

Broadband USA Applications Database

Applicant Name: Gateway Telecom, LLC

Project Title: Gateway Telecom LLC West Virginia Last Mile Project

Project Type: Last Mile Non-Remote

Executive Summary

Gateway Telecom, LLC dba StratusWave Communications (“StratusWave”) was founded in 1998 and began operations in 1999. Using its knowledge of wireless technologies, StratusWave developed a wireless network to deliver broadband internet to business and residential customers. Today the StratusWave network covers the Northern Panhandle of West Virginia offering business and residential customers local and long-distance telephone service, dial-up internet and wireless broadband internet. In 2007, StratusWave was granted licensed EBS spectrum at 2.5 GHz from the FCC. StratusWave is currently deploying equipment using the 2.5 GHz spectrum in the build-out of multiple wireless WAN networks to improve broadband internet access to public schools in the Northern Panhandle of West Virginia. By the end of 2009 StratusWave’s wireless WAN network will provide broadband internet for every public K-12 school in five counties in Northern WV. StratusWave proposes to increase its presence in this Appalachian Region of West Virginia by building and operating a last-mile wireless broadband solution to serve residences and community anchor institutions in unserved rural communities. As an experienced local operator with strong management and key relationships with middle-mile providers and anchor institutions, StratusWave has the skill to quickly deploy broadband service to these currently unserved areas, meeting defined BTOP Statutory Purposes. StratusWave has received and administered four RUS Broadband Grants and has proved to be a good steward of grant funds.

a) Opportunities the proposed system seeks to address: StratusWave has identified a pent-up demand for affordable broadband services in rural, unserved communities in the Appalachian Region of West Virginia. The sparsely populated nature of these communities, topography and foliage, and low income levels offer little or no economic incentive for StratusWave or any other entity to satisfactorily and successfully roll out any form of broadband application in these areas. Were it not for this program, broadband services would not likely be made available in these areas. With federal funding, StratusWave can help these areas spur economic development by offering advanced cutting-edge technology to the community’s businesses, residents and critical facilities, including schools, post office, fire department, police department and EMS. StratusWave, if awarded broadband infrastructure funding, will seek to provide affordable broadband access to all of the participating community anchor facilities. The communities in the Project area can be the recipient of a number of direct benefits as a result of StratusWave successfully applying for this Grant.

b) General description of the proposed funded service areas: It is the goal of StratusWave to provide service to unserved rural areas in Appalachian Regions of West Virginia. StratusWave is proposing to extend our existing wireless broadband network into six census block areas spread out through three counties in West Virginia that are unserved. These areas are rural communities in the Appalachian Regions of West Virginia.

c) Number of households and business

passed: Within the proposed census block areas there are 1,028 households (2000 census). StratusWave has been serving this region for 11 years and based on the knowledge gained in that time period we estimate there would be 30 to 40 Small Office Home Office's located in these areas. d) Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project). StratusWave estimates there are 3 or 4 community anchor institutions located in the proposed areas, based on our 11 year working knowledge in this region. e) Proposed services and applications for the proposed funded service areas and users. StratusWave proposes to provide the following services and applications: • Broadband access will be available to residences, businesses and community anchor institutions. • The program will provide important economic development opportunities by aiding current businesses and stimulating economic growth through new jobs. • Broadband access allows the community to send information from/to anywhere in the world thus creating an environment of continued learning, self-sufficiency and self-actualization. • Additionally, StratusWave will bring digital telephone services to these communities allowing business and residences and choice to reduce costs and take advantage of digital telephone capabilities. f) Approach to addressing the non-discrimination and interconnection obligations StratusWave's non-discrimination, interconnection and "open access" conditions can be found elsewhere in this application. As described in more detail there, StratusWave is taking a systemic approach to fulfilling its obligations. The Chief Technical Officer will be directly responsible for ensuring that StratusWave's commitments are maintained, and customers will have complete knowledge about their rights to access lawful content. StratusWave's Chief Executive Officer will be directly responsible for any interconnection negotiations. StratusWave will promote choice of provider to its customers. g) Type of broadband system that will be deployed (network type and technology standard) StratusWave proposes to deploy a wireless broadband network to the identified areas using a combination of its licensed 2.5 GHz spectrum (FCC Call Signs WQHJ858 and WQHJ859) and unlicensed 900 MHz and 5.8 GHz equipment to provide maximum coverage and flexibility. StratusWave operates an existing wireless broadband network using the spectrum and equipment being proposed. This solution is a proven delivery method for affordable broadband access and provides deployment flexibility that is a necessity when serving in the rural Appalachian Regions we have identified. h) Qualifications of the applicant that demonstrates the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider. For the past 11 years, StratusWave has served the needs of businesses and consumers in the northern panhandle of West Virginia with telephone and broadband services. StratusWave has earned a reputation for providing a solid broadband network, as demonstrated by the contracts StratusWave holds, including county-wide public school networks delivering broadband internet to rural West Virginia Schools, a multi-state bank WAN network and multiple college / university broadband contracts. As local business people with deep roots in this area, StratusWave's management team is acutely aware of the challenges presented by sparse population distribution, topography and foliage and low income, and through years of operational practice have developed an outstanding team of technical and customer service professionals as well as a realistic business model that projects sustainability, financial prudence and success. i.) Overall infrastructure cost of the broadband system The overall infrastructure cost of the total project is \$2,893,056. j) Overall expected subscriber projections for the project. Over the first couple of years of operation StratusWave expects to achieve a penetration take rate of 50% of the households within the census block regions identified in the proposal, approximately 514 households. In

addition to the proposed census blocks StratusWave is aware the nature of a wireless broadband network is that areas surrounding the target census blocks will potentially be covered and StratusWave expects to add additional customers in these surrounding unserved / underserved regions. k) Number of jobs estimated to be created or saved as result of this project. During the construction phase StratusWave estimates we will create four new jobs. Post-construction StratusWave estimates it will maintain two of those positions. Also, by exposing these unserved markets to broadband internet access StratusWave estimates that 30 home based businesses could be started utilizing these broadband internet resources (roughly 3% of the unserved households).