Opportunity and Proposed Service Area Metro East St. Louis (pop. 70,000, including the cities of Centreville, Madison and Venice and the villages of Alorton, Brooklyn, Cahokia and Washington Park) represents the most economically disadvantaged area in Illinois. Once known as an All American City (Look Magazine, 1960), East St. Louis has become "the most distressed small city in America" (U.S. HUD, 1990). The population of East St. Louis alone plummeted from nearly 83,000 (~50% Black) in the 50s to less than 30,000 (98% Black) in 2008. The number of businesses went from 1,527 (mainly large industrial) in 1967 to 202 (mainly small) in 2008. Median household income is $21,324 (compared to $46,590 for Illinois); and has been declining in both real and inflationary dollars. 35% of the population is in poverty (compared to 10.7% for Illinois), including over half all children. Unemployment is over 20%, by some estimates as high as 50%. One third of the population over 25 does not have a high school diploma or equivalency (compared to 19% for Illinois). Neighboring cities and villages share similar devastation, some with nearly 50% poverty, median income as low as $16,630, and over 40% of the population without a high school education. In a mail and telephone phone survey conducted on behalf of Metro East Digital in early 2010, the estimated broadband adoption rate for the entire target Metro East St. Louis area is less than 40% (5% margin of error). In three of the target communities ' Brooklyn, Madison and Venice, representing 25% of the area and 11% of the population ' there is no terrestrial broadband service available. In the remainder of the region eight census tracts indicated adoption at or below 30%. Because the surveys are based on voluntary responses to a mailed or phone survey (for which only 30% of the sample were associated with active phone numbers) we expect that additional, if not all, census tracts fall well below a 40% adoption rate; in fact, preliminary data collected through more than 150 in-person surveys indicate rates around 25%. Within the next 60 days a door-to-door survey will be conducted to obtain more accurate rates (this mode of survey could not be safely conducted in the winter months). The Brookings Institute calls for radical changes to address such severely distressed regions. Already East St. Louis has begun to the turn the corner toward sustainable redevelopment, recognizing that the large industry approach that worked in the first part of the 20th Century is no longer sustainable. The past decade can be characterized as one of redevelopment and renewal. In 2001 the city completed a new library. It also built a new city hall. Public-private partnerships have resulted in a variety of new retail developments, housing initiatives, and the St. Louis Metrolink light rail, which have sparked renewal, but are limited by inadequate bandwidth to organizations and businesses in the community; indeed, many city halls, libraries, and community centers in the region depend on very expensive T1 lines or DSL broadband that is inadequate to meet demand when public computing centers are in full use. As indicated in support letters, this has limited
opportunities for public safety and health, negatively impacted efforts to attract new businesses, and
restricted the ability of schools and the community college to effectively teach 21st century skills.
Existing businesses are not able to expand and new businesses (attracted by the extensive highway and
rail infrastructure in the region) choose other locations that have a broadband infrastructure in place.
However, Metro East St. Louis is prepared for this BTOP opportunity; during the past year a group of
businesses, organizations, churches, local government, and residents have come together in an effort to
develop new and innovative strategies for revitalizing the community. The City of East St. Louis has a
new Planning Commission that is working to bring in new businesses and coordinate the redevelopment
of the Mississippi Riverfront and the entire Downtown area. There are several new national Housing
Development firms that are planning to develop more than 500 units of new housing in the community;
the Broadview Hotel, an historic landmark, is being redeveloped as a business development center, with
residential units. There are new neighborhood organizations and community groups that are working
with local, county, and state government to develop and implement new neighborhood revitalization
strategies such as greenscapes, gardens and farmer’s markets. The proposed BTOP programs will play a
significant role in helping to increase the level of engagement of local residents and businesses in all of
these projects. Services International Network Technologies (INT) is partnering with Lessie Bates Davis
Neighborhood House to implement Metro East Digital, a Comprehensive Community Infrastructure of
broadband service that will not only enable sustainable small business development in support of the
area’s current redevelopment efforts, but will provide broadband access to un- and under-served areas
throughout this Metro East St. Louis region, and will serve 113 anchor institutions that provide
education, public safety and healthcare services. INT will install a combination of fiber optics installed at
70 of the anchor institutions and wireless WIMAX technology to reach all 113 of the anchor institutions
and residential areas, reaching nearly 70,000 residents in 25,000 households, and over 800 businesses in
the 4 cities and 4 villages of this Metro East service area. This level of access will enable a truly
comprehensive community approach to access and adoption of sustainable broadband services
throughout the region in support of economic development, community development, public safety,
education, and healthcare. Non-discrimination and Interconnectivity Access to business and residential
customers will be provided to third party companies and competitors on a wholesale basis. INT will be
deploying carrier grade middle mile microwave that will allow for low cost upgrades to support high
capacity links for cellular carriers wanting to collocate on INT towers. All INT tower locations, fiber POPs,
and Network Operations Centers will provide a peering connection for third party providers and carriers.
All interconnections and wholesale network sales will be negotiated in good faith with third parties.
Infrastructure Cost The capital cost of the broadband installation is estimated to be $10 million. The
complete CCI project, including public safety equipment, electronics and training; customer premise
equipment; and building space for the NOC is $14.5 million. Based on subscription data reported by Pew
Internet Research, we estimate a 20% subscription rate (5000 households) for an area with this
population and median income. We expect to achieve a higher rate of adoption through the Sustainable
Broadband Adoption efforts, but use the 20% figure as a conservative estimate to establish our business
model. At this time we expect to charge about $25/month for 5 Mbps service, but have included in our
budget subsidies for low-income residents. Qualifications Lessie Bates Davis Neighborhood House is a
faith-based multi-purpose community center whose mission is to provide quality social and human
services, social action and advocacy programs, and housing and economic development programs, to
improve the quality of life for all persons of all ages in the Metro East region. Neighborhood House has
been serving the area for more than 100 years, operates on an $8 million budget, and actively seeks and
procures state and federal funding for social and workforce development. They currently manage the
region's AmeriCorps program and have partnered with the University of Illinois for the past 10 years to
establish more than 100 public computer centers in the target service area. International Network
Technologies principals have direct experience building and operating profitable broadband service
providers. Prior to joining INT the CEO, Glenn Meyer, founded and served as the CEO and executive
chairman of Ygnition Networks (Ygnition). Under Mr. Meyer's leadership Ygnition grew to ~$30M in
annualized revenues, 150+ employees and became cash flow positive in 2005. Mr. Meyer's experience in
building Ygnition into a facilities based broadband service provider with 40,000 + customers in 37 states
will provide the leadership necessary to manage the successful build out of our Southern Illinois plan.
For $14.5 million the Metro East Digital will save or create 179 jobs, and provide a minimum of 5 Mbps
broadband service to 113 anchor institutions, over 800 businesses, and 25,000 households (with 5,000
subscribers projected).