Applicant Name: INTELLEQ COMMUNICATIONS CORPORATION

Project Title: Texas-Oklahoma Network Infrastructure Connection (TONIC) Project

Project Type: Comprehensive Community Infrastructure

Executive Summary

Forming a broadband bridge between regional and rural entities, the Texas-Oklahoma Network Infrastructure Connection (TONIC) Project provides middle mile facilities vital to improving infrastructure and economic development. Spanning Western Oklahoma and the Texas Panhandle, the TONIC Project will supply bandwidth for future growth in education, health care, public safety, and job creation. This region is especially needful of middle mile infrastructure and connectivity. With chronically high unemployment, persistent poverty areas, and a large percentage of disadvantage and minority populations, there is no natural attraction for businesses and industries to build or expand their footprint within the area. This leads to a recurring cycle of stagnant economic development and growth.

As an experienced, long-term, and dedicated service provider in the region, Intelleq Communications has a vested interest in providing high-quality broadband services and robust infrastructure to the people it serves. The relationship is part of what makes the TONIC Project unique - a combination of connections between friend and neighbors, businesses and industries, providers and consumers. It's the very essence of a BTOP CCI Project. The TONIC Project proposes a service area that includes western Oklahoma and the eastern portion of the Texas Panhandle. Covering 1318.7 miles of fiber routes with 1236.5 backbone and 82.2 lateral miles, the project is an ambitious one, aimed squarely at providing the type of broadband infrastructure needed to spur economic development, promote growth, connect community anchor institutions, and provide employment within the region. A total of 61,373 households reside within the proposed funded service area, which also boasts 6808 businesses.

Providing community building services to this area are 145 community anchor institutions, which Intelleq proposes to connect to directly using the infrastructure outlined by the TONIC Project. Included in this institutional total are a small, progressive community college and 18 public safety entities. Public safety entities are an important part of the TONIC Project, as they are integral to the health and well-being of these sparsely populated, far-flung towns. With the High Plains dangers of wildfires, tornados and ice storms, connecting these entities to important communications systems can truly be the difference between life and death. The same can be said for forging connections with local small government entities and cities. In one such partnership, the TONIC Project has partnered with the City of Clinton, Oklahoma. The Clinton City Manager writes in his project support letter of the need for more bandwidth in his town, and that receiving increased connectivity can help his city win some of the 5 economic development projects and business relocations they’re proposing. That’s real impact to small towns and rural America, as well as real job opportunities to ready and willing workers. The TONIC Project proposes to provide 100Mbps wholesale services to clients throughout the service area. With wholesale pricing the TONIC Project provides is much more affordable than competitors in the area, and
will allow community anchor institutions to get more bandwidth for less outlay, which translates into lighter budgetary strain and enhanced services. In adherence to the BTOP NOFA's nondiscrimination and network interconnection obligations, Intelleq has adopted policies for those obligations. Intelleq Communications Corporation (Intelleq) will solely manage the proposed funded network in accordance with the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005) and in compliance with any future Internet policy changes by the FCC. Intelleq Communications Corporation (Intelleq) will offer interconnection to facilities, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. Intelleq will negotiate in good faith with all parties making a bona fide request for access to the public Internet. Interconnection includes requesting parties' ability to connect to the public Internet and physical interconnection for the exchange of Internet traffic. In accordance with the NOFA requirements, Intelleq will post this Nondiscrimination and Network Management Policy statement on our website and will list each of the FCC's Internet Policy Statement points separately. Intelleq proposes to build a 10 gigabit per second middle mile network connecting the 45 communities within the proposed funded service area. The network will be constructed as a fault tolerant physically redundant ring with linear connections to communities not on the core rings. For reliability and bandwidth efficiency, the fiber ring is comprised of 3 concentric overlapping rings. The two main POP locations for access to upstream Internet connectivity will remain at Oklahoma City and a secondary will be acquired out of Amarillo. Intelleq will connect with multiple upstream providers using the Border Gateway Protocol (BGP) at those locations for service provider reliability. Each connection to the upstream Internet providers will be physically established over Gigabit Ethernet connections. Management of the TONIC Network will fall upon the existing Intelleq management, who have over 100 years of combined experience in telecommunications, large-scale infrastructure builds, and network management. These experienced management personnel have a level of familiarity with the communities being served by the project, and are finely attuned to the needs of those communities. When paired with the existing support mechanism and repair, customer service, network management, and provisioning processes, the qualifications of the Intelleq TONIC Project management are an integral part of its success. The overall cost of the project is $65,360,508, with a 20% match being provided by Intelleq. Overall subscriber estimates include 165 community anchor institutions by year eight of the financial model, and third party service provider estimated households served for the same term is over 78,000. The number of estimated jobs created for this project is 568, with 182 direct, 182 indirect, and 204 induced.