

National Survey Shows Strong Support for M2Z Networks' Free Wireless Broadband Proposal

Responding to Emergencies and Closing the Digital Divide Top List of Public Benefits Among Those Surveyed

Washington, D.C., April 19, 2007 – Republicans and Democrats across the country believe all Americans -- particularly low-income children -- should have equal access to broadband Internet according to a poll released today by M2Z Networks, Inc. Nearly two-thirds of those surveyed supported the FCC's leasing of spectrum to provide free broadband across the United States.

In testimony today before the U.S. House of Representatives Subcommittee on Telecommunications and the Internet, John Muleta, chief executive officer of M2Z, outlined key findings of the poll, which include:

- 83 percent support a wireless backup system for public safety officers and first responders in emergencies such as Hurricane Katrina and the catastrophes of September 11, 2001.
- 75 percent believe all Americans should have equal access to the Internet.
- 74 percent agree it is important to provide broadband access to low-income children.
- 69 percent agree high-speed Internet access is important to prepare children for future success in the evolving information economy.
- 70 percent agree broadband provided by cable and telephone companies is expensive and the providers are difficult to deal with.
- Nearly as many (68 percent) believe that cable and telephone companies do not do enough to provide broadband service to low-income and rural families.

Overall, 65 percent reacted positively to FCC approval of a license to provide a free wireless broadband service, such as what M2Z has proposed in its application pending at the FCC. Support was equally strong among respondents who consider themselves Democrats, Republicans and independents in all parts of the country.

“Broadband availability for all U.S. citizens has been identified as a top priority by leaders in both parties, including President Bush, Speaker Pelosi, FCC Chairman Martin, and many of the distinguished members of the Subcommittee,” testified Muleta . “I’m happy to report that M2Z has identified a path to reach that goal.”

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M2Z's application before the FCC seeks a 15 year renewable lease to operate nationwide on 20 MHz of currently underutilized spectrum in the 2155-2175 MHz band. In return, M2Z will build a wireless broadband network that will offer fast, free, family-friendly Internet access across the United States, accessible to at least 95 percent of Americans, and priority access to its network for public safety officials in times of emergency. In return for the use of the spectrum M2Z has also pledged to pay the U.S. Treasury 5 percent of annual gross revenues from a subscription service that will offer wireless-broadband access over the same spectrum at even higher speeds.

M2Z's application for authorization from the Federal Communications Commission to construct the network has been pending for nearly a year.

Of the more than 1,100 submissions to the FCC's docket during the public comment period, more than 95 percent were supportive of M2Z. Organizations whose membership totals over 6 million Americans support M2Z's application. Supporters include such groups as the National PTA (<http://www.pta.org>), One Economy Corporation (<http://www.one-economy.com>), County Executives of America (<http://www.countyexecutives.org>) and The Internet Keep Safe Coalition (<http://www.ikeepssafe.org>).

This broad support is consistent with the poll's finding that by a two-to-one margin, survey respondents disapproved of selling transmission licenses to the highest bidder when the winners do not use the spectrum.

The few opponents of M2Z's application, including the Cellular Telecommunications and Internet Association representing incumbent licensees, have argued that the FCC should allocate spectrum only by auctioning it to the highest bidder.

The poll also reveals that 75 percent of Americans are more likely to support a member of Congress who favors the leasing of spectrum to provide free broadband service to consumers.

The survey found that 69 percent of respondents have Internet access at home. Of those who have access, 50 percent subscribe to high-speed broadband and 16 percent have access to dial-up service.

Jan van Lohuizen of Voter/Consumer Research and David Mermin of Lake Research Partners conducted the nationwide survey of 1,003 Americans Feb. 8-15. The survey's margin of error is 3.1 percent.

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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 \$5 billion of capital under management. For more information, please visit www.M2Znetworks.com

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For more information, or to receive summaries of the polling data and a copy of Mr. Muleta's testimony, please contact Robin Buckley on behalf of M2Z Networks at 703.533.9805 or rbuckley@m2znetworks.com

Memorandum

To: Interested Parties
From: Jan van Lohuizen
Date: Apr. 13, 2007
Re: Nationwide opinion poll

Background:

Voter / Consumer Research conducted a telephone survey of 1003 registered voters between February 8th and 15th, 2007 on behalf of M2Z Networks, Inc. Respondents were randomly selected, and the results are scientifically valid. The margin of error associated with the results is $\pm 3.1\%$.

