

Preparing for “MuniWireless 2.0”

*Janet West, VP Access Sales and Marketing
EarthLink*

Dallas – March 2007

Introduction



- Reflecting back....
 - Atlanta 2006
 - Dallas 2007
- Planning & Preparing vs. Doing & Proving
- It's like “drinking from a fire hose”

Contents



The Muni Wi-Fi market

- Deployments
- Market Sizing & Trends

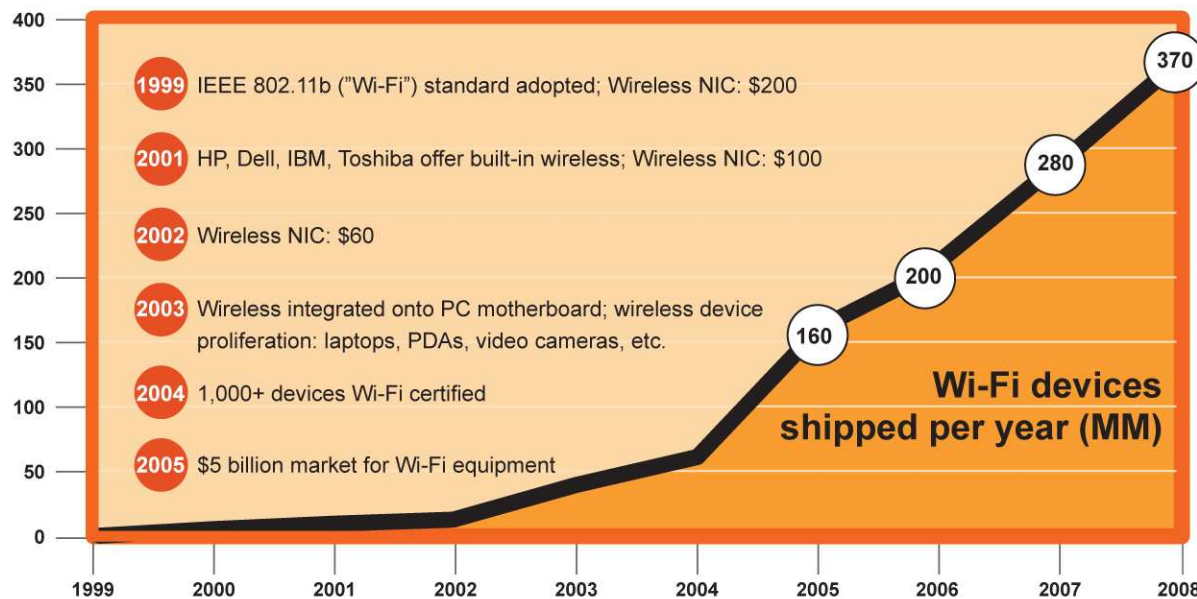
1. Movement from why Wi-Fi to when and how
2. In our experience – consistent themes
3. Final thoughts

Deployments



- According to the 9/10/06 report published by Esme Vos (muniwireless.com) the **US Market is made up of....**
 - 68 Citywide/Regional networks
 - 43 City HotZones
 - 35 Public Safety & Municipal use only networks
 - 135 Citywide/Countywide RFP/RFI issued or in deployment phase
 - 25 Cities &/or Counties considering Wi-Fi

Market Sizing & Trends



Key Points:

By the end of 2007*, 90% of all business laptop PCs will be Wi-Fi enabled

Many new portable devices are Wi-Fi enabled



Phones MP3 Players PDAs Tablets PCMCIA Cards SD Cards Laptops / Desktops Digital & Video Cameras Home Networking

* Based on Gartner Dataquest estimate

Source: In-Stat research firm

Market Sizing & Trends



- EarthLink Segmentation Study Results
 - 49% of the online population is “Extremely” or “Very Likely” to purchase Wi-Fi High Speed at 1.0 – 1.5 Mbps for \$25/month representing 39.2M HH’s
 - 22% of the online population indicate the same interest level in Temporary Wi-Fi access (Occasional Use) representing 17.8M HH’s
 - 31% of online consumers used public Wi-Fi in 2006 – up from 20% in 2005
 - Public Wi-Fi defined as “wireless high-speed Internet access in public hotspots”

