

# Income Statement

	Forecast Period									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
<b>Revenues</b>										
Broadband Offerings										
Wholesale Data	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Data	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dark Fiber	\$ -	\$ 965,000	\$ 1,095,000	\$ 1,160,000	\$ 1,225,000	\$ 2,255,000	\$ 2,385,000	\$ 3,480,000		
Collocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ -	\$ 672,000	\$ 1,564,800	\$ 1,606,800	\$ 1,648,800	\$ 1,816,800	\$ 1,984,800	\$ 2,194,800		
Other Network Driven Revenues										
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voice Services (local/toll/long distance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues - State Match	\$ 6,211,977	\$ 24,944,878	\$ 5,475,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,632,560
Grant Award	\$ 1,768,000	\$ 60,678,579	\$ 11,551,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,998,268
<b>Total Revenues</b>	<b>\$ 7,979,977</b>	<b>\$ 87,260,457</b>	<b>\$ 19,687,194</b>	<b>\$ 2,766,800</b>	<b>\$ 2,873,800</b>	<b>\$ 4,071,800</b>	<b>\$ 4,369,800</b>	<b>\$ 5,674,800</b>	<b>\$ 5,674,800</b>	<b>\$ 134,684,628</b>
<b>Expenses</b>										
Backhaul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Maintenance/Monitoring	\$ 66,578	\$ 361,126	\$ 502,865	\$ 520,775	\$ 543,732	\$ 559,306	\$ 574,029	\$ 589,193		
Utilities	\$ -	\$ 8,800	\$ 17,600	\$ 36,256	\$ 36,256	\$ 37,344	\$ 38,464	\$ 39,618		
Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales/Marketing	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Customer Care	\$ 57,758	\$ 109,948	\$ 109,948	\$ 114,687	\$ 114,687	\$ 119,663	\$ 119,663	\$ 124,888		
Billing	\$ 74,470	\$ 74,470	\$ 78,194	\$ 78,194	\$ 82,103	\$ 82,103	\$ 86,208	\$ 90,519		
Corporate G&A	\$ 348,565	\$ 352,735	\$ 359,955	\$ 363,161	\$ 370,747	\$ 375,351	\$ 386,255	\$ 397,689		
Other Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 557,371</b>	<b>\$ 917,078</b>	<b>\$ 1,078,561</b>	<b>\$ 1,123,073</b>	<b>\$ 1,157,525</b>	<b>\$ 1,183,767</b>	<b>\$ 1,214,619</b>	<b>\$ 1,251,907</b>	<b>\$ 1,251,907</b>	
<b>EBITDA</b>	<b>\$ 7,422,606</b>	<b>\$ 86,343,379</b>	<b>\$ 18,608,633</b>	<b>\$ 1,643,727</b>	<b>\$ 1,716,275</b>	<b>\$ 2,888,033</b>	<b>\$ 3,155,181</b>	<b>\$ 4,422,893</b>	<b>\$ 4,422,893</b>	
Depreciation	\$ 3,600	\$ 3,090,246	\$ 6,872,908	\$ 8,083,803	\$ 9,063,419	\$ 10,529,243	\$ 11,622,922	\$ 12,185,843		\$ 61,451,985
Amortization	\$ 25,761	\$ 25,761	\$ 25,761	\$ 25,761	\$ 25,761	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Earnings Before Interest and Taxes</b>	<b>\$ 7,393,245</b>	<b>\$ 83,227,373</b>	<b>\$ 11,709,964</b>	<b>\$ (6,465,837)</b>	<b>\$ (7,372,905)</b>	<b>\$ (7,641,211)</b>	<b>\$ (8,467,740)</b>	<b>\$ (7,762,950)</b>	<b>\$ (7,762,950)</b>	
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Income Before Taxes</b>	<b>\$ 7,393,245</b>	<b>\$ 83,227,373</b>	<b>\$ 11,709,964</b>	<b>\$ (6,465,837)</b>	<b>\$ (7,372,905)</b>	<b>\$ (7,641,211)</b>	<b>\$ (8,467,740)</b>	<b>\$ (7,762,950)</b>	<b>\$ (7,762,950)</b>	
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Income</b>	<b>\$ 7,393,245</b>	<b>\$ 83,227,373</b>	<b>\$ 11,709,964</b>	<b>\$ (6,465,837)</b>	<b>\$ (7,372,905)</b>	<b>\$ (7,641,211)</b>	<b>\$ (8,467,740)</b>	<b>\$ (7,762,950)</b>	<b>\$ (7,762,950)</b>	