The purpose of this project was to research public opinion on a proposal to create a wireless broadband internet network across the nation with no cost to taxpayers or users.

Key Findings

- √ Almost two-thirds of the sample (65%) had a positive reaction to the proposal to grant a license to provide a free wireless broadband service, such as M2Z has proposed. These results hold up across all party and demographic breaks.
- √ By a 2-1 margin respondents disapprove of the current system where private corporations bid on transmission licenses for the airwaves, and then many times, do not use the license.
- √ Awareness that wireless service providers have to be licensed by the federal government is relatively low. Only 44% of voters are aware of this requirement.
- √ More than four out of five voters (83%) believe that wireless internet access could be an important backup system for emergency responders when regular communications fail during a crisis, like 9/11 or Katrina.
- √ Three-quarters (75%) of voters agree that all Americans deserve equal access to high speed internet; and of these voters, almost half (49%) strongly agree. This is a very strong result.¹
- √ Almost three-fourths of voters (74%) agree that providing high speed internet access to children in low-income households will give them a chance to join the new high tech economy. When asked whether access to high speed internet is important for children preparing for a future in the information economy, 69% of respondents agreed.
- √ Over two-thirds of respondents (69%) agree that cable and telephone company providers of broadband do not do enough to get service to low-income and rural families and 69% also agree

¹ The benchmark for considering a result to be very strong is to receive at least 30 percent in the strongly agree category. In this case 49 percent of voters stated that they strongly agree with this statement, and more than 75 percent stated they agree. This is 19 points over the 30 percent benchmark.

that we should encourage the private sector to provide free high speed Internet access nationally, because it would take the federal government decades and cost billions of dollars if it tried to do the same thing

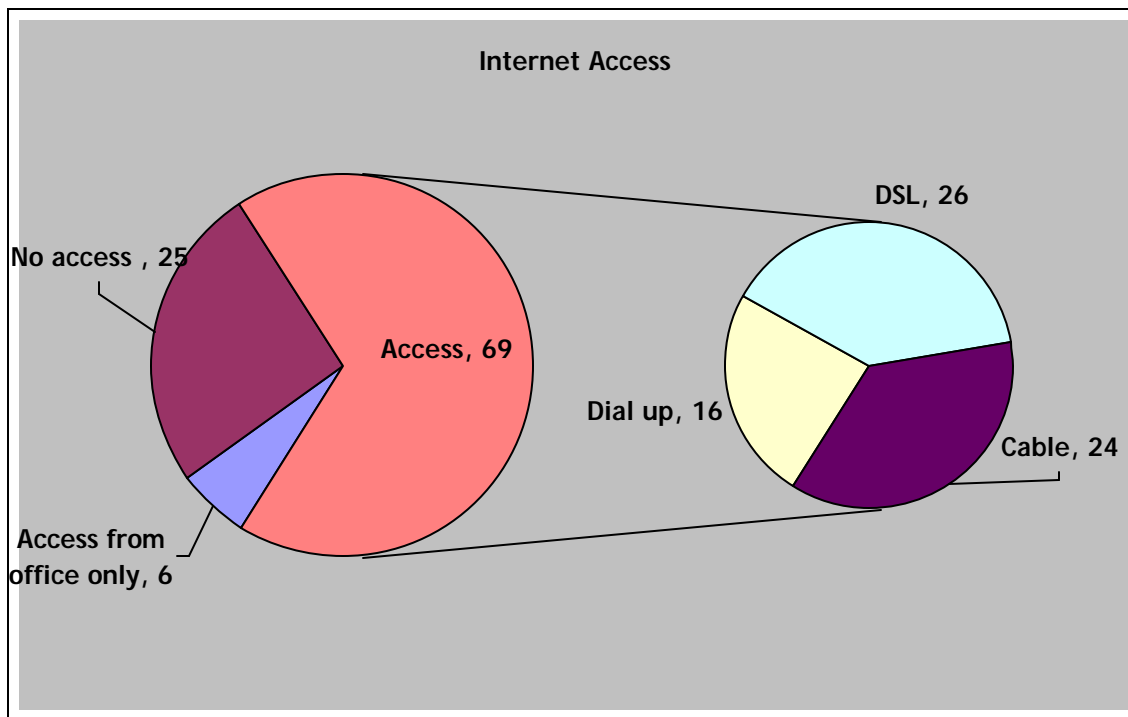
- √ Three-fourths (75%) of voters said that they would be more likely to vote for a Member of Congress who would support issuance of a license to a provider of free high speed access over a Member of Congress who feels licenses should only be auctioned.

