
Attachment G
Douglas-Washington Business Plan
Cox Nebraska Telcom

In evaluating the viability of the Douglas-Washington grant application submitted by Cox Nebraska Telcom, the project was scrutinized from a legal, technical, and cost standpoint. The evaluation is supported by years of successful broadband deployment and maintenance of financially viable Cox broadband networks in the State of Nebraska.

Project Overview

The geographic area of this project is in Douglas and Washington County, north of the city of Omaha, Nebraska along highway 75. The proposed project, if approved, would deploy fiber broadband internet to the unserved serviceable locations around Douglas and Washington County. In order to complete fiber buildout to all serviceable locations in the community, 21 miles of new fiber to 119 locations will be built and connected to Cox's existing fiber network.

Risk/Legal Factors

With the large network that already persists in Omaha, Cox has a good grasp of the legal challenges there. Cox maintains relationships with Dodge County and the surrounding areas and always obtains permissions to work in their jurisdictions. We purposefully communicate project timelines, so all stakeholders are in the loop regarding work. As in the past, Cox will seek approval from Dodge County to bury fiber in the county's right of way. We are prepared to obtain highway permits and any additional permitting necessary from the Nebraska Department of Transportation. In the event of railroad crossings, Cox anticipates extra due diligence may be necessary and will proactively work with the county partners for the safest and most expedient resolution. Cox is well-versed in obtaining the requisite permits and approvals to deploy a broadband network and is prepared to build out the serviceable locations in this project legally and efficiently.

Maintenance (Expected useful life of facilities/components)

Cox understands what it takes to build and maintain a broadband network. Our Omaha market has over 400 technicians capable of maintaining the existing broadband network and the project area for its expected life. Cox will be deploying the majority of fiber underground which ensures the highest level of reliability and lowest ongoing maintenance costs. All Distribution Major/Minor Field Equipment has an average useful life of 20 years.

Previous Awards

Cox is a recipient of multiple federal and state awards in support of broadband expansion to un- and underserved areas in Virginia, Arizona, Louisiana, Georgia, Arkansas, Florida, Oklahoma, Kansas, as well as Nebraska, including the Rural Digital Opportunity Fund (RDOF), American

Rescue Plan Act (ARPA), State and Local Fiscal Recovery Funds (SLFRF), Virginia Telecommunications Initiative (VATI), Nebraska Broadband Bridge Program (NBBP) and the Capital Projects Fund (CPF).

Since 2021, Cox successfully secured more than \$90M to subsidize expansion projects totaling nearly \$200M that, upon completion, will result in connecting more than 32,000 previously un- and underserved homes and businesses to gigabit broadband speeds. We also have several applications currently pending in different stages of the review and award process.

Financials

Cox will have funds available for all project costs that exceed the amount of requested support to be received for this project. The cost of the project for all locations is estimated to be \$1,843,557 whereas the requested support is \$1,381,744. Cox will provide private funding needed for the match source and will not need to borrow funds to complete the buildout obligations for these service areas. In addition to available funds currently in operations, Cox expects to generate enough cash flows going forward from providing service to these currently unserved locations to support the maintenance of infrastructure on an ongoing basis.

Cox does not see any key risks to financial sustainability for this project. We have provided our Financial Profile and Letter of Good Standing as evidence to stability and available funds. We have included conservative penetration estimates in this project area and have seen the trends of low churn in un- and underserved areas. We also have evidence that we maintain our estimated adoption and take rates, even when competition enters the project area. Cox also fully participates in the Affordable Care Program (ACP) and uses it as one of multiple tools to drive adoption and affordability for new subscribers.

Project Plan: Cox Nebraska Telcom proposes to build a fiber to the home network consisting of 21 fiber miles in order to serve 119 locations.

Financial Summary					
<i>in thousands</i>	2023	2024	2025	2026	2027
Total Revenue	-	\$1	\$40	\$74	\$90
Direct Costs	-	\$0	\$10	\$18	\$21
Opex	-	\$17	\$16	\$15	\$12
Capex	\$664	\$1,144	\$27	\$19	\$11
Subsidy	(\$509)	(\$873)	-	-	-
OFCF	(\$155)	(\$287)	(\$13)	\$23	\$46