

## Broadband USA Applications Database

**Applicant Name:** Northwest Florida Business Development Council Inc

**Project Title:** Opportunity Florida Broadband Initiative

**Project Type:** Last Mile Non-Remote

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### Executive Summary

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a) Opportunity the proposed system seeks to address. The region represented by Northwest Florida Business Development Council Inc (hereinafter referred to as "Opportunity Florida") is designated by the Florida State Legislature as a Rural Area of Critical Economic Concern (RACEC), Florida State Statute 288.0656-(7). Our region's per capita income is 34% less than the state average and Florida's per capita income is less than the national average. The income gap between the state average and our region continues to widen, and to reverse this trend we must find ways to become more competitive for jobs and industry. Our biggest impediment to achieving this goal is the lack of affordable and adequate, much less ubiquitous, broadband coverage. Federal, state, and local governments have recognized that bringing broadband internet services to rural, unserved, and underserved areas cannot be achieved using traditional market forces. Few initiatives, however well-intentioned, have succeeded in bridging the "digital divide" between major metropolitan areas and the rest of the country. Why is this a problem? Because like telephone service in the last century, universal broadband access is essential to achieving economic, educational, social, and cultural equality. Geography should not be destiny in determining an individual's opportunity to participate in the increasingly-digital world. Opportunity Florida seeks to bridge the gap between "haves" and "have-nots." We are a public/private partnership that hopes to create a regional broadband network by way of a BTOP grant. Those funds will enable us to obtain competitive bids for constructing a WiMAX network to serve our region, and also will enable us to provide free customer usage of the equipment necessary to use the service. We will invite existing ISPs to contract to use the WiMAX network to extend their services from their metropolitan core into our region. This strategy will give customers the widest possible choice in selecting a service provider that best meets their financial and service needs. ISPs will have a strong financial incentive to extend their reach, since they will not be responsible for network construction, which is the most cost-prohibitive component of providing service. Although our region is economically diverse, it is lacking in any industrial/commercial critical mass. The concentrations are as follows: a) agricultural in the north; b) logistics and distribution in the middle along Interstate 10; c) a sprinkling of aqua-culture and tourism in the coastal counties; and d) timber industry scattered throughout. Recently, Opportunity Florida received a State of Florida Rural Infrastructure Grant in the amount of \$1,125,000 to serve as a match for a \$9.2 million FCC Rural Healthcare Pilot Program to the Big Bend Regional Health Information Organization. These funds will connect all of our region's nonprofit hospitals to those larger hospitals in Tallahassee, Pensacola, and potentially Panama City. Our BTOP grant project will further extend this medical connectivity to doctors and patients. Beyond this project, Opportunity Florida's goal is to provide near-ubiquitous access to broadband services throughout our region. While the region has some

pockets of population density, the vast majority of it is too sparse to support a business case for a loan. A USDA RUS broadband loan will likely result in “cherry picking” – providing broadband to the densest areas of the region and neglecting the sparser areas. It is only through a grant for the entire region that the more sparsely populated areas will ever receive broadband access. Without the approval of the BTOP grant, the region will remain handicapped relative to the rest of the state and the country in its quest for economic prosperity. This grant is essential to allow the region to be competitive for new jobs and industry and become self-supporting and financially stable. There also is an unusually high proportion of residents who work outside of the county in which they reside. As has been recently demonstrated, the high cost of fuel will again take a toll on these citizens. Providing broadband access would enable many of them to telecommute, or to unleash their entrepreneurial spirit and create e-businesses from their homes. Existing small businesses in the area will be able to broaden their reach to include national and global markets. It is important to note that the region has some underdeveloped components that may potentially serve as catalysts for regional commercial growth. The existing north-south rail that connects to CSX’s primary east-west artery, the re-development of the deep water port in Port St. Joe, and the contingent Bay County International Airport currently under construction (completed 5/2010) are a potent combination to launch regional commercial development. However, without broadband access to connect these resources, that potential will remain unrealized and the decline in the rural areas of this region will continue. Broadband access offers the best opportunity for the region to make a leap into the 21st century. Many residents only have a choice of dial-up or satellite. Since satellite service is cost-prohibitive, and low-speed dial-up is application-limited, the “choice” is in fact illusory. Distance learning is not possible, and students desiring to access lessons on-line are unable to. Although some libraries have broadband access, most have only a few computers and limited hours of business. At its essence, the goal is to bring the region to a level equal to the majority of the rest of the state, the country, and even the world. This region, or any region, simply cannot compete in today’s economy without broadband access.

b) A general description of the proposed funded service areas (location, number of communities, etc.) Opportunity Florida is made up of 8 rural counties in NW Florida including Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty and Washington, which make up the first designated RACEC. U.S. Census 2008 estimated population: 175,806 Average per capita income: \$29,873

c) Number of households and businesses passed. Total Households: 66,275 Total Businesses: 6,366

d) Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project (e.g., health care, education, libraries, etc.). Total Schools (Elementary, middle, high, and alternative): 99 Higher Education: 4 Hospitals: 9 Libraries: 25 (most have very limited hours) Law enforcement: 18

e) Proposed services and applications for the proposed funded service areas and users. The services and applications available to customers in this area will include the products/services that ISPs traditionally provide for basic and/or enhanced service packages. The availability of broadband access to subscribers significantly increases the scope and quality of the services and applications that ISPs can and will provide. There are 155 community anchor institutions including schools, colleges, hospitals, libraries, Highway Patrol Stations, Police Departments, and Sheriff’s Offices. While Opportunity Florida is not an ISP, construction of the WiMAX network makes us an enabler of the high-quality services demanded by these critical institutions. The enormous benefits of such applications as telemedicine, telework, e-commerce, and e-learning simply cannot be realized without the broadband access we will provide.

f) Approach to addressing the non-discrimination and

interconnection obligations. By eliminating the economic disincentive of cost of infrastructure, all ISPs with an interest in delivering a broadband offering can enter the Opportunity Florida service area. g) Type of broadband system that will be deployed (network type and technology standard). Wireless - Terrestrial Fixed h) Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider. The Opportunity Florida Operations Team has had significant relevant experience designing, implementing, operating, and managing telecommunications networks. We are experts in the technical and operational requirements for providing high-reliability systems, having successfully done so in environments similar to those in this region, as well as in more challenging environments such as Panama, Iraq, and Brazil. We have considerable expertise in developing and issuing RFPs for work that will be outsourced, as well as in evaluating proposals to ensure that the work is awarded to companies offering the best service at the lowest cost. i) Overall infrastructure cost of the broadband system. \$40,360,521 (incl \$196k app prep fees) j) Overall expected subscriber projections for the project. 24,891 by end of year 5 k) Number of jobs estimated to be created or saved as a result of this project. An estimated 10,000 jobs could be created over the next five years. By way of reference, in 2008 the region lost a project representing 2,900 jobs with an average salary of over \$40,000 (nearly twice the existing per capita income) due to lack of broadband access. Similar opportunities will present themselves and be brought to fruition once high-speed connectivity exists throughout the region.