Memorandum

To: Interested Parties
From: Jan R. van Lohuizen
Date: 2/28/07
Re: Public support for a new model of wireless licensing

Background: As you know we interviewed a national sample of registered voters on the wireless licensing issue. Specifically, we conducted 1003 interviews by telephone between 2/8 and 2/15 of this year. The margin of error associated with the results is +/- 3.1%.

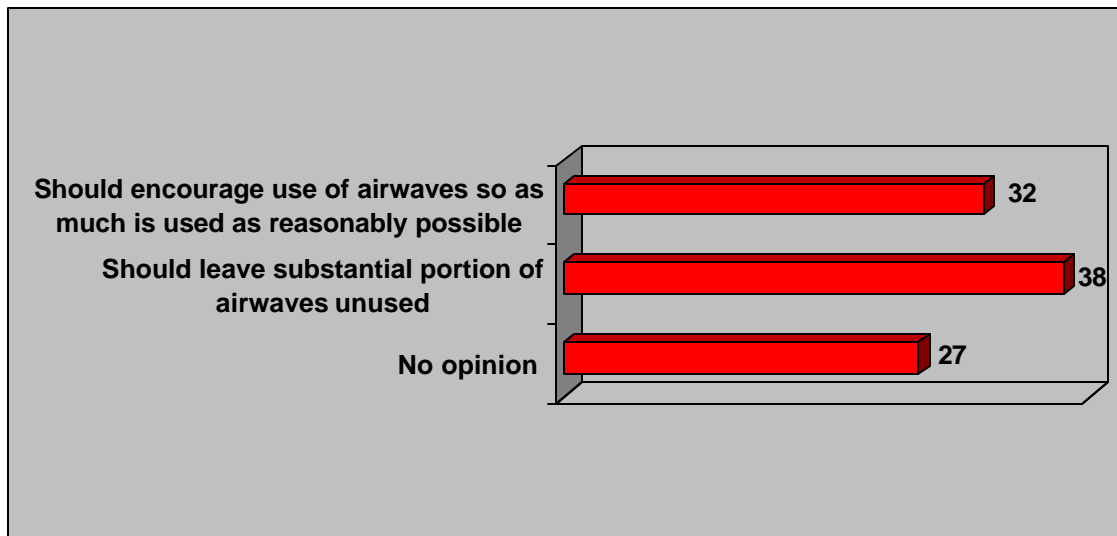
Current usage: Three quarters of respondents have Internet access either from home or from the office. Of these who have access from home, 50% now have high-speed access:



Access is clearly correlated with age in that only about half of seniors have access. However, it is also equally clearly correlated with income and to a lesser extent with urban / rural residence patterns; rural voters report having access but are twice as likely to rely on dial-up as their urban and suburban counterparts. The following table displays access and type of access by these demographics:

	Under 45	45-64	65 +	Under \$30K	\$30K-\$75K	\$75K +	Urban	Suburban	Rural
No access	16	18	51	58	17	5	32	12	30
Dial up only	14	17	19	12	23	11	11	12	26
High speed	60	55	26	26	49	75	51	63	36

Awareness / opinion of current regs: Awareness that wireless service providers have to be licensed by the federal government is relatively low. Forty-four percent of respondents claimed to be aware of this requirement¹. This low awareness is matched by a very high non-response rate on a question asking the sample how much of the spectrum should be used. Displayed in the chart below, fully 27% did not have an opinion on the subject:



We did get a very clear response to a question about the current procedure for allocating spectrum:

Currently most of the transmission licenses for using the airwaves are sold to private corporations in auctions where the highest bidder wins. These private corporations can use their licenses, but are not required to and many do not. First do you approve or disapprove of this system?

