

Broadband USA Applications Database

Applicant Name: Greenfly Networks Inc.

Project Title: Ethernet First Mile Broadband in 11 Montana Rural Communities

Project Type: Last Mile Non-Remote

Executive Summary

Greenfly Networks Inc., dba Clearly Communications, has been providing reliable and quality broadband and voice services to small-medium businesses in Qwest territory since 2007. Its customers include the major healthcare providers in the State of Montana. One of them, the Billings Clinic, will partner with Clearly as its primary community anchor tenant. Billings Clinic has 18 affiliated facilities throughout the State, the vast majority in rural communities, and intends to utilize the significant increase in symmetrical, Quality-of-Service (QoS) enabled broadband services to provide advanced medical services. + Opportunity the proposed system seeks to address -----

----- Montana is the third to lowest state in the union in terms of population density, ranks number 41 in median household income and number 43 in terms of percentage of population living in non-rural areas. Therefore, it is no surprise that Montana also ranks 42nd in terms of broadband penetration, a problem that can only exacerbate the economic disadvantage of the State. Even in non-rural markets, the types of broadband options available are not capable of providing the service levels that would enable businesses and community-service institutions to fully benefit from the cost reduction afforded by IP voice and advanced applications. At the same time, Montana is home to some of the most advanced telemedicine programs in the country, such as the Eastern Montana Telemedicine network, the Montana Healthcare Telecommunications Alliance, the REACH Montana Telehealth Network and others. As a result, it represents an ideal lab for a highly effective deployment of advanced broadband services to rural communities. Working in partnership with the Billings Clinic as its key community anchor tenant, Clearly intends to demonstrate how advanced, reliable broadband services can be brought to some of the most underserved communities and how telemedicine can become a catalyst of widespread broadband adoption amongst businesses and consumers living in rural areas. Clearly also intends to utilize its successful marketing practices to bring advanced broadband services to small-medium businesses (SMB) in the area, and, through a wholesale model that leverages local service providers, to residential households. + A general description of the proposed funded service areas (location, number of communities, etc.) ----- The project intends to serve 11 communities with populations ranging from 1,800 to 9,000, all located in rural areas of Montana. 9 communities are underserved and 2 are unserved in terms of broadband services availability. The Billings Clinic has affiliated facilities in 8 out of the 11 communities. + Number of households and businesses passed. ----- The project intends to pass 23,619 households and 2,537 businesses. Of these, 3,377 households and 116 businesses are located in the 2 unserved communities. + 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.). ----- The total number of the above types of institutions passed is 88. The initial anchor institutions will be the 18 health centers affiliated with Billings Clinic in Montana. 12 of these are located in the Proposed Service Area, the remainder in markets that will be serviced by Clearlyfly through own financing. +Proposed services and applications for the proposed funded service areas and users. -----

----- The Project will enable Clearlyfly to deploy DSL and Ethernet-First-Mile (EFM) based broadband residential and broadband/voice business services ranging from 5.5 Mbps up to 44 Mbps in downstream speed. Business will have access to fully symmetrical, low-latency, high-availability services enabling advanced applications such as tele-conferencing and tele-health. + Approach to addressing the non-discrimination and interconnection obligations -----

--- Clearlyfly adheres to the principles contained in the FCC's Internet Policy Statement FCC 05-151. The Company operates an open access network where Clearlyfly transmits information from end to end without any filtering or obstruction on its core network and to the greater Internet. No favoritism is given to any service or content provider, application or device and all lawful packets are treated equally, subject to Clearlyfly's Acceptable Use Policy and to the needs of law enforcement. Finally, Clearlyfly intends to make all its services available on a wholesale basis to local Network Service Providers with the same QoS characteristics it provides to its own customers. + Type of broadband system that will be deployed (network type and technology standard). -----

----- Clearlyfly intends to utilize BIP/BTOP funding to deploy ADSL and Ethernet-in-the-First-Mile (EFM) equipment in 11 Central Offices in Montana and bring the Proposed Service Area to financial sustainability within approximately 24 months. The main advantages of using EFM as a last mile technology are: • Bandwidth: by combining up to 8 existing copper wire pairs between the Central Office and the Customer site, EFM makes it possible to deliver data rates of up to 45 Mbps. • Low cost: Because EFM relies on existing telephone lines, no investment is necessary to pull or trench fiber, buy spectrum, build towers and install expensive radios. A typical Central Office, can be equipped to support EFM with a capital expenditure of less than \$100K • High quality: Because the circuit is entirely dedicated to an end-user (business or home) and not shared among neighboring users, quality of service can be ensured through policies implemented at the CO and in the backhaul network. • "Shovel ready": The average implementation time to EFM-enable a Central Office can be measured in weeks, making this technology the most suitable to generate ARRA's desired widespread economic benefits in the shortest possible timeframe. + Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider. -----

----- Clearlyfly has an excellent track record of marketing and providing broadband services to small-town America and achieving financial sustainability in a reasonable amount of time. By leveraging a network of channel partners with local market presence and avoiding the expensive proposition of having to build a local direct sales force , Clearlyfly is able to keep overhead low and accelerate the time to reach break even. Clearlyfly is a registered CLEC in Montana, Washington, North Dakota and Oregon and has interconnect agreements with Qwest Corp. in these states. Phone equipment resellers and network consultants have been the most effective partnership vehicles into the SMB segment thanks to their existing customer relationships, while wireless ISPs have proven excellent resellers into the residential markets, thanks to their ability to reach remote households and the brand awareness they command locally. + Overall

infrastructure cost of the broadband system. ----- The overall required investment in eligible costs is \$3,611,418. + Overall expected subscriber projections for the project. ----- The project expects to acquire 1,810 residential subscribing households, 683 business establishments and 48 Strategic Institutions at the end of year 5 in the Proposed Service Area. +Number of jobs estimated to be created or saved as result of this project. -- ----- Clearly estimates that approximately 40 job-years will be created as a result of the Project. This includes jobs created at those Channel Partners that are responsible for customer installations.