



PO Box 931 West Plains, MO 65775 / Phone: 417-372-3378 / www.oznetsolutions.com

March 07, 2014

**Letter – Expression of Interest
VIA ECFS**

Chairman Thomas Wheeler
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O’Rielly
Jonathan Chambers
Federal Communications Commission
445 12th Street, SW 20024
Washington, DC

**Re: Expression of Interest – Rural Broadband Trials
Connect America Fund, WC Docket No. 10-90**

Dear Chairman Wheeler, Commissioners, and Mr. Chambers,

This letter is to express Ozarks Internet Solutions L.L.C.’s interest in receiving funding from the Rural Broadband Trials announced at the January 30th FCC Open Meeting.

Background

Ozarks Internet Solutions L.L.C. (OzNET) is a start-up Wireless Internet Service Provider. We were officially formed in December of 2013 and began operations on January 02, 2014. The home office for OzNET is located at 1378 Bill Virdon Blvd. West Plains, MO 65775. Our current service area includes the Northern half of Oregon County, the Southwestern quarter of Shannon County, as well as the Eastern half of Howell County. We are a final mile provider. Our primary focus is providing broadband services to the residents of these counties. Our tower locations are in Alton and Mountain View. The service will be fully operational within the next 30 days. We currently have twenty customers who have committed to this service before it is even online. However, our goals are to serve at a minimum of 500 customer accounts by the end of the calendar year. It is within the immediate future plans of OzNET to have tower locations in Thayer, Winona, Eminence, Willow Springs, West Plains, Caulfield, Summersville, and Koshkonong, thereby completing the coverage for all of Oregon, Shannon, and Howell Counties, as well as a portion of Texas County. Within the five (5) year goals of the company we are planning to fully cover the South Central Ozark region which includes the counties of Ozark, Douglas, Wright, Shannon, Howell, Oregon, and Texas Counties. These are only the Missouri Counties that we wish to service, the towers



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along the Missouri and Arkansas boarder will also provide service to some Arkansas residents in the North Central Arkansas region.

Geographic Territory

OzNET's immediate plan is to provide final mile broadband service to the Northern half of Oregon County (including the town of Alton and surrounding area), the Southwestern quarter of Shannon County (including the town of Birch Tree and surrounding area), and the Eastern half of Howell County (including the towns of Mountain View, the Eastern side of Willow Springs, and the area surrounding the Eastern side of West Plains.) These areas are considered primarily low-to-moderate-income areas, having greater than 70% of their school aged children enrolled in the free or reduced lunch program.

List of Anchor Institutions

Service will be available to all residential and commercial entities within the footprint of OzNET's coverage area. Anchor Institutions will also have the availability of this service.

Schools: Alton R-IV School, Birch Tree Elementary, Mountain View/Birch Tree Liberty High School, Mountain View Elementary, Oregon/Howell R-III (Koshkonong) Schools, Eminence R-1, Winona R-III, West Plains R-VII Schools, Howell Valley Schools, Junction Hill Schools, and Southwest Baptist University's Mountain View Campus.

Libraries: Oregon County Public Library located in Alton, Mountain View Public Library located in Mountain View

Healthcare: St. Francis Hospital in Mountain View, and various Healthcare facilities located in the town of Alton, Birch Tree, Mountain View, including clinics, emergency services, and nursing centers.

Community Centers: Alton City Hall, Thayer City Hall, Birch Tree City Hall, Winona City Hall, Eminence City Hall, Mountain View City Hall, Oregon County Courthouse, Shannon County Courthouse, Oregon County Sheriff, Oregon County Health Department, Alton Police Department, Alton Fire Department, Thayer Police Department, Thayer Fire Department, Koshkonong Fire Department, Birch Tree Police Department, Birch Tree Fire Department, Eminence, Police Department, Eminence Fire Department, Eminence Chamber of Commerce, Winona Police Department, Winona City Ambulance, Shannon County Sheriff, Shannon County Ambulance, BB Firehouse/Community Center in Oregon County, and Mountain View Community Center



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Proposed technology

OzNET is going to use a 2.4 GHz system of wireless internet service to provide final mile broadband service to the residents and commercial entities within our footprint. We will be offering download speeds ranging from 3.0Mbps up to 7.5Mbps and upload speeds from 2.0Mbps to 3.0Mbps. Monthly rates will range from \$39 to \$59 depending on the speed requested. The customer will be responsible for purchasing the customer premise equipment (CPE) that is required at a one-time cost of \$120. Installation costs will range from as little as \$50 to as much as \$250 depending on the difficulty of the installation at the specific location.