Approve	27
Disapprove	54
Neither / neutral	7
Unsure	12

Opinion on this question was relatively uniform in the sense that most subgroups of the sample agreed on this point by roughly the same margins. Looking at partisanship specifically, for

¹ In our experience with this type of question this is medium to low awareness.

instance, we found that both Republicans (49%) and Democrats (60%) disapprove; while Democrats do so by a slightly larger margin the differences are relatively small; of the demographic differences, this was the largest.

The M2Z proposal: In view of the complexity of the idea, we asked two questions about the M2Z proposal. The first question contained the elements that

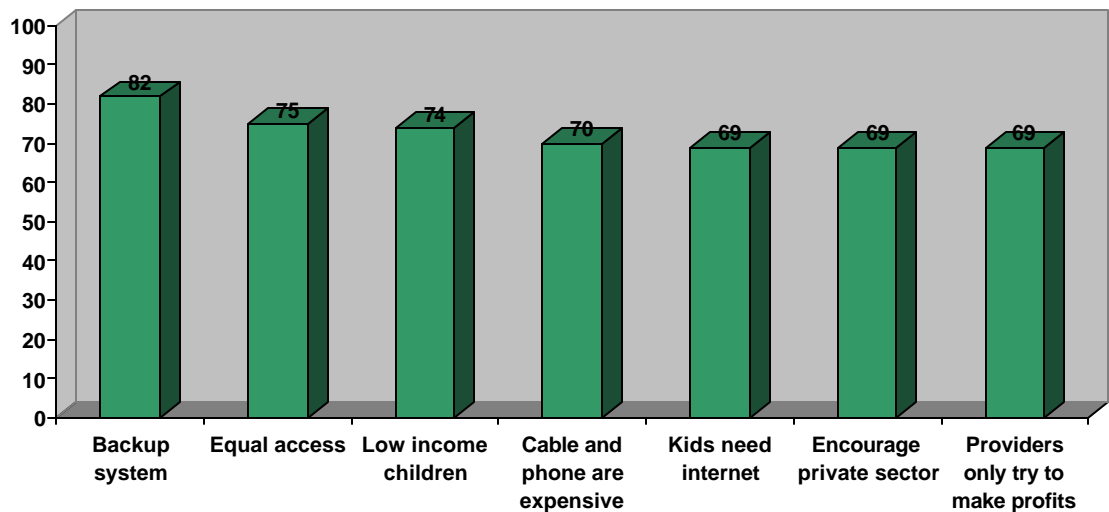
- √ A license would be granted to provide free wireless access nationally, comparable to free radio or TV broadcast
- √ That the federal government would receive 5% of revenues from add-on services

Sixty-five percent of the sample reacted positively to this idea, while 24% reacted negatively. A second question contained the following additional elements:

- √ Transmission license would be granted without an auction
- √ That the 5% of revenues would be granted in lieu of an up front fee

