

Broadband USA Applications Database

Applicant Name: Pinpoint Communications, Inc.

Project Title: Northern Nebraska Fiber Loop Project

Project Type: Middle Mile

Executive Summary

Opportunity Many communities in rural Nebraska do not enjoy access to broadband connectivity on a scale that is equivalent with larger metropolitan areas. The broadband needs of hospitals, schools, banks, government entities and other anchor institutions, however, remain the same in rural Nebraska as they do anywhere else. With a well established history of taking broadband to unserved and underserved areas, Pinpoint Communications, Inc. (Pinpoint) seeks the opportunity to expand those offerings beyond its current footprint, providing advanced connectivity and economic opportunity to communities now suffering from population decline, stagnant main streets, a declining manufacturing sector and chronic underemployment. Pinpoint has identified a route in northern Nebraska that includes seven underserved communities and two unserved communities. Six of the eight communities in the proposed funded service area are rural. Pinpoint seeks \$52 million in funding to bring next-generation, middle-mile, 100 Mbps broadband service to those communities as well as radio towers along the route to enable last mile providers. Pinpoint will be able to rapidly and affordably complete construction of the Northern Nebraska Fiber Loop within 12 to 18 months of funding due to a number of Pinpoint's advantages, including: (1) an in-house engineering division; (2) an in-house tower division; (3) one of only two Level(3) connections in the State of Nebraska; (4) an existing, national fiber and microwave network (5) 24 hour monitoring by a dedicated Network Operations Center (NOC); and (6) a solid operating record and a seasoned management team. Pinpoint looks forward to delivering 100 Mbps broadband service to schools, hospitals, libraries and Internet service providers in association with community organizations that will help support and promote rural economic development and sustainable broadband adoption. A general description The proposed funded service areas are located in rural northern Nebraska and encompasses the communities of: • Harrisburg (Banner County) • Chadron (Dawes County) • Alliance (Box Butte County) • Angora (Morrill County) • Valentine (Cherry County) • Ainsworth (Brown County) • O'Neill (Holt County) • Neligh (Antelope County) • Columbus (Platte County) • Fremont (Dodge County) The combined population of communities proposed for points of presence totals 71,684 with 31,783 households and 2,458 businesses. Six of the eight service communities are rural. 100 Mbps service is not available in six of the proposed communities and two of those are unserved by broadband. The proposed communities includes eight hospitals, five colleges, and approximately 161 K-12 Schools. Pinpoint currently gives 10Mbps of Internet service to the Cambridge, Nebraska school system and makes additional bandwidth available at a discounted rate. Pinpoint intends to extend that offer to the proposed communities. Pinpoint's proposed services and applications for the targeted communities includes offering middle mile broadband access via existing carriers but is expected to attract new carriers to the unserved areas within one to two years. Nondiscrimination

Policy Pinpoint will comply with the FCC's four broadband principles from its 2005 policy statement. Pinpoint customers already are entitled to access lawful Internet content of their choice, and Pinpoint will not favor any lawful Internet applications and content over others; customers are allowed to run applications and services of their choice, subject to the needs of law enforcement; and connect their choice of legal devices that do not harm the network. Pinpoint agrees with the FCC that consumers are entitled to competition among network providers, application and service providers, and content providers. Where feasible from a capacity perspective, Pinpoint will offer a wholesale program to resellers to connect to the network and provide service to customers. On the towers that are built along the network with grant funding, Pinpoint also will make affordable access available to other operators who wish to bring wireless broadband services to the area. Pinpoint will display its network management policies in a prominent location on its web page and provide notice to customers of changes to these policies. Pinpoint customers will connect to the public Internet directly. Pinpoint will not operate a private closed network. Finally, Pinpoint will offer interconnection, where it is technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. Pinpoint will offer wholesale access to the project facilities at reasonable rates and terms and will commit to binding private arbitration of disputes concerning the awardees' interconnection obligations.

Type of Broadband System Deployed Pinpoint will drill and install 1,005 miles of conduit and fiber which will be lit using dense wave division multiplexing (DWDM) equipment. The resulting optical transport network will be interconnected with a series of 9 195-foot towers to allow distribution to last mile providers via microwave transmission.

Qualifications Since its inception as a rural telecommunications cooperative in 1918, Pinpoint has evolved from stringing copper wire between farm houses in rural Nebraska, to the ownership and management of a state of the art, nationwide fiber optic and microwave network. Pinpoint knows first-hand the challenges and opportunities of managing and monitoring a large, diverse network and has, over the years, developed systems to deal with regular maintenance, system upgrades, power failures and the occasional natural disaster. Pinpoint has also established a reputation for supporting rural Nebraska by being active in the community and supporting economic development efforts.

Cost, Sustainability and Job Creation Pinpoint anticipates that the overall infrastructure cost of the broadband system to be deployed in along the route will be \$52 million. With suitable grant funding, Pinpoint anticipates generating positive EBITDA/cash flow in year one, thereby ensuring project sustainability without additional government support. Pinpoint's initial goal is to provide a platform on which optical transport services of unparalleled reliability, ubiquity, and economy can be provisioned and aggressively marketed to governments, schools, hospitals and commercial enterprises. Pinpoint's forecast models assume that deployment will attract 3,092 last mile subscribers over the initial five-year period between 2010 and 2014. It is estimated that a total of 150 temporary and 38 permanent jobs will be created as a result of Pinpoint's deployment of broadband in the community. New, permanent jobs will be created in the following areas: Operations Management – 1 Billing – 3 Engineers – 2 Field Management – 5 Fiber techs – 20 Central Office Management – 1 Central Office Techs – 2 Operation Techs – 4