

Broadband USA Applications Database

Applicant Name: DELTACOM, INC.

Project Title: Southern States and Black Belt Fiber Optic Broadband Project

Project Type: Comprehensive Community Infrastructure

Executive Summary

The purpose of the 'Southern States and Black Belt Fiber Optic Broadband Project' is to provide high bandwidth middle mile connectivity on a new fiber-optic route from Birmingham, Alabama to Dallas, Texas, along the interstate I-20 corridor. The project passes through four states and includes counties in the economically depressed 'Black Belt Region' of Alabama and Mississippi. Construction will consist of lighting currently idle dark fiber as well as new fiber deployment in four states to support new interconnection points and direct fiber optic connections to Community Anchor Institutions (CAI) as well as new access points capable of providing services to last mile providers, wireless providers, connection to CAI's and service to end users. The project will also upgrade equipment at existing access points to improve broadband service capability. Plans for each state are designed to address critical needs of CAI's, communities and consumers. In Alabama, the project includes two significant partnering initiatives with Alabama A&M University and The University of West Alabama. DeltaCom will provide a direct fiber connection to the Demopolis Higher Education Center that is operated by the University of West Alabama and provides higher education instruction and other educational services for the surrounding communities. Additionally, direct fiber connectivity will be provided to the Demopolis Public Library and the Demopolis Housing Authority as designated 'Community Computer Center' locations in another round 2 application that is being filed by Alabama A&M University (Black Belt Public Computer Center Consortium (easygrant #7146)). DeltaCom is also building to and installing a new collocation facility in the ILEC central office located in Demopolis that will be capable of providing improved broadband connectivity in the surrounding service area. Demopolis is located in Marengo County that is part of the 'Black Belt' region of Alabama with a history of economic and educational problems that should benefit substantially from the improved public access to high capacity broadband services. In Mississippi, DeltaCom will be providing new direct connect fiber optic facilities in partnership with Meridian Community College. This initiative will provide upgraded broadband capacity to the main campus and is expected to be the beginning of a relationship that can be extended to other campus locations in the future. Additionally, DeltaCom plans to provide middle mile connectivity in partnership with InLine Communication who is also filing a round 2 infrastructure application (easygrant #4831) to serve schools and community colleges in an adjacent area of Mississippi including service to some 'Black Belt' counties. DeltaCom will be providing middle mile connectivity at several locations for the InLine project. DeltaCom's project also provides for a fiber build out to the Meridian serving ILEC central office and the establishment of a collocation facility that can provide improved broadband service in the area. In Louisiana, DeltaCom will be providing a direct fiber connection to Louisiana Delta Community College that will upgrade their broadband connectivity and provide a much-needed alternative source of

capacity not currently available. Additionally, DeltaCom will be establishing a new collocation in the ILEC central office in Shreveport that will allow the provision of new and improved broadband services to that market. In Texas a direct fiber connection will be constructed to the main campus computer center of LeTourneau University in Longview. This will provide new capacity at competitive prices that will be a critical new source of broadband connectivity for the institution's current and future needs. DeltaCom will also be establishing new collocation facilities in the ILEC central office locations in Dallas and Longview. These new facilities will allow the provision of new competitive broadband access in these markets. In summary the project expects to provide new and upgraded services directly and indirectly to 9826 households, 4546 businesses and 384 CAI's. We also expect to serve at least 11 third party providers. DeltaCom's project plan meets 6 of the 7 top priorities for the second round NOFA and will provide myriad public interest benefits to the communities and community anchor institutions that will be served. DeltaCom adheres to the FCC guidelines for non-discrimination in the provision of interconnection to its network and access provided to information providers. On our network, consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement. DeltaCom does not favor any Internet applications over any other Internet applications. On our network, consumers are entitled to connect to our service via their choice of legal devices that do not harm the network. We believe consumers are entitled to competition among network providers, application and service providers, and content providers. DeltaCom has an established process for negotiating interconnection at our collocation sites and currently connects with other carriers throughout our network. We believe the proposed project will have a significant positive economic impact on the areas served. High bandwidth Ethernet Wave Services are adaptable to numerous public institution applications such as distance learning, telemedicine, hospitals, schools, libraries and higher education. The capacity and flexibility of the DeltaCom network is also ideal for serving carrier customers such as wireless providers as well as WiMax and wireline last mile projects. The project also provides substantial benefits for job creation both as a result of the infrastructure build-out and the multiplier effect. Based on approximately \$11 million in total project costs we estimate the creation of over 200 jobs or 19.5 jobs per \$1 million investment. (Estimate based on RIMS II Model, Bureau of Economic Analysis, U.S. Department of Commerce; represents the average of the multipliers for Construction and Broadcasting and Communications Equipment ($\$5 \text{ billion} \times 19.5 / \$1 \text{ million} = 97,500$ new jobs) Our primary equipment supplier for the project, Infinera, provides optical equipment that is primarily engineered and manufactured in the US. Seventy-three percent of Infinera employees are located in the US further supporting the job creation and job retention goals of the American Recovery and Reinvestment Act of 2009. DeltaCom, Inc. has the financial and professional resources to execute the proposed project and was awarded a first round grant for approximately \$9m for the Easygrant number 109 application located in Tennessee. The following is a company profile: DeltaCom, Inc. ('Deltacom'). has earned a strong reputation built on customer satisfaction. With a strong twenty-five year history, Deltacom is one of the largest business communications providers in the Southeast. Our robust and proven facilities-based network and genuine commitment to customers create enduring partnerships. From innovative integrated communications and equipment solutions to stand-alone services, Deltacom gives businesses the freedom to focus on what they do best. Deltacom customers enjoy: - One provider, one invoice - Local sales and consultation - DeltaviewSM web-based customer portal - 24x7 service and repair - World class networks operations maintenance team - Ability to grow

and evolve with your business Multiple channels are key to our success. Deltacom's Equipment Solutions are built to adapt and grow to our customers needs. Our Partner Program partners with authorized resellers. Interstate FiberNet, a Deltacom company, is the Southeast's premier wholesale telecommunications provider. And our Enterprise Division creates a specialized networking solution for large organizations. Whether you own a small business, run an enterprise or seek a lucrative partnership, we invite you to experience the Deltacom Difference. Additional Deltacom Quick Facts: - Deltacom was founded in 1982 - Annual Revenue - \$498M - Record adjusted EBITDA - \$23.1M - Employees ' 1,400 - Access lines ' 437,000 - Fiber miles ' 15,965 - Fiber POPs ' 263 - Switched ' 21 - ILEC locations ' 271 - Corporate headquarters ' Huntsville, AL - Network operations / customer care centers - Anniston, AL - Provisioning center - Arab, AL - Southeastern US sales offices in eight states - 40 This project is yet another example of aggressive broadband deployment by DeltaCom that will provide substantial benefits to the communities and community anchor institutions being served. DeltaCom looks forward to working with the application review team to provide more details on the project design and construction plans.