**ASSUMPTIONS**

Dark Fiber IRU: (Each contract = 2 strands, 500 miles)								900
# New Provider IRUs	2	1	1	1	2	2	3	
Cumulative Provider IRUs	2	3	4	5	7	9	12	
Up-front payment - \$900/strand/mile	900,000	900,000	900,000	900,000	1,800,000	1,800,000	2,700,000	
O&M annual payment - \$130/route mile	0	65,000	195,000	260,000	325,000	455,000	780,000	
<b>Total Dark Fiber IRU Revenue</b>	<b>0</b>	<b>965,000</b>	<b>1,095,000</b>	<b>1,160,000</b>	<b>1,225,000</b>	<b>2,255,000</b>	<b>2,385,000</b>	3,480,000
Initial Community Anchor Institutions								
Initial CAIs - Colleges and Universities	18	21	21	21	21	21	21	
Annual Internet Cost/Colleges and Universities	0	72,000	72,000	72,000	72,000	72,000	72,000	
Revenues - Initial Colleges and Universities	1,296,000	1,512,000	1,512,000	1,512,000	1,512,000	1,512,000	1,512,000	
Initial CAIs - Public Safety	2	3	3	3	3	3	3	
Annual Internet Cost - Public Safety (\$350/mo.)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	
Revenues - Initial Public Safety	8,400	12,600	12,600	12,600	12,600	12,600	12,600	
Initial CAIs - All Others	6	8	8	8	8	8	8	
Annual Internet Cost/Other CAIs	6,600	6,600	6,600	6,600	6,600	6,600	6,600	
Revenues - Initial CAIs - all others	0	39,600	52,800	52,800	52,800	52,800	52,800	
<b>Total Initial CAI Revenue</b>	<b>0</b>	<b>672,000</b>	<b>1,564,800</b>	<b>1,564,800</b>	<b>1,564,800</b>	<b>1,564,800</b>	<b>1,564,800</b>	1,564,800
Other - New Anchors \$350/mo)								
New Anchors (10/yr after Year 3)			10	10	10	10	10	
Cumulative New Anchors			10	20	30	40		
Revenue from new Anchors			4,200	4,200	4,200	4,200	4,200	
<b>Total</b>			<b>42,000</b>	<b>84,000</b>	<b>252,000</b>	<b>420,000</b>		630,000
Total connected CAIs	26	32	42	52	62	72		

