

Executive Summary – East Kansas Build (1)

Nex-Tech Wireless, LLC (NTW) is a regional voice and mobile broadband operator that owns and operates its own CDMA EV-DO Rev A network in Kansas, while offering national coverage through various roaming agreements [REDACTED]. In three and a half years, NTW has successfully built this network from scratch to a profitable business. NTW currently has [REDACTED] subscribers (as of July 31, 2009) and is applying for ARRA funding to expand 3G wireless network coverage and broadband access to residents in north-central and east-central Kansas.

The majority of the proposed funded service area (99.9%) lies in rural areas with both limited broadband penetration and provider competition. The combination of these factors results in underserved markets without affordable broadband for the majority of inhabitants. By extending 3G broadband coverage to these areas, NTW will not only provide improved access to broadband service to underserved consumers but also enable broadband access, education, equipment, and training to community anchors and public safety organizations. NTW believes the proposed project will also stimulate the overall demand for economic growth and job creation in Kansas, thereby allowing both a swifter recovery from the current recession as well as sustainable economic growth and development.

NTW's proposed project will provide broadband coverage to parts of North Central and East Central Kansas that currently have limited broadband penetration and availability. NTW will deploy a 3G EV-DO Rev. A 1900 MHz wireless network covering [REDACTED] communities over [REDACTED] counties, accounting for a total of [REDACTED] households, [REDACTED] businesses, and [REDACTED] community anchor institutions. The coverage area includes a significant number of community anchor institutions, including [REDACTED]. NTW is committed to providing affordable broadband to all of these, but will offer special discounted rates and broadband training sessions to community anchors and their members.

NTW will offer consumer-friendly plans in its proposed service area, by simplifying selection. NTW's primary plan will cost [REDACTED]. NTW will also offer a plan for community anchor institutions at a [REDACTED]. NTW's plans will all include advertised speeds of up to [REDACTED] Mbps downlink, with an uplink of up to [REDACTED] Mbps. These will be sufficient to enable standard broadband applications, such as e-mail, internet browsing, multimedia activities, and online education and training. NTW has reviewed existing service providers' offerings in areas of the proposed build where broadband coverage does exist, to ensure its own pricing is both fair and economical. NTW has also conducted the necessary analyses, including a full business case, to ensure its project will be sustainable and profitable with government funding. NTW estimates a full 3G EV-DO Rev. A wireless broadband build in the proposed project area will cost [REDACTED] over 2 years. NTW

projects that this will allow the company to gain [REDACTED] subscribers by year 5, equivalent to approximately [REDACTED] penetration (including voice and data). However, due to the low population density and vast land area of many of the markets covered, this amount of capital expenditures would not be profitable without [REDACTED]. The company believes these estimates are accurate based on NTW's experience of building, maintaining, and operating an analogous wireless network in adjacent areas of Kansas. Similarly, NTW's experience with FCC interconnection obligations on its existing Kansas network will allow the company to easily meet both the FCC Internet Policy Statement as well as the ARRA's requirements regarding open access and interconnection.

Lastly, NTW believes its project will significantly aid job creation and economic development in Kansas by providing [REDACTED] direct jobs on the NTW payroll and a potential additional [REDACTED] indirect jobs (See OMB and President's Council of Economic Adviser's Circular estimating each \$92,000 spent equates to one additional job created). The network design and planning alone will create [REDACTED] technical jobs over the first two years, while operating the network and serving customers will create an additional [REDACTED] jobs once the network build is complete. These jobs will range from highly-skilled network engineers to physical construction and infrastructure (not currently included in count) to local customer service representatives. NTW will not only be creating jobs in an underdeveloped part of the state, but will also provide jobs in the near-term with the network build and the long-term with network and customer operations.

NTW requests that the RUS and NTIA consider both the long-term impact of expanding broadband coverage to eastern Kansas and the more immediate effects of supporting a local company with a strong history of community enrichment. NTW firmly believes its East Kansas build will be a valuable contribution to economic development and community life in Kansas and is thus an ideal project for ARRA funding.