



Rangeley Area FTTP Network Proposal Questions and Answers January 14, 2021

1. Topic: Key components of the proposal

Could you highlight the key points of the proposal?

- Town(s) own the funded network and provides exclusive access to Consolidated for ongoing maintenance and operation
- Consolidated pays the town an operating fee which offsets the bond principal and interest
- The initial infrastructure fee is estimated to be \$10.00 assuming standard bond interest rates
- Infrastructure fee reviewed and reset after biennial review with Select Board
- Consolidated responsible for end user install costs

2. Topic: Installation cost

Could you provide further detail on how Consolidated will handle installation and construction charges from the network splice points to the customer premises? Is there a specific per foot cost of installation within existing buried conduits to premises, and if so, what are the charges?

Consolidated Communications It is our goal to connect as many of the locations in the four town area as possible to allow residents to obtain the FTTP network service. We will be as accommodating as possible to bring residents service through the FTTP network.

Consolidated Communications will not bill customers for the drop over 150' as long as there is a defined path to the home that meets national electrical code. This path would be an existing pole line or a useable conduit that runs from road to the home. Locations that do not have a suitable path would need to arrange for conduit or pole access from the public right of way to their home prior to installation.

Here is the language we have included in other contract agreements:

System Extension. Cable extensions from the public right of way to a subscriber premise shall be provided to any subscriber who is located within one hundred fifty (150) feet of aerial feeder cable at no charge. Additional cost may be incurred by the End User if the private property

portion of the drop requires any special construction to conform to national electrical code standards. To be clear, all users will be connected to the network at no additional charge if they have existing infrastructure. Additional cost may be incurred only if the location does not currently have customer owned facilities suitable for use.

3. Topic: The end user or infrastructure fee to recover bond costs:

How does Consolidated determine how the infrastructure fee is set?

The details of the infrastructure fee and how it could be modified will be negotiated as part of the contract agreement between CCI and the Rangeley area towns. The amount and how it is structured going forward will be directly related to the payment schedule of the bond/loan secured by the towns.

Is that fee fixed or can it be increased or decreased?

Depending on the structure of the towns' financing agreements, they will have the option of making the fee fixed over the term of the agreement or having it decrease over time. Understanding how the towns intend to finance the project is critical in defining the final end user rate. The fee will never be increased.

Is the money raised through that fee separately accounted for?

The end user fee remittance is separate from the monthly operating fee paid to the town. If Consolidated Communications does not recover enough end user fees to offset the monthly operating cost, then the company will bear the difference at its expense. The end user fee and monthly operating fees will be fixed and documented in the contract agreement.

What happens if Consolidated raises more money through that fee than is required for the monthly bond payments?

The fee can be adjusted (decreased) throughout the 20-year lifespan of the bond or set at a fixed rate at the discretion of the town at the time of the agreement. In the former case, the town may elect to work with CCI to periodically revisit the fee and reset the end user rate.

4. Topic: Risk of Financial and Service Loss to the Towns.

Is there any situation in which the Town(s) would become liable for the Bond Payments? For example: (a) If Consolidated or a successor company chooses to withdraw from the market; (b) if Consolidated enters a bankruptcy process or goes out of business without a successor company taking over the assets covered by the Bond?

The contract agreement will provide for assignment of any contractual obligations to any successor entity in the event of a sale or bankruptcy of the company.

5. Topic: Insurance Coverage.

Please provide specific insurance and surety bond amounts.

This will be covered in the contract agreement between the Towns and CCI. Our standard language reads as:

In support of the foregoing, Consolidated shall, for the term of the Contracts, maintain a policy of commercial liability insurance, including public liability, bodily injury, and property damage, written by a company licensed to do business in the State of New Hampshire, covering use and activity contemplated by the Contracts with combined single limits of no less than Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) aggregate. Consolidated shall also maintain motor vehicle insurance meeting the requirements of New Hampshire law and covering every vehicle and driver involved in performing the Work and providing Consolidated services, in the following amounts: (1) bodily injury liability with limits of \$500,000.00 each person and \$1,000,000.00 each accident; (2) property damage liability with a limit of \$100,000.00 each accident. Consolidated will name the Town and its applicable designees, as additional insureds under the foregoing policies. Consolidated will also maintain Workers' Compensation insurance to meet the requirements of the Workers' Compensation laws of New Hampshire where applicable. Certificates of Insurance evidencing the foregoing coverage shall be provided to the Town upon request.

6. Topic: Grant programs

Could grants help with the cost factors of the project? Are there potential grant programs available and what areas might be eligible for grant funding?

Potentially grant monies could offset/reduce some of the cost factors in the proposal. However, given the fact that the ConnectMaine Authority is the most logical grant source – and they are in the middle of redefining their criteria for grants, it is difficult to come up with an estimate of a grant amount at this time.

We have estimated the current percentage of locations that are eligible (approximately 72%) using the current criteria, but any decisions will have to wait until ConnectMaine has finalized the grant criteria for 2021.

Based on CCI's data base here's a breakdown of the percentage – by the total four town region – that has less than 25M/3M speed availability:

- The total eligible locations <25M/3M for the four town region = [72.1%]
- This would mean that 72% of the locations would be ConnectMaine eligible under the current criteria.

7. Topic: Estimate of expected uptime.

Please provide the basis for Consolidated's claim of 99.9% network uptime reliability.

