



PORT NETWORKS

PRESS RELEASE

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LOCAL WI-FI USAGE SOARS AS YOUNG CONSUMERS ABANDON TRADITIONAL “LAND LINES”

Baltimore, MD – July 10, 2007 – Traffic moving across Baltimore’s largest consumer Wi-Fi network has more than doubled in the past year, as young consumers embrace wireless Internet access as a compliment to wireless phone service, according to local provider Port Networks.

The company’s second-quarter usage statistics show peak traffic levels of more than 25 megabits per second on its Wi-Fi network, compared to traffic levels of about 10 Mbps at the same time one year ago.

Port Networks attributes much of the increase to customers who are relying on Wi-Fi as their primary connection to the Internet. According to the results of a company survey, a majority of Port Networks Wi-Fi customers do not currently have a traditional “land line” from a phone company or a connection from a cable TV provider. Instead, these consumers are relying on cell phone service for voice communications, and Wi-Fi for access to the Internet and Internet-based video services.

“While it was once a given that everyone would have a traditional phone line, younger consumers are clearly questioning the necessity of paying for that kind of service when their cell phones are their primary phones,” notes Port Networks General Manager Hugh Bethell. “That shift is driving our customers to use Wi-Fi as their primary connection to the Internet, instead of just using it as a mobile solution. As their usage of our service has changed, traffic has surged.”

An International Trend

The switch to more wireless and fewer land lines has been dramatic. Nationwide, there were nearly 80 million wireless users and about 190 million land lines in 1999, but last year there were nearly 204 million wireless and about 175 million land lines, FCC figures show.

“With the features on wireless lines like free long distance, full national roaming with most calls, there’s hardly a rationale to sustain a land line,” said Seamus McAteer, senior analyst with M: Metrics, a wireless industry consulting firm in San Diego.

Nearly four of every five Americans age 13 or older have mobile phones, according to M: Metric surveys.

(MORE)

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LOCAL WI-FI USAGE SOARS AS YOUNG CONSUMERS ABANDON TRADITIONAL "LAND LINES", CONT.

In 2005, about 8% of U.S. households that subscribe to cellphone service had given up their land-line phones, up from 5% in 2004 and 4% in 2003, according to a survey released in 2006 by Forrester Research Inc. in Cambridge, Mass.

Households are moving away from wired phone lines in part because cellphone service is getting cheaper, wireless coverage is improving, and fewer people need their land lines for access to the Internet, according to the survey of about 4,500 households with cellphones in the fourth quarter. More than six million households and nearly 6% of the total U.S. population rely exclusively on wireless phones, according to Forrester.

"The cost of using cellphones at all times used to be prohibitive," says Charles Golvin, a Forrester analyst. But now consumers take advantage of plans that offer such features as free calling at night and on weekends and free mobile-to-mobile calling within the same company network. "Cost has become less of a concern," he says.

Forrester also found that those moving away from land lines are getting older. While the practice is still more prevalent among those under-35, 9% of U.S. mobile subscribers between the ages of 35 and 44 gave up their home phones in 2005, up from 3% in 2004.

In a separate study, 12% of more than 43,000 U.S. cellphone users surveyed in January and February reported that cellphones were their only phone, according to NPD Group, a market-information company in Fort Washington, N.Y. About 42% said that they also have a land-line phone but they use their cellphones most. Only 43% said they still use their land-line phones as the primary phone.

Pricing & Availability

Port Networks Wi-Fi is available in retail and multi-tenant residential locations throughout Baltimore. Daily service plans are \$6.95, while an ongoing subscription is just \$24.95 per month. A listing of Port Networks locations and more information about the company's service plans is available at the company's website (<http://www.portnetworks.com>) or through its tollfree sales number, 877-4PN-WIFI (877-476-9434).

About Port Networks

Port Networks is a privately-held wireless equipment developer and Internet service provider, located in Baltimore, MD. The company was founded in 2003 and serves customers in the marine, residential, and commercial markets.

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