**Backhaul**

Network Maintenance/Monitoring								
Maintenance- \$363665 - begin 3% inflation yr 5	36,367	254,566	363,665	374,575	385,812	397,387	409,308	421,587
Locates \$3000/mo	600	18,000	36,000	36,000	36,000	36,000	36,000	36,000
Repairs - Huts - \$12000/year	0	0	2,000	4,000	8,000	12,000	12,000	12,000
Repairs - Equipment - \$20,000/year	0	0	10,000	15,000	20,000	20,000	20,000	20,000
Technical - One FTE \$65000 = 35.4%	29,337	88,010	90,650	90,650	93,370	93,370	96,171	99,056
Instate travel - 4 trips per month 250 miles per trip @ \$0.55	275	550	550	550	550	550	550	550
Utilities - \$1100 per site per year								
Number of huts	0	8	16	32	32	32	32	32
Expense - 3% inflation beginning year 4	0	8,800	17,600	36,256	36,256	37,344	38,464	39,618
Sales & Marketing -Telecommunication Shows/Exhibits in state-\$10000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Customer Care - One FTE \$70000+35.4%	47,390	94,780	94,780	99,519	99,519	104,495	104,495	109,720
State lease vehicle - 800/mo	4,800	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Travel - Overnight & Per Diem - \$116 per day -2 trips per month for 2 days	5,568	5,568	5,568	5,568	5,568	5,568	5,568	5,568
Billing & Accounting - One FTE \$55000+35.4%	74,470	74,470	78,194	78,194	82,103	82,103	86,208	90,519
General & Administrative								
Manager - \$100000+35.4%	135,400	135,400	142,170	142,170	149,279	149,279	156,742	164,580
Admin - 35000+35.4%	47,390	49,760	49,760	52,247	52,247	54,860	57,603	60,483
Professional Services - \$100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Insurance - \$15000/year - begin 3% inflation in yr 3	15,000	15,000	15,450	15,914	16,391	16,883	17,389	17,911
Utilities - \$900/year	900	900	900	1,000	1,000	1,000	1,030	1,061
Office space -3000 Sq. Ft. @10/foot	30,000	30,000	30,000	30,000	30,000	31,500	31,500	31,500
Telephone - \$300/per month	1,800	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Office Supplies - \$150/month	150	150	150	150	150	150	150	150
Travel								

Instate - 5 trips 1000 mi @ .55/mile	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Out of State 3 trips per year	5,175	5,175	5,175	5,330	5,330	5,330	5,490	5,655		2,750
Airfare\$600										
Hotel \$200/nights-3nights										
Meals - per diem\$150/day										
Misc Parking - \$25										
Conference Registrations out of state 3 per year	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Other Operating Expense										
Depreciation										
20 years straight line Buildings, outside plant, Profess.										
Buildings, Outside Plant, Professional Services										
Buildings - \$1750000	0	35,438	79,188	87,500	87,500	87,500	87,500	87,500	87,500	
Outside Plant - \$88812491	0	1,798,453	4,018,765	4,440,625	4,440,625	4,440,625	4,440,625	4,440,625	4,440,625	
Professional Services - \$6211978	0	125,793	281,092	310,599	310,599	310,599	310,599	310,599	310,599	
5 years straight line network, customer, Operations										
Network, Customer Premise, Operations										
Networks - \$13603600	0	1,101,892	2,462,252	2,720,720	2,720,720	2,720,720	1,877,297		0	
Customer - \$154760	0	25,071	28,012	30,952	30,952	30,952	8,821			
Operations	3,600	3,600	3,600	3,600	3,600					
Computers - \$6000										
Furniture - \$12000	3,600	3,090,246	6,872,908	7,593,995	7,593,995	7,590,395	6,724,842	4,838,723		
New Anchor - \$244904 per Anchor to add to backbone				489,808	1,469,424	2,938,848	4,898,080	7,347,120		
Pre Application Expenses 128803	128,803									
Amortization	25,761	25,761	25,761	25,761	25,761					
Amortizable Pre Application Expenses -net	103,042	77,282	51,521	25,761	0					

