

Attachment G

A business plan for the proposed network: The business plan should include: (1) a description of any risk factors or legal challenges that must be addressed prior to or during the project in question, such as local zoning, right of way, tribal approval*, and permitting processes, and how the applicant intends to mitigate these risk factors or legal challenges, (2) a financial analysis for the project including cash flow projections for the project for a minimum of 5 years including an explanation of revenue assumptions and take rate, (3) a description of the plans for long-term maintenance of the network built through the grant, (4) disclose any prior receipt of federally awarded grant funds for broadband deployment and provide copies of any past audits of federal awards, (5) and community engagement demonstration. NOTE: Projections that do not reflect positive capitalization should include a written explanation as to how a project will be maintained over the life of the facilities. For projects that involve broadband development on tribal lands, permission from and approval by tribes is required and documentation of the approval must be provided to the Commission no later than April 24, 2023. (Attachment Letter: G)

Applicant Response:

1. Description of Risk Factors or Legal Challenges

Risk factors include the following:

Uncertainty around the timing of permitting for construction. Mitigating factors include Nextlink's extensive experience in building its own fixed wireless network and the motivation of the various jurisdictions to make high-quality, high-speed internet available to their citizens.

2. Financial Analysis

A financial analysis is attached that includes projected five-year balance sheets, income statements and cash flows. This project is expected to generate net positive cash flow in approximately 5 years. Revenue is based on plan pricing for the internet plans anticipated for the area and based on the build, at a take rate of 40% of passed locations with subscribers concentrated in the lower pricing tiers (55% of subscribers at 100/100 or below and 5% at 500/50).

The project includes a request for \$821,991.70 in Nebraska Broadband Bridge funding and assumes \$1,232,987.56, or 60% in matched funds. The matched funds will come from Nextlink through its operating cash flows (reflected in equity in the attached financial analysis) or revolving credit facility (reflected as debt in the attached financial analysis).

Payback Period Summary with Grant Support		
Grant %		40%
Operating cash flows	\$	2,814,302.25
Grantee investment	\$	(1,232,987.56)
NWC funding	\$	8,398.57
Net cash flows	\$	1,589,713.26
Payback Period (months)		60.00
Payback Period (years)		5.00

3. Long-term Maintenance of the Network

The expected useful life of the tower Facilities is 20+ years. Fiber facilities have an expected life of 30+ years.

The technological components attached to the tower facilities and installed at the customers' premises that are used to deliver internet service to the end-user are high-end, high-quality components that are backed by manufacturer warranties and are constantly monitored and maintained. The expected useful life of these components is typically around 5 years. In addition, as wireless equipment continues to rapidly improve in

capabilities and quality, Nextlink has historically responded by upgrading its gear to meet the growing needs of the end-user. We anticipate continuing to do so here as well.

4. Previously Awarded Federal Funding for Broadband Deployment

Nextlink is the largest winner of CAF2 (Connect America Fund Phase 2) funding of \$281m to serve 100,000 households and the 5th largest winner of RDOF (Rural Digital Opportunity Fund) funding of \$429m to serve 206,000 households. Nextlink is required to submit locations served and speeds to the USAC (Universal Service Administrative Company), and for the CAF2 program was supposed to be 40% complete with its construction by December 31, 2023. In fact, Nextlink was over 50% complete with its CAF2 construction in the state of Nebraska by December 31, 2023. Nextlink has submitted passing 100/20 Mbps speed and sub-100ms latency tests in response to USAC randomly selected service locations.

Nextlink has been awarded state grants through Iowa's NOFA (Notice of Funding Availability) 7 program and Louisiana's GUMBO (Granting Unserved Municipalities Broadband Opportunities) program. It has also been awarded county grants from Gage County, Nebraska; Wise County, Texas; and Champaign County, Illinois.

5. Demonstration of Community Engagement

Nextlink's community engagement and weekly outreach efforts have galvanized support for this project in several communities. While reaching out to community members, a common theme emerged. It is well understood by the anchor community institutions that adequate broadband service is lacking in the rural areas of the counties where the proposed project will be focused. As discussed throughout the grant application, this inadequacy manifests itself through difficulties for healthcare agencies, schools, businesses, and individual families. Support from all parts of the community has been tremendous and illustrates how well Nextlink's project will serve its needs.

Our goal is to be local providers and partners in every community we serve. We do this through membership with county level associations, chambers of commerce, economic development corporations, partnerships with schools and charitable contributions. For example, Nextlink's ongoing Giving Back Campaign donates funding to local non-profit organizations in the communities that it serves. Our Giving Back Campaign began with a donation to the Good Neighbor Community Center in Lincoln and will be tailored to suit project communities' individualized needs. Furthermore, our membership with NACO (National Association of Counties) has enabled us to contribute to the continuing improvement of county government within our Nebraska coverage areas (37 counties and growing) for the ultimate benefit, common good and general welfare of county residents.

Nextlink Internet is actively partnering with community stakeholders and anchor institutions to secure Digital Navigators to address the entire digital inclusion process — home connectivity, devices, and digital skills — with members of its communities through repeated interactions. Microsoft Airband partners, like Rural LISC, will work with Nextlink to identify community organizations in the designated project areas to train, organize, and deploy volunteers to serve as digital navigators.

Nextlink is leveraging newly established relationships with community colleges and public libraries that are trusted anchor institutions whose position at the intersection of media, information, and technology makes them dependable guides for the people they work with. Digital Navigators often come from the community they serve, which makes them well positioned to understand and address the technology-related concerns of their fellow community members. A public library embodies the innate trust that is critical to the role of a Digital Navigator.

These navigators will be volunteers or cross-trained staff who currently work in social service agencies, libraries, health, and more who offer remote and in-person guidance. Digital Navigators will be familiar with resources that relate to digital equity and will help residents learn to use critical online services that provide guidance with food support, rent, education, employment, childcare, government benefits and more. Furthermore, they will recommend resources, monitor progress, and check back with the client.