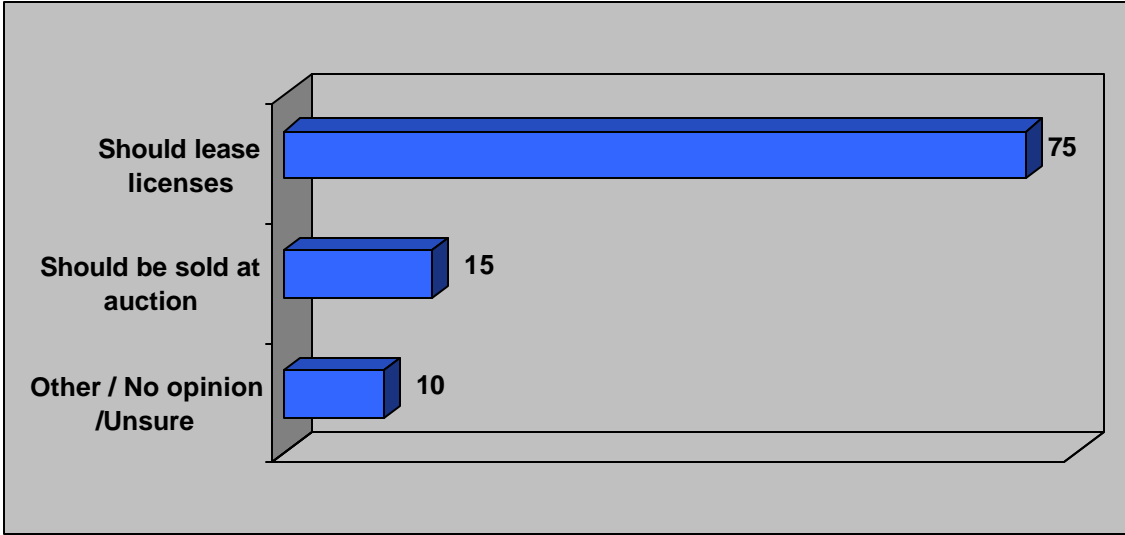
Sixty-two percent of the sample reacted positively to this question, while 28% reacted negatively. As with previous questions most demographic groups reacted positively by roughly the same margin².

Messaging: We obtained reactions to arguments in favor of this proposal and found a solidly positive reaction to these:



The effect of messaging was quite clear. At the end of the questionnaire we asked people who they would be most likely to support and found that by a very large margin people preferred a Member who would support issuance of a license to a provider of free high speed access over someone who feels licenses should only be auctioned.

² The one exception was voters over 65 years of age, who split roughly evenly in having a positive vs. a negative reaction.





Lake Snell Perry Mermin Meadow Gotoff

CELINDA C. LAKE
President

To: Interested Parties

ALYSIA R. SNELL
Partner

From: David Mermin, Lake Research Partners

MICHAEL J. PERRY
Partner

Date: April 10, 2007

Re: Public support for licensing wireless broadband service

DAVID MERMIN
Partner

DR. ROBERT G. MEADOW
Partner

DANIEL R. GOTOFF
Partner

A new national survey of registered voters shows strong support for the proposal to grant a national license to a firm such as M2Z Networks for free wireless broadband service. Support for the proposal is strong across regional and party lines. The bipartisan survey was conducted February 8-15, 2007 by Voter Consumer Research in partnership with Lake Research Partners.¹

RICK JOHNSON
Vice President

Key Findings

JOSHUA ULIBARRI
Vice President

- Nearly two thirds of voters (65%) support a proposal—like the one proposed by M2Z—to grant a license to provide free wireless access nationally, comparable to free radio or TV broadcast. Support for this proposal is strong across party lines and within each major region of the country.
- About three quarters of the voters say that all Americans deserve equal access to the Internet, regardless of where they live; and that free high speed Internet will give low-income children an opportunity to join the high tech economy.
- Fully 82% agree (56% strongly) that wireless Internet access would provide an important backup system for first responders in emergencies, such as Hurricane Katrina or the events of 9-11.
- Voters overwhelmingly would prefer to vote for a member of Congress who supports leasing a broadcast license for free high speed Internet (75%) over a member who supports only auctioning licenses to the highest bidder (15%). Again, this preference is strong across party lines.
- By a 2-to-1 margin, voters disapprove of selling transmission licenses to the highest bidder when many of the private license holders do not use their licenses. Disapproval is consistent across demographic groups.
- Three fourths of all voters currently have access to the Internet, including 69% who have access at home (another 6% have access only at work). Half of all voters (50%) subscribe to some type of high-speed service, either DSL or cable, while another 16% have only dial-up service.

¹ Poll conducted February 8-15, 2007 among 1003 registered voters with a margin of error of +/-3.1%.



