Executive Summary


Idaho is a rural but progressive state. As with any rural state the further away you are from a population center, the faster services drop off. Idaho is underserved for Broadband in these rural areas which make up 90% of the state.

The Linking Idaho Project will extend and upgrade the current White Cloud Communications / HJ LLC dba Big Dog high speed wireless internet service to underserved and unserved areas in the South Central Idaho. The population areas that will be covered are primarily rural with limited or no access to high speed internet. There is a need and demand for competitive High Speed Internet service in these areas, but funding for the projects cannot be committed based solely on ROI (return on investment).

White Cloud Communications, Inc. started 60+ years ago as Auto Phone serving the two way public safety needs of the Magic Valley. White Cloud Communications is a very successful company and has developed strong ties with their clients. White Cloud made the decision to begin offering broadband services as part of the company’s services and had many of the assets inputs into towers already made.

In 1999 deployment began of high speed internet services over a wireless infrastructure in Southeast Idaho. HJ LLC was doing business under the name of Host Idaho for several years before changing the primary business name to Big Dog High Speed Internet.

In 2008 White Cloud and Big Dog (the Applicant) formed a partnership to further develop the system. The Applicant uses an innovative approach to reach these rural areas. Because the total miles of fiber would be roughly 750 miles to reach these remote areas, broadband is limited or not available. The Applicant instead uses licensed microwave to transport to tower sites, and then broadband is broadcast to households with in a 15 mile radius of the sites. This is a cost effective way to offer broadband where it has never been offered before. Additionally with Federal build out assistance (the Grant request) the positive results will be improved broadband speeds to underserved areas and coverage in unserved areas.

New coverage areas

The Applicant can with Federal assistance offer service to low population clients in rural areas. The proposed project will have a mid mile and last mile aspect. The system will extend the Pocatello,
Broadband connection to Kamima Butte in the East (near Rupert, ID) down the I84 corridor to Rattlesnake Mountain in the West (near Mountain Home, ID). The project will cover 34 rural communities in Southern Idaho.

The population target area has a population of 135,904. There are 48,613 households in the proposed area. There are 6,664 businesses in the proposed coverage that could all benefit from broadband.

Between existing public safety, schools, and medical businesses using either voice (non-Broadband) and current broadband offerings The Applicant will broadband will support over three hundred anchor institutions. The need is no more critical at this time in rural Idaho then for mid-mile public safety and schools. (Please see Leverage of assets). The Applicant is also proud to support these anchor institutions that we live and work in with a 50% reduction in monthly costs to schools. Mid Mile backhaul and public service will receive a 65% discount on standard pricing.

The broadband offering will be available for everyone no matter income or race. To place broadband in these more rural areas will allow for access to lower income and ethnic diversity as these groups often live outside of the communities as the cost of living is lower. The grant calls for 1,500 household receiving units which will defray the cost of acquiring broadband.

Technology being deployed is Dragon Wave 11 an 18GHz microwave links for the mid mile using Cisco switching. Cyclone is the maker of access point arrays. The house units will be Motorola Canopy. All of this equipment is in use today and is proven reliable.

The Applicant delivers mission critical services to public safety at this time. The system proposed is running at this time and this is an expansion of the $3 million plus investment made to date. The project is under construction and the expansion is shovel-ready.

Funding Usage

All of the $2,533,052 grant proceeds will be used for construction and installation of the wireless Internet infrastructure. The infrastructure costs include buildings, tower structures, power lines, generators, solar and wind power, and microwave wireless radios.

Projections

The overall new subscribers to this network will be 6,271 which will be added to our existing 4,400 subscribers. These are detailed in the five year projection. The numbers are generated from our experience in loading from rural areas. Although numbers may be larger, we estimated conservatively to assure that the business model was sound.

Employment

If funding is granted the Applicant will immediately bring on ten technicians for construction and build out and will be retained for system and subscriber maintenance. The areas receiving the broadband will
be able to participate in the economic growth that is derived from broadband access which they have not had thus far.

It is estimated that broadband will increase economic growth by 1% per year in these economies. This growth will generate the largest amount of jobs as the result of grant funding. In areas where services currently exist, the new competition will reduce prices and allow for more families and businesses to receive broadband.

The build out in these rural and unserved areas can only occur if grant money is made available to extend services to these populations that cannot otherwise be built out.