Executive Summary

The purpose of the Main Street Broadband (“MSB”) Southwest Georgia Project (the “Project”) is to provide cost-effective, technologically advanced broadband access to unserved and underserved residents and businesses in an economically disadvantaged region of Georgia, in order to promote economic growth, create jobs and increase the standard of living. Perhaps nowhere in the state of Georgia is the need for affordable broadband access greater than in the southwest corner of the state. The Project is spearheaded by an experienced executive management team, is “shovel-ready” and has significant support from both public and private institutions. The Project will provide broadband access to approximately 120,000 households and 12,500 businesses, and provide connectivity and enhanced solutions to hundreds of community anchor institutions. The twelve counties served by the proposed Project include some of the most economically distressed counties in Georgia. According to census data, the average per capita income of these counties is $25,096, which is 22% below the state of Georgia average and 32% below the US national average. In addition, the percentage of citizens in poverty in the Project area, at 21.4%, is 50% higher than the state average and 65% higher than the national average. The Service Area also suffers from much lower levels of education than the state and the nation. As shown in the table above, the Service Area is also a very rural region, as measured by household density. With an average of only 23.5 households per square mile, density in these counties is less than half the state average and 66% of the national average. [Please note that, while only 71% of the households covered in the Service Area are in rural areas as defined in the NOFA, we have characterized the service area as more than 75% rural, since more than 95% of the geographic area is rural. Because the determination of the 75% rule is not clear in the application guidelines (i.e. as to whether it is based on households or geographic area), we have elected to apply jointly to BIP and BTOP.] MSB believes the Service Area is Underserved, with more than 50% of households lacking broadband availability, and broadband adoption of less than 40%. The Service Area includes approximately 120,000 households, 12,500 businesses, and 310 “community institutions”, including education, health and public safety. The Project is a multi-county deployment of Fourth Generation (4G) wireless broadband technology, which will provide the area with broad, but cost-effective, coverage of not only homes, businesses and institutions, but also agricultural installations, including the provision of...
broadband to agricultural irrigation pivots, tractors and remote field-monitoring equipment. MSB through its affiliate Broadband South ("BBS") is currently deploying Alvarion WiMax technology in rural markets in Southeast Georgia, utilizing a combination of WCS 2.3 GHz and EBS 2.5GHz spectrum assets. WiMax technology allows for efficient point-to-multipoint non-line-of-site coverage over a broad geographic area. The Project includes 35 WiMax base stations, utilizing predominantly existing towers and mounting at an average height of 275 feet above ground level. These base stations will provide “last mile” connectivity to subscribers. Backhaul will be achieved through a combination of microwave backhaul links and fiber. Fiber connectivity will be achieved through MSB’s partnership with the South Georgia Governmental Services Authority, which currently operates a broad band fiber network in Southwest Georgia and has financially committed in-kind fiber transport services to the Project. The network will be an “open” network, with wholesale access to other service providers. Additionally, MSB will support all of the principles outlined in the FCC’s Broadband Policy Statement, allowing consumers to access any lawful internet content, run applications and use services of their choice, and to utilize devices of their choice. MSB will serve residential customers with a tiered service offering, including Basic (1.0 MB download, 0.5 MB upload) for $29.99, Select (2.0 MB, 1.0 MB) for $34.99 and Premium (3.0 MB, 1.5 MB) for $44.99. Because MSB’s grant application includes CPE and professional installation of CPE, customers will have no upfront charges for CPE or installation (until grant funds are exhausted). Small and medium enterprise customers will have a service offering ranging from $99.99 for 3.0 MB best efforts service to $249.99 for T1-type dedicated bandwidth. Larger enterprises, as well as anchor institutions, will have customized solutions for their bandwidth and other application requirements. As an existing operator of wireless broadband networks, MSB already has all required systems, infrastructure and vendor relationships in place to immediately proceed with the construction of the Project. Specifically, MSB’s existing billing, network management and monitoring and customer support systems are in place and scalable. MSB has existing supply relationships with equipment providers such as Alvarion, Redline, Ubiquity and Trango, as well as its network deployment vendor, On Demand Construction Services. In addition, MSB is currently leasing 18 tower sites, including several from the 3 largest tower companies in the country, and has already begun negotiations regarding available space and pricing on the towers identified for the Project. In addition to systems and supply relationships, MSB has the organizational resources in place to quickly deploy, provision, market and sell in the Project Area. (See Qualifications below and the organization chart attached to Q.39 of the application.) Finally, MSB has spectrum resources to immediately begin deployment. MSB’s WCS license (call sign KNLB213, covering the Jacksonville FL MSA, FCC file number #0003794840) covers half of the Project Area, and the first 18 sites to be deployed. MSB has identified and negotiated additional spectrum resources for the Project and will consummate those transactions following approval of MSB’s application. The MSB management team consists of seasoned telecommunications executives, with significant experience in all operational functions – including engineering, wireless network deployment, marketing, field operations, direct sales, indirect sales, planning, finance and accounting. The six professionals that make up the senior MSB team have 115 years of collective experience in the telecommunications and information technology fields, including start-ups as well as established companies, with significant experience deploying wireless networks and services in rural markets. As testimony to both the need for expanded broadband availability in the region as well as MSB’s commitment and qualifications to serving the region, the Project has the support of numerous private and public organizations in the
region, some of which are: South Georgia Governmental Services Authority (SGGSA) owns and operates a multi-county fiber network and provides utility, cable and telecommunications services. SGGSA has committed $2 million of in-kind fiber transport services to the Project. Decatur County, Georgia has committed $2 million cash toward the Project. Darton College is partnered with MSB through their Broadband Adoption grant application and enhanced education services. Southwest Georgia Regional Commission is coordinating constituent support from counties and cities in the Project Area. Xiocom Wireless, Inc. is an equity investor and provider of services to MSB and the Project. NuVox is a major CLEC and MSB partner in provisioning business-class IP communications solutions. Hestium Communications Ltd. is an international telecommunications fund and has committed equity funding for the Project. The Project includes $18.666 million in spending on infrastructure and will provide affordable broadband access to over 19,000 subscribers in five years. The Project will directly create 48 jobs related to construction, engineering, sales and on-going operations. While MSB is the lead applicant, other entities directly involved in the project include Decatur County, Georgia (which has committed $2.0 cash funding to the Project), the South Georgia Governmental Services Authority (which has committed $2.0 in-kind funding to offset operating costs), and Broadband South LLC, a wholly-owned subsidiary of MSB, which has RUS Broadband Loan funding for approximately $3.1 million of the Project infrastructure. MSB also has a newly-created subsidiary (MSB Georgia LLC) which, subject to RUS or NTIA approval, MSB may use as the primary vehicle for the grant funding, in order to segregate the Project for reporting requirements and asset tracking purposes. The Project represents a unique opportunity to combine federal funding with state and local government support and private equity funds to effect fundamental change in a region of persistent poverty. MSB’s mission is to provide affordable broadband solutions to “Main Street” America.