



4G Solutions and Opportunities

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RTG-OPASTCO 700 MHz Workshop

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Agenda

- Market Drivers
- Threats and Opportunities
- Business Requirements/Success Factors

Market Drivers

- Wireless Broadband is becoming an essential service
- Anywhere, Anytime is Becoming Indispensible
 - Wireless is capturing household telecom \$
 - Choice: Cell or wireline? Customers choose cellular
- Customers desire fixed price and broad service area
 - Customers don't want to have to worry about how much or where they use it
- Devices /applications are essential

Threats

- Wireless eliminates high cost barriers
 - Enables competition
 - Wireless Broadband Providers will come into your markets
- Customer demand for portable broadband will likely erode wireline broadband customer base similarly to erosion of wireline voice

Opportunities

- Flattened or diminishing subscriber and high cost revenue along with continued expense growth demands that Telcos find new sources of revenue while managing and reducing expense growth
- In the same way wireless is a threat to your core service areas, it creates opportunity to grow market area
- Spectrum License extends beyond core service area and provides opportunities to expand service area and/or monetize the value of your license
- In order to meet market demand for larger footprint license holder are incented to either build out the entire license area or encourage others to do so.
- Wireless allows Telco to leverage existing services and resources
 - Existing data and voice infrastructure
 - Proximity services

Business Requirement/Success Factors

- In order to succeed, we must fix the reasons rural cellular is struggling
 - Enjoyed early market share, but unable to retain customers when national cellcos enter rural markets
 - Small Island Footprint
 - Limited Access to Sexy Devices/Applications
 - Higher Cost due to lack of critical mass/economies to scale
 - Little leverage in negotiations with national cellcos to lower roaming cost in extended markets
 - Inability to compete with world class sales and marketing of national cellcos

Success Factors

- Leverage what you have and partner for what you need
- You have
 - Successful Operating Company
 - Complete business infrastructure
 - Professional management and operating staff
 - Existing customers & good reputation
 - Local brand recognition
 - Extensive Infrastructure
 - Wireless Business Experience
 - 700Mhz License Availability

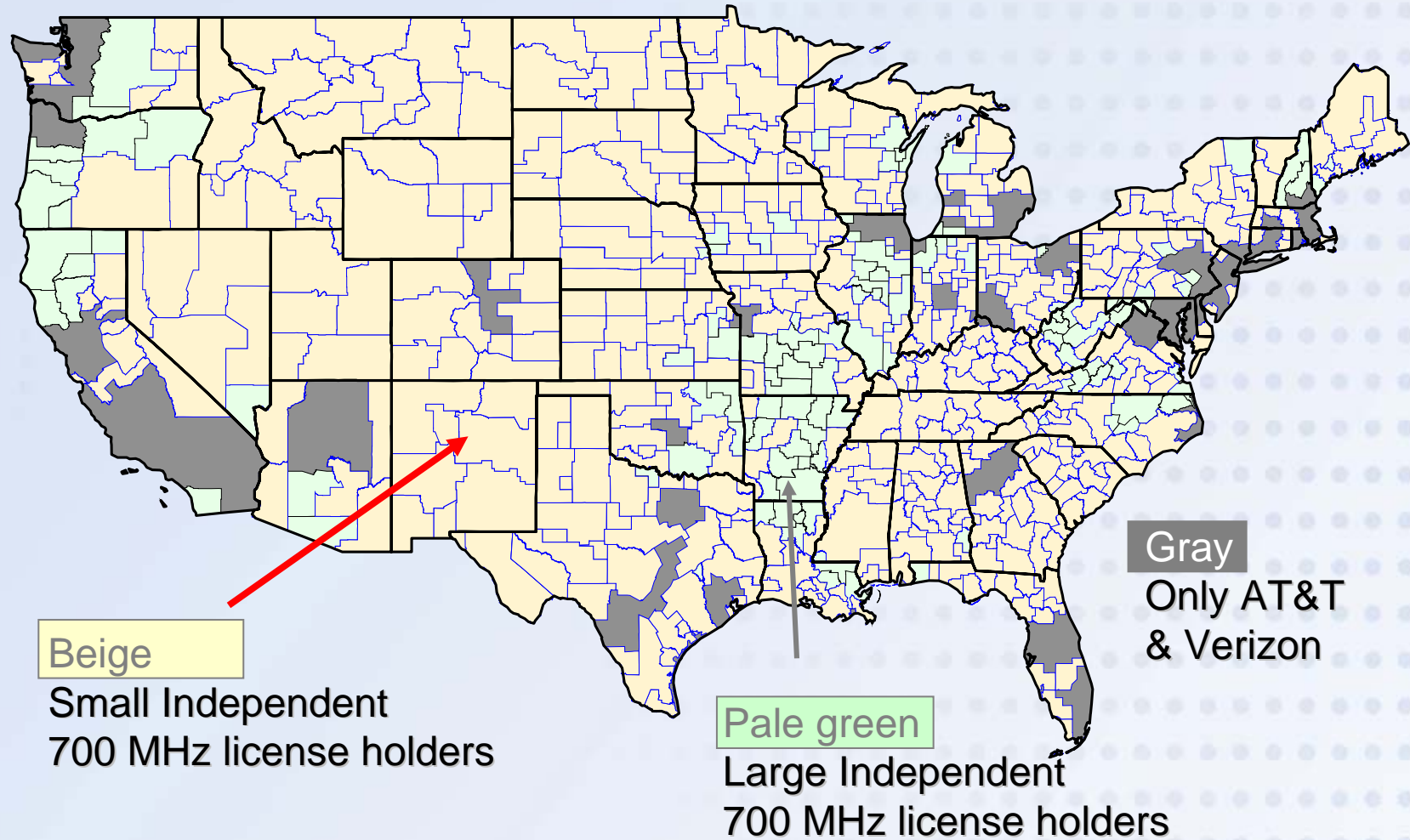
Success Factors

- What You Need
 - Large Regional Footprint
 - Wide area “flat rate” services
 - Competitive Leverage
 - On-going new product pipeline
 - Price Advantage
 - Advertising parity
 - Cost-effective marketing methods and materials
 - Economies of Scale
 - Superstructure
 - Equipment purchasing
 - “Cool Device availability
 - Shared transmission facilities
 - Volume-based roaming agreements with other carriers

Industry Need

- Get companies to work together
- Achieve Scale/Critical Mass
- Share services
- Share Infrastructure
- Attain leverage for purchasing equipment and devices.
- Achieve stronger position to negotiate with National Partner
- Together we succeed, separately we fail

Independent 700 MHz License Holders



Discussion and Q&A

