

Broadband USA Applications Database

Applicant Name: SIMPLY BITS, L.L.C.

Project Title: Santa Cruz County/Pima County, So Arizona Rural Broadband Expansion Project

Project Type: Last Mile Non-Remote

Executive Summary

Simply Bits, LLC is Southern Arizona's largest and most progressive private network delivering high-speed Internet and other enhanced broadband applications to thousands of business and residential customers. Privately-owned and operated by local high-tech entrepreneurs with a proven track record of success, Simply Bits seeks assistance through the Broadband Initiatives Program (BIP) to expand broadband Internet services and related solutions (such as Voice over IP and fax-to-email services) to un-served and under-served communities in rural Southern Arizona. The proposed BIP project would allow Simply Bits to provide broadband Internet services to the rapidly growing communities of Amado, Rio Rico and Tubac, Arizona. Located between the urban areas of Tucson and Nogales, Arizona, these communities are the rural anchors along an important corridor to and from the Mexican border and play a vital role in the economic development of one of the fastest growing states in the nation. This topographically diverse and geographically challenging territory encompasses approximately 700 square miles of service area, including an estimated population of over 10,000 households and more than 250 businesses. These three communities are classified as rural locations according to US census tract information and comply with NOFA regulations for rural classification. We know these communities well, as we are currently involved and have shovel-ready projects with critical care and emergency response services of the Rio Rico and Tubac Fire Departments. These public safety entities currently occupy six (6) facilities, with three (3) designated sites for future expansion. The proposed Simply Bits project would connect these important emergency services and improve public safety operations and communication. Simply Bits' approach to the proposed project optimizes our strengths: technical competency, financial feasibility and the organizational capacity to see the project through from design to implementation to ongoing growth and support. We seek to expand our existing, deployed fixed wireless broadband network which is built on IEEE standards including WiMAX and other technologies developed and endorsed by Motorola for such deployments. The Simply Bits network consists of both licensed and unlicensed frequencies and relies on point-to-point and point-to-multipoint topologies. Our proposal covers both middle mile and last mile components. It will be an expansion of our current deployed, sustainable, and profitable network. Our approach to addressing the non-discrimination and interconnection obligations is partially addressed in our current Terms and Conditions of Use found on our web site at www.simplybits.com/terms.html. We shall conform to all obligations contained within the non-discrimination and interconnection requirements as set for in the Notice of Funds Availability (NOFA). Our overall cost to deploy the proposed broadband infrastructure in the requested region will be \$6,182,390.00 (six million, one hundred eighty two thousand, three hundred and ninety dollars). From this number we have deduced a three to five year uptake rate of 54.39% for our subscriber

projections of 5464 residential and 143 business customers. Within our organization we will create 30 full time jobs and conservatively estimate that another 100 outside jobs will be created within the serviced communities. Our application uses Census 2000 data as required, but it should be noted that the two Congressional Districts which bisect our plan, shows that both population and housing has grown dramatically in those areas. When compared to the 2005-2007 American Community Survey, Congressional District 7 total population grew by 22.5% and Congressional District 8 grew by 13.6%. It should be noted that 21.8% and 10.7% of individuals fall below the poverty line in these respective districts. It also should be noted that the largest population growth difference was in the Town of Sahuarita in which the delta from 2000 to 2007 was a 651% (3,242 to 21, 110). Access to affordable broadband would be of great benefit to these individuals and to the entire surrounding communities. Our track record speaks for itself. Our clients will attest to our ability to implement and operate broadband infrastructure as demonstrated by the successful deployment of broadband infrastructure for Tucson as well as providing the entire WAN infrastructure for the entire Town of Marana, Arizona. We have verifiable long term contracts with most local and state government agencies such as City of Tucson, Town of Marana and Pima County Government. Over the past 5 years, we have cultivated a very substantial client base of both business and residential, keeping them happy with continual investments in both customer service and technology upgrades. The executive management team of Simply Bits has built multiple successful companies, including some later sold to public entities, and all reside in Congressional District 8, one of the two districts that will benefit from our proposed design. All of the companies are profitable, run with integrity and award-winning for growth, innovation and customer service. These companies created 330 jobs directly from the products that were created in Tucson, Arizona. To date, the entire Simply Bits network of more than 50 distribution sites has been entirely funded by its executive management team and the company enjoys freedom from outside debt. In summary, Simply Bits is poised and ready to implement this deserving project and through high-quality, high speed Internet services, serve as a catalyst of growth for these rural Southern Arizona communities.