

Broadband USA Applications Database

Applicant Name: MidAmerican Broadband Pipeline, Inc.

Project Title: Plains Connect Rural Heartland Project

Project Type: Middle Mile

Executive Summary

MidAmerican Broadband Pipeline, Inc. ("MBP") is applying for federal rural broadband stimulus funds in a project it has named Connect Rural Heartland. The purpose of the application is to provide an opportunity for 100 percent of the telecommunication service providers or community anchor institutions within the identified counties that the parent of MBP currently has a robust fiber optic route within. The services offered will be landline fiber optic connectivity or wireless connectivity to an existing state-of-the-art, robust fiber optic network. The minimum speeds for connectivity to the Internet will be 100 Mbps backbone connectivity to the Internet. There is no maximum speed offering as equipment speeds can be improved and expanded as customer demand increases with upgradeable equipment. MBP proposes to strategically place new regeneration between existing regeneration and new towers at each location to offer service to a greater area than the current fiber-link route now offers. MBP is requesting funds to expand its middle-mile network including tower construction to serve wireless providers and to expand its fiber optic network to new proposed co-location sites to serve its customers. The backbone network is already in place to transport broadband service to the Internet in a redundant capacity. The backbone network is connected to the Internet directly into Chicago, Illinois and Denver, Colorado. The network design will be developed so that any last-mile network provider that has a technical ability may connect equipment and offer middle-mile service by entering into an Interconnection Agreement. These agreements will be on a non discriminatory basis and will be open to all local telecom providers such as local telephone companies, cable television service providers, wireless ISPs, cellular telephone providers, and the like. Obligations will be governed under the terms of the Interconnection Agreement in accordance with all FCC rules and regulations. MBP will provide most-favored-nation agreements and publish such agreement on its web site. MBP is a subsidiary of Fiber Link, LLC which was founded in 2005 when it purchased an existing fiber optic network that had been built for in excess of \$150 million and had never been activated. This network consists of 72 to 102 fiber optic strands that span 1,160 miles of carrier-quality fiber optic routes, including 29 regeneration sites, thousands of splice points and currently is providing service to 21 different telecommunications companies who use the service for regional transport. MBP's chairman of the board is Kenneth D. Anderson, a 30-plus-year telecommunications industry veteran. The president of MBP is J. Richard Shoemaker, the Chairman and CEO of a Nebraska regional telecommunications company with holdings in local telephone exchange, microwave transmission, wireless, and cable television. The overall infrastructure cost of the project is outlined in Question 44, General Overall Budget. If accepted by the Broadband Technology Opportunity Program, Fiberlink LLC, the parent of MBP, proposes to place the required 20% matching via in kind contributions of dedicated assets plus working capital cash sufficient

to start up the business. With MBP's mixture of current infrastructure already in place and new infrastructure to be funded both by MBP and American Recovery and Reinvestment Act ("ARRA"), MBP believes its solution to bring broadband to underserved and unserved customers is an effective solution sought by Congress, especially MBP's ability to begin immediately and to complete the project well within the two year target for completion.. Fiber is the most universally recognized as the preferred methodology to deliver Internet service to end users and backbone infrastructure and the plan that MBP is making in its Middle-Mile proposal is to add the robust capability to current Last-Mile providers who may lack the ability to purchase Internet at the low cost that will be available under this proposal and at the speeds that will be available. MBP's overall subscriber penetration (those households in the service territory that will utilize part or MBP's entire network) is expected to be 20 percent by the end of Year 5 with a growth of 4 to 5 percent penetration points per year beginning in Year 2. It is expected that the open network design will also bring another 10 percent penetration through various Interconnection Agreements. Factoring in these numbers, 5 year penetration rates could be 30 percent of the households in the service territory being able to connect through their last-mile provider to the robust, fiber optic backbone as proposed by MBP. MBP assumes that further competition will be introduced in the market or incumbent providers will increase their efforts in order to provide approved service. In addition, MBP estimates that over a five-year period the project will create or help retain over 100 jobs.