Sources: EarthLink Segmentation Study 10/06, Jupiter Research 2006

Market Sizing & Trends



Awareness

- Awareness of public Wi-Fi is also high
 - Only 12% of online users have **never heard** of public Wi-Fi

Demographics

- Young consumers and those with high incomes continue to lead the way
 - 51% of online users 18-24 used public Wi-Fi in 2006
 - 44% of online users with HHI \$100K+ used public Wi-Fi in 2006

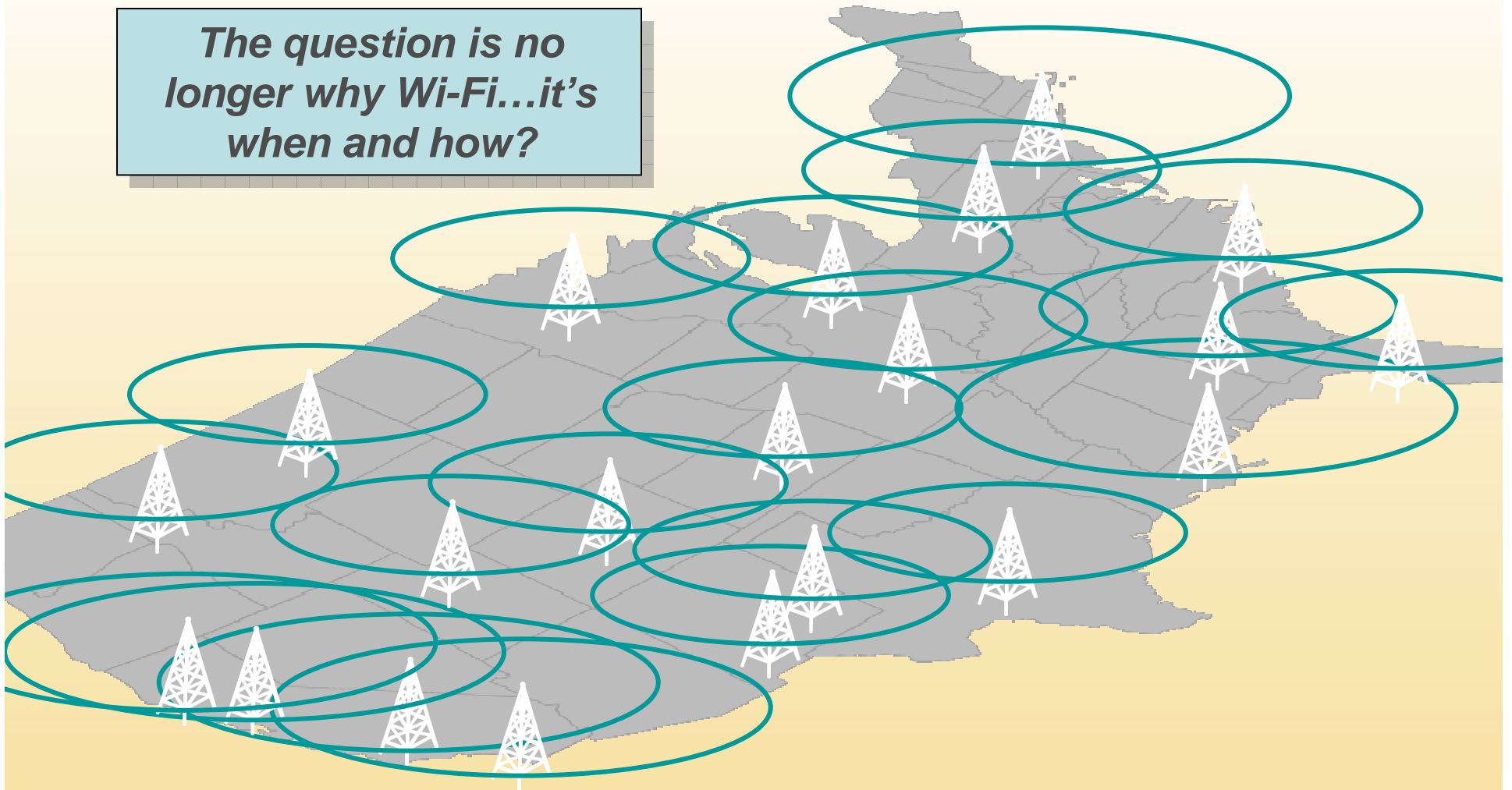
Usage Frequency

- Among those who use public Wi-Fi, the frequent user base – those who use on a daily or weekly basis – has more than doubled in the past year from 5% of online users in 2005 to 11% in 2006
- Heavier users are more likely to pay for service:
 - 32% of paying customers use daily
 - 14% of free users use daily

Muni Networks will continue to expand coast-to-coast



The question is no longer why Wi-Fi...it's when and how?



In our experience



- EarthLink has been at the center of the Muni Wi-Fi market explosion playing an active role in citywide deployments across the country
- Has experience through multiple phases of a Muni Wi-Fi deployment
- Consistent themes have emerged as we've responded to, negotiated with, and build out citywide networks

Let us share some of what we've experienced working with city partners of various sizes

In our experience – consistent themes



1. Muni Wi-Fi is a **Journey** that doesn't end once the contract is signed
2. Understanding City and Partner **priorities, goals, and history** is a critical success factor
3. Building a Network from scratch obviously requires **careful planning and flexibility**
4. Digital Inclusion is not one-size-fits-all – but **some things are consistent**
5. Muni Wi-Fi is new to the masses...we have to **educate all the stakeholders**
6. **Open Access** is key for cities to offer competitive choices to their residents

A Journey that doesn't end



- The RFI or RFP is often just the beginning – and sometimes just a “toe in the water” as cities evaluate what their central needs and requirements will be
- Key milestones in the life-cycle of the “typical Muni wireless” deployment
 - RFI or RFP
 - Evaluation period
 - Selection process
 - Negotiations
 - City Approvals
 - Construction and buildout
 - Deployment – ready for consumer use and marketing
 - Network completion
 - Maintenance and upgrades

There's no “standard” duration – every city and every situation is unique

Understanding of priorities, goals, and history



