Broadband USA Applications Database

Applicant Name: Frontier Communications of America, Inc.

Project Title: West Virginia Fiber Build - Critical Facilities - FCA

Project Type: Last Mile Non-Remote

_____Executive Summary_____

Frontier Communications is proposing an innovative project in the State of West Virginia that will provide broadband fiber technology to critical facilities throughout several areas of the State served by Frontier and Verizon respectively, including schools, libraries, public safety agencies, hospitals and health care facilities. This project has successfully garnered interest from the Governor's office, as well as other state and local officials, who would like to see this strategic plan come to fruition. This application is one part of two applications, West Virginia Fiber Build – Critical Facilities – CTC and West Virginia Fiber Build – Critical Facilities – FCA; both serve the same purpose but in different areas of the state through different legal entities. These applications, in tandem, detail one cohesive approach that will ultimately provide complete broadband coverage to the specified 1,576 critical facilities in the State of West Virginia. The viability of each project's business case and financials are predicated on the success of a complete, statewide project due to economies of scale and interest in serving all community's critical facilities with broadband. Frontier is confident that bringing broadband fiber technology to these institutions will establish a future market for residents and business owners throughout West Virginia. These two applications should be reviewed an approved together as neither is intended to be implemented on its own. Frontier is requesting funding in the amount of $40,674,893 to deploy a state-of-the-art last mile broadband network in several areas of West Virginia. This proposal encompasses two (2) sets of underserved communities located in West Virginia, which have an aggregate population of 143,417 according to the U.S. Census Bureau. Once funding is secured, Frontier will immediately launch the construction of infrastructure that will improve access to broadband service for over 1,250 critical facilities, including first responder and other public safety agencies, schools, municipal facilities, hospitals and medical centers. These facilities are located in areas that are predominantly underserved and rural, and were deemed underserved by the Governor of West Virginia because: 1) the facilities are unserved in that fiber has not been laid; 2) the facilities cannot meet the future bandwidth requirements for distance learning, telemedicine and related applications requiring large amounts of broadband capacity. The expansion of broadband and infusion of increased broadband speeds into these areas will greatly improve services for these critical facilities by creating the ability to electronically exchange information more rapidly. Enhanced broadband will create access to services previously unavailable due to bandwidth constraints, i.e. telemedicine and distance learning. This project will quickly stimulate the struggling economies for the targeted communities in our proposed funded service area by creating approximately 327 new jobs and will prove that a prudent investment by the Federal Government, via this funding opportunity, can serve as catalyst to spur economic development opportunities for this rural, underserved region. Our project mission aims to equip these

underserved areas with broadband technology in order to bridge the “digital divide” and avail the residents of our proposed funded service area to the same level of access to the Internet that urban and suburban ”served” regions benefit from. Each of these communities was selected based on a meticulous examination of existing broadband services to identify what areas remain underserved and in need of enhanced Internet service. Census data was analyzed to create a demographic-based model to establish that each of the targeted areas is underserved as further described in section 13 of this application. Through implementation of this project, Frontier will address the key BIP and BTOP statutory purpose of extending broadband access to underserved populations and critical community facilities in the West Virginia. In addition to providing access and equipment, Frontier will enable broadband education and awareness by extending fiber reach into these communities. Frontier has the managerial experience, operational track record and financial acumen to deliver on our business plan. A list of our experienced management team and our most recent annual financial report is included in this application in sections 37, 38, 39, and 47, respectively. If awarded funding for this project under the Broadband Initiatives Program or Broadband Technology Opportunities Program, the Company will: adhere to the principles contained in the FCC’s Internet Policy Statement (FCC 05–151, adopted August 5, 2005) and all the interconnection and non-discrimination requirements mandated by the Notice of Funding Availability. Frontier will build and enable last mile service to the underserved and vulnerable populations within the proposed funded service area, including critical community facilities, and public safety agencies. This increase in broadband supply will encourage and ultimately increase broadband competition, thus improving residential and commercial offers while reducing consumer broadband pricing. Lower price points and greater speeds will stimulate demand, adoption, and penetration of broadband in these areas. Proposed system design will include the placement 1,793 miles of fiber optic cable and associated Cisco ME-3400 Series Ethernet Switches. The fiber optic cables will be placed from the existing wire centers to each of the identified locations and set up a point-to-point, Wire Center to location, service. Aggregation will occur at each wire center and the connections between wire centers will use existing fiber facilities. The Cisco ME-3400 series Ethernet switch will be used to deliver Ethernet services over the fiber optic cable lines from the plant to various customer premises in West Virginia. It is available in three port configuration models where each model is available in AC or DC powering options. The three port configuration models are: ME-3400G-12CS, ME-3400G-2CS and ME-3400-24TS models (where the last segment of the part number specifies the number of user-network interfaces). The ME-3400 series switch is a multilayer switch that can be used to terminate Ethernet at the customer premise for "triple play" services or can be used in the central office for IP DSLAM and wireless aggregation solutions. Frontier’s West Virginia project has generated local support, enthusiasm and anticipation as it is expected to create an estimated 327 new or retained jobs in the categories of construction, service, operations, marketing/sales and management. Frontier will use a community-based approach to develop and promote its services, hiring locally whenever practicable. To provide superior service to critical community facilities, Frontier will draw on its previous experience working collaboratively with such establishments. Frontier will reach out to each of these critical community facilities to assess their broadband requirements and enter into agreements to provide high-speed broadband service. In order to achieve these goals, Frontier is relying on the Federal Government, through this funding opportunity, to provide the necessary assistance to bring high speed broadband to these deserving, underserved communities. Increasing access to broadband technology in critical community facilities is an essential

investment as it is vital to this region's long-term economic growth and sustainability. By starting small, and installing this technology on a local level, new jobs will be created and people will acquire new skills pertaining to digital communications. Increasing educational opportunities and creating new career opportunities is an important economic factor in this area's transition to a digital communication world. Frontier seeks a waiver from the loan/grant combination method of funding for this underserved project area. With loan financing, we would only be able to seek up to 50 percent grant funding; we are seeking 80 percent grant funding for this project, with a 20 percent match from the company, as this project would not be financially viable at a lower level of funding. The statement of financial need included in this application details the need for this funding in order to make this project viable. The proposed project will serve 100 percent of the State of West Virginia's critical community facilities, such as schools, libraries, primary care centers, nursing homes, hospitals, rural health centers, and E911 centers within the service area, with fiber specifically identified in the enclosed supporting documentation provided by the State of West Virginia Office of Emergency Management. These facilities are located in areas that are predominantly underserved and rural, and were deemed underserved by the Governor of West Virginia because: 1) the facilities are not served with fiber; 2) the facilities cannot meet the future bandwidth requirements for distance learning, telemedicine and related applications requiring large amounts of broadband capacity. The expansion of broadband and infusion of increased broadband speeds into these areas will greatly improve services at these agencies by creating the ability to electronically exchange information more rapidly. We believe the importance of this project justifies funding at the 80 percent level due to the nature of the facilities that will be served. The project areas contained in the application consist of the specific site locations housing critical health care, education and public safety institutions as identified by the Division of Homeland Security and Emergency Management of the State of West Virginia. Completion of this project is vigorously supported by the Governor's office of the State of West Virginia.