

Broadband USA Applications Database

Applicant Name: BeamSpeed, LLC

Project Title: Beamspeed Rural Expansion Project

Project Type: Last Mile Non-Remote

Executive Summary

Opportunities the proposed system seeks to address Beamspeed proposed to bring affordable, high-quality broadband service via fixed wireless technology to our proposed service area which lacks adequate, comprehensive and affordable coverage outside of select suburban areas. We will accomplish these tasks by expanding our current network infrastructure into the more rural areas which currently lack comprehensive coverage, and provide high speed internet service comprehensively throughout the proposed funded service area. The reach of our service does not extend much further than the town limits. However, with the aid of federal subsidy we would be able to carry out this project and provide high-speed internet service to residents in the area at affordable prices. Description of the proposed funded service areas The current service area is most of Yuma County in Arizona and most of Imperial County in California. This includes the cities of Yuma, San Luis, and Wellton in Arizona as well as the cities of El Centro, Calexico, Brawley, Holtville and others in California. The population consists of 292,848 people, with 112,433 households, 18,624 businesses and 166 critical community facilities. The proposed funded area is entirely rural and 3,471 square miles. The lack of comprehensive broadband coverage for the proposed rural areas in AZ and CA Throughout the counties of aforementioned counties in Arizona and California, there are numerous small, rural communities with a population density that is insufficient for existing internet service providers to justify the business case of constructing networks capable of offering high speed internet outside of the towns and villages. This is the situation which Beamspeed and its surrounding area. Access to high-speed internet may be available via DSL within and just outside of town, but it is not available otherwise, so there is a serious lack of access to this basic necessity for modern-day communications. As a result, the economic development of this small rural community is impeded, along with the development of the surrounding area. Local businesses have difficulty accessing non-local goods, human resources and markets due to their physical isolation. More comprehensive access to high speed internet would benefit both those living within and outside the service area by allowing them to have improved access to health care, education, jobs and services. In the long term, comprehensive access to broadband is critical for the development of the local businesses and job market, as well as the overall growth of these rural communities. By providing geographically comprehensive, high-quality service at affordable prices to the proposed funded area, our project will offer both immediate and long-term benefits for local businesses and residents. Proposed services -We will provide geographically comprehensive and reliable high speed internet service to residents, businesses and critical community facilities and anchor institutions by expanding our fixed wireless technology at affordable prices to our proposed service area which lacks adequate, comprehensive and affordable coverage outside of select suburban areas. Non-discrimination and

interconnection obligations Beamspeed is committed to non-discrimination and network openness. The company understands the dynamics of the Internet. It also understands that it must work to advance governmental and societal aims on the local level. In order for societal as well as company goals to be realized, Beamspeed understands that proper implementation is vital. To those ends, the company is committed to making its network 100% interoperable with other local networks. In turn, this will make our network interoperable with other global networks. The applicant plans to extend the current network infrastructure to areas currently underserved by other network providers. Federal funding assistance will allow the applicant to advance the cause of non-discrimination by serving areas which currently lack service due to economic barriers. The network that the applicant plans to construct also will be open to other Internet service providers. Additionally, other ISPs with aims consistent with those of society as well as those of Beamspeed will have the ability to provide rural end users with quality access to the Internet by utilizing the proposed network. To demonstrate this commitment and willingness to implement these goals, Beamspeed plans to offer its services at an affordable published rate. Also, Beamspeed is committed to offering users choice in Internet Service Providers. To demonstrate this commitment, Beamspeed has already agreed to offer part of its bandwidth to aggregate Internet service providers such as Virtual ISP. By essentially outsourcing some of the work that is less infrastructural in nature to other ISPs, Beamspeed can concentrate on specializing in infrastructural build out for the purposes of promoting the unfettered dissemination of information. Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider BeamSpeed is a well-established company successfully developed and run by an experienced management team. BeamSpeed, LLC was established in 2002 by Carter Hendrick and Phil Merrill, the Company's current managers. The Company's two members, each owning 50% of the Company's membership interests, are Gila Electronics of Yuma, Inc. ("Gila Electronics") and Grand Forks Wireless LLC ("Grand Forks"). Gila Electronics is an Arizona-based S corporation owned by Carter Hendrick and his wife. Grand Forks is a Delaware-based LLC. Phil Merrill holds 100% of the voting rights and 81.5% of the membership interests of Grand Forks with the remaining interests held by his friends and family. BeamSpeed grew from a small wireless cable television service provider named Microlink, which had offered television service in Yuma for over 10 years. Phil Merrill acquired Microlink in 2000 and began offering wireless Internet service on Microlink's bandwidth in 2001. In 2002, Phil and Carter formed BeamSpeed to focus on providing broadband Internet service and folded Microlink into BeamSpeed. Subsequently, the Microlink wireless cable television service was shut down to free up bandwidth for BeamSpeed. BeamSpeed currently has twelve employees. Carter Hendrick and Blake Covarrubias manage the Company's network from the Network Operating Center in Yuma. Carter's background in radio frequency technologies and hardware coupled with Blake's expertise in data network management, provide the comprehensive knowledge required to ensure maximum network uptime. They are assisted by two customer service representatives that assist in resolving customer connection issues. Mike Merrill coordinates the Company's sales and installation activities. BeamSpeed has two installers based in Yuma and one in El Centro. Installation for new orders is scheduled with the goal of starting a customer's service within 24 hours of placing an order. Over the years 2006 and 2007, the Company focused on the physical build-out of its comprehensive network of 36 base station units at 24 tower locations and 100% IP-based microwave backhaul link to BeamSpeed's Internet connection points. Beamspeed has developed

optimum infrastructure platform for efficiently delivering broadband service to underserved rural markets, and are now ready to take advantage of improved technology with awarded BIP Stimulus Funding. BeamSpeed currently serves approximately 4,200 subscribers. We are confident that with the support of this team, we will successfully accomplish our proposed network expansion. Overall infrastructure cost of the broadband system: \$10,000,000 Overall expected subscriber projections for the project: 34,030 new subscribers in 5 years Number of jobs estimated to be created/saved by the project: 34 job years.