Lake Snell Perry Mermin Meadow Gotoff

CELINDA C. LAKE
President

To: Interested Parties

ALYSIA R. SNELL
Partner

From: David Mermin, Lake Research Partners

MICHAEL J. PERRY
Partner

Date: February 28, 2007

DAVID MERMIN
Partner

Re: Public support for licensing wireless broadband service

DR. ROBERT G. MEADOW
Partner

A new national survey of registered voters shows strong support for the proposal to grant a national license for free wireless broadband service. Support for the proposal is strong across regional and party lines. The bipartisan survey was conducted February 8-15, 2007 by Voter Consumer Research in partnership with Lake Research Partners.¹ Key findings are summarized below.

DANIEL R. GOTOFF
Partner

RICK JOHNSON
Vice President

Current Usage of the Internet

JOSHUA ULIBARRI
Vice President

- Three fourths of all voters currently have access to the Internet, including 69% who have access at home (another 6% have access only at work). Half of all voters (50%) subscribe to some type of high-speed service, either DSL or cable, while another 16% have only dial-up service.
- As indicated in the table below, access to high-speed Internet service is correlated with age (younger voters are more likely to have access) and income (higher income voters are much more likely to have access). The cost of broadband service is no doubt a significant obstacle to seniors and lower-income Americans. Rural voters also have less access than urban and suburban residents.

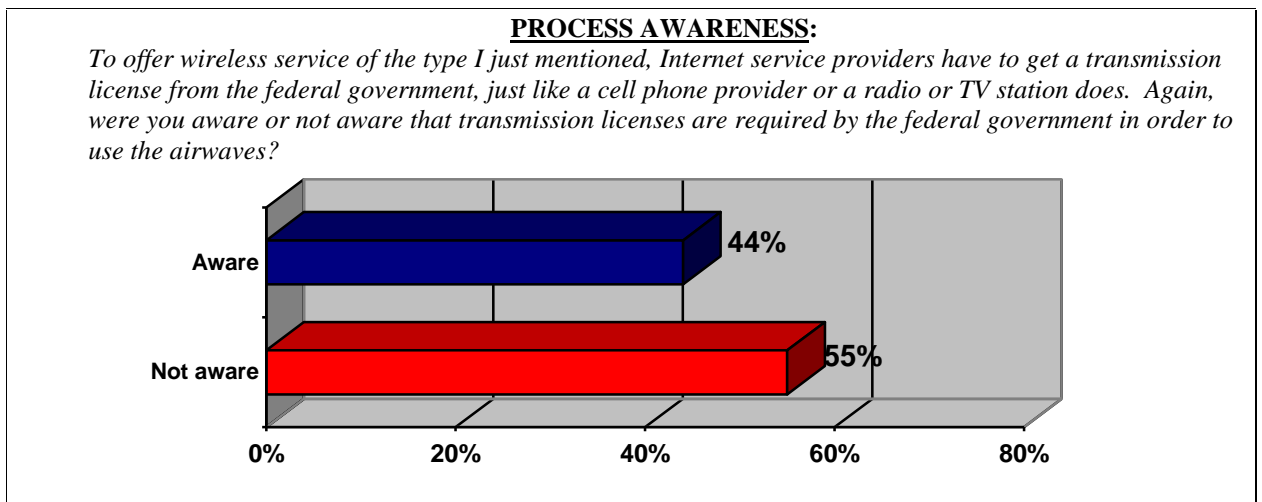
¹ Poll conducted February 8-15, 2007 among 1003 registered voters with a margin of error of +/-3.1%.

