

Wireless broadband heads to rural areas

John Seelmeyer, managing editor

A Truckee-based company that rolled out wireless broadband access to communities around north Lake Tahoe is preparing to step out into rural Nevada markets.

Exwire targets communities where traditional broadband carriers — cable and telephone companies — aren't likely to spend the money to upgrade their systems to provide broadband, said Devin Koch, Exwire's chief executive officer.



Koch

Because Koch's year-old company uses radio signals rather than fiber optic cable to deliver broadband services, Exwire has a significant cost advantage in those smaller markets, he said.

At Squaw Valley, Exwire developed a Wi-Fi broadband system that allows customers to hook into the Internet anywhere from the base of ski slopes to vacation homes within three miles of the resort.

Customers pay \$29 a month for residential service, although visitors also can buy the company's broadband by the week, day or hour.

Although the company doesn't disclose its subscriber numbers, Koch said growth in markets around north Lake Tahoe has been promising. Exwire also provides "hot zones" for wireless broadband service in cafés and other businesses.

"We could be profitable now if we cut the growth off," he said.

The same model that it's pursuing at Lake Tahoe, Koch said, has potential to work in rural communities across northern Nevada because Exwire's capital costs are relatively low.

"We don't have poles to maintain. We don't have to bury fiber optic cable," he said.

Instead, Exwire delivers broadband service from antennae that generally cost less than \$10,000. Customers today receive the service through an antennae that's about the size of a clothes dryer vent installed on the outside of their home. Before long, Koch said, that antennae will be replaced by a card installed in

laptop or desktop computers.

The company today has four proposals pending to provide wireless broadband in communities around the region, Koch said.

In some instances, he said, the proposals include the possibility that communities eager to receive broadband will help finance Exwire's capital expense. The company would repay the communities as the service becomes established.

Those arrangements would help Exwire overcome one of its biggest challenges — putting together the capital to gear up quickly.

A couple of thousand small companies around the country are pursuing strategies similar to Exwire. Koch, who cut his teeth in business as a management consultant, figures the industry is likely to follow a course similar to that established by Internet service providers. In that industry, mom-and-pop providers were rolled up by large players.

When that day comes in the wireless broadband business, Exwire wants to be one of the companies doing the rolling up. It recently launched installation software, for instance, that will allow it to handle much higher levels of growth.

But venture capital to finance faster growth or acquisitions is short these days, especially for companies involved in anything that looks like telecommunications.

Privately held, Exwire has been funded by Koch and a couple of investors. Some of the company's eight employees also own stock.

Along with its work around Lake Tahoe and in rural Nevada, Exwire actively chases business in downtown Chicago.