Broadband USA Applications Database

**Applicant Name:** LRS COMMUNICATIONS, INC.

**Project Title:** Magnolia Broadband: Middle Mile broadband infrastructure for unserved / underserved areas

**Project Type:** Comprehensive Community Infrastructure

_______________________ Executive Summary _______________________

Magnolia Broadband, a division of LRS Communications, Inc., is a communications and broadband access provider that was formed to deploy Middle Mile broadband infrastructure in areas of Alabama, Mississippi, and Louisiana, that are not served, underserved, or require substantially upgraded service. This project will provide broadband connectivity through the use of an extensive microwave network. Multiple sites, nodes, are connected together forming a cluster with each node in the network being provisioned to support 1Gbps. Each cluster is then connected to a fiber ring interconnecting the clusters as well as providing egress for private data networks. Magnolia Broadband will extend the Middle Mile broadband infrastructure and wireless coverage in rural areas beyond the larger population centers and high traffic corridors. Existing carriers provide service in the larger geographic areas and along major interstates, but vast areas encompassing smaller towns and municipalities do not have access to high speed internet service or wireless service. The cost of constructing infrastructure in these lower densities and less trafficked areas is the significant barrier to the deployment of service. The proposed services and applications for the service area includes, Community Anchor Institutions, Minority Serving Institutions, Last Mile Providers, Cellular Carriers (co-location and backhaul), other retail tower site renters, in addition to local, state and federal facilities. Magnolia Broadband has an innovative solution. Magnolia Broadband owns an estimated $14 million worth of assets that was spent preparing the 232 tower sites that are to be constructed, including the site development work and RF design. These sites were under development by Crossroads Wireless, Inc. which, in total, spent over $80 million preparing to develop a wireless infrastructure in rural areas. Crossroads liquidated its assets, and the developable tower sites to be constructed were acquired by Magnolia Broadband. Thus, the Magnolia Broadband proposal is unique in that it will save money and time by utilizing assets (the initial 232 sites) that have already been prepared for construction, and will expedite the rapid deployment of the project. These "shovel ready" tower site locations are all raw land development sites and are all located in rural areas where there are no other towers in the vicinity, as determined by a search of the Federal Communication Commission"s Antenna Site Registration (ASR) database. Magnolia Broadband has an experienced management team covering all aspects of the proposed project. The construction of the 232 tower sites in rural areas are estimated to create over 200 construction jobs. The Magnolia Broadband network will accelerate the availability of broadband service to consumers in unserved and underserved areas and ultimately lead to improvements in education, broader opportunities, and economic growth. In the proposed service area of Alabama, Mississippi, and Louisiana, that is not served, underserved, or requires substantially upgraded service, there is an estimated: 23,460 Total
Square Miles in the Service Area 1,339,430 Population in the Service Area 13,422 Businesses in the Service Area Anchor Institutions 438 Schools (K-12) 111 Libraries 96 Medical and Healthcare providers 385 Public Safety Entities 17 Community Colleges 81 Other Institutions of Higher Education 11 Other Community Support Organizations 14 Historically Black Colleges and Universities Less than 15% of the households in the proposed service area subscribe to Broadband, according to the FCC Form 477, Tract-Level Data. For the first three years of this project it is estimated that about 170 -200 jobs will be created. This is detailed below: The tower construction element of this project will start within 1-2 months of grant, with 10 crews working on construction; each crew will be made up of about 15 people. This will be outsourced to contractors, with a special emphasis on training and using local labor. This schedule results in the first tower being completed in 6-9 months: and the last of the 232 towers being completed in the 30th month. Direct employees include: Network Maintenance: one person starting in the 9th month, ramping up to six people in the 28th month and continuing onward and for the life of company. Sales and Marketing Employees: one person starting in the 1st month, ramping up to four people in the 36th month; and continuing onward and for the life of company. The plan is to have 3-4 independent sales representatives working under each area sales director; this results in more indirect employment of local residents in the proposed service areas. Customer Care Employees: one person starting in the 9th month (1st tower completion), and ramping up to four people in the 36th month, and continuing onward and for the life of company. Administrative Support - office support: one person starting in the 8th month, ramping up to three people by the 36th month, and continuing onward and for the life of company. Executive Management: President, VP of Implementation, VP Network Engineering and Operations, General Counsel, VP of Sales and Marketing, VP of Finance working on the project. Magnolia Broadband"s network implementation and policy will be consistent with the NOFA"s non-discriminatory and network interconnection obligations. The Magnolia Broadband network is a Middle Mile system providing interconnection services to Community Anchor Institutions, Minority Serving Institutions, Last Mile Providers, Cellular Carriers (co-location and backhaul), and other retail tower site renters, in addition to local, state and federal facilities. The Magnolia Broadband network will deploy an extensive microwave network to provide Middle Mile broadband connectivity. The network will consist of multiple sites, nodes, which will be connected together forming a cluster with each node in the network being provisioned to support 1Gbps. Each cluster is then connected to a fiber ring interconnecting the clusters as well as providing egress for internet connection as well as connectivity to other private data networks. The fiber ring will be a leased facility and Magnolia Broadband will negotiate its interconnection agreement so that it is consistent with the NOFA non-discriminatory and network interconnection obligations. The Magnolia Broadband network management policy will be consistent with non-discrimination and network interconnection obligations. The Magnolia Broadband network management policy will be consistent with non-discrimination and network interconnection obligations. The network management policy will at a minimum adhere to the FCC"s Internet Policy Statement (FCC 05-151). While Magnolia Broadband will offer a tiered service offering based on bandwidth requirements it will not favor any lawful internet application or content over other content. Magnolia Broadband will not limit usage for the services offered and will employ QoS for the middle mile content delivery. However Magnolia Broadband will employ technical solutions to improve content delivery like caching and other best practice solutions to improve the user experience while ensuring the network integrity is maintained. The Magnolia Broadband Management policy will be formally published, however the following are the foundation for the management policy. 1) Magnolia Broadband will not discriminate based on lawful
content or traffic volume 2) Magnolia Broadband will not prevent any of its users from sending or receiving the lawful content of the user's choice over the Internet. 3) Magnolia Broadband may not prevent any of its users from running the lawful applications or using the lawful services of the user's choice. 4) Magnolia Broadband will not prevent any of its users from connecting to and using on its network the user's choice of lawful devices that do not harm the network. 5) Magnolia Broadband will not deprive any of its users of the user's entitlement to competition among network providers, application providers, service providers, and content providers. 6) Magnolia Broadband will treat lawful content, applications, and services in a nondiscriminatory manner. Prior to and post launch Magnolia Broadband will publicly post on its web site the internet management policies. The sustainable business plan that is detailed in this submission is predicated on the use of Grant funds to construct and deploy the Middle Mile broadband infrastructure, and allow the formation and growth of the proposed services and applications in the outlined service area. Without BTOP funding this project would be a Negative Net Present Value project and would NOT be undertaken. The addition of BTOP funding converts this to a Positive Net Present Value program, will be of great value for the residents of Alabama, Mississippi, and Louisiana, and a project that Magnolia Broadband is anxious to undertake.