State and/or Local or Tribal Government Participation in and/or Support for Project

OzNET is currently working together to bring broadband to the area with Central Ozarks Telecom (COT), South Central Ozark Council of Governments (SCOCOG), Rural Broadband Connect, Delta Regional Broadband, and Ozarks Wireless L.L.C.. Of these entities, OzNET is the only final mile provider and is working with the others as middle mile providers. OzNET will be responsible for leasing equipment from COT and purchasing the meggage sold from these entities in order to distribute it to the residents of the counties served.

Existing Providers

CenturyLink currently offers up to speeds 10 Mbps only in certain areas for \$39.95 excluding taxes, fees, surcharges, and monthly recurring fees for modem and professional installation. This service is not available in the majority of planned service area of OzNET and even where it is available; their circuits are full causing one person to drop off before another is allowed service. Incumbents have overstated their capacity and coverage areas.

HugesNet offers up to 5 Mbps download and 1 Mbps upload for \$39.99 with actual speeds varying and not guaranteed. Equipment and installation not included. In the majority of OzNET's planned service area, HughesNet is the only other option and many customers are dissatisfied with their service and connectivity.

Project Timeline

OzNET plans to begin providing service in the Alton and Mountain View areas within the next 30-60 days. However, expansion plans to cover the remainder of the proposed service area are not set as of this time. They will depend on the take rate within the existing areas as well as financial feasibility of expanding the network.



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Scalability

OzNET plans to begin providing service to a reduced footprint of Alton and Mountain View within the next 30-60 days. However, in order to expand the service area we will have to show that it is financially feasible to do so. In order to do this we must be able to ensure that the primarily low-to-moderate income families living within the coverage areas can afford the service. The monthly costs of service are low in comparison to those of other options. Equipment and installation costs are also lower than other options for the area, but may still be out of the reach of the economically depressed residents in the area. With assistance and subsidizing of equipment and installation costs we could provide services to all areas and institutions discussed within 1 year.

Total Business Investment

OzNET is currently paying a one-time equipment fee for the towers of \$6,000 per tower and then in addition to that, lease payments of \$1,000 for each tower location. Currently OzNET has two tower sites for a monthly lease payment of \$2,000. In order to cover the entire areas discussed (All of Oregon County, Shannon County and Howell County) OzNET would need an additional eight (8) towers. The initial equipment payment for these additional towers would be \$48,000. The additional monthly tower lease payments would be \$8,000 (\$96,000 annually). Not included in these figures are the costs of megabyte that will be required for resale. This cost could be as high as \$7,500 per month for 1.0Gbps.

The customers are going to be required to purchase the CPE that will be necessary for them to receive service. The cheapest that these can be found is \$100. Allowing for a small mark-up on this equipment OzNET is selling this equipment for \$120. For the 1,500 customers that would be required to make this venture financially feasible the CPE costs to OzNET would be \$150,000.

Installation is another cost that the customers will have to pay. This will vary upon the difficulty of the site specific installation. The cost could be as little as \$50 but also could be as high as \$250. Customers who are low-to-moderate income may have difficulty paying these fees. Estimated costs of installation for the 1,500 customers would be \$225,000 figured at an average install cost of \$150 per customer.

Total costs for roll out of service for the full coverage of Oregon, Shannon, and Howell County would be \$609,000



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Investment Needed

OzNET is requesting a one-time investment of \$300,000. These funds would be used in the following ways: \$48,000 for equipment cost for 8 additional towers; \$75,000 for 50% subsidy on CPE costs; \$112,500 for 50% subsidy on installation costs; \$45,000 for 50% subsidy on meggage costs for 1 year; \$19,500 for 20% subsidy on tower lease payments.

By subsidizing the CPE and Installation costs of the customers, OzNET would be better able to provide the low-to-moderate income residents of the area with a quality broadband service at an affordable price. By subsidizing the meggage costs and tower lease as well as the equipment costs for the additional towers needed, OzNET will be able to expand the service area sooner and be more likely to be successful in providing a quality service at an affordable price in all areas where it is greatly needed.

Total Project Cost

\$609,000

Thank you for considering our Expression of Interest in your decisions about the amount of funding that will be allocated in the Rural Broadband Trials. We commend you in this effort to connect rural communities and are ready to help you close the digital divide.

Sincerely,

C. Kyle Walker
Owner / C.E.O
Ozarks Internet Solutions L.L.C.
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