KNOLOGY TOTAL COMMUNICATIONS, INC. KTC EAST HOUSTON COUNTY BROADBAND Executive Summary

The KTC East Houston County Broadband Project ('Project') is the proposed Knology Total Communications, Inc. (KTC) middle mile infrastructure project that will support and promote needed network expansion and upgraded services to benefit 34 Community Anchor Institutions (or 'CAIs') in the eastern portion of Houston County, Alabama, as well as to enable state-of-the-art last mile services to be delivered to rural communities throughout east Houston County. KTC hereby submits this Broadband Technology Opportunities Program ('BTOP') application seeking a grant in the amount of $4,561,963 in order to address a lack of broadband capacity to facilitate high speed Internet service to CAIs, other business, and residences in the East Houston County Proposed Funded Service Area ('PFSA'). In addition to meeting the 7 BTOP priorities, the KTC East Houston County Broadband Project will meet Recovery Act objectives such as job creation and the promotion of economic growth in rural communities.

a. Opportunity the Proposed System Seeks to Address
1) High speed broadband Internet access is not available to most premises in the East Houston County PFSA. KTC will build-out its middle mile network to enable delivery of high speed Internet services to all premises passed in the PFSA.
2) Most of the 34 Community Anchor Institutions in the PFSA do not have access to high speed Internet services because of a lack of network capacity and/or limited financial resources. The Project will result in an expansion of facilities to enable high speed Internet access to CAIs, as well as free or discounted high speed Internet services provided to CAIs in need.
3) Most of the residential and business premises do not have access to last mile high speed Internet services because of insufficient network capability. The Project will result in network capacity that can support last mile high speed 3G wireless and wireline Internet services.
4) KTC is also committed to meeting the 7 BTOP priorities, each with its own opportunity to address individual goals of the Recovery Act, economic stimulus, and improved broadband access for citizens. The Fit with BTOP Priorities question provides a detailed explanation of how KTC is meeting these priorities.

b. A General Description of the Proposed Funded Service Areas (Location, Number of Communities, etc.)
The PFSA is located in the southeastern portion of Houston County in Alabama. It consists of the city of Ashford, the towns of Avon, Gordon and Cottonwood, and other sparsely populated outlying areas of east Houston County.
c. Number of Households and Businesses Passed
The Project will pass 4,089 households and 221 businesses, including the 34 CAIs in the PFSA.
d. Number of Community Anchor Institutions, Public Safety Entities, and Critical Community Organizations Passed and/or Involved with Project (e.g., Health Care, Education, Libraries, etc.)
The Project will pass and serve 34 community anchor institutions, including 4 municipal buildings, 5 schools, 5 public housing establishments, 3 police departments, 8 fire and rescue departments, 4 U.S. Post
Offices, 3 senior centers and 1 library. e. Proposed Services and Applications for the Proposed Funded Service Area End Users KTC East Houston County Broadband project will establish a middle mile broadband infrastructure to bring new and substantially upgraded connections to CAIs, as well as limited last mile connections to rural and sparsely populated areas within the PFSA. The project will build a backbone infrastructure to serve rural and underserved passings, allowing them access to the broadband network. In addition, KTC intends to offer access to last mile services through points of interconnection with wireless last mile service providers and KTC’s affiliated ISP retail provider. Through these providers, broadband access will be available directly to underserved establishments in the PFSA. More specifically, the Project brings access to high speed Internet for distance learning services provided by libraries, social services and health service agencies and enables residents to use telecommuting for employment opportunities. This substantially upgraded broadband network will facilitate high speed Internet access to customers in rural, remote areas, who currently do not have such access, thereby increasing customer’s access to public safety agencies as well as educational and employment opportunities. f. Approach to Addressing the Non-discrimination and Interconnection Obligations KTC is committed to meeting all non-discrimination and interconnection obligations established in the NOFA and pursuant to the FCC’s Internet Policy Statement (FCC 05-151), adopted August 5, 2005. KTC will promote the openness and interconnection of the public Internet, encourage broadband deployment and will not use BTOP funding toward any entirely private closed network. KTC will offer interconnection to parties requesting access when technically feasible on reasonably negotiated rates, terms and conditions. KTC will not favor any lawful Internet applications or content over others and will take steps to ensure that all of its consumers have access to the lawful Internet content of their choice without unfair or discriminating bandwidth restrictions. In addition, KTC is committed to displaying all of its network management policies prominently on its website and will notify its Internet subscribers in writing via email if there are any changes made to these policies. g. Type of Broadband System that Will be Deployed (Network Type and Technology Standard) As engineered the proposed network will 'Deploy Ethernet over copper, using a middle mile fiber overlay that is 75.98 miles in length; 'Provide the backbone network for VDSL devices, providing high speed Internet over copper loops; 'Provide speeds ranging from 8-12 Mbps down/1-3 Mbps up with the ability to go to 20 Mbps; and 'Target underserved customers and CAIs with affordable high speed Internet. h. Qualifications of the Applicant that Demonstrate the Ability to Implement and Operate a Broadband Infrastructure, and/or Sustainable Broadband Service Provider KTC and its parent company have extensive experience in deploying networks to rural customers, and have the institutional capability to ensure the network is designed and deployed as efficiently as possible in order to maximize customer benefits. KTC is a subsidiary of, and is operated by, Knology, Inc. (Knology). KTC is backed by Knology’s management team, technical and financial strength. Knology is a publicly traded company listed on the NASD exchange and has operated four independent telephone companies for over 50 years. In addition to Alabama, Knology operates broadband networks in Florida, Georgia, Iowa, Minnesota, South Carolina, South Dakota and Tennessee. Knology has deployed DSL broadband networks to 24% of its existing voice customers in east Houston County, Alabama and has successfully maintained all of its broadband networks across the southeast and midwest United States. i. Overall Infrastructure Cost of the Broadband System The overall infrastructure cost of the broadband system for this project is $6,517,090. KTC is requesting a grant in the amount of $4,561,963 and will provide a non-federal cash contribution from its parent company of
30% in the amount of $1,955,127. But for stimulus funding, KTC would not be in a financial position to upgrade its network and build the KTC East Houston County Broadband project to provide broadband service to the underserved community anchor institutions as well as other household and business establishments in KTC’s service area. j. Overall Expected Subscriber Projections for the Project KTC expects a cumulative total of 1,414 indirect residential DSL customers in year 8 of the Project, up from 983 in year 0; a total of 53 indirect business customers, up from 45, and a total of 32 CAI customers, up from 8. In addition, KTC expects to have 2 third party service provider customers, up from 0. k. Number of Jobs Estimated to be Created or Saved as a Result of this Project KTC has used the Council on Economic Advisors’ guidance on estimating the number of jobs and has established an estimate of 20 contractor positions to build and operate the Project broadband system.