Applicant Name:  CityVoice Communications

Project Title:  Community Connection

Project Type:  Last Mile Non-Remote

_________________________  Executive Summary  _________________________

The proposed system is a last-mile infrastructure project that will provide broadband Internet access to five unserved, rural New Hampshire communities. The towns are: Acworth, Goshen, Lempster, Marlow, and Unity. In addition to providing broadband access to an unserved area, the project will have the following goals: • provide broadband training, education, awareness, access and equipment to schools and libraries • improve access and use of broadband service by public safety agencies • stimulate demand for broadband, economic growth, and job creation

The project will address these four statutory purposes through four related components: • provide free broadband access to 19 critical community institutions located in the service area, including the fire department, town hall offices, library and educational facilities in each town • deploy a community computer instructor to each town • install FleetTrack System to enhance public safety service • offer broadband and voice service at competitive rates

Broadband access will be delivered using WiMax technology. The efficiency of WiMax technology negates otherwise obtrusive costs of providing last mile service to a rural area. By utilizing pre-existing towers, CityVoice avoids costly tower installation and avoids negative impact on the environment. Overlapping signal and innovative tower connection by Ceragon Networks will provide coverage of the entire service area. The projected cost of infrastructure development is just under 1.5 million dollars.

The system will adhere to the network openness standards as detailed in the NOFA. Similar socio-economic characteristics of the five towns encompassed in the proposed service area and the challenges they face allow residents to derive many benefits with low project costs. Located in southwestern New Hampshire, the communities are rural, ranging in population from 700 to 1500 residents. The total population for the proposed service area is 4825 residing in 1869 households. The towns maintain a residential character, with only ten businesses between all five communities. The lack of local commerce necessitates that most (88 percent) of the residents are forced to look outside of their communities for employment. Since these communities are relatively remote, residents face average commuting times of approximately thirty minutes, with much longer commutes to city centers such as Manchester, New Hampshire (50 miles away) and Boston, Massachusetts (100 miles away). The educational characteristics of the service area are not favorable for securing employment in a highly competitive global marketplace. The percentage of residents with a Bachelor’s degree education or higher is approximately 20 percent for the five towns. While there are state and community colleges in the area, the time commitment can represent too great a burden for many residents. Also, without sufficient computer education and access, it can be very difficult to successfully complete online requirements for coursework. The project will address both of those problems by offering access to high-speed Internet for reasonable rates. This will allow citizens to utilize online education tools and complete online course
requirements at their convenience. The costs of obtaining higher education can also be prohibitive for the service area. The median household incomes of the five towns are approximately 40,000 dollars, well below the state average of 49,467 dollars. Furthermore, the service area a higher percentage of families below the poverty level than the rest of New Hampshire. For these residents in particular, procuring marketable professional skills is very important. In order to give these people greater career prospects, CityVoice has budgeted for community computer instructors in each of the five towns. These instructors will offer a basic training course in the use of broadband technology, Microsoft Office Suite, and social media tools. Additional advanced courses will be provided at no cost to students who complete the basic training course or who already have core competencies with information technology. These advanced courses fill provide instruction in five technology areas: graphic design, network management, statistical software packages, Internet marketing, and business accounting software. Instructors will have significant industry experience in at least one of the five areas. So that residents will have the ability to utilize their newly acquired skills, instructors will also provide career counseling and advice to residents who want to enter the information technology industry. The net benefit of the educational efforts and broadband access will be sustainable economic growth in the area. CityVoice itself will employ an additional 16 people in the area for educational, community, and operational purposes. System installation and design will create or save an additional 18 manufacturing jobs. The largest job creation will come from the pursuit of online entrepreneurial opportunities, which is also the most difficult to predict given its relation to the economic recovery. Based on the efforts of the Recovery Act to stimulate small business, CityVoice projects the creation of 300 jobs in the service area, which assumes less than 15 percent of total residents with high school education or higher will secure employment through the project. The residents of the service area with their newly acquired desirable skills will be in an excellent position to compete for high tech jobs developing in the area. An added benefit of the community integration efforts is the increase in broadband demand. Many residents have had limited exposure to information technology, thus cannot fully appreciate the many benefits of broadband access. Courses will provide much needed exposure as well as create a buzz in town about the project. Students who successfully pursue careers in information technology are also much more likely to pursue private broadband access. Even with mechanisms in place to increase broadband adoption rates, CityVoice uses conservative estimates to establish project sustainability. The first year of operation projects 30 percent of households will adopt broadband service. This is slightly below the rate of adoption for rural customers provided with the option of purchasing broadband service as reported by the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPATSCO). Aggressive advertising and marketing of service in concert with computer courses makes this a very attainable number. In the second year of operation broad adoption is expected to increase to 35 percent. Given the limited time of operation, still below the national average of 46 percent of rural American as reported by Pew Internet and American Life Project. In the third year of operation, we project the rate of adoption to be 40 percent of the customer base. The computer training courses are expected to provide exposure to the service area and more residents will become comfortable with CityVoice as a service provider. In the fourth and fifth year of operation, we project increases in our customer base to 47 and 51 percent respectively. The demographics of the five towns give sufficient reason to believe that this is a realistic estimate. Despite the economic climate, broadband adoption rate for rural America increased 19 percent from the previous year. The Pew report also found that rural
dial-up users and families with minor children are the most likely to adopt broadband service when made available, both of which constitute a significant portion of the population of the five towns. Finally, the median household income of four of the five communities is between 40,000 to 50,000 dollars annually. Broadband adoption rate amongst this bracket of earners is 71 percent. CityVoice’s previous experience in deploying broadband project of a similar size and scope will be an excellent asset in the development stage and in maintaining the project. The billing and customer support system currently used by CityVoice has the capacity to handle the anticipated customer base yielded by this project, which guarantees excellent customer service and reduces costs of developing an independent system. In addition to valuable operational experience gained through similar projects, CityVoice has also developed close relationships with vendors that will allow for work on the project to begin immediately. Representatives have already had at least one meeting with community leaders in each town and have secured two letters of support. This dialogue will serve as an important building block in what will be a collaborative effort to best serve the residents of the five communities. Finally, CityVoice’s expertise in VoIP will allow residents to save costs on traditional landlines when they subscribe to service. CityVoice Communications is exceptionally qualified to integrate broadband technology into the community while successfully implementing an ambitious educational component. Located in a rural New Hampshire town itself, CityVoice understands the unique quality of life and strong sense of community enjoyed by residents in a small town. This understanding shaped the design of the educational component of the project and is the basis for the reliance on strong community involvement. Also, CityVoice represents an excellent model of entrepreneurs who harnessed technology to create an effective business. With this expertise, CityVoice will help residents pursue innovative business practices online.