Executive Summary

Richmond Networx (a wholly owned subsidiary of CornerStone Telephone Company of Troy, NY) proposes the construction of a broadband network operations center. The operations center would be deployed to manage a Western Massachusetts fiber-ring (broadband backbone), middle-mile branches and last-mile loops throughout communities in western Massachusetts as proposed by the Massachusetts Broadband Institute (“MBI”). The fiber-ring is being constructed to provide broadband services to unserved and underserved communities. MBI has proposed a fiber-ring that largely circumnavigates unserved and underserved communities in Western Massachusetts. Middle-mile build-outs with termination points in unserved and underserved communities and direct connects to key anchor institutions are also included in that proposal. The network will provide infrastructure to enable broadband services in all western Mass. unserved and underserved communities and will greatly enhance competition in currently served communities along its route. The network, as proposed by the MBI, provides potential broadband access to thirty-eight unserved and underserved communities; comprised of 17,500 households. The route passes a significant number of Anchor Institutions: • more than 80 Local Police, State Police and Country Sheriff offices • 30 Hospitals and Community Health Centers • more than 100 Health Care Agencies • 200 or more K-12 Schools, Community Colleges and Higher Education organizations • more than 150 Town Halls, Public Libraries and Career Centers The Network Operations Center proposed herein would provide general network management services to the entire network including but not limited to: • Inter-carrier interoperability • Carrier Protocol / Media conversion services • Customary Traffic Management including Carrier Traffic Management Reporting (utilization & peak reports, etc.) • Data Storage & Recovery Services • Network-wide Trouble Surveillance, Trouble Dispatch and Repair • Switch / Router Maintenance & Management (Fiber Backbone and Middle-Mile Termination Points) • Billing, Collecting and Provisioning Services (Direct Network Use and/or as outsourced service to Last Mile Providers) – Carrier & End Users • Project Management Services for new carriers connecting to network • Help Desk Services (Direct Network Users and as outsourced service to Last Mile End Users and State Agencies) • IP / TV transmission and other IP Broadcast services The network operations center will include co-location space with customary inter-connects, power, secured racks, etc. All vetted carriers will be allowed to negotiate interconnection agreements, purchase space and network access - without discrimination and in conformity with regulatory guidelines and industry standards. RNX will adhere to, and likely surpass, the minimum interconnection requirements as set forth in the NOFA. We will develop non-discriminatory interconnection policies, display and maintain those policies on our website, and provide notice to customers whenever those policies are changed. We will utilize private binding arbitration of disputes
concerning interconnection obligations. Interconnection services will be offered at pricing levels not to exceed a proportionally suitable share of operating expenses and taxes plus reasonable return on Net Investment. A reasonable return on Net Investment shall be benchmarked at NECA’s (National Exchange Carrier Association) currently authorized rate. Net Investment is comprised of Network Operations Center Equipment (switching & transmission equipment and software), Cabling and Wiring Facilities, General Support Facilities (building, land, vehicles, etc.), Cash Working Capital and Capital Leases less Accumulated Depreciation. The network as proposed by the MBI is predominately optical. Accordingly, most of the hardware technology we will deploy in operations management will be optical transceiver based. Customary protocols employed appropriately. Richmond NetWorx is competitive local exchange carrier, providing telecommunications in Western Massachusetts since 1999. The company was launched by Richmond Telephone Company, an incumbent rural local exchange that has provided service to Richmond, Massachusetts customers since 1903. Today, both Richmond Networx and Richmond Telephone are wholly owned subsidiaries of CornerStone Telephone Company of Troy, NY, a competitive exchange carrier founded in 2001. The CornerStone family of companies owns and operates network facilities in the Massachusetts communities of Richmond, Pittsfield, Lenox, Great Barrington and Springfield. We own and operate facilities in the New York State communities of Albany, Ballston Spa, Binghamton, Clifton Park, Glens Falls, Kingston, Latham, Newburg, Oneonta, Poughkeepsie, Schenectady, Saratoga Springs, Troy and Wappingers Falls. The combined companies offer a far ranging suite of telecommunications products and services including network management services for western Massachusetts health care organizations, municipal services including fiber builds, and broadband services where available. We expect the overall investment to complete the Network Operations Center will be $4,676,300. We expect that 30% of households and most anchor institutions mentioned above will use the network attracting several carriers to the network operations center. We anticipate 20 to 30 positions within three years of full implementation.