# Balance Sheet

<b>Assets</b>	<b>Forecast Period</b>							
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
<b>Current Assets</b>								
Cash	\$ (0)	\$ 719,922	\$ 1,383,829	\$ 246,562	\$ (486,203)	\$ (47,211)	\$ 439,434	\$ 2,169,965
Marketable Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Assets</b>	<b>\$ (0)</b>	<b>\$ 719,922</b>	<b>\$ 1,383,829</b>	<b>\$ 246,562</b>	<b>\$ (486,203)</b>	<b>\$ (47,211)</b>	<b>\$ 439,434</b>	<b>\$ 2,169,965</b>
<b>Non-Current Assets</b>								
Long-Term Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortizable Asset (Net of Amortization)	\$ 103,042	\$ 77,282	\$ 51,521	\$ 25,761	\$ -	\$ -	\$ -	\$ -
Plant in Service	\$ 7,979,977	\$ 93,603,434	\$ 110,630,828	\$ 113,079,868	\$ 115,528,908	\$ 117,977,948	\$ 120,426,988	\$ 122,876,028
Less: Accumulated Depreciation	\$ 3,600	\$ 3,093,846	\$ 9,966,754	\$ 18,050,557	\$ 27,113,976	\$ 37,643,220	\$ 49,266,142	\$ 61,451,985
Net Plant	\$ 7,976,377	\$ 90,509,588	\$ 100,664,074	\$ 95,029,311	\$ 88,414,932	\$ 80,334,728	\$ 71,160,846	\$ 61,424,043
Equipment Replacement Fund	\$ -	\$ -	\$ 359,961	\$ 691,914	\$ 691,914	\$ 691,914	\$ 911,411	\$ 1,154,733
<b>Total Non-Current Assets</b>	<b>\$ 8,079,419</b>	<b>\$ 90,586,870</b>	<b>\$ 101,075,557</b>	<b>\$ 95,746,986</b>	<b>\$ 89,106,846</b>	<b>\$ 81,026,642</b>	<b>\$ 72,072,257</b>	<b>\$ 62,578,776</b>
<b>Total Assets</b>	<b>\$ 8,079,419</b>	<b>\$ 91,306,792</b>	<b>\$ 102,459,385</b>	<b>\$ 95,993,548</b>	<b>\$ 88,620,643</b>	<b>\$ 80,979,432</b>	<b>\$ 72,511,691</b>	<b>\$ 64,748,741</b>
<b>Liabilities and Owners' Equity</b>								
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts Payable	\$ 557,371	\$ 557,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 557,371</b>	<b>\$ 557,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-Term Liabilities</b>								
Long Term Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Long-Term Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 557,371</b>	<b>\$ 557,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Owner's Equity</b>								
Capital Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Paid-In Capital	\$ 128,803	\$ 128,803	\$ 128,803	\$ 128,803	\$ 128,803	\$ 128,803	\$ 128,803	\$ 128,803
Retained Earnings	\$ 7,393,245	\$ 90,620,618	\$ 102,330,582	\$ 95,864,745	\$ 88,491,840	\$ 80,850,629	\$ 72,382,888	\$ 64,619,938
<b>Total Equity</b>	<b>\$ 7,522,048</b>	<b>\$ 90,749,421</b>	<b>\$ 102,459,385</b>	<b>\$ 95,993,548</b>	<b>\$ 88,620,643</b>	<b>\$ 80,979,432</b>	<b>\$ 72,511,691</b>	<b>\$ 64,748,741</b>
<b>Total Liabilities and Owner's Equity</b>	<b>\$ 8,079,419</b>	<b>\$ 91,306,792</b>	<b>\$ 102,459,385</b>	<b>\$ 95,993,548</b>	<b>\$ 88,620,643</b>	<b>\$ 80,979,432</b>	<b>\$ 72,511,691</b>	<b>\$ 64,748,741</b>

