

Broadband USA Applications Database

Applicant Name: Gargoyle Technologies, Inc. dba Volo Broadband

Project Title: Champaign County Volo

Project Type: Last Mile Non-Remote

Executive Summary

The Champaign County Volo Project seeks to use the backbone established in the related Champaign County Broadband Backbone Project to broaden Volo Broadband's current footprint. The result of funding this project will be a high-speed, local option for underserved markets in Champaign County, IL. The project's goal is to provide last-mile 5-25/mbps internet access at \$45/mo to at least 1200 subscribers among the 112 anchor institutions in underserved areas of Champaign County and the 27000 people that live in underserved areas of Champaign County. Currently, Volo Broadband provides Internet service to about 1000 customers in Champaign, Urbana, and the immediately surrounding area. Champaign-Urbana and Savoy are very well-endowed broadband-wise, with wireline broadband at 6-12mbps available throughout the community from two providers, three competitive fixed-wireless providers, and at least one 3G cellphone provider (Sprint; AT&T's 3G offering is expected to be available in Q1 of 2010). But if you step outside the city limits, even a block or two, these broadband options disappear. The only service provider that offers 3mbps or faster service in these outlying areas is Volo Broadband. There are two other wireless providers that cover some houses in the region, but their services are slow and relatively expensive (see attachment C) and their coverage is extremely haphazard—many potential subscribers have found that they can not get service (even though they are broadly in those providers' coverage footprints and a neighbor has service) due to trees, hills, or other random obstacles and/or corporate disfunction in the companies. This project seeks to bootstrap a competitive option with little or no installation cost, that covers most (if not all) residents and institutions in rural, unserved, and underserved areas of Champaign County. We are submitting separate applications for two related projects: * The middle-mile Champaign County Broadband Backbone Project will establish a vendor-neutral backbone that provides tower space with layer-2 private networking and layer-3 internet access to service providers * This project, the last-mile Champaign County Volo project, will fund transmission equipment and subsidize the up-front capital costs of connecting the first 1200 customers on that infrastructure. Additional installations beyond that first thousand will be subsidized by operating revenue. One primary goal of this project is to eliminate the up-front costs that typically make rural broadband even more expensive than that available in cities. The Champaign County Volo project is dependent on the Champaign County Broadband Backbone, but the Champaign County Broadband Backbone project could exist without the Champaign County Volo project. That said, long-term sustainability of the Champaign County Broadband Backbone is dependent on service providers with subscribers, of which Champaign County Volo would be a prime example. The Champaign County Broadband Backbone and Champaign County Volo projects will provide infrastructure that will cover most locations in Champaign County, Illinois. There are 24 small communities in Champaign County, in

addition to the cities of Champaign and Urbana. The underserved portions of Champaign County, which is the target last-mile service area, includes 9897 households, about 500 businesses, and at least 40 anchor institutions. This project will provide a backbone connection for each of these anchor institutions, which in most cases will be the lowest cost provider at the basic service level, as well as the provider with the best price/performance ratio at higher levels of service. Volo Broadband has been a broadband Internet Service Provider since 2002 and has steadily grown each year. We have regularly serviced all of our debt and taken on no new financing since 2003. Volo has experience constructing towers, maintaining equipment on towers, installing fiber optic cable, terminating fiber cable, and generally operating both wireless and fiber networks. Volo Broadband is a strong proponent of non-discrimination and interconnection. We have a history of being ahead of the curve with regard to open access policies. Volo has an open peering agreement, and a firm policy of nondiscrimination on a traffic content basis—more so than any other provider in central Illinois. We encourage customers to use their connection for any legal purpose, including server hosting. We provide static IP addresses to all long-term (not hot-spot) customers to help make full use of their connection feasible. i) Overall infrastructure cost of the broadband system. \$479,200 j) Overall expected subscriber projections for the project. 1200 within 3 years. 10500 potential subscribers in the underserved areas. k) Number of jobs estimated to be created or saved as a result. 6 ongoing FTE for installation and support of the network