Broadband USA Applications Database

Applicant Name: NTCH, Inc.

Project Title: NTCH (Cleartalk) South Carolina Broadband Wireless Last Mile/Middle Mile application

Project Type: Last Mile Non-Remote

_______________________ Executive Summary ____________________

OPPORTUNITY: This Broadband Infrastructure Program (BIP)/Broadband Technology Opportunities Program (BTOP) infrastructure application aims to bring the benefits of spurring job creation, stimulating long-term economic growth and opportunity, and narrowing gaps in broadband build-out within rural areas of South Carolina. South Carolinians in underserved rural areas will benefit from the vital access to economic opportunities, health services, educational tools and social programs that will result from this project’s affordable broadband offerings. A 2008 report by Connected Nation, titled “The Economic Impact of Simulating Broadband Nationally,” found that increased broadband adoption in South Carolina could create more than $1 billion in direct income growth and create or save more than 32,000 jobs. Moreover, the project should be viewed as a multiplier of an effective BTOP Sustainable Broadband Adoption application that we believe will be submitted by Benedict College, as well as a BTOP Public Computer Centers application that will make mobile computers available to those that can’t afford them. With this package of opportunities, the goals of BIP/BTOP will be fully addressed.

Cleartalk’s proposal is based on a 3G (EVDO Rev A) network -- the same infrastructure that Verizon wireless deploys -- which is considered the best in class. Service will be priced at $35 per month, with a 25% discount to public entities partnering with us. The network will be deployed with a new generation of software-defined base stations that will allow for the deployment of 4G (either LTE or WiMAX) wireless technology on the same network at minimal cost. Following network deployment and an effective Broadband Adoption program, Cleartalk will work with the state library system to provide for a free lending program, with portable computers available to be checked out through schools, libraries, and public safety locations. In addition to this fixed location distribution, Cleartalk will either submit (in this round or the next) or facilitate the submission of a proposal to have at least three netbook-mobile vehicles that will travel throughout the rural areas, bringing to residents the ability to check out a laptop or notebook computer (in the same way a book used to be checked out from the library or bookmobile). This will make available remote health care, distance learning and business incubation services over the Internet, for everyone in rural South Carolina regardless of income level or location. The broadband network deployed will use licensed AWS spectrum (owned or leased), local switching, industry-standard infrastructure and devices, and a high percentage of true domestic manufacturing and intellectual property in the equipment chosen. The Cleartalk backhaul network will bring high bandwidth of up to 1000 mbps to within reach of any area in the state of South Carolina, as well.

NONDISCRIMINATION AND INTERCONNECTION: Cleartalk is committed to fully meeting the nondiscrimination and interconnection obligations of the Recovery Act. Cleartalk believes in the benefits of competition and an open Internet. We are committed to providing service to our subscribers on a non-discriminatory basis, subject to
generally accepted network management practices that will ensure exemplary levels of service to our customers. Cleartalk also invites other companies to resell all our products and will provide wholesale rates for this purpose. Cleartalk will actively sell bandwidth and transport on the installed backhaul network from its network to other competing carriers and will interconnect to any network that makes economic and business sense. BROADBAND SYSTEM: Cleartalk’s broadband system employs the newest wireless infrastructure technology, which is also deployment-ready for future wireless standards. The software-defined base stations that will be deployed can provide for any of the CDMA, GSM, HSDPA, EVDO and the 4G technologies that have been chosen by the major carriers, including WiMAX and LTE. These radios will also accommodate deployment of a long-planned public safety interoperability network at 700 MHz. This is a split architecture base station deployment, which uses fiber instead of coax to carry the signal up the tower, and also is equipped with the latest antennas. This technology provides for up to a 5 db improvement in RF performance. Cleartalk has observed in its actual deployments that coverage is expanded on a given site up to 5 miles farther than the traditional networks currently deployed. Cleartalk’s planned network is enabled through a soft switch core and software-defined base stations manufactured by Huawei Inc., a worldwide technology company doing over $23 billion in annual sales last year. These base stations will be matched with native IP backhaul radios from Trango Systems, Inc., a Poway, California-based manufacturer of high capacity, carrier microwave radio systems with proven performance in some of the most difficult environments in which Cleartalk operates. QUALIFICATIONS: Cleartalk currently operates and provides broadband services commercially on the same network infrastructure as proposed in this application. Cleartalk started in Grand Junction, Colorado, and has been focused for more than a decade on rural communities in more than 10 states. Cleartalk has never gone beyond its operational or financial capabilities. Cleartalk is the rare wireless company that has built itself through service and entrepreneurship from an original MESBIC funding of $6,000,000 to its current operations level. Cleartalk has always honored its obligations and provided excellent returns to its investors as it has grown. Cleartalk has bought out many of our investors and employees as they retired and we still remain virtually debt free. We are a respected relationship for the equipment vendors and tower companies in our industry that are needed to facilitate success in this business. Cleartalk also has a history of public service and cooperation and working with small local companies across the 10 states where they operate. See http://cleartalk.net/community.php. REQUIRED INFORMATION: a) All 5 BTOP Statutory purposes; b) All counties in South Carolina, except those counties surrounding the urban areas of Savannah, Georgia; Charlotte, NC; and Charleston, SC, including 338 census defined communities; c) 114,286 businesses and 1,319,410 households; d) 14,560 community anchor institutions, 754 public safety entities, 5,128 critical community organizations, 1,462 schools, 180 libraries, 6,764 health care providers, 272 colleges/universities; e) 3G Data at 2.5 mbps download and .7 mbps upload, 1,000 mbps transport or internet to fixed locations, CDMA voice and 1x data; f) see explanation above and on our website at www.cleartalk.net g) wireless point to multipoint, EVDO Rev A, 3g; h) See above; i) $136,196,500, $53,030,500 requested grant which is $18.00 per covered person; j) Yr 1 1.8%, Yr 2 3.3%, Yr 3 4.1%, Yr 5 4.7% of covered population. We project that at the end of the funded period we will have 90,385 subscribers on this network; k) 22,000 jobs created. CONCLUSION: The size of this proposed deployment is large; it aims to provide a statewide solution. It must be, however, large enough to bring together the most experienced group that exists to accomplish it. The amount requested seems large but in grant
funds amounts to $18 per person for the ubiquitous availability of Internet, both fixed and mobile, at $35 monthly. At the same time, we will deploy a middle-mile network that can deliver high-bandwidth, commercial Internet access anywhere in the state at a reasonable cost. This proposal puts the money exactly where it will provide the most stimulus to the economy. It will be spent on steel manufactured in Peoria Illinois, jobs in South Carolina and radios manufactured in California. The broadband need in South Carolina outweighs the need in most other parts of the country: unemployment is nearly twice the national average while broadband adoption is less than half the national average. We support the proposal for funds in South Carolina for a middle-mile application from the Palmetto State Integrated Fiber Infrastructure Proposal and believe it to be compatible with our proposal. However, if there is a choice to be made, Cleartalk’s proposal should be funded because it puts more people to work and brings the benefits of the Internet directly to a much greater group of citizens.