Balance Check

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

## Statement of Cash Flows

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<b>Beginning Cash</b>	\$ -	\$ (0)	\$ 719,922	\$ 1,383,829	\$ 246,562	\$ (486,203)	\$ (47,211)	\$ 439,434
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Net Income	7,393,245	83,227,373	11,709,964	(6,465,837)	(7,372,905)	(7,641,211)	(8,467,740)	(7,762,950)
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>								
Add: Depreciation	3,600	3,090,246	6,872,908	8,083,803	9,063,419	10,529,243	11,622,922	12,185,843
Add: Amortization	25,761	25,761	25,761	25,761	25,761	-	-	-
<i>Changes in Current Assets and Liabilities:</i>								
Marketable Securities	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-
Accounts Payable	557,371	-	(557,371)	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Operations</b>	<b>\$ 7,979,977</b>	<b>\$ 86,343,379</b>	<b>\$ 18,051,262</b>	<b>\$ 1,643,727</b>	<b>\$ 1,716,275</b>	<b>\$ 2,888,033</b>	<b>\$ 3,155,181</b>	<b>\$ 4,422,893</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Capital Expenditures	7,979,977	85,623,457	17,027,394	2,449,040	2,449,040	2,449,040	2,449,040	2,449,040
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-	-
Long-Term Investments	-	-	-	-	-	-	-	-
Equipment Replacement Reserve Fund	-	-	359,961	331,953	-	-	219,496	243,322
<b>Net Cash Used by Investing Activities</b>	<b>\$ 7,979,977</b>	<b>\$ 85,623,457</b>	<b>\$ 17,387,355</b>	<b>\$ 2,780,993</b>	<b>\$ 2,449,040</b>	<b>\$ 2,449,040</b>	<b>\$ 2,668,536</b>	<b>\$ 2,692,362</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Notes Receivable	-	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-
Additional Paid-in Capital	-	-	-	-	-	-	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-
<b>Net Cash Used by Investing Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (0)</b>	<b>\$ 719,922</b>	<b>\$ 663,907</b>	<b>\$ (1,137,266)</b>	<b>\$ (732,765)</b>	<b>\$ 438,993</b>	<b>\$ 486,645</b>	<b>\$ 1,730,531</b>
<b>Ending Cash</b>	<b>\$ (0)</b>	<b>\$ 719,922</b>	<b>\$ 1,383,829</b>	<b>\$ 246,562</b>	<b>\$ (486,203)</b>	<b>\$ (47,211)</b>	<b>\$ 439,434</b>	<b>\$ 2,169,965</b>

1,154,733

# NPV/IRR Table

	Net Present Value	Internal Rate of Return
Without BTOP Funding	-\$43,400,247.24	-13.00%
With BTOP Funding	\$11,614,290.35	N/A

	Cash Flows from Operations (from CF Sprea	Less CAPEX	Free Cash Flow	Free Cash Flow v/o BTOP Funding
Year 1	\$ 7,979,977	\$ 7,979,977	\$ (0)	\$ (1,768,000)
Year 2	\$ 86,343,379	\$ 85,623,457	\$ 719,922	\$ (59,958,657)
Year 3	\$ 18,051,262	\$ 17,027,394	\$ 1,023,868	\$ (10,527,821)
Year 4	\$ 1,643,727	\$ 2,449,040	\$ (805,313)	\$ (805,313)
Year 5	\$ 1,716,275	\$ 2,449,040	\$ (732,765)	\$ (732,765)
Year 6	\$ 2,888,033	\$ 2,449,040	\$ 438,993	\$ 438,993
Year 7	\$ 3,155,181	\$ 2,449,040	\$ 706,141	\$ 706,141
Year 8 (Te	\$ 35,383,145	\$ 2,449,040	\$ 32,934,105	\$ 32,934,105

