International Network Technologies
Executive Summary
Southern Illinois Broadband Network

International Network Technologies Inc. (INT) based in Seattle, Washington is requesting funding from the USDA Rural Utilities Service Broadband Initiative Program (BIP). INT is applying for a ~ loan and ~ grant to construct a Last Mile project in the 34 southern most counties of Illinois. Our partnership in this project is being provided by a recently formed by a partnership with Southern Illinois University, Carbondale, an institution that possesses over 100,000 subscribers of broadband service to the homes and businesses of Southern Illinois.

Our plan is to build a WiMAX network in 34 counties in Southern Illinois. Every census block community in the 34 counties will have network coverage and will be contiguous (excluding one city larger than 20,000 residents in St. Clair County) with each other. Our network will allow for low cost (sub $35 per month) access to high speed Internet services as well as VOIP and higher bandwidth tiers of service thereby increasing both the affordability and availability of broadband service in the areas we service. Further, as required by BIP, we will price our service to critical anchor community organizations at discounted rates of at least 25%.

The estimated cost to build this Last Mile network is ~ and the cost details provided in our BIP application are the foundation for this funding request. The network will enable subscribers to access broadband services at throughput rates (up to 5M/5M) exceeding those required by the NOFA in these areas where historically there has been substandard or no service at all. Further the communities covered by this application meet both the 75% rural test based on the most recent census data and the 75% unserved/underserved/remote criterion established by the NOFA.

We are ready to begin immediate installation of the first seven (7) counties upon approval of our application by the BIP program and estimate full deployment in all 34 counties in no more than two years. Service in our first county will begin approximately 90 days after completion of the loan/grant documentation process.

Further we understand and agree to comply with the nondiscrimination and interconnection obligations outlined in the NOFA. Our nondiscrimination and interconnection policies will be posted on our website. By design our network will allow any lawful content and will be “open” allowing for interconnection by other providers at competitive rates.

Our long term operating model is sustainable as the network becomes cash flow positive late in year one and thereafter generates free cash flow sufficient to repay our proposed BIP loan and reinvest capital if necessary into expanding the geography, capacity and services available on the network.
At completion the Network will cover ~▱ census block communities, 425,000+ homes (at least 125,000+ of which are unserved based upon our market research), with a population base in excess of 1,100,000. Further the network will pass an estimated 80,000 businesses and 750+ anchor community organizations.

For financial modeling purposes we have capped our subscriber penetration estimates at □ (□ unique subscribers) for residential locations and □ (□ unique subscribers) for commercial and anchor institutions. We fully expect that subscription to the network will exceed these financial targets. We estimate that this network will create a minimum of □ full time jobs directly related to the operation of the network with at least 60% of these jobs located in the communities that we serve. In addition, the network will save numerous jobs through the increased demand for equipment from our suppliers and enable the businesses in our service area to become more efficient thereby saving crucial dollars that can be used to retain and hire additional staff.

In addition to making traditional broadband services (high speed Internet service with email, VOIP and commercial point to point T-1 and DS-3’s) available to consumers, public facilities and commercial businesses, INT also has developed applications that enable smaller power utilities to install grid management applications that can utilize the WIMAX network we propose
to build. Thus, an added benefit to our network strategy will be that these rural utilities and their customers can benefit from state-of-the-art grid management solutions that will accessible by using INT’s broadband network.

INT will be deploying WiMAX broadband wireless network architectures based on IEEE 802.16e-2005 standards, which utilize an all IP-based technology optimized for high throughput and real-time voice, data, and video applications. Since this architecture is more spectrally efficient than other wireless technologies and delivers greater bandwidth at the lowest cost per megabit, the key value proposition of WiMAX is its ability to access the Internet anytime, anywhere. The WiMAX architecture also provides the wireless network means to reach customers at a unit cost that is much less expensive than the incumbent wire-line networks of either the telephone or cable TV companies.

INT’s network was designed to cover entire communities/counties and deliver high-speed, broadband connections that not only create new communications paths but also provide the benefit the consumer and enhance their on-line capacity.