Broadband USA Applications Database

Applicant Name: Rural Broadband LLC

Project Title: Rural Broadband Montana Expansion

Project Type: Last Mile Remote

_____Executive Summary_____

Rural Broadband is proposing a system that will provide quality high speed broadband to south central rural Montana. We wish to offer middle mile access for all critical community facilities and other Internet service providers at wholesale prices far below what is currently being offered by Qwest and Vision-Net in South Central Montana. We also wish to serve last mile customers, in these rural areas, at prices far below our competitions prices and at high bandwidth speeds that are faster, stable and consistent. We wish to offer service to the following communities and their surrounding rural areas: Big Horn County, Carbon County, Custer County, Fergus County, Golden Valley County, Judith Basin County, Musselshell County, Petroleum County, Rosebud County, Stillwater County, Sweetgrass County, Treasure County, Wheatland County, and the underserved areas residing in Yellowstone County. The total number of households passed in our proposed funded service area is 35,117. The total number of businesses in all 14 Montana counties passed in our proposed funded service area is approximately 1,343. The total number of community anchor institutions, public safety entities, and critical community organizations passed in our proposed funded service area is183. The residential service for the proposed funded service areas, consist of 3 levels of broadband service: 1024Kbps download and 320Kbps upload for $29.95 per month, 2048Kbps download and 512Kbps upload for $39.95 per month and 3096Kbps download and 1024Kbps upload for $59.95 per month. Small businesses are offered 2 levels of business service: 1544Kbps down by 512Kbps upload for $39.95 per month and 3096Kbps down by 1024Kbps up for $59.95 per month. Our middle mile customers will consist of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project (health care, education, libraries, etc.) and other ISP's. We plan to offer wholesale bandwidth to these Middle Mile customers for $100 per 1024Kbps or simply 1 Meg of dedicated bandwidth per month, i.e., by dedicated bandwidth we mean that they will receive the bandwidth contracted at all times, this is not shared bandwidth. Example: A hospital would like 5Meg/3Meg, their monthly charge will be $800. These priority customers will receive their bandwidth on their own proprietary point to point wireless link. We plan to address the non-discrimination and interconnection obligations on our web site and on our client contracts. The following information will be listed per the NOFA: (1) Adhere to the principles contained in the FCC's Broadband Policy Statement (FCC 05–151 adopted Aug. 5, 2005). • To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to access the lawful Internet content of their choice. • To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement. • To encourage broadband deployment and preserve and promote the open

and interconnected nature of the public Internet, consumers are entitled to connect their choice of legal devices that do not harm the network. • To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to competition among network providers, application and service providers, and content providers. (2) Not favor any lawful Internet applications or content over others. (3) Display network management policies in a prominent location on the service provider's Web page and provide notice to customers of changes to these policies (awardees must describe any business practices or technical mechanisms they employ, other than standard best efforts Internet delivery, to allocate capacity; differentiate among applications, providers, or sources; limit usage; and manage or block access to illegal or harmful content). (4) Connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network. (5) Offer interconnection, where technically feasible, on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic. Our Internet service will be wirelessly connected through point to point, licensed, 18 GHz links. These links will connect each of our funded service areas throughout the 14 counties. The backhaul for these links will originate in Billings, MT from the rooftop of First Interstate Bank. Residential and small business access customers will be served from a point to multipoint connection between a WIMAX client station and the nearest WIMAX base station. These WIMAX (licensed 3.65 GHz frequency) base stations will be located on each tower that we have selected for point to point access. These WIMAX base stations can reach a 15 mile radius to each WIMAX client station and deliver bandwidth accurately, efficiently and at the specified bandwidth speeds. Rural Broadband has been in business for over 6 years and has a great track record with our 600 customers currently on our system. We have the technical ability to maintain the current level of operations and some expansion, however new employees will be hired to assist in the expansion efforts, installations/maintenance of new customers and the advertising of Rural Broadband extensively. Our key managers and employees have all of the skills necessary to maintain and implement our intended proposal. Our CEO, Mr. Douglas Williams, possesses a Bachelor of Science in Electrical Engineering/Computer Science (see Mr. Williams attached resume in the uploads section of the grant application). Our Network Engineering Manager, Mr. Jared Olson, has the network engineering degree and expertise to effectively manage every aspect of our current and proposed network. Our CFO, Mr. Roy Williams, has over 30 years of experience in owning and operating his own business and possesses extraordinary administration skills due to the 30 plus years he spent as a school administrator. Our Business Manager, Mrs. Arla Metzger-Bagger, holds a Bachelors of Science in Business Management with an emphasis on accounting. She is currently working towards her Masters Degree and in the near future will receive her CPA. She also has many years of experience in management, customer service and accounting. Our Technical Support Supervisor, Mr. Roy Freedman, possesses an Associates Degree in Networking and has many years of experience in the network and technical support field. Upon funding, Mr. Freedman will bring to our company three other highly qualified Technical Support Technicians. Mr. Mike Jordan is scheduled to complete his Network Engineering degree in spring 2010. Mr. Jordan brings to our company years of network troubleshooting and analysis. Mr. Ben Lewis has been working for Rural Broadband for 6 years. Mr. Lewis possesses a high mechanical background and is a perfect candidate for the project manager position. Due to Mr. Lewis' multiple years of ham radio operations and maintenance, he possesses the ability to erect towers and install wireless equipment

quickly and efficiently. Mr. Terry Roberts is scheduled to retire from his current position, in April 2010. Mr. Roberts has accepted the position of project manager with Rural Broadband upon his retirement and again brings many years of industrial mechanical and electrical ability. The overall infrastructure cost of the broadband system will be: Network Operations Center: (includes routing and switching equipment, office furniture, phone system, diagnostics and monitoring software, customer relationship management, workstations, servers, etc. detailed in excel spreadsheet): $474,484.37 Wireless backhaul (middle mile): $1,500,000.00 Wireless access points (last mile): $596,900.16 Wireless customer premise equipment: $1,316,217.50 Total non-recurring cost: $3,882,802.03 Yearly recurring software (subscription) expenses: $3,676.00 Monthly recurring software (subscription) expenses: $960.00 We anticipate adding approximately 250 to 500 customers per quarter. Each Critical Community Facility will be instrumental in providing our word of mouth advertising throughout the numerous communities we wish to serve. We intend to offer very affordable high speed broadband with no hidden fees, taxes and no contract commitment. Up to this point, Rural Broadband has not had to do any advertising but continues to grow because of our current customers recommendations of our quality service and support. The following employees will work and report to the First Interstate Bank Office: CEO, Business Manager/CPA, Secretary/Receptionist, Advertizing Agent and Tech Support (4) The following employees will work and report to the Network Operations Center: Network Engineering Manager and Network Engineers (3) The 2 Construction Project supervisors will oversee all of the Technician/Installers and supervise all tower construction and installation,they will report to First Interstate Bank Office, Network Operations Center, Billings field and the rural field. The 4 Billings based Technicians/Installers will work and report to First Interstate Bank Office, Network Operations Center and the field. The 10 rural Technicians/Installers will work from their homes and in the fields of the following areas: Columbus, Big Timber, Harlowton, Lewistown, Roundup, Hardin, Colstrip, Forsyth, Miles City, and Red Lodge We are expecting 28 new jobs to be created and/or saved because of this project.