

**Attachment G**  
**Washington 1+2+3+4 Business Plan**  
**Cox Nebraska Telcom**

In evaluating the viability of the Washington 1+2+3+4 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 Washington 1+2+3+4 is located west of Highway 75, south of Fort Calhoun, north of Omaha. The proposed project, if approved, would deploy fiber broadband internet to the unserved serviceable locations around the project area. In order to complete fiber buildout to all serviceable locations in the community, 16 miles of new fiber to 64 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 Washington 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 Washington 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.

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## **Maintenance (Expected useful life of facilities/components)**

Cox understands what it takes to build and maintain a broadband network. Our Omaha market has over 99 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. We have extensive experience building in Nebraska and navigating the weather and other potential events. Our construction team will work closely with the project team to ensure all delays and impacts are communicated fully and progress updates are provided along the way.

## **Customer Service Policies**

- For Business Continuity Plan (BCP) events, Cox provides an automated credit that is allocated after 7 days of disrupted service.
- For non-BCP events, we reactively review accounts for recent outages and credit the account (by outage day) for verified disruptions after service is returned. Credit amounts are prorated based on customer's monthly bill amount.
- Contact the customer immediately for any Cox cancelled appointment to confirm that any issues are resolved. If an issue is ongoing Cox will offer a path to resolution. Credits are not awarded in these scenarios.
- Cox does offer an On-Time Guarantee, for failure to keep appointments as we have a specific adjustment for that. If the customer requests, we will issue a \$20 credit if a tech does not show up within the appointment window. We will also issue the adjustment if the service appointment was cancelled or rescheduled, and we did not notify the customer before the change.
- Cox offers proactive outage notifications to our customers alerting them when we see they have an outage event occurring and follow up with them afterward to ensure their services have been restored.

## **Community Commitment**

Cox has a robust team on the ground living and working in Nebraska and understanding the regional dynamics and needs. We understand the importance of serving and partnering with the communities in which our employees live and work. For us, it's a mission and opportunity to use our time, talent, and technology in ways that strengthen cities, businesses, and future generations.

Our teams have a long-standing history of successfully partnering with local elected officials, school systems, places of worship, nonprofit organizations, public libraries, and local government programs designed to reach those in need of affordable connectivity. Our Cox leaders are also active on nonprofit boards and share our affordability and digital equity programs with other dedicated leaders in the region.

Cox has been deeply involved in the communities we serve in Washington County. Cox has actively participated in Washington County Chamber events including participating in their golf fundraiser and a scholarship program. Over the holidays in 2023 Cox was the presenting sponsor for the “Christmas for the Coat” event in Blair. This event is part of Cox’s commitment to being active members of the community and contributing to its vibrancy. Cox's support for the event aligns with their goal to participate in community activities that are both eagerly anticipated by the public and fulfill a need, exemplifying their dedication to giving back and supporting local initiatives. Cox is dedicated to the communities it serves and will continue to be involved and support Washington County.

### **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 \$190M to subsidize expansion projects totaling nearly \$346M that, upon completion, will result in connecting more than 51,000 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 \$1,925,395, whereas the requested support is \$1,447,928. 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 actively engages in federal assistance programs like the Emergency Connectivity Fund (ECF) and the Affordable Connectivity Program (ACP), dedicated to bridging the digital divide in our target communities by reducing financial barriers. Cox offers multiple low-cost broadband connectivity options, drawing from our experience in creating affordable digital equity programs such as Connect2Compete (C2C) and ConnectAssist.

Project Plan: Cox Nebraska Telcom proposes to build a fiber to the home network consisting of 16 fiber miles in order to serve 64 locations.

## Financial Summary

<i>in thousands</i>	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Customer Revenue	\$0	\$21	\$39	\$46	\$47	\$48	\$51	\$52	\$53	\$54
<b>Total Revenue</b>	<b>\$0</b>	<b>\$21</b>	<b>\$39</b>	<b>\$46</b>	<b>\$47</b>	<b>\$48</b>	<b>\$51</b>	<b>\$52</b>	<b>\$53</b>	<b>\$54</b>
Direct Costs	\$0	\$5	\$10	\$12	\$12	\$12	\$11	\$11	\$10	\$9
<b>Contribution Margin</b>	<b>\$0</b>	<b>\$15</b>	<b>\$29</b>	<b>\$34</b>	<b>\$35</b>	<b>\$36</b>	<b>\$40</b>	<b>\$42</b>	<b>\$43</b>	<b>\$44</b>
Contribution %	69.9%	74.4%	74.6%	74.9%	74.7%	74.5%	77.6%	79.4%	81.1%	82.5%
Opex	\$9	\$9	\$8	\$6	\$6	\$6	\$5	\$5	\$6	\$5
<b>EBITDA</b>	<b>(\$9)</b>	<b>\$7</b>	<b>\$21</b>	<b>\$28</b>	<b>\$30</b>	<b>\$30</b>	<b>\$34</b>	<b>\$36</b>	<b>\$37</b>	<b>\$39</b>
EBITDA %	-1706.1%	32.9%	54.2%	61.3%	62.8%	63.0%	67.1%	69.2%	69.9%	72.7%
Capex	\$1,931	\$14	\$10	\$6	\$3	\$1	\$1	\$1	\$14	\$1
Subsidy	(\$1,448)	-	-	-	-	-	-	-	-	-
<b>OFCF</b>	<b>(\$492)</b>	<b>(\$8)</b>	<b>\$11</b>	<b>\$22</b>	<b>\$27</b>	<b>\$29</b>	<b>\$33</b>	<b>\$35</b>	<b>\$23</b>	<b>\$38</b>
OFCF %	-98474.3%	-36.5%	28.1%	48.7%	57.2%	60.7%	65.0%	67.3%	44.0%	70.9%
Depreciation	\$938	\$289	\$207	\$150	\$109	\$108	\$107	\$55	\$5	\$6
<b>Taxable Income</b>	<b>\$501</b>	<b>(\$282)</b>	<b>(\$186)</b>	<b>(\$122)</b>	<b>(\$79)</b>	<b>(\$77)</b>	<b>(\$72)</b>	<b>(\$19)</b>	<b>\$32</b>	<b>\$33</b>
Taxes	\$135	(\$76)	(\$50)	(\$33)	(\$21)	(\$21)	(\$20)	(\$5)	\$9	\$9
<b>After-Tax Free Cash Flow</b>	<b>(\$627)</b>	<b>\$68</b>	<b>\$61</b>	<b>\$55</b>	<b>\$48</b>	<b>\$50</b>	<b>\$53</b>	<b>\$40</b>	<b>\$15</b>	<b>\$29</b>
<b>Cumulative ATFCF</b>	<b>(\$627)</b>	<b>(\$558)</b>	<b>(\$497)</b>	<b>(\$442)</b>	<b>(\$393)</b>	<b>(\$343)</b>	<b>(\$290)</b>	<b>(\$250)</b>	<b>(\$235)</b>	<b>(\$206)</b>