



P.O. Box 218  
Hillsdale, MI 49242  
877-936-2422  
<http://www.dmcibb.net>

*March 7, 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 DMCI Broadband, LLC’s interest in receiving funding from the Rural Broadband Trials announced at the January 30<sup>th</sup> FCC Open Meeting.

**Background**

DMCI Broadband, LLC with its headquarters in Reading, MI is a fixed wireless provider deploying mostly Cambium equipment. DMCIBB was started in 2006 after identifying the need for Internet speeds higher than dial-up and less expensive than satellite. When we started two small fixed wireless providers were operating in Hillsdale County from 6 total tower locations. Both providers were small operations and undercapitalized to grow their networks.

DMCIBB initially deployed cambium equipment from 4 tower locations located in Reading, Hillsdale, Jonesville and Litchfield. Our initial deployments proved to be very successful and we grew rapidly. In 2007 we acquired one of the competitors and gained an additional 200+/- customers and 4 new tower locations that we have grown dramatically. Throughout 2007 and 2008 DMCIBB grew rapidly both in the number of customers, but in new tower locations. In 2009 we acquired the wireless Internet



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operation of the Coldwater Board of Public Utilities. This acquisition, brought an additional 400 customers to our network, but more importantly gave us an additional 6 strategic tower locations. In the 1<sup>st</sup>. year after the CBPU acquisition, DMCIBB had grown the customer base on those 6 towers to over 900 customers served. These towers also gave us jumping points to other areas that were unserved.

At the end of 2013 DMCIBB operates from 40 towers located in Hillsdale, Branch, Calhoun & Jackson Counties. We service 2,841 customers with Internet and VOIP services. DMCIBB employees 13 full time and 2 part time employees.

In late 2012 DMCIBB added residential and business VOIP services to our offerings. We purchased our own phone switch and are currently servicing around 300 VOIP customers currently, with 100 +/- new VOIP seats in the pipeline.

In November, 2013 DMCIBB started adding the Cambium 450 equipment platform to our network at select towers. We are currently serving residential speeds up to 15mg down and 3mg up and business plans of 20mg down and 5mg up. This new equipment platform is allowing us to provide the higher speed services out customers are asking for. Because we are very much a rural area and the frequencies used, we will need to build additional tower sites in our network footprint to have a high level of success with the delivery of this platform.

DMCIBB is growing as aggressively as cash will permit with our new high speed equipment platforms. We have been spending about \$400,000.00 annually on capital expenditures for the growth and improvement to our network. We will continue to spend that amount and more as we continue to grow revenues. If selected, the injection of CAF monies would allow us to rapidly offer the higher speed platforms to the underserved customers in our region.

### **Geographic Territory**

DMCIBB plans to deploy our platform with residential capabilities of 15/3mg service and business customers of 20/5mg service. In addition, we will be providing VOIP to all service areas for both residential and business customers.

We will service the following Census Tracts:

26059512, 26059504, 26059503, 26059509, 26059505, 26059502, 26059506, 26059510, 260239508, 260239501, 260239516, 260239513, 260239510, 260239511, 260239512, 260239503, 260239502, 2602531, 2602530, 2602529, 2602528,



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### **List of Anchor Institutions**

DMCIBB already has relationship with several Anchor Institutions and will be able to expand our offerings to those existing clients as well as offer services to others in our region that needed more bandwidth than we could currently provide. Many of the AI customers listed below receive their DMCIBB services for FREE or at very reduced prices.

Below is a list of the current AI customers with the Census Tract that we already service.

#### Schools:

- Camden Fire Department (26059051200)
- Camden-Frontier Elem. School (26059051200)
- Camden-Frontier High School (26059051200)
- Camden-Frontier Middle School (26059051200)
- Camden Township Library (26059051200)

#### Libraries:

- Branch District Library, Algansee Branch (26023950800)
- Camden-Frontier School Library (26059051200)

#### Healthcare:

#### City offices:

- Bronson Police Department (26023951200)
- Bronson Fire Department (26023951200)
- Hillsdale County Sheriffs Department (26059050700)
- Hillsdale ISD Local Programs (26059050500)
- Reading Police Department (2605901200)
- Tekonsha Fire Department (26025002900)
- Union City Police Department (26023950200)
- Woodbridge Township Fire Department (26059051200)

#### Community Centers:

### **Proposed technology**

DMCIBB will be deploying many SAF Licensed backhaul links. All last mile (PMP) equipment will be delivered with Cambium Network equipment. The PMP 450 Platform will be the workhorse of our services. In addition we will be deploying the Cambium ePMP product on most towers for a more friendly capex expenditure for low bandwidth demand customers.



