Executive Summary

8 Executive Summary Opportunities - Reimer Communications, LLC was formed by Ronald J. Reimer on October 7, 2006. A decision was made by this Limited Liability Company to purchase the current operating cable television system in Owen County from Dorothy Neal Corporation, Inc. This decision was made to better serve the residents of Owen County and in order to provide and manage the cable television company and the anticipated broadband Internet and voice services. Reimer Communications created Kentucky Ridge Country Communications (KRCC) as the operating entity on January 1, 2007. This CATV system has been in operation since the late 1980’s. Reimer Communications, LLC submitted a Broadband application in October of 2008. It is application No. 1103. That program has been waiting on the NOFA. This package is prepared to reflect that application in electronic format. Its construction schedule of OSP is in place today with Owenton nearing completion. General - Owen County is located entirely within the boundaries of I-75, I-71, and I-64, and less than a one hour drive from Lexington, KY, Louisville, KY, and Cincinnati, OH. The county was recently ranked as the 14th fastest growing county out of 120 counties in the state of Kentucky. Owen County has a wealth of natural beauty with numerous lakes, streams and rolling ridges providing top quality fishing and hunting opportunities in the Commonwealth. The Kentucky River borders the entire western boundary of Owen County. Eagle Creek, the world’s longest creek, flows through Owen County. Elmer Davis Lake, managed by Kentucky Fish & Wildlife provides some of the best bluegill/crappie fishing in the state. Pheasant Ridge Hunt Club and Elk Creek Hunt Club provide professional bird hunting and shooting sports recreation. Perry Park Golf Resort and Fairway Golf Course provide for group and individual play. Elk Creek Vineyards, Kentucky’s largest winery, currently produces eighteen varieties of wine. The Kentucky Jamboree, hosted by the Robinson Family, brings quality family entertainment at their "Home in the Hills" on Swope Road. These are just a few of the attractions that make Owen County a great place to visit and an even better place to live. Many come and experience the great people and gracious rural atmosphere that is just minutes from three major metropolitan areas in the region. Owen County’s motto says it best: “Owen County... Pretty – Quiet - Close”. Houses Passed - KRCC plant covers over 60% of households in Owen County as a cascaded one-way cable company. Internet is not available or only available at a prohibitive rate for a large portion of subscribers. The plant can be reasonably modified to provide the residents a competitive communications system tailored to the area needs and income. Four areas of housing have been developed to attract outsiders to the area: Elk Lake Shores, E. Davis Lake, Perry Park Resort, and Eagle Creek Resort. All are nearly stagnant in growth, not because of the economy, but partly due to limited or no access to Internet for children and business communication. This is a common theme when talking to the homeowners associations and area realtors. The geographic areas were divided into
eleven KRCC service areas. These are comprised of: Perry Park, Eagle Creek, Wheatley, Sanders, Bromley, Jonesville, Sweet Owen, Elk Lake, E. Davis Lake, Owenton, and Monterey. KRCC plant is serving or at the outskirts of all these communities. They comprise a total of approximately 3400 houses and 427 business units. We are currently passing by all the institutions, public safety, community centers, libraries and critical care facilities and have service to them now, video only, and at reduced rates. Services to be provided - Digital RF broadband cable service will deliver the enhanced ‘triple-play’ of telecommunications services in Video, Voice, and Data. Included with the above is Emergency Alert System, Web based hosting, Mailboxes, Digital and High-Definition signals, Pay-per-view, Security, Community Access and Public Service Announcements. Video - Existing analog video services of 78 channels will be expanded to provide digital video; thus, increasing the lineup to approximately 150 channels of educational, news, and entertainment video. Video on Demand (VOD) and Pay per View (PPV) video offerings are expected to be implemented along with the digital head end installation Data - High-Speed Ethernet data services will be available to each subscriber. Data rates offered will depend on the evolution of Data over Cable Service Interface Specification (DOCSIS). With DOCSIS 3.0, data rates in excess of 100 MB/Sec may be realized. However, at the time of implementation, DOCSIS 2.0 may be the more stable platform and economically viable option which can provide data rates of up to 30 MB/Sec. Data rates offered to customers may initially be at lower rates as to gauge customer demand and associated trunk facilities. Additional data services include Web-hosting and additional e-mail addresses. Voice – Voice service will be added during the later portion of Loan Design implementation. Industry trends indicate that offering this final leg of the Triple-Play bundle will help to retain customers and reduce customer churn. However, the cost for equipment, carrier connections, customer support, and regulatory requirements along with competition from cellular and VoIP providers, make this element economically questionable. Non-discrimination – Reimer Communications, LLC is providing a cable channel for community announcements for both charity and for-profit individuals and organizations. Favoritism is not given to applicant or content over another. Our system will be open to the public Internet directly. And we will adhere to the FCC Internet policy statement (FCC 05-151). System - Hybrid-fiber-coax (HFC) will be deployed where existing coax will support it. Decisions for HFC will be based on condition of the coax, its capacity, and cost of any additional equipment to make the design work. In areas where existing plant will not support HFC a technology known as RF-over-Glass (RFoG) in Fiber-to-the-home (FTTH) will be used. The costs of premise devises have dropped so that it is now a quick alternative to coax which has a limited life span based on through-put and ageing. Qualifications - KRCC has a knowledgeable and experienced management team, which is in place to operate the analog system. As opposed to losing the experience of these individuals, it will be necessary to train them in the new digital technology. Additional personnel will be added at the appropriate time. The interviewing/training process will be ongoing throughout the project period and completed by 2013. Jobs - The projected positions and payroll shall include the following titles and positions: Systems Manager, Engineering Specialist, Technician grade1, 2, & 3, Office Manager/ Bookkeeper, and Customer Service Reps Grade 1 & 2. These varying positions will be filled as the annual projection goals are met and the needs dictate the expansion. This will mean a net increase of four (4) people to full-time employment. It is the intent of KRCC to contract a qualified engineering firm for system design. A construction contract will be bid upon for installation of the new system. The proposed vehicles and personnel team will maintain the system once installed and operational. Ronald Reimer has over 39
years in the communications industry. Most of this time spent as manager of remote corporate offices in construction, planning, and professional engineering/consulting operations. The assignments were that of growing the business and keeping the services rendered relevant to current state-of-art technologies. Mr. Reimer owns 100% of the business. He is involved daily with the planning, design, maintenance, and marketing of KRCC. Using his contacts and knowledge gives the small cable company of Owen County an excellent opportunity to deliver competitive Broadband services. Projections - Reimer Communications, LLC doing business as Kentucky Ridge Country Communications requests a BIP Loan in the amount of $3,000,000 (three million dollars) over a Five-Year Implementation Plan to deliver to 3800 entities projected amounts of Video -1441, Data -1135, and Voice – 609.