

Silicon Valley Backed Plan to Provide Free Broadband Service Pending at the FCC for Nearly One Year

--Swift Action Required to Grant M2Z's License Application and Maximize Direct Benefits to Consumers--

Menlo Park, Calif., March 22, 2007 –The Federal Communications Commission (FCC) must take swift action to grant M2Z Networks, Inc.'s (M2Z) pending license application in order to avoid an irrecoverable loss of consumer benefits, according to a study released today.

In May 2006, M2Z filed an application to lease currently underutilized spectrum to build a fast, free, family-friendly wireless broadband network that would provide Internet access to 95% of Americans within 10 years. In return, M2Z would contribute 5% of revenues from an enhanced service to the U.S. Treasury and allow public safety to use its interoperable network for free and on a priority basis during emergencies.

Dr. Kostas Liopiros conducted the study at the request of M2Z. "The Value of Public Interest Commitments and the Cost of Delay to American Consumers" found that M2Z's application to build a free wireless broadband network would result in the following benefits to consumers in 2008 dollars over the 15 year license period:

- M2Z's entry would have positive competitive effects because it will alter the duopoly structure of the market for residential broadband access, resulting in benefits to consumers from increased competition of more than \$25 billion.
- Increased broadband access made possible by M2Z's free service would result in benefits to broadband consumers of more than \$5 billion.
- M2Z's commitment to offer its free interoperable network to public safety officials with priority access during emergencies would result in benefits to the public of approximately \$3.5 billion.
- M2Z's contribution to the U.S. Treasury of 5% of the revenues from its enhanced subscription service would result in direct financial benefits of about \$275 million.

Summing all these effects, consumers and the general public would gain a net value of \$34.2 billion dollars if the FCC grants M2Z access to this underutilized spectrum band.

The study then calculated that a one year delay in approval of M2Z's application could cost Americans \$4.7 billion in lost benefits. "Clearly, any factor that delays entry would harm consumers and cause a substantial loss of benefits that cannot be recovered," found the study.

**Aggregate Consumer Benefits from M2Z's Entry and
Loss >From a One Year Delay in Entry**

	Aggregate Consumer Benefits	Loss From a One Year Delay
Competition	\$25.2 B	(\$3.1 B)
M2Z Free Service	\$5.2 B	(\$1.0 B)
Public Safety	\$3.5 B	(\$500 M)
Spectrum Fee	\$275 M	(\$50 M)
Total	\$34.2 B	(\$4.7 B)

In September 2006, M2Z filed a petition of forbearance, which requires the FCC to act on the company's pending license application within 12 months. John Muleta, Chief Executive Officer of M2Z, states: "Dr. Liopiros' study demonstrates the urgent need for swift action by the FCC. Congress has provided the FCC with a variety of tools to implement innovative services, remove bureaucratic delays, and counteract competitors that seek to forestall competition by seeking endless rulemakings. The ultimate goal is to advance the public interest. With the FCC record now nearly closed, this study shows the arguments for delay made by competitors opposed to M2Z will have significant and irreplaceable costs to consumers."

About the Study's Author

Dr. Kostas Liopiros is principal and founder of Sun Fire Group, an independent technology management consultancy based in Alexandria, Virginia. Previously, he served as advisor to the Secretary of Defense for Telecommunications and Command, Control and Communications Policy and Requirements where he directed national policy and planning for telecommunications and emergency preparedness. Dr. Liopiros was also instrumental in the development and implementation of national policies and programs for the protection of domestic commercial telecommunications and for the continuity of government. He received his Ph.D. in electrical engineering from Princeton University.

About M2Z Networks, Inc.

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

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For more information or to receive a copy of Dr. Liopiros' study, please contact Robin Buckley on behalf of M2Z Networks at 703.533.9805 or rbuckley@m2znetworks.com