiber routes as middle-mile facilities to Epworth. Mediacom competes in Epworth. Based on the variety of broadband services already offered in Epworth, Iowa Telecom asks that this application be rejected.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

In their combined BIP applications, Phalanx Technology Holdings, LLC d/b/a fryeSTORM Cable and Fiber, Inc. seeks over \$139 million in combined grants and loans for a redundant middle mile route that proposes connectivity to regional and national carriers as well as FTTH build out to an East Iowa Last Mile that would serve 19 Iowa communities.

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Phalanx Technology Holdings, LLC (Phalanx), d/b/a as fryeSTORM Cable and Fiber, Inc. has submitted the largest request in Iowa. With only five employees, FryeSTORM is a young, privately-held organization based out of Cedar Rapids, Iowa and to date has only run a pilot cable TV operation. 1

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, South Slope, and other smaller carriers also serve the 19 locations identified in the application as well as 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 Phalanx 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.

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If public money is used to build out Phalanx services unfair and unnecessary 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.

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

We oppose the Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network already exist does not fulfill the need for broadband expansion in rural areas
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-----**Service Area:** Vinton

Submitter: CommSpeed, LLC

Comment: CommSpeed is a Wireless ISP and has been using BRS\EBS spectrum to deliver broadband service in Phalanx Technology Vinton's proposed funded service area.

Submitter: Mediacom Communications Corporation

Comment: Applicant's proposed service area, Vinton, IA, is currently served by at least two wireline broadband service providers. 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 Vinton at speeds up to 20 Mbps.

Submitter: IOWA NETWORK SERVICES, INC.

Comment: Comments on the Phalanx Technology Holdings, LLC Application

Application Name: Phalanx Technology Holdings, LLC

Project Title: Eastern Iowa Last Mile

Project Type: Last Mile Non-Remote Area

Comments by Iowa Network Services, Inc.

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The Phalanx goals can be met today without additional government funded build out. High-speed, fiber optic network with broadband, digital phone and television service is currently 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, transport 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 Phalanx Technology Holdings LLC (fryeSTORM Cable & Fiber) application because:

- Developing a high-speed, fiber optic network where a high-capacity, fully-redundant network 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

1) As reported by the Cedar Rapids Gazette in an interview with Alan Lucas of fryeSTORM; C.R. broadband startup dreams big September 17, 2009 by David DeWitte

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

Submitter: Qwest

Comment: As authorized by the BIP and BTOP Notice of Funds Availability and the Public Notice associated with the publication of BIP and BTOP broadband infrastructure project funding applications found on the BroadbandUSA.gov website, Qwest responds with broadband service data to the application of Phalanx Technology Holdings, LLC, Vinton for funding for an area represented as “underserved” that is located, in whole or in part, in Qwest’s broadband service area.