INTERNET ACCESS

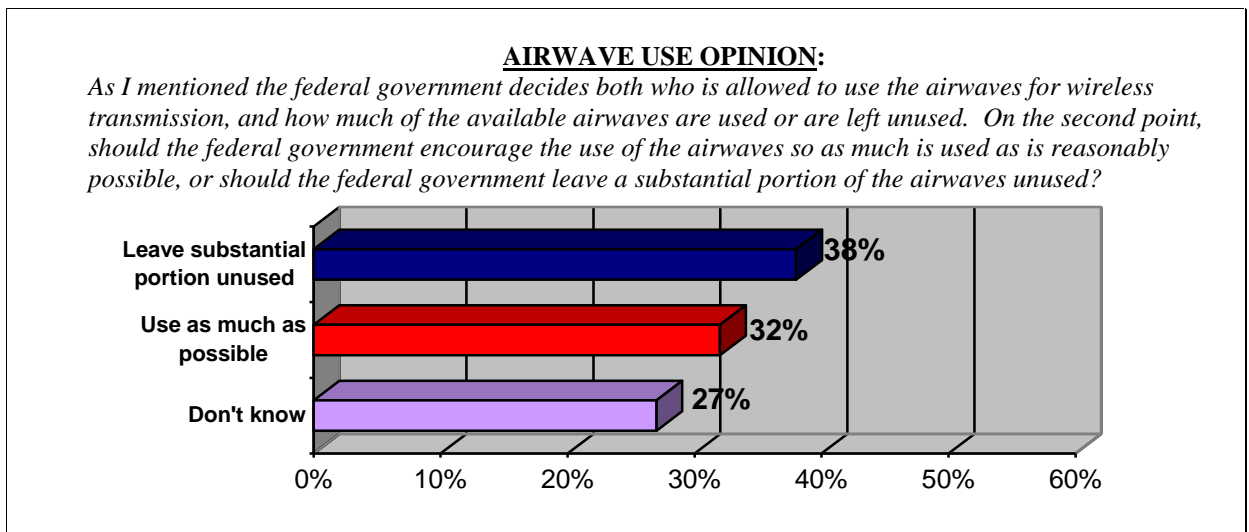
DEMO. GROUP	HIGH SPEED	DIAL UP	NO ACCESS
Total	50%	16%	25%
Under 45	60%	14%	16%
45 to 64	55%	17%	18%
65 or older	26%	19%	51%
Under \$30K	26%	12%	58%
\$30K to \$75K	49%	23%	17%
\$75K or over	75%	11%	5%
Urban	51%	11%	32%
Suburban	63%	12%	12%
Rural	36%	26%	30%

Opinion of Current Regulations

- Voter awareness of the current rules governing licensing of the airwaves is fairly low. Forty-four percent of all voters say they are aware that wireless providers have to be licensed by the federal government, leaving a majority who are unaware.



- Low awareness is also reflected in response to a question about how much of the spectrum should be used. As indicated in the graphic, about one third of voters believe the government should encourage as much of the airwaves to be used as possible, while another 38% believe a substantial portion should be unused, and over one in four (27%) are not sure.



- However, voters are firmer in their opinions of the current procedure for allocating the broadcast spectrum. By a 2-to-1 margin, voters disapprove of selling transmission licenses to the highest bidder when many of the private license holders do not use their licenses. Both Republicans and Democrats disapprove of this process, though the margin is even higher among Democrats. Disapproval is consistent across demographic groups.

Proposal to Grant A License for Free Wireless Broadband

- Nearly two thirds of voters (65%) support the proposal to grant a license to provide free wireless access nationally, comparable to free radio or TV broadcast, with the federal government receiving 5% of the revenues from add-on services to pay for the license. Less than one in four voters (24%) oppose this idea (net support +41).
- Support for this proposal is strong across party lines, with Democrats (net +44), Republicans (+45), and independents in favor of granting the wireless broadband license under these conditions. All major regions of the country are similarly supportive.
- When voters are provided with more details of the proposal, support remains strong at 62% in favor with 28% opposed (net support +34). These details include that the transmission license would be granted without an auction, and that the 5% in revenues would be provided to the government in place of an upfront fee. As before, there is little demographic variation in support for the proposal with these details included.

