

Broadband USA Applications Database

Applicant Name: PacTex Communications, LLC

Project Title: Arizona Rural Broadband

Project Type: Middle Mile

Executive Summary

Executive Summary PacTex Communications, LLC (PTC) was formed to deliver a variety of broadband interconnection services to the largely underserved areas of Arizona. PTC has acquired a license agreement to use right-of-way developed for a refined products pipeline, which is in the post-engineering and funding stage of its development. It is by way of this right of way that PTC will organize and define its serving area. This right-of-way, depicted in the map below, will allow PTC to install fiber optic cable from a point at the California/Arizona border near Ehrenberg to a point near the Arizona/New Mexico border near San Simon. As the map indicates, approximately ninety percent of the service area developed by this project will pass through largely underserved and unserved sparsely populated areas of the state where access to broadband services is commercially unviable without some underlying commercial support. PTC' service area will also include portions of the Colorado Indian Reservation and the San Carlos Indian Reservation, allowing backhaul to those tribal entities for broadband internet access and a myriad of enhanced services. In the future PTC plans to expand its service area to include a similar service area across the State of New Mexico as it serves the underlying fiber optic broadband support of the pipeline with which it shares a common route. PTC' backbone network will traverse approximately 365 miles in length and support a diverse and redundant consumer defined range of services with fiber as well as a wireless middle mile broadband service core. PTC will interconnect to the internet via last mile partners serving households, small to large enterprise businesses, public and private educational institutions and municipalities for service delivery to police, fire, emergency, and city personnel. PTC will place a microwave network over the fiber route to allow microwave internet backhaul to areas within 30 miles of the right-of-way. Once the network is established, PTC will be able to offer customers a suite of IP based solutions ranging from low-cost Internet Service (used with last mile partners) to the very highest speed backbone interconnect services capable of advanced broadband networking solutions. Future PTC offerings also include emerging services like GIG-E MPLS, SIP, Public and/or Private IP and Unified Communications, VOIP, Video, Multi-media and IP/VPN with optional Managed Services, Hosting, and Virtualization futures. Due to the hundreds of square miles served by the project, a census block-by-block assessment is impractical. We will be delivering broadband interconnectivity to seven Arizona counties, nearly 60 communities (Currently underserved or unserved), in excess of 1000 square miles, reaching 140,000 households, 8600 non-farm businesses, four significant Indian Reservations, numerous remote government installations and entities such as schools, libraries, police and fire, government and military installations. Most of these small communities lack the ability to have affordable broadband interconnection, and therefore access to the internet or other private networks that support community activities such as libraries and

schools. We will bring the world to these communities to allow them to grow and prosper. There are two areas that are currently adequately served by broadband. The areas of west Phoenix and northeast Tucson will allow for ample opportunity to access LEC broadband POPs with access to the internet. We do not anticipate entering these markets in competition with the existing Local Exchange Companies (LEC's) and these areas are not included in our proposed funded area. The funding that is requested herein will provide separate fiber pairs for backhaul to existing POP's within proximity to the route to allow access to the internet as well as specialized point to point interconnection with school and state agency networks in these rural areas. The funding will also be used to construct the microwave towers and radio equipment to expand the service to any last mile provider within reach of the signal. The network is readily expandable to include larger geographic areas with minimal additional costs. This will allow broadband coverage to an even greater service area, adapting to the demands of the region. What makes this program work is the access to existing right of way, obviating the need to engage in very expensive and time consuming property acquisition, as well as having a built-in support customer, namely the pipeline. While the request for funding herein includes some amount for right-of-way activities, the amounts included are for the incremental activities required to specialize the right-of-way to a commercial telecommunications activity and to add such properties as are necessary for the placement of towers and supportive telecommunications equipment to serve the surrounding areas. This represents a mere fraction of the cost and start time of a "greenfield" start of similar proportions for a project of this type. Nearly ninety percent of the right-of-way over which the proposed facility is constructed is on federal (BLM) or State lands. The right-of-way over private lands requires an expansion of the existing easement to include telecommunications as a permitted use. The existing landowners have been made aware of the pending change in easement use and no objections to the change have been received. Consequently, we anticipate little or no opposition to such change in use. We have included certain expenses in performing such change of use in our financial projections. The right-of-way is adjacent to existing pipelines in a designated "transport corridor". PacTex Communications is committed to giving back to the communities in which it works and operates. Native Americans have a significant presence in the Southwest United States and the several Tribes, along with others, will benefit with the availability of broadband services to enhance their ability to expand access to job markets and opportunity. Our community mindedness will provide goodwill along the entire length of the project, besides creating needed jobs along the entire route. Our owner has 30 years experience with AT&T as a manager in the fields of Customer Service, Law & Government Affairs, Regulatory Affairs and Access Management. Our chief executive brings 20 years of experience in the business organization and government relations activities of the southwest. Our General Counsel has over 30 years of experience with AT&T, and several CLEC, emerging tele-information firms and law firms, our System Design Executive has over 25 years of experience with MCI, Qwest, and Telstra, as does our marketing executive. Our primary fiber contractor has lengthy experience with AT&T and others. The depth of our experience has allowed a credible plan to be developed and assures a positive deployment result. The PTC project will create approximately 30 new permanent jobs directly associated with the ongoing operation of the system. It will employ several hundred construction and specialty trade persons during the construction phase of the project. This project will enhance 1000's of jobs in a dozen states producing items for this system. Once operational, the opportunities created for the thousands of persons with newly acquired access to broadband services is incalculable.