- Cities and partners must spend time “getting acquainted” and understanding what’s important to the city and the partner
 - Priorities
 - Strategic goals
 - History and experience
 - Key stakeholder groups

Through the evaluation process and negotiations both parties should make it a point to “get to know” their partner – beyond the technical and contractual terms

Planning and flexibility



- A high degree of technical expertise is required to build a strong, reliable and efficient citywide wireless network
- But even the best plans sometimes have to change

Don't underestimate the time and care it takes to build "from-the-ground-up"

Digital Inclusion – consistent themes emerge



- Nearly every city feels it is important to promote digital inclusion; but there is not a cookie-cutter solution
- Establishing a framework for consideration helps jump-start a collaboration between the city and their partner
 - Example: EarthLink’s T.E.A.C.H. methodology gives a starting point for addressing the areas of DI that consistently emerge

A solid framework or methodology is a good starting-point that can be customized and prioritized to meet city specific needs

Educate the stakeholders



- Everyone in this room knows what Muni Wi-Fi is, the benefits, the challenges...but not all the key stakeholders do
- Cities and their partners have to “campaign” and educate stakeholders in order to be successful in the long-run
- The stakeholder group is very diverse and will have very different “hot-buttons” but all need a shared level of understanding

We can't assume everyone understands the benefits and need for Muni Wi-Fi

Open Access



- A growing more formed desire of cities
- Looking for partners who can demonstrate it is a key growth strategy not a response to the RFP
- Key strategy for fostering competition and consumer adoption
- Additional commerce opportunity for local ISP's

***Open Access
should be a mentality***

Final thoughts



- Don't shy away from challenges, take the opportunity to learn from them to make your next project even more successful
- Take opportunities like this conference to discuss with those who have already started down the path to help "jump-start" your new projects
- This is an exciting industry and an exciting time: MuniWireless 2.0 is closer than we think – we should all get ready

Thank you



For more information:

Online:

www.earthlink.net/muni

www.emnwifi.net

email:

municipalinfo@corp.earthlink.net