

Broadband USA Applications Database

Applicant Name: VIA ONE NETWORKS, LLC

Project Title: Prepaid Broadband

Project Type: Sustainable Broadband Adoption

Executive Summary

Prepaid Broadband's goal is to fulfill the needs of tens of thousands of unserved and underserved Americans. When the terms unserved and underserved are used, they often are referring to a geographic location and whether broadband exists or is sufficient, however, when using these terms relative to Prepaid Broadband, we are referring to various demographics and how they are unserved and underserved regardless of the level of broadband availability in their geographic area. These demographics are unserved and underserved for two very different reasons. Prepaid Broadband aims to address both of these reasons and to remove them as barriers to broadband adoption. They are Affordability and Fear of Technology. Affordability: Although broadband availability may not be a problem in a consumer's geographic area, they still may be unserved or underserved because of the cost of accessing that broadband. The consumer first needs a computer. A low end computer could cost about \$600; necessary software another \$150. A broadband connection could run about \$50 per month. Many Americans are living check to check and cannot afford an additional \$50 a month, much less accumulate \$750 for a computer. Fear of Technology: Choosing to embrace computing and the Internet involves multiple decisions. Which computer, desktop or laptop to choose? Which operating system to choose? How much processing speed does one need? How much data memory/storage is enough? What kind of monitor is the right kind? The list of questions can be very intimidating to the non-computer savvy. To compound the matter, none of the options are inexpensive. And that's just for the computer itself. Choosing an Internet Service Provider, usually a telecommunications or cable company can be equally daunting. Many consumers develop a technophobia to first time adoption. Without knowledge of what they are missing, they choose through their inaction to remain on the wrong side of the digital divide. As the country and global community continues to embrace digital mediums and migrate away from traditional ones, these consumers are cut off from critical information related to health, education and opportunities, while lacking a now fundamental basic communication tool - Email. In short, The Prepaid Broadband solution eliminates both the technology fear and cost barriers from the decision making process, leaving the choice for broadband adoption in the home a simple one. Once our solution is adopted, we believe consumers will regard broadband as essential to the home, as electricity, water and telephone service. Prepaid Broadband's innovative Broadband Appliance is a state of the art Thin Client Network Device. It is a simple plug and play alternative to the traditional computer. With a built-in modem, monitor, keyboard and mouse, all a consumer has to do is plug in two wires and Prepaid Broadband takes care of the rest. To help smooth the adoption, we offer a broad range of services to educate and enlighten consumers. We bundle everything from 'how-to' tutorials and videos, to live chat assistance to help customers maximize their Prepaid Broadband turn-key on-line experience. By utilizing

network computing, all software applications, file directories and storage are handled on our network servers. Customers get all the benefits of a robust, fully loaded PC without any of the hassles or hidden costs, such as anti-virus software and storage upgrades. With our system, everything a consumer wants, from web access to productivity software, is accessed simply and quickly from their browser and the direct icons displayed when they turn the device on. The device and the attendant network service eliminate the technophobia. In addressing the cost issue, we'll provide our customer a monitor, keyboard, mouse, thin client device, one year of broadband connectivity and one year of Prepaid Broadband service for a one-time cost of \$100. By subsidizing the offering, we believe we will reduce churn and allow customers time they need to realize the many benefits of broadband connectivity in their homes. The first year of service we'll provide will be exactly what our customers need to acclimate themselves to the world of broadband connectivity. When the first year of services ends, the customer can extend the service for a low cost of \$35 per month. Here's how it will work: ' A consumer decides he/she wants our Prepaid Broadband service. ' He/She pays the low, one-time fee of \$100. ' Prepaid Broadband ships them the monitor, keyboard, mouse, and thin client device. ' Prepaid Broadband schedules installation of the broadband connectivity. ' The consumer follows the easy Start-up instructions to get online ' The consumer begins using broadband and all that it provides. ' The consumer has 24/7 access to training, education, and support. Prepaid Broadband's plan is to deploy its innovative solution into 48,000 Native American households. By targeting Native American Tribes, we expect the majority of our customer base to have annual household incomes of less than \$24,999. With a capability to deploy our solution nationwide, we plan to have a national footprint. Initially, however, our efforts will be to deploy our service to Native American Tribes within the following states: ' Wisconsin ' Minnesota ' California Implementation of this project requires several distinct core competencies, all of which are present in the senior management team of Prepaid Broadband. Significant experience and past accomplishments reflect a successful track record in the start-up and rapid success of several large prepaid wireless and prepaid transaction companies. We believe this demonstrates we possess the skills, business savvy and relationships to be successful when working with the lower socio-economic market. Technologically speaking, we have deployed several intuitive, bi-lingual and highly functional consumer facing technology platforms. This experience continues to be vital to development of the user portal on our thin client device. Operationally, we have experience in building and managing call centers, support centers and warehouse distribution operations. It is the combination of these varied experiences and skill sets that are necessary, not only for successful deployment of 48,000 Prepaid Broadband appliances, but for a harmonious user experience that will promote the sustainability of the broadband adoption. Prepaid Broadband estimates that a minimum of 60 full time jobs will be created during the first 3 years of this project. Further, we project 6 jobs will be saved. We project hundreds of temporary contract jobs will be created in the deployment and installation, and service support of our offering. The total cost of the project we are hereby representing, is estimated at \$61.9 million and the BTOP funding request is for \$43.3 million in separate tranches, in accordance our deployment goals.