In 1995 David Garza founded YourTel America because as an entrepreneur he saw a worthy business opportunity in an injustice. His friends and neighbors had no access to telephone service and were using pagers as a stop-gap measure, obtaining them in rent-to-own shops that charged a premium because they had a poor credit history or no credit history at all. David saw an opportunity to provide home telephone service at a level of service, affordability and fairness that residents of these neighborhoods never had before. Today, YourTel America, the provider of that service to over 25,000 customers in such disadvantaged communities, submits this application for Sustainable Broadband Adoption (SBA) and a sister application for Public Computer Centers (PCCs). Together, these initiatives will create a broadband ecosystem in the inner cities we already serve to offer affordable home broadband, public broadband access and educational and training programs by leveraging our 15 years' experience in these communities in a way that will assure sustainable adoption of broadband by their vulnerable populations. Through our sister application, YourTel and its community anchor institution partners will provide affordable access in 25 public computer centers in Kansas City, MO, Kansas City, KS, St. Louis, MO, Oklahoma City, OK, Lawton, OK and Tulsa, OK. These PCCs will serve the needs of vulnerable populations who cannot afford or are not ready to adopt home broadband. They will create a mosaic of community places to safely discover and explore the internet and access the many educational and training opportunities that will be available in these centers. This application for Sustainable Broadband Adoption will take the awareness and education created in the PCCs and leverages it into the opportunity for home broadband adoption done in a sustainable way by having its own education component, a free PC and free modem creating an essential trifecta of access, education and outreach. YourTel America, a small disadvantaged business will expend its own capital to build a next-gen metro access, aggregation and transport network using broadband technologies including advanced forms of DWDM (OBS) and various xDSL technologies. That private investment, combined with this proposed project, will offer an innovative solution that removes remaining barriers to home adoption by addressing the relevance, education and affordability issues as well as credit and banking issues we uniquely understand as a provider to vulnerable populations for 15 years. The Pew Internet & American Life Project (2008) reveals the key metrics and challenges surrounding the low adoption of broadband in vulnerable populations: ' 25% of low-income Americans ' those whose household incomes are $20,000 annually or less ' reported having broadband at home in April 2008. This represents a drop from the 28% figure reported in March 2007. ' African-American adoption growth slowed as well, with 43% saying they had broadband at home in April 2008 versus 40% in March 2007. Of these non-adopters: ' 33% say they are not interested. ' 12% say they don't have access. ' 9% say it is too difficult or frustrating. ' 7% say it is
too expensive. ' 7% say it is a waste of time. Our combined programs will address interest, frustration and overall relevance via the education in the PCCs as well as the communities of adopters who will collectively create relevance to our target market. This project will also overcome inside wiring issues, special issues for the handicapped, and the economic issues that exist in the inner cities. This SBA project will fund and install the necessary CPE and the technicians to install the inside wiring. Our technicians will rewire the jack, install the router and make it work. This is not merely the last mile; it is the last five feet. A customer who has no inside wiring will not have wired broadband, and nobody can guarantee wireless penetration, particularly in neighborhoods historically avoided by wireless carriers. Technicians will be trained to assist the consumers and those who are particularly vulnerable- e.g., the elderly and handicapped ' will get more time and equipment if needed with supplied free enabling technology. This innovative approach ' technicians as trainers and helpers - will bring training, access, and equipment to these vulnerable consumers. Our customers generally have poor credit and often lack bank accounts. The internet can open them up to a world of education and opportunity where they can overcome that, but how can that happen if those very same issues prevent them from getting internet in the first place' We overcome this with the most innovative and significant part of our approach. We will create an ecosystem that understands and accounts for the needs of broadband users in our target market. We overcome the credit and banking issue like we have for 15 years by having retail stores in the neighborhoods we serve that take cash payments. We must not only overcome the inability to conduct commerce, but we must overcome the basic economic model of telecommunications networks. Networks are dependent on capital investment on a per-user basis. That capital investment is returned to the carrier by monthly fees which can take years to recoup. Because of this economic reality, carriers have restrictions, contracts, credit rules and terms. Those necessary controls are the equivalent of a stop sign for vulnerable populations, resulting in a vicious cycle of early termination fees and worsening credit. We propose a realignment of this model. By funding CPE with grant dollars we will economically be able to remove these barriers. Our customers will be able to get broadband without restrictions; and if they cannot afford it at some point in time, there will be no consequence that prevents them from getting it again when they can. We will bring these innovations forward and break the mold of the current broadband regime. With this grant and its sister grant for Public Computer Centers we will make these inner city communities examples for broadband adoption for the economically unserved and underserved in urban areas throughout the nation. This project will serve the urban cores of Kansas City, MO, St. Louis, MO, Kansas City, KS, Oklahoma City, OK, Tulsa, OK, and Lawton, OK. We have a total target population of 2,191,581, and we project a total non-adopting vulnerable population of 795,003 not adjusted for cross population. In our target area the population contains the following: ' Low Income Households with a total population of 384,909 and a 60% non-adopter rate generates a target market of 230,945. ' Black/African American Persons with a total population of 541,339 and a 41% non-adopter rate generates a target market of 210,878. ' Hispanic Persons with a total population of 230,753 and a non-adopter rate of 51% generates a target market of 117,684. ' Disabled Persons with a total population of 406,029 and a non-adopter rate of 58% generates a target market of 235,496. This project will cost a total of $10,492,071 of which $3,337,619 will comprise matching funds from YourTel America and will in combination with our sister application directly create 390 job-years in the communities we serve. YourTel has a 15 year history of creating inner city jobs starting with one employee in 1995 and employing 86 today. Of those 86, 36% are African American and 33% are Hispanic, and that diversity
exists at every level of the organization. We will create more job opportunities indirectly, by educating these consumers and preparing them for the jobs of the future. Some will begin by learning English, some by getting their GED and others by taking college courses. Our outreach strategy will entail a blend of traditional advertising such as outdoor media, transit media, direct mail, local/community publications and pre-printed flyers, a public relations element focused on local news outlets and a grassroots word-of-mouth campaign among our current customer base. This will result in 12,893 homes and 229 small disadvantaged businesses adopting broadband service. By giving trained consumers free computers, modems, installation and access to expertise we overcome many barriers. By also overcoming the economic challenges of the inner city and limited banking adoption as well as the fundamental economic limitations of deploying capital, these combined projects will create a new ecosystem that will drive sustainable adoption in the inner cities we serve and many more as we blaze the trail.