THE M2Z PROPOSAL

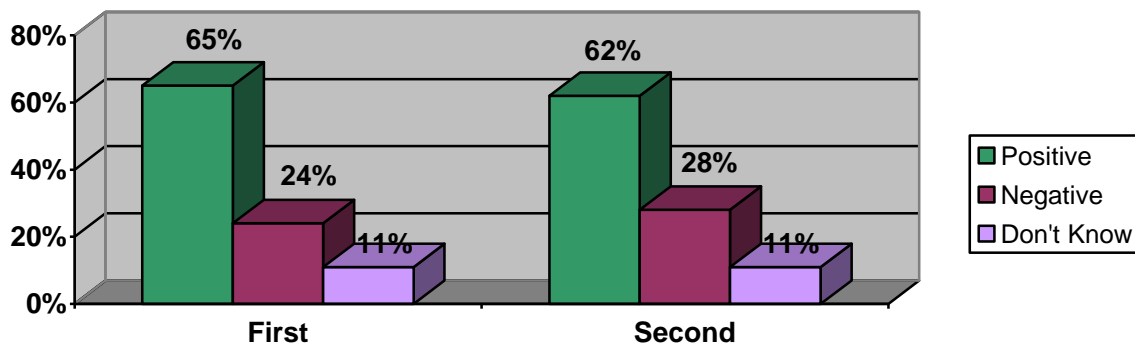
FIRST PROPOSAL TEXT:

Here is a proposal by one company that wants to get a transmission license to provide free wireless high-speed Internet access nationally, just like some media companies who provide free radio and television service. It would pay the federal government 5 percent of the revenues it gets from add-on services as a lease payment for the license. Just based on this do you have a very positive, somewhat positive, somewhat negative or very negative reaction to this proposal?

SECOND PROPOSAL TEXT:

Under this proposal the federal government would grant a transmission license without an auction, which would be used to provide free high speed internet service nationally. Five percent of revenues from add-on or enhanced services would go to the federal government as a lease payment, rather than an upfront purchase fee. Do you have a very positive, somewhat positive, somewhat negative, or very negative reaction to this part of the proposal?

SUPPORT FOR PROPOSALS



Messages

- After measuring overall support for the proposal, the survey also tested specific message statements. Voters react positively and with some intensity to these messages.
- In particular, 82% agree (56% strongly) with the statement that wireless Internet access would provide an important backup system for emergency responders.
- About three quarters of the voters also agree with statements that all Americans deserve equal access to the Internet, regardless of where they live; and that free high speed Internet will give low-income children an opportunity to join the high tech economy. Together, these three messages make a powerful case to voters of the value and importance of this proposal.
- After hearing messages, voters overwhelmingly would prefer to vote for a member of Congress who supports leasing a broadcast license for free high speed Internet (75%) over a member who supports only auctioning licenses to the highest bidder (15%). Again, this preference is strong across party lines.

AGREE/DISAGREE BATTERY

% strongly agree/% total agree	All Voters
BACKUP SYSTEM: Wireless Internet access could be an important backup system for first responders, when regular communications often fail during a crisis like 9/11 or Katrina	56%/82%
EQUAL ACCESS: All Americans deserve access to high-speed internet, regardless of income or where they live.	49%/75%
CABLE AND PHONE EXPENSIVE: The cable and phone companies that provide high-speed Internet access are expensive and a hassle to deal with.	43%/70%
LOW INCOME CHILDREN: Free high speed internet will give children in low income households a chance to join the new high tech economy	42%/74%
PROVIDERS ONLY TRY TO MAKE PROFITS: Providers of high-speed internet only provide service where they can make a profit and aren't doing enough to make sure low-income families and people living in the countryside have access.	40%/69%
KIDS NEED INTERNET: To be prepared for a future in the high-tech economy, kids need to have access to high-speed Internet service at home	36%/69%
JUST LIKE ELECTRICITY AND PHONE SERVICE: Just like electricity and phone service we should make sure all Americans have high-speed access to the Internet.	36%/62%
ENCOURAGE PRIVATE SECTOR: We should encourage the private sector to provide free high-speed internet access nationally because it would take the federal government decades and cost billions of dollars if it tried to do the same thing	34%/69%
STIMULATE RURAL ECONOMY: Having high speed internet access in rural parts of the country will help stimulate the rural economy	32%/66%
PEOPLE WITHOUT ACCESS DISADVANTAGED: In today's economy people who don't have access to high-speed Internet are at an economic disadvantage.	32%/55%