

City of Grand Rapids - Wireless Broadband Project Update 6/16/09

The City's Wireless Broadband Project is currently on hold. Unfortunately, Clearwire's progress has been prohibited by a non-compete lawsuit initiated by our local Sprint reseller, iPCS. The Clearwire WiMAX regional high speed broadband network is nearly complete with just a few towers and antennae to install. We are hopeful that legal issues will be resolved by fall.

Clearwire, the company selected by the City to build, own, and operate the wireless network merged with Sprint Nextel in November 2008, taking in \$3.2 billion in cash from an investor group that includes Comcast, Intel, Time Warner Cable, Google and Bright House Networks. The merger has caused a delay which is out of the City's and Clearwire's control. iPCS Inc., an Illinois company that offers Sprint-branded services in West Michigan and other Midwest markets, has filed a lawsuit challenging the new Clearwire's ability to operate in Grand Rapids. The lawsuit, which was scheduled to go to trial in December has now been postponed until fall. The City continues to hope that the suit will be settled and that we will have high-speed mobile WiMAX service this year.

WiMAX (rather than wifi) was selected as the technology to best meet the City's needs as it is more reliable, secure, and has capacity for higher speeds, with a better user experience than any other available technology. It is also better suited than wifi to cover a larger area, like Grand Rapids' 45 square miles.

Coverage maps for the area are not publicly available. However, coverage is expected to be region-wide, stretching well outside of the city limits including Battle Creek and Kalamazoo. In addition to outdoor coverage, at least 90% of interior rooms in residential, municipal, commercial, and other buildings, including areas above the second floor, will be covered by Clearwire service using a standard client access device. The City's top goal for this project is to enhance public safety by dramatically increasing the information available to mobile police officers and firefighters. Clearwire service will accommodate the City's public safety requirements, including real-time video streaming and photo transfer for police and fire vehicles traveling at up to 70 miles per hour. The network will serve as an extension of the City's existing communications network. Service will be cost neutral to the City.

Service will not only be available for Police, Fire, and emergency medical service providers; but also to municipal field workers, and to the City's businesses, citizens, and visitors.

In addition to supporting public safety service, community-wide WiMAX service is also expected to:

- Improve service delivery to residents and reduce the cost of government
- Provide an economic development tool to attract and retain business
- Provide digital inclusion with affordable high-speed broadband service
- Facilitate wireless technology use for citizens and visitors
- Create a seamless wireless infrastructure to attract and retain young professionals

Market rates for Clearwire WiMax service in the area have not been announced. However, discounted service of \$9.95 per month will be provided to up to 5% of the City's qualifying low-income households who apply. Clearwire has also agreed to provide free wifi hot zones throughout the City for visitors and occasional users.