

Softcom Internet Communications, Inc, an Internet Service Provider (ISP) based out of Galt, CA and operating since 1992, is proposing the Softcom Rural Expansion, a project that will provide 100% broadband availability at 3 Mbps down and 1 Mbps up to an underserved rural area of 46,458 people spanning 446.93 square miles at an average density of 33 households per sq mile with a total cost to the government of \$144 per household.

**Idea:**

The primary impediment to widespread broadband adoption in rural America is the lack of availability due to the high-cost of delivering broadband to geographically challenging areas with low population density. Over the past 5 years, Softcom has developed a fixed wireless technology platform that gives it the ability to profitably deliver cost-effective broadband to underserved rural markets without having to rely on the aid of deficit spending or heavy outside leverage. Before the announcement of broadband stimulus funding, Softcom had planned to expand its current technology platform and network assets to build out 70% of the proposed service area over the next five years. However, the recent economic downturn delayed these plans due to the tightening of the small business credit markets. Softcom is applying for a RUS BIP 51/49 Loan-Grant combo to restart and accelerate this process of delivering broadband to underserved rural communities. The grant portion of this funding is necessary in order for Softcom to fulfill the requirement to fill in the remaining 30% of the proposed service area to provide 100% broadband coverage throughout the proposed service area.

**Team:**

The Softcom Executive Team has worked together since 1992, building and commandeering a successful and financially-sound Internet business whilst maintaining solid revenue growth and profitability amidst the turbulent evolution of the telecom industry. Although Softcom experienced high growth like most first generation Internet companies during the dial-up boom of the late 90s, it has differentiated itself from the vast majority of these companies by maintaining a sense of strategic, business and technological foresight that enabled Softcom to successfully navigate the Telecom meltdown of early 2000 that wiped out the majority of these Internet companies. Today, Softcom services over 6,000 subscribers and is celebrating its 10<sup>th</sup> year of EBIDTA positive operations and growth.

**Proposed Funded Service Area:**

Softcom's proposed funded service area consists of 446.93 square miles located in North-Central California in Sacram[REDACTED]. The service area is considered 100% rural due to the fact that (1) no single community within the area has a population in excess of 20,000 and (2) no portion consists of any area adjacent to an urbanized zone with a population in excess of 50,000. [REDACTED]

[REDACTED]

[REDACTED] Based on these characteristics, the proposed service area qualifies for hybrid loan-grant funding under the RUS/BIP program.

**The lack of comprehensive broadband coverage in rural North-Central California areas:**

Although most cities and towns in rural America have service, from a land-mass perspective, the vast majority of the country lack ready access to affordable broadband. [REDACTED]

[REDACTED]

[REDACTED] A direct result of this digital divide is that the economic development of these communities has been impeded. More comprehensive access to broadband would benefit those living within these communities by allowing them to have improved access to health care, education, jobs and services. From a long term perspective, ready access to broadband is critical for the overall growth and sustainability of these rural communities. By providing geographically comprehensive, high-quality broadband services at affordable prices within the proposed funded area, the Softcom Rural Expansion Project will offer both immediate and long-term benefits for businesses and residents in this underserved area.

**Approach to addressing the NOFA's non-discrimination and interconnection requirements:**

Throughout its history, Softcom has been committed to a free and open Internet, and this project will stay consistent with the NOFA's non-discrimination and network interconnection obligations. Softcom's current Terms of Service and Acceptable Use Policy, in place for over 5 years, satisfy the non-discrimination requirements of FCC 05-151 and the NOFA. In regards to interconnection, Softcom is committed to making its proposed network 100% interoperable with all other networks. To facilitate open access, Softcom has partnered with [REDACTED], a national ISP wholesaler that will enable multiple provider access on Softcom's infrastructure.

**Type of Broadband System to be deployed (network type and technology standards):**

Although Softcom has experience in wireline broadband technologies and currently services over [REDACTED] DSL subscribers, due to the rurality and topographical challenges of the terrain, Softcom believes that the most cost effective and reliable means of delivering broadband to this underserved rural area is to use fixed wireless technology based on Motorola Canopy and Trango Broadband equipment. The proposed network is based upon Softcom’s 2<sup>nd</sup> generation wireless platform, a proven platform which has been in operation for over three years and currently provides services [REDACTED]. The project consists of augmenting and expanding the coverage of this network to provide 100% broadband availability throughout the entire service area.

**Project Readiness, Simplicity and Reduced Risk of Build-Out Plan:**

Softcom has provided wireless broadband services for over five years. The current wireless platform, consisting of a 1<sup>st</sup> generation Wi-Fi mesh system and a 2<sup>nd</sup> generation fixed wireless system, is highly robust and stable and services [REDACTED]. The project will be implemented in a timely and cost-efficient manner because it will (1) utilize pre-existing facilities and towers, (2) build-upon a pre-existing proven technology platform, and (3) leverage the existing operating assets and resources of an EBIDTA positive business.

**Overall Expected Subscriber Projections for the Project:**

[REDACTED]

**Number of jobs estimated to be created or saved as a result of this project:**

Softcom expects that it will create 7 internal jobs and 23 contracted jobs during the course of this project. Using the methodology taken from Council of Economic Advisors “Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009” report gives a total of 44.6 job-years created.

**Infrastructure Cost of the Proposed System:**

The capital expense of implementing the proposed system is \$4,108,190.

[REDACTED]