This is based on the historical performance of our network. Our network is built to 99.9% uptime, carrier grade standards for reliability.

8. Topic: "Town-wide fiber to the home build."

Are all premises in the Rangeley area proposal included in this build? Are any excluded?

All premises and businesses located inside the town limits – Town of Rangeley, Rangeley Plantation, Dallas Plantation and Sandy River Plantation – will have equal access to the network.

9. Topic: Estimated Project Costs.

Consolidated has estimated the costs of this project to be \$3,702,725. When will Consolidated provide a firm number and will Consolidated be responsible for cost overruns?

The \$3,702,725 will be the cost for the town to bond to cover the expense of placing the fiber on the poles to deliver 1G symmetrical fiber to the home service. Consolidated will be responsible for all additional costs and electronics, including the expenses from the pole to the home (installation costs). The details will be finalized in the contract agreement.

10. Topic: Customer Charges.

Will the plans and speed levels be available to every subscriber including both new and existing Consolidated subscribers?

That's correct, the plans and speeds will be available to any resident/business within the town limits.

Are the rates listed the presentation residential rates? What are the rates and levels of service available to businesses?

These rates are our residential grade (GPON) fiber rates. Small businesses also can take advantage of these rates.

How do the rates change at the end of the two-year promotional period?

Our promotional rates only fluctuate modestly so once a promotion ends or there will be a similar promotion available for renewal. We strive to avoid “bill shock” at all costs. The rates in the towns will be identical to all other rates in the state.

See the sample fiber to the home rates below:

Speed	50M/50M	250M/250M	1Gbps/1Gbps
Base Rate	\$50	\$80	\$90
Promotional Rate Example	\$35	\$60	\$70
Infrastructure Fee	\$10	\$10	\$10
Total Price	\$45	\$70	\$80

- Includes; 802.11AC wireless gateway for whole home WiFi
- Includes; Free In-Home Professional Installation
- 30-Day Money-Back Guarantee
- No Data Caps (We will not throttle the data connection)
- Taxes (where applicable) not included

11. Topic: Legal Costs.

Will Consolidated cover the Towns’ legal costs which may be incurred in connection with this project?

Consolidated will cover the Towns’ legal costs to review the agreements and secure bond financing. The intent is to result develop a contract agreement at no taxpayer cost.

12. Topic: Service to Town Buildings.

Will Consolidated provide the service to all Town buildings at no cost to the Town?

We will provide service to all Town buildings at the highest available speed at no cost to the town.

13. Topic: Annual Town Meetings.

Will Consolidated commit to attending the 2021 Annual Town Meetings and any meetings or public hearings in connection with this project?

Yes. We will be present at any and all meetings associated with this project.

14. Topic: Neutrality Guaranty.

Will the Terms of Service contain a guaranty that all communications will be treated in accordance with standard practice of net neutrality?

Yes. The following clause is part of all the NH contract agreements:

Independent of changes over time of Consolidated's posted Internet Terms and Conditions, Consolidated will:

A) Never block, throttle, impede, or cap any lawful Internet traffic for locations in the Town; and

B) Maintain monthly broadband service fees for locations in the Town, in line with those of similarly situated municipalities in its nationwide network; and

C) Operate the Network Asset within the guidelines of "net neutrality." An exception to this may be if a broadband wholesaler to Consolidated does not follow these guidelines.

15. Topic: Infrastructure Technology, Quality and Lifespan.

Under the proposed service, what is the total simultaneous bandwidth available to the Towns?

Subscribers connections are provisioned at a maximum throughput of 1G (1000M) up and 1G (1000M) down. Connection overhead (a connection agnostic phenomenon) will consume between 5–10% of available throughput. Due to this, actual speed test results from end users will be somewhat lower than 1G.

16. Topic: Town(s) or a Broadband Utility District Bonding.

Does Consolidate feel that establishing a Broadband Utility District will streamline both the local approval process and bonding/financing process?

We believe the formation of a Utility District could be beneficial to expedite the timeline for the project and the ease to negotiate the contract agreement for the proposed FTTP network. However, we are willing to work with whatever legal structure the communities decide upon to make the proposed FTTP network a reality.

17. Topic: Project benefits to bordering or surrounding towns.

Will the FTTP infrastructure project benefit other areas bordering or surrounding the Rangeley area?

There aren't any significant direct or indirect benefits that towns in the surrounding area will derive from the proposed FTTP network build in Rangeley, Rangeley Plantation, Dallas

Plantation and Sandy River Plantation. The proposed network includes broadband infrastructure improvements, including the placing the fiber on the poles, the associated facilities and equipment, plus the labor required to deliver 1G symmetrical fiber to the home service in the four communities and only in those four communities.

For example, CCI already has fiber that goes through many of communities along the way from Farmington to the Rangeley area. The project in Rangeley would not help lower the cost for a FTTP network in the surrounding towns. Additionally, CCI would not have to do any upgrades or augmentation along the routes into the Rangeley area needed to build the proposed FTTP network.

18. Topic: Buyout.

Does Consolidated have a proposal for a buyout of the Town assets at the end of the term of the bond?

Not at the present time, but we can discuss further. In twenty years the assets will be fully depreciated based on traditional schedules for these types of deployments. The expectation is that the town would rebid the operation of the network upon contract expiration.