WACC

15%

Revenue Assumptions		
Factor	Specific Metric Used in Analysis	Rationale (Cite Basis)
<b>Customers Passed</b>		
Anchor Institutions - Segment A	32 anchor institutions will be connected to the fiber build. These anchors will be connected as the backbone is build. 6 in first, second & fourth quarters and 8 in the third quarter of year 2. 4 in the first quarter and 2 in the second quarter of year 3. The revenue was calculated based on half of the anchors being operational in the quarter and full revenue for the rest of the year.	These 32 anchors are within 5 miles of the proposed backbone. The anchors will be connected during construction of the backbone. By the end of year two 26 anchors will be connected to the backbone and by the end of the second quarter of year 3 all 32 anchors will be connected.
Anchor Institutions - Segment B	Within 5 miles of the proposed fiber build there are 32 county seats, 240 fire stations, 5 Department of Public safety, 72 correctional facilities, 137 police departments, 50 libraries, 24 health department, 43 hospitals, 9 Vo-Tech schools, 32 private schools, 443 public schools, 14 Native American health service centers and 40 ODOT locations	There are 1154 potential anchors within 5 miles of the backbone, including the 32 mention above.
Businesses	There are 55,926 businesses within the counties the backbone passes within 5 miles.	This is based on the demographic data for the counties.
Households	There are 943,859 households in the counties the backbone passes within 5 miles	This is based on the demographic data for the counties.
Last Mile Providers	Dark Fiber - Estimate will lease up to 24 strands for 500 miles.	There is the need to provide broadband in the unserved and underserved areas. This build will provide the providers fiber at a reasonable rate and the providers will not need to make the initial capital investment.
Other		
<b>Take Rate (should likely vary across 8-Year Forecast)</b>		
Anchor Institutions - Segment A	100%	These 32 anchors are within 5 miles of the proposed backbone. All of these locations need additional broadband capacity.
Anchor Institutions - Segment B	Ten per year beginning in year 4.	Ten of this segment potential anchors will be connected in each year beginning in year four. As revenue is generated from the operations of the backbone it will be used to sustain the backbone, cover operating expense and to add additional anchors to the backbone.
Businesses	0.00%	These will be connected by the last mile providers.
Households	0.00%	These will be connected by the last mile providers.
Last Mile Providers	Dark Fiber \$1750 per strand per mile. Estimate will lease up to 25 strands for 500 miles.	There is the need to provide broadband in the unserved and underserved areas. This build will provide the providers fiber at a reasonable rate and they will not need to make the capital investment.
<b>Direct Customer Connections</b>		
Customer Segment A	100%	These 32 anchors are within 5 miles of the proposed backbone. All of these locations need additional broadband capacity
Customer Segment B	50 over a five year period beginning in year 4.	See comments above.
Other		
<b>Average Revenue per User (may vary across 8-year forecast)</b>		
Anchor Institutions - Segment A	Colleges and Universities (21) will be charged \$6000 per month. Public Safety (3) \$350 per month and all other	This is based on \$40 per gig per month plus \$150 per month for internet.
Anchor Institutions - Segment B	\$350 per month	This is based on \$40 per gig per month plus \$150 per month for internet.
Businesses	\$0.00	These will be connected by the last mile providers.
Households	\$0.00	These will be connected by the last mile providers.
Last Mile Providers	Dark Fiber \$900 per strand per mile. Estimate will lease up to 12 strands for 500 miles.	This is based on industry averages.
Other		

Expense Assumptions		
Factor	Specific Metric Used in Analysis	Rationale (Cite Basis)
<b>Network Expenses</b>		
Backhaul		
Maintenance	\$363,665 per year	Information provided by vendor, Inflated at 3% beginning in year 4
Utilities	\$1105 annually per site	Based on the average utility cost for existing OneNet sites. Inflated at 3% beginning in year 5.
Leasing		
Depreciation	Actual cost for Outside Plant and network equipment Buildings \$1,750,000, Outside Plant \$88,812,491, Professional Services \$6,211,977, Network \$13,603,600, Customer \$154,700 and other \$98,000. This includes match.	Outside plant and buildings depreciated over 20 years using the straight line method Equipment depreciated over 5 years using the straight line method. The life and method is based on state policy.
Other	Locates \$3000 per month, Repair to huts \$12000 per year, Equipment Repair \$20000 per year. One FTE to assist the OneNet and OSF technical staff maintain and troubleshoot the backbone - \$65000 +35.4% benefits. In state travel is at \$0.55 per mile.	This is based on OneNet and OSF's experience. The salary is based on salary of state employees doing similar work. The benefit rate was provided by the Oklahoma Office of Personnel Management. Salary increases about every 2 years.
<b>Sales &amp; Marketing</b>		
Advertising		
Commissions		
Salaries		
Other	Shows and Exhibits in state \$10000 per year.	This is the approach used by OneNet. Also, OneNet and OSF will include information on their respective websites and OSF will include a specific website on the state portal.
<b>Customer Care &amp; Billing</b>		
Systems	The project will use the state's central accounting system and network	There will be no additional cost for the use of the system. The state will donate as match the initial set up of the system. Using the state system will facilitate ARRA and NTIA reporting.
Personnel	One FTE for Customer Support - \$70,000 per year plus benefits at 35.4% of salary. One billing & accounting FTE \$55,000 per year plus benefits at 35.4% of salary.	The salary is based on salary of state employees doing similar work. The benefit rate was provided by the Oklahoma Office of Personnel Management. Salaries increase about every 2 years.



