

**Nebraska Central Telephone Company
Rural Unserved With No Federal Support Application Business Plan
Attachment G**

In evaluating the viability of the Rural Unserved With No Federal Support Broadband Bridge Act (the “Act”) grant application submitted by Nebraska Central Telephone Company (NCTC), the proposed project was scrutinized from a legal, technical, and cost standpoint. That evaluation is bolstered by years of successful deployment and maintenance of financially viable broadband networks in the State of Nebraska by NCTC and its soon-to-be owner Hamilton Telecommunications (Hamilton). As with the existing broadband networks maintained by NCTC and Hamilton, the Rural Unserved With No Federal Support application makes good sense in all aspects.

Project Overview

The geographic area of the Rural Unserved With No Federal Support application includes locations in Buffalo, Custer, Garfield, Holt, Loup, Sherman, Valley, and Wheeler counties. The proposed project, if approved, would deploy fiber broadband internet to approximately 129 unserved locations throughout the NCTC region. In order to complete fiber buildout to all serviceable locations in the project area, nearly 60 miles of new fiber will be buried and connected to NCTC’s existing fiber network. In a vacuum, because of the high cost per location of this project, it may appear that a business case justifying the project does not exist, even with a fifty percent grant taken into account. However, NCTC believes that every potential customer in the exchange is a vital member of the community and when combined with all of NCTC’s other ventures, NCTC believes that this project will be beneficial to all parties and sustainable from a business sense.

The legal challenges of the Rural Unserved With No Federal Support application are well understood and manageable.

Because NCTC has an existing broadband network, including fiber, throughout the NCTC service area, NCTC has a good grasp of the legal challenges there. Predominantly, as in the past, NCTC will seek approval from the counties and municipalities to bury fiber in each respective jurisdiction’s right of way. NCTC has established relationships with all counties and municipalities in the project area. Additionally, there may be a need to obtain additional permitting from the Nebraska Department of Transportation and the Burlington Northern

Railroad. NCTC and Hamilton are well-versed in obtaining the requisite permits and approvals to deploy a broadband network and are prepared to build out the serviceable locations in this project legally and efficiently.

NCTC has maintained a broadband network for decades and maintaining the infrastructure that is part of this application would be status quo for NCTC.

Both NCTC and Hamilton understand what it takes to build and maintain a broadband network. Both companies have technical staff capable of maintaining the existing broadband network and the project area for its expected life. Because there are in-house technicians monitoring and maintaining the network on a day-to-day basis, the fiber that would be part of this grant application would be expertly maintained for its useful life. NCTC will be burying all fiber which ensures the highest level of reliability and lowest ongoing maintenance costs when compared to aerial and wireless technology solutions.

The expected costs and revenue make this project feasible from a financial perspective and would serve to meet the broadband demands of consumers in the Burwell area for years to come.

NCTC will have funds available for all project costs that exceed the amount of requested support to be received for this project. Taken alone, even at a 50% match rate, this project isn't projected to be revenue positive for a lengthy period of time, if ever. However, NCTC believes serving these customers with fiber will be beneficial to the customer, community, and company, and anticipates that completing this project will be good for NCTC as a company in the long run. The cost of the project for all locations is estimated to be \$2,268,567, whereas the amount of requested support is \$1,134,284, which is 50% of the total projected cost. NCTC has funds available in operations to fund this difference of \$1,134,284 and will not need to borrow funds to complete the buildout obligations for these service areas. In addition to available funds currently in operations, NCTC expects to generate enough cash flows going forward from providing service to these currently unserved locations to support the maintenance of the infrastructure on an ongoing basis. Below is a summary cash flow statement for the first 10 years of the project.

