

**FCC Considering Silicon Valley-based M2Z Networks Plan to Save American Taxpayers Up to \$25 Billion in Broadband Access Fees**  
**--M2Z Networks Seeking Approval to Offer Free Nationwide Broadband --**

Menlo Park, Calif., March 2, 2007 – Benefits to the American taxpayer could total \$18 to \$25 billion if the Federal Communications Commission (FCC) approves the plan submitted by M2Z Networks to build a family-friendly wireless nationwide broadband network, a new study concludes.

Professor Simon Wilkie, Ph.D., Executive Director of the Center for Communication Law and Policy at the Annenberg Center at the University of Southern California conducted the study, “The Consumer Welfare Impact of M2Z Networks Inc.’s Wireless Broadband Proposal.”

The study, which was requested by M2Z to demonstrate the public interest benefits of its application before the FCC, considered the benefits to the taxpayer of M2Z’s plan to build a nationwide broadband network. Three key areas where M2Z’s entry is likely to have an impact were studied and the net present value (NPV) of consumer benefits was estimated.

- M2Z’s entry into the market offering free broadband service would promote competition, saving broadband consumers \$13 billion (NPV) in broadband access fees;
- Increased broadband access to consumers who do not currently have access to a broadband network would result in a NPV benefit to consumers of \$5 to \$12 billion; and
- M2Z’s proposal to pay the U.S. Treasury 5 percent of annual gross revenues from the subscription services would result in NPV payments of \$35 million to \$1 billion, depending on different assumptions of M2Z’s market share and premium service customers.

“There is bipartisan agreement by policymakers in Washington, D.C. and throughout the country that there is an urgent need for all Americans to have broadband access,” said Wilkie. “M2Z’s unique proposal could be the solution to a problem, how to ensure broadband access that has stymied policymakers so far.”

In May 2006, M2Z filed an application with the FCC requesting authorization to lease for 15 years 20 MHz of the currently underutilized spectrum in the 2155-2175 MHz band. In return, M2Z would build a family-friendly nationwide wireless broadband network that would offer both free and subscription access; provide for an interoperable platform for use by public safety organizations; and pay the U.S. Treasury 5 percent of annual gross revenues from the subscription service, which would offer wireless-broadband access at higher speeds.

“The mission of M2Z is to serve the American consumers by building a family-friendly broadband network that will be available to Americans across the nation,” said Milo Medin, chairman of M2Z Networks and a member of California’s Broadband Taskforce. “We are pleased that Dr. Wilkie’s study reaffirms our belief that the benefits of M2Z’s plan address the urgent need for universal and affordable broadband and is in the public interest.”

### ***About the Study’s Author***

Professor Simon Wilkie is the Executive Director of the [Center for Communication Law and Policy](#). His research focuses on game theory, its application to regulation and policy design, and the economics of the communications industries. His most recent research is on the wholesale telecommunications market and the concept of diversity in media markets. Prior to joining USC, he was an Assistant Professor of Economics at the California Institute of Technology and a Member of Technical Staff at Bell Communications Research. He was also a visiting faculty member of Columbia University. He served as Chief Economist at the Federal Communications Commission from July 2002 to December 2003.

### ***About M2Z Networks***

Founded in 2005 and headquartered in Menlo Park, Calif., M2Z Networks’ goal is to transform the current state of the broadband marketplace by building a high speed wireless network throughout the United States. In May 2006, the company submitted a license application to the Federal Communications Commission to construct and operate a nationwide broadband wireless network in the 2155-2175 MHz spectrum band. Approval of the application would guarantee delivery of free, fast and family-friendly wireless broadband service to at least 95 percent of Americans in a 10 year timeframe. M2Z is backed by Kleiner, Perkins, Caufield and Byers, Charles River Ventures, and Redpoint Ventures, three of the most successful venture capital firms in Silicon Valley with over \$5 billion of capital under management. For more information, please visit [www.M2Znetworks.com](http://www.M2Znetworks.com)

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For more information or to receive a copy of Professor Wilkie’s paper, please contact Robin Buckley on behalf of M2Z Networks at 703.533.9805 or [robin@buckleykaldenbach.com](mailto:robin@buckleykaldenbach.com)