Other	Travel - Lease state Vehicle @ \$800 per month and pay for overnight stays at state per diem rate of \$116 per day.	This is based on state data.
General & Administrative		
Professional Services	\$100,000 per year.	This is based on OneNet and OSF's experience.
Insurance	\$15,000 per year	Estimate provided by Dept. of Central Services Risk Management Division. Begin inflating at 3% beginning in year 3.
Non-Network Utilities	\$900 per year	This is based on OneNet and OSF's experience. Begin inflating at 3% in year 4.
Travel	Instate - 5 trips/year of 1000 miles @ \$0.55/mile - \$2,500.. Out of State - 3 trips/year for 3 nights - \$5,175 inflated @ 3% beginning in year 4.	This is based on OneNet and OSF experience.
Supplies	\$150/month	This is based on OneNet and OSF experience.
Miscellaneous	Manager \$100,000 per year plus benefits @ 35.4%, Administrative Asst. \$35,000 per year plus benefits @ 35.4%. Rent on office space 3000 square feet @ \$10/foot. Telephone \$300 per month. Conferences 3 per year \$10,000 out of state.	Salary is based on the salary of state employees doing similar work. The benefit rate was provided by the Oklahoma Office of Personnel Management. The office space is based on state standards and the current rental rates in Oklahoma City. Telephone and conference registration fees are based on experience of OneNet and OSF
Interest Expenses		
Debt Instrument A	N/A	No Debt Financing
Debt Instrument B	N/A	No Debt Financing
Taxes		
Federal Tax Rate	N/A	Tax Exempt - A Tax Agency
Other Tax Rates	N/A	Tax Exempt - A Tax Agency

# **Comprehensive Community Infrastructure** **Budget Narrative Template**

## **Oklahoma Community Anchor Network (OCAN)**

**Applicant Name:** State of Oklahoma

**EasyGrants Number:** 4544

**Organization Type:** State Government

**Proposed Period of Performance:** 3 years

**Total Project Costs:** \$110,759,631

**Total Federal Grant Request:** \$73,988,268

**Total Matching Funds (Cash):** \$5,537,048

**Total Matching Funds (In-Kind):** \$31,224,315

**Total Matching Funds (Cash + In-Kind):** \$36,761,363

**Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs:** 33.2%

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1. Administrative and Legal Expense - \$0.00

2. Land, Structure, Right of Way, Appraisals - \$23,724,315

- Right of Way – In-Kind - \$22,374,315
  - Acquisition Costs for Limited Access Highways
    - Urban – 70 miles; \$28,000 cost per mile; \$1,960,000 total value
    - Rural – 246 miles; \$24,000 cost per mile; \$5,904,000 total value
  - Acquisition Costs for Non-Controlled Access Highways
    - Rural – 689 miles; \$20,000 cost per mile; \$13,780,000 total value
  - Actual land Costs

## BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

- 1,005 miles; land cost calculation – 6' wide trench x 5,280 ft - \$1,000 per acre); \$730,836 total value

NOTE: Oklahoma Department of Transportation acquisition costs are based on the average of 8 parcels acquired per mile and the associated costs of acquisition for each parcel. Costs include appraisal, engineering, legal, title search, negotiation and acquisition.