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Below is our published pricing schedule for residential and business customers. All pricing for any service can be visited at any time on our web site: [www.dmcibb.net](http://www.dmcibb.net)

**Residential Internet Service Plans.**

<u>Download</u>	<u>Upload</u>	<u>Monthly</u>
768K	384K	\$ 42.90
1.5M	384K	\$ 45.90
3.0M	768K	\$ 59.90
6.0M	1.0M	\$ 67.90
10.0M	2.0M	\$ 79.90
15.0M	3.0M	\$ 89.90

**Residential VOIP Plans.**

US & Canada 500 Minute Plan	\$ 16.95/mo
US & Canada 1000 Minute Plan	\$ 19.95/mo
US & Canada Unlimited Plan	\$ 24.95/mo

**Business Internet Service Plans.**

<u>Download</u>	<u>Upload</u>	<u>Monthly</u>
768K	384K	\$ 47.90
1.5M	384K	\$ 52.90
3.0M	768K	\$ 72.90
4.0M	1.0M	\$ 82.90
6.0M	1.0M	\$ 92.90
10.0M	2.0M	\$ 104.90
15.0M	3.0M	\$ 124.90
20.0M	5.0M	\$ 150.00

**Business Hosted PBX Plans.**

Business hosted PBX 100	\$ 13.95/mo
Business hosted PBX 250	\$ 18.95/mo
Business hosted PBX 500	\$ 25.95/mo
Business hosted PBX 1000	\$ 31.95/mo
Business hosted PBX 1500	\$ 36.95/mo
Business hosted PBX Unlimited	\$ 41.95/mo



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

DMCIBB is currently the Internet provider for the Hillsdale County governmental offices. We have a long term relationship of service to the county. Currently we offer service from 2 existing county owned towers. DMCIBB and the Hillsdale County have been working on a project to connect all the voting locations in the county for automation of vote calculations and reporting.

### **Existing Providers**

Frontier communications is the major competitor in our territory. Our area includes both Frontier legacy and Frontier 15. Frontier has largely ignored this territory for upgrades to higher bandwidth. The Frontier 15 area acquired from Verizon has received some attention and upgraded speeds have been done in and around populated areas such as Coldwater, MI but has been very limited in the rural areas. The Frontier legacy areas have been totally ignored and left for dead. We have expanded our footprint into these areas in the last year with huge success.

DMCIBB proudly publishes our speed plans and prices on our web site for prospective and current customer to see and expect when they become our customer. Frontier communication has totally scrubbed speed plans from their web site, since they rarely deliver the speeds they tell customers, instead they prefer to bundle their internet plans with Computer Security products and backup and sharing offerings. Since we have had hundreds of dissatisfied customer come to our service from Frontier we have gathered that most people were paying \$19.95 for 1.5mg plan ONLY when bundled with their home phone service. When you take both services together the average price is \$80.00 per month.

### **Project Timeline**

We expect an upgrade and deployment of this size to take 26-30 months to complete. While this may be somewhat aggressive, our current technical and facility staff are capable of handling this task. We have several technical engineers and 4 certified tower climbers on staff. All tower construction will be turn-key with our existing vendor.



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### **Scalability**

Depending on when the approvals would be handed out by the CAF fund, we foresee the completion of this project to be around 1<sup>st</sup> quarter 2017.

In the rural geographic area we operate in, we are very limited on the availability of tower locations to rent space; therefore this request includes the construction of 44 new towers. Because of limited towers, tough topology and until recently the lack of high speed delivery platforms we have been limited to delivering mostly 900Mhz spectrum to our customers. This platform does NOT allow us to deliver the higher speed plans requested by our customers and the CAF minimum. That is why we are in one of the areas that are in the most underserved and in worthy of your CAF funding.

Our targeted expansion area is focused on the majority of Hillsdale and Branch Counties and portion of Calhoun Counties.

### **Total Business Investment**

We have already spent a considerable amount of time and investment to engineer this expansion project. Therefore, we expect to only spend an additional \$37,000.00 in engineering costs to move this project forward.

### **Investment Needed**

This project will be a One-Time funding request with NO need for recurring funding. We have the staffing and cash flow to operate and grow this project beyond the initial construction.

### **Total Project Cost**

The total request from the CAF funding is: \$ 3,349,562.00

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.



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Sincerely,

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