

Broadband USA Applications Database

Applicant Name: Network USA

Project Title: Louisiana Arkansas Middle Mile Project

Project Type: Middle Mile

Executive Summary

The Louisiana Arkansas Broadband Middle Mile Infrastructure Project is a stimulus proposal submitted by Network USA, LLC. Network USA will be the responsible party, but will enter into cooperative services agreements with Detel Wireless, LLC, and perhaps other companies, whereby these companies will assist in providing middle-mile and last-mile service on a contracting basis. Network USA and Detel Wireless are Louisiana- owned and operated telecommunications carriers with combined experience of more than 20 years in providing broadband infrastructure to critical communities. This cooperative venture leverages the proven expertise needed to construct a cost-effective broadband network aimed at the most rural, unserved, and underserved communities in Louisiana and Arkansas. Louisiana is among the bottom five states in broadband penetration with 78% of all households not having residential broadband service (Leitchment 2006). Of those 22% that have services, they are not pleased with their speeds and rightly so. With an average speed of just 470 kpbs, 70% of the users are dissatisfied with their service. The small penetration and slow speeds places Louisiana a lowly 36th in surf speed ranking (SurfSpeed 2008). In Arkansas, the 2008 State New Economy Index, which ranks states based on their ability to compete in the new economy, ranks Arkansas 47th in the nation. Arkansas also ranks 49th in deployment of broadband telecommunications. According to the CSE Freedom Foundation, full broadband deployment in Arkansas will create 8,200 new jobs and bring in over \$2.6 billion annually in additional Gross State Product (GSP). The opportunity the Louisiana Arkansas Middle Mile Project seeks to provide is to improve access to broadband service to critical rural community facilities and residents in unserved and underserved areas of rural Arkansas and Louisiana. Broadband availability in a rural market has a direct and indirect impact on the personal lives of individuals in rural communities as well as productivity increases by the anchor institutions and private employers who are the financial backbone of these communities. The proposed service area to be funded stretches from rural areas of north and central Louisiana to southwest to south central Arkansas. Within the service area there are 20 cognizable communities and 23,232 households. There are 6,298 businesses and a total of 225 community anchor institutions, public safety entities and critical community organizations. The service area proposed is:

Span Location	Communities Served	Population	% Families below poverty line
East Camden, AR	1	1030	9.2%
Hampton, AR	6	3460	19.7%
Monticello, AR	1	10096	14.8%
Collinston, LA	2	979	20.9%
Cottonport, LA	3	8,033	34.5%
Marksville, LA	2	13,207	32.0%
Bunkie, LA	2	9,429	34.4%
Simmesport, LA	1	3,221	33.0%
Moreauville	2	6,952	11.7%

The support for the proposal from these communities and last mile service providers has been overwhelming. Last mile providers are eager to bring services to these rural communities. If funded, this middle mile project will create the opportunities for them to deliver additional services and higher speeds at a much lower cost.

For example, one last mile service provider is currently paying \$9,500 per month for a DS-3; under this proposal the cost would be \$5240. This will yield a cost savings of approximately 45%. In addition, the Louisiana Arkansas Middle Mile project will have a profound impact by expanding telecommunications opportunities to minority groups such as the Tunica-Biloxi Tribe in Marksville, La. Recently, the Tribe constructed a \$14.2 million museum and plans to use video conferencing to deliver interactive educational content to K-12 schools worldwide. However, the Tribe is unable to access the Internet at the high capacity speeds necessary for high definition video conferencing. If this project is funded, the Tunica-Biloxi Tribe's educational and historical programs will be distributed by video conferencing, as well as streamed on the Internet. This will allow the Tribe's programs to be available worldwide. The proposed broadband fiber optic network spans approximately 200 miles and will consist of a 144 strand fiber system with an initial deployment of an 8 channel DWDM system. Network USA is proposing to serve approximately 20 serving areas with broadband and Internet services up to 10Gbps. Network USA and Detel Wireless, LLC. have been in the business of providing Carrier Services since 2002. Since that time we have entered into Master Service Agreements for both the supply and demand side with all major national carriers. We intend to comply with the non-discrimination and interconnection obligations by continuing our "Net Neutrality" policy and following the guidelines as published in the NOFA. Network USA proposes to provide the same level of services that are currently provided over its and Detel's current DWDM systems. These services include: SONET – T-1, DS-3, OC-3, OC-12, OC-48 and OC-192, Ethernet – 1.5M up to 12M over bonded T-1's, 10M, 50M, 100M, 200M, 300M, 500M and 1G, Waves – 2.5G and 10G, and dedicated Internet – same speeds as Ethernet access. Network USA will use its existing operational DWDM system to provide self healing capability to mission critical applications such as remote telemedicine and emergency responder systems. We will also overlay this with SONET and Ethernet capabilities in each of the services areas as defined. With a combined operating experience of more than 20 years, Network USA and Detel Wireless have privately invested millions of dollars in bridging the digital divide to rural communities. Network USA has been primarily engaged in the marketing to service providers and large enterprise customers, while Detel Wireless is primarily focused on providing services to rural K-12 schools located in high poverty areas. Detel Wireless is currently providing broadband services to more than 300 Louisiana K-12 schools. These schools are using the broadband services to deploy video, voice, and Internet applications. The majority of the schools served are in high poverty, rural areas where high-speed broadband services were not available until we commenced service. Network USA currently has an operational DWDM network encompassing greater than 2500 route miles which we have operated since 2002. As stated previously, we have been operating in rural Louisiana and providing services to underserved markets since that time. Network USA is forecasting the proposed routes to cost \$15,376,928 over the first three years. Using the CSE Freedom Foundation's formula which was developed for the state of Arkansas. The expected subscriber projections for the first five years are 10,029. We estimate the number of jobs to be created and saved by this project is 6,000. The Louisiana Arkansas Middle Mile Project has the support of public officials, last mile service providers and Internet service providers, libraries, health care facilities, businesses and the Tunica-Biloxi Tribe. If adequately funded, it can dramatically improve access to the Internet and other broadband services in states and to consumers who are significantly underserved or unserved on a scale of unprecedented proportions. The project would serve the very same goals that the Broadband Stimulus funds are designed to serve—the "wiring" of America to bridge the broadband gap.