

The CBN Connect vision statement is “Broadband for Everyone.” CBN Connect is a not for profit corporation and has built a public-private partnership around the goal of bringing high capacity, affordable, open access broadband to our rural region in northeast New York State. Our strategy is to identify end user and service provider needs, involve them in network planning, aggregate demand, and provide sustainable technical solutions that support economic growth and prosperity. We seek to save and create jobs, encourage capital investment, and enable rural citizens to succeed in the national and global marketplace. We believe that CBN Connect is the right proposal at the right time, and that BIP/BTOP is the right funding source to make our plans a reality and create a national model.

Opportunities the proposed system seeks to address

CBN Connect, Inc. seeks \$22,000,000 through a 51% loan, 49% grant to construct and operate a wholesale, ultra high capacity fiber optic (Middle Mile) network that will provide interoffice transport and back haul services in three contiguous counties. We will connect critical community facilities, anchor institutions, and points of presence that will enable last-mile carriers to provide broadband services to the communities. This infrastructure will be an economic stimulant and a platform for innovation. Opportunities include:

- Construction of a network in a large rural area currently without sufficient access to high-speed broadband service, which will facilitate economic development, give end-users a choice of provider, serve the highest proportion of rural residents that lack access to broadband service, transport retail service providers who are current or former RUS Title II borrowers, and that will be fully funded and ready to start once funding is received
- Fulfill the findings of a 2008 Needs Analysis that confirmed the demand for affordable broadband, a Detailed Technical Design (2008), which specifies the optimum fiber route, and which were made possible by Federal and NY State investment of over \$1 Million
- Advance New York State’s Universal Broadband Strategic Roadmap
- Partner with and connect to the Development Authority of the North Country (DANC), the operator of a successful open access network in three contiguous rural counties
- Connect and partner with 44 critical community facilities and anchor institutions (26 libraries, Clinton and North Country Community Colleges and branches; Paul Smith’s College, SUNY Plattsburgh; Harriestown and Malone Housing Authorities; The Wild Center museum; Trudeau Institute; Clinton, Essex, Franklin Emergency Management Offices; Smith House Health Center; Hudson Headwaters Health Network Moriah, Ticonderoga Clinics, who will expand broadband availability and encourage adoption and digital literacy (please see complete list with contact information in Other Support Documentation, 45) Supplemental Information 3)
- Provide an alternative to the middle mile wholesale carrier in our region [REDACTED] which has limited fiber capabilities, outdated plant, no upgrade plans, only provides service in T-1 increments, and has installation fees that are often cost prohibitive
- Enable telecom companies (CLECs, ILECs), including at least two RUS Title II firms who state in their enclosed letters that they need CBN Connect’s proposed middle mile fiber optic transport facility to reach under and underserved rural customers, and want to see it built
- Provide the St. Regis Mohawk Tribal community with a connection to our broadband transport system so that they can implement plans to establish their own telecom company to expand and create jobs and investment opportunities on their currently unserved reservation

- Connect CBN Connect to the New York State Office for Technology fiber network running along I-87, which, including the DANC network, creates a 600 mile fiber ring through northern and central NY and provides critical redundancy for all three networks
- Partner with Digital Towpath, a proven e-government model, to get municipalities on line, and to encourage citizens to adopt and use broadband
- Enable last mile connections to end users including innovative economic development services such as Clarkson University’s “Forever Wired” centers in CBN Connect counties
- Build the first phase of CBN Connect in 2010-12. If income is at or above projections, it will be used to extend the network to unserved and underserved rural communities to the south in Warren, Hamilton, and Washington counties. CBN Connect is now working on a Needs Analysis and Conceptual Design with these counties.

A general description of the proposed funded service areas

Clinton, Essex, and Franklin counties are in the northeast corner of New York State, and contain many unserved and underserved communities. The CBN Connect service area is 100% rural; unemployment rates are higher than the state average and median household income is lower than the state average. Large parts of each county (all of Essex County) are within the six million acre, sparsely settled Adirondack Park, the largest state park in the U.S. As documented in the 2009 Adirondack Regional Assessment Project report, these communities are suffering from outward migration and lack of economic opportunity, and expanded, affordable broadband is identified as a top priority. Stringent regulations discourage many types of economic development. Broadband is a compatible solution for a large region that is economically constrained under its “Forever Wild” State protection. CBN Connect will run through 30 hamlets, villages, and towns in the mostly mountainous three-county region, which has a total population of 171,860. No cities or towns have a population greater than 20,000 in the CBN Connect service area.

Number of households and businesses passed: Households 61,784; Businesses: 4,152

Number of community anchor and critical institutions, public safety entities, passed and/or involved with project: 44

Proposed services and applications for the proposed funded service area and users

CBN Connect will provide open access services that deliver a choice of Internet, Voice, and Video providers to community institutions. Data rates will be available up to one gigabit per second. Internet 2 transport will be made available to hospitals, clinics and colleges with allied health curriculum.

Approach to addressing the non-discrimination and interconnection obligations

CBN Connect agrees to adhere to at least the minimum interconnection requirements as set forth in the NoFA. See Description of Network Openness for description of proposed network management practices.

Type of broadband system that will be deployed

CBN Connect will deploy primarily a Middle Mile fiber optic network, and provide ultra high capacity (10 gigabit) service using Ethernet and Internet Protocol, bringing fiber into critical and

anchor institutions. Each community will have a point of presence so that high speed broadband services can be extended to all businesses and residents by private service providers.

Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider

Over the past seven years, CBN Connect has assembled a professional team and established industry relationships that will assure that CBN Connect is constructed and operated to exceed current standards for technological excellence and quality of service. CBN Connect president Howard Lowe has 25 years experience in communications project management and seven years experience in rural broadband network development, and serves on the NY State Universal Broadband Council. Executive director Julie West has 10 years experience with design, operations and management of complex domestic and global computer networks and three years experience developing CBN Connect including overseeing the Needs Analysis, conceptual design, business plan, detailed engineering (physical and logical) designs, the filing of NY State Public Service Commission tariffs, and the State agency permitting process.

The DANC Open Access Telecom Network (OATN) is adjacent to CBN Connect's target area, and is one of the first successful open access networks in the country. Like CBN Connect, OATN seeks to improve the economic climate in northern New York. OATN has been a profitable operation since 2006 and currently provides transport to 22 public and private communications services. CBN Connect has a Letter of Intent in place with DANC under which its general manager and engineering staff will, through a contractual agreement with CBN Connect, provide construction management, operational and business development services to CBN Connect. This partnership with DANC assures that CBN Connect is constructed and begins operations under the guidance of industry veterans, and that the networks are 100% compatible.

Overall infrastructure cost of the broadband system: \$22,000,000

Overall expected subscriber projections for the project

We project that 100% of the critical and anchor facilities listed in this application will subscribe to Internet services using CBN Connect. A majority of the institutions will subscribe to voice services delivered by service providers carried on CBN Connect or interconnecting with CBN Connect. There is no data currently available on video take rate projections for anchor institutions as these services are not available to these institutions via fiber transport today.

Number of jobs estimated to be created or saved as a result of the project

Two hundred seventy four (274) jobs are estimated to be created or saved in the three-county region due to the construction, operation, and availability of the CBN Connect network. This represents a major impact for our rural region.