Partnership Broadband, a Wireless Internet Service Provider (WISP) located in North Texas and operating EBIDTA positive since 2002, is proposing the Partnership Rural Expansion, a project that will provide 100% broadband availability at speeds of up to 3 Mbps down and 1 Mbps up to an area with more than 135,000 households spanning over 10,000 square miles at an average density of 13.5 households per sq mile with a total cost to the government of $12.44 per household.

Idea

The primary impediment to widespread broadband adoption in rural America is the lack of availability due to the high-cost of delivering broadband to geographically challenging areas with low population density. Partnership has developed a fixed wireless technology platform and business model that gives it the ability to profitably deliver cost-effective broadband to underserved rural markets without having to rely on the aid of deficit spending or heavy outside leverage. Before the announcement of broadband stimulus funding, Partnership had planned to expand its current technology platform and network assets to build out 70% of the proposed service area over the next five years. However, the recent economic downturn delayed these plans due to the tightening of the small business credit markets. Partnership is applying for a RUS BIP 67/33 Loan-Grant combo to restart and accelerate this process of delivering broadband to underserved rural communities. The grant portion of this funding gives Partnership the ability to lower its prices while filling in the remaining 30% of the proposed service area to provide 100% broadband coverage throughout the proposed service area.

Company

Partnership Broadband is the largest provider of fixed wireless Internet in North Texas and one of the largest in the country. We provide secure broadband Internet and digital telephone service to underserved residential, business, education, government and other customers. We also design, build and maintain wireless networks for cities, municipalities, school districts, and others. We currently serve over 10,000 customers from over 150 towers covering some 15,000 square miles and 15 counties. Our mission is to provide broadband to underserved customers, partner with the communities in which we operate and to provide outstanding customer service.

Proposed Funded Service Area:

Partnership’s proposed funded area (approximately 10,032 square miles) lies on the northeastern edge of Texas and the southern edge of Oklahoma. The proposed area is extremely rural with low population density and generally low average household incomes. The area includes a total of 123 communities, which contain a total of 25,161 businesses and 1,510 critical community facilities and community anchor institutions. There are a total of 135,896 households in the proposed funded service area according to the 2000 Census. We have determined that over 53,000 of these households are in areas that qualify as underserved.
Opportunities the proposed system seeks to address:

We propose to bring affordable, high-quality broadband service via fixed wireless technology to this service area. Over fifty one percent (51%) of the infrastructure required for the project is in place:

The lack of comprehensive broadband coverage of rural areas in Northeastern Texas and Southern Oklahoma:

Although most cities and towns in rural America have service, from a land-mass perspective, the vast majority of the country lack ready access to affordable broadband. In the case of Partnership, this represents over 97% of the land mass contained within the service area. A direct result of this digital divide is that the economic development of these communities has been impeded. More comprehensive access to broadband would benefit those living within these communities by allowing them to have improved access to health care, education, jobs and services. From a long term perspective, ready access to broadband is critical for the overall growth and sustainability of these rural communities.

Proposed services and applications for the proposed funded service areas and users:

We will offer low-cost, high speed internet service via cost-efficient fixed wireless technology with free basic installations for residential customers. We will also offer digital telephone service including bundled packages of internet and digital phone which provide incremental consumer savings and choices. We can control quality of service and offer a competitive bundle because we own our own digital phone (VOIP) soft-switch.

Approach to addressing the non-discrimination and interconnection obligations:

Partnership Broadband is committed to non-discrimination and network openness. Partnership Broadband will adhere to the principles contained in the FCC’s Internet Policy Statement and to the other nondiscrimination and interconnection obligations summarized in Section V.C.2.c of the NOFA. In regards to interconnection, Partnership is committed to making its proposed network 100% interoperable with all other networks. To facilitate open access, Partnership has partnered with [ ], a national ISP wholesaler that will enable multiple provider access on Partnership’s infrastructure.

Type of broadband system that will be deployed (network type and technology standard):
The proposed system will be a fixed wireless broadband network using unlicensed spectrum for last mile access and a mix of licensed and unlicensed spectrum for backhaul transport. We will use Motorola Canopy equipment for last mile access which is the proven fixed wireless leader and the product we currently use in our existing network.

**Applicant’s qualifications to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider:**

We are the largest provider of fixed wireless Internet in the Dallas-Fort Worth area. We have 45 staff members dedicated to customer and billing support, network operations, field operations, and sales/marketing. Our management has lectured on the wireless ISP topic at the university level and is comprised of field experts, 4 of which founded successful wireless ISPs which are a part of the company. We have built wireless networks for cities, municipalities, and independent school districts. Our churn rate is [ ] and 50% of new customers come from word of mouth. We have operated in an EBITDA positive manner since day 1.

**Project readiness**

Our proposed project is shovel-ready, with over 51% of the infrastructure capacity developed to cover the proposed funded area. [ ]

**Simplicity and reduced risk of build out plan**

Our build-out is low risk because we are extending an existing, proven network serving 10,000 customers with 4 redundant fiber backbones. This extension reduces project build-out time and cost, and reduces project risk as all our broadband head ends and required infrastructure are in place.

**Overall expected subscriber projections for the project:**

[ ]

**Number of jobs estimated to be created or saved as a result of this project:**


**Overall infrastructure cost of the broadband system:**

The capital expense of implementing the proposed system is $4,470,000. [ ]
135,896 households, from an appropriations perspective, will be $1,690,732.80, or $12.44 per household.