

Executive Summary:

Open Range's mission is to connect rural Americans to the broadband superhighway. The Company's vision is to eliminate the speed and technology gap that separates rural and urban America. Creating a high-speed broadband network for rural America is the sole focus of the Open Range team.

Open Range is a Delaware corporation, headquartered in Greenwood Village, Colorado. Open Range team members are experienced telecommunications professionals with successful track records of meeting budgets, delivering customer service and operating large subscriber networks. Because Open Range is a large RUS borrower, the team is familiar with the RUS loan process. (See resumes included in response to item 37.)

Open Range has already been approved by the RUS for a broadband loan to construct facilities in 518 communities. Open Range will construct an additional 28 communities with its own funds extending its reach to 546 markets. In this proposal Open Range seeks funding under the RUS Broadband Infrastructure Program to serve 167 additional rural communities comprising 120 unique service areas in this application. Open Range will use its own money to extend service to another 9 communities which do not qualify for BIP funding. The 176 extension communities are concentrated in 10 states where Open Range will provide service under its original plan. By leveraging its original 546 markets in 17 states and extending the reach of its network to adjacent communities, Open Range will maximize the effectiveness of American Reinvestment and Recovery Act (ARRA) funding.

Under this proposal 167 remote, un-served, and underserved communities, in close proximity to the current Open Range planned markets, will be built relying exclusively on loan and equity funding. No grants are requested for this project. Using thorough strategic, financial and competitive analysis Open Range identified communities whose economics qualify for the BIP program. All loan-funded communities in this extension application are rural. All are un-served or underserved. In excess of 18,000 people to be served have no broadband service at all; another 52,000 to be served live in communities where broadband is available but it is not available to them. Five communities are in hard to reach remote areas. This project is effectively an extension of the previously approved project supported by a \$267M loan and \$109M Open Range investment which closed January 9, 2009. Importantly, Open Range will substantially complete and offer service to 90% of the 6 million people in its original plan by the end of 2012. This dovetails with the requirement to complete this extension project within 36 months. By extending the availability of wireless broadband to additional un-served and underserved areas this project will accomplish the goals of the Recovery Act program while extending the scope, reach and viability of the Open Range project previously approved by RUS.

[REDACTED]

Open Range’s “hometown” approach will also mean positive changes for local residents. Rural Americans will gain access to new telecommuting jobs, opportunities to attend a university from their living rooms and receive the benefits of modern telemedicine and healthcare inside the privacy of their homes.

Open Range will deploy standards-based WiMAX 802.16e using licensed S-band spectrum to cover all potential subscribers. The planned wireless 4G deployment is the most cost efficient technology for delivering broadband covering the most homes with the lowest capital cost per home passed. To reach these communities Open Range will add microwave backhaul capacity to support BIP market traffic and offer dedicated broadband backhaul service in the outlying communities to parties needing high capacity services. This will have the added benefit of allowing cellular operators to expand their reach in these communities with advanced cellular solutions. The Open Range architecture has the capability to provide mobility across Open Range’s expanding network. As an open standard technology, the Open Range network will be interoperable with other urban networks being built to WiMAX standards.

The original Open Range plan will provide high speed wireless broadband coverage to more than 6 million people. With the BIP loan, Open Range will extend wireless coverage to another 2 million people. This request proposes to concurrently add 176 communities over a 36 month period [REDACTED]. The capital cost in this extension is not merely an estimate. Open Range recently awarded contracts to develop the network to serve the original 546 communities at these costs and the additional facilities proposed in this application can be built under those contracts. Thus Open Range is truly “shovel-ready”.

[REDACTED]

Using its own money, Open Range will build networks across its geographic clusters using larger hub or anchor communities within each cluster to improve operational efficiencies. [REDACTED]

Open Range is today the most “shovel ready” and largest rural broadband project in an existing public/private partnership. The USDA’s expertise, an experienced Open Range management team which knows the RUS process, and JPMorgan equity, positions the Company to hit the ground at full speed and deliver fully on its plans. The original plan, to serve the 546 communities, is being executed now, is on schedule and ahead of budget. This extension plan is simply a continuation of the original project. It addresses goals and objectives of the ARRA and the intent of the President’s rural broadband vision by providing a sustainable, advanced technology solution for rural consumers. Finally, the combined original plan with this extension offers additional security for the existing RUS loan and will ensure the implementation of a larger, successful rural broadband access project.