Urban = 3,500 per parcel

Rural (limited access) = 3,000 per parcel

Rural (no access) = 2,500 per parcel

- **Communication Huts – Grant Amount - \$1,350,000**  
Co-location Communication Huts – 15 @ \$90,000 for total of \$1,350,000. This is based on information provided by vendors and supported by recent experience of Oklahoma Department of Transportation and Oklahoma Office of State Finance in acquiring similar structure.

### 3. Relocation Expenses - \$0.00

### 4. Architectural and Engineering Fees - \$1,777,170

Cash Match - \$1,493,458

- Preliminary Design - \$331,770. Estimated to require 4,600 hours at \$72.12 per hour.
- Project Plan Development - \$1,161,668. Estimated to require 14,235 hours at \$81.61 per hour.
- Grant amount - \$283,732. Estimated to require 3,467 hours at \$81.84 per hour.

### 5. Other Architectural and Engineering Fees – Grant Amount - \$600,000

- This cost is for 150 railroad crossing permits. The average cost of a permit is \$4,000.

### 6. Site Work - \$0.00

### 7. Demolition/Removal - \$0.00

### 8. Inspection – Cash Match - \$3,834,807

- Estimated to require 47,944 hours @ \$79.98 per hour.

### 9. Construction – Grant Amount - \$52,600,000

- The construction will be done by an outside contractor. The contractor will build the fiber route including buying the conduit and pulling the fiber. The contractor will be required to bid a turn-key job, including fiber and conduit, and a bid for only construction with materials being provided as a result of a separate bid. The fiber and conduit are listed under the equipment category.
- The construction cost not including fiber and conduit is estimated to be \$50,000 per mile. The plan fiber build is 1,052 miles, including 47 miles to connect the 32 anchors.

10. Equipment – In-Kind Match - \$8,850,000 – Grant Amount - \$19,146,536

- The In-Kind is \$5,000,000 for routers and switches OneNet is planning to upgrade existing locations. This cost estimate is based on information provided by vendors. Additionally, \$3,850,000 is for OneNet existing fiber that will be used as redundant route for the proposed build.
- The grant amount of \$19,146,536 is based on information provided by various vendors. The fiber is estimated to be \$5,280 per mile for 96 strands, \$3,432 for 48 strands, \$2,376 for 24 strands and conduit is \$5,544 per mile. The details of the other equipment are shown on the detail project costs schedule and in the key assumptions in the project budget.

11. Miscellaneous – Cash Match - \$208,803 and Grant Amount - \$18,000

- The grant amount is for 5 computers at \$1,200 per computer and 4 desks at \$3,000 per desk.
- The Cash Match of \$80,000 is to set up the accounting and billing system by OSF staff and consultants 1,600 hours at \$50 per hour. Cash Match of \$128,803 is pre-application expenses. See Exhibit A.

12. Total - \$110,759,631

13. Contingency - \$0.00

BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

Exhibit A

**PRE-APPLICATION EXPENSES**

Individual or Firm	Description	Bases for Charge		Amount
		Hours	Rate/Hour	
Teena Belcik	Grant Consultant	Contract Amount		\$33,500.00
<b><u>Technical State Team</u></b>				
Kurt Snodgrass	Vice Chancellor, IT & Telecom	150	\$69.71	\$10,456.73
James Deaton	Chief Technology Officer	125	\$54.76	\$6,844.95
Mike Sharp - Conservation	Geographic Info Coord / Dir of IT	40	\$31.93	\$1,277.10
May Yuan - OU	Geoinformatics Program Director	90	\$77.06	\$6,935.02
<b><u>Mapping Team</u></b>				
Tim Gatz	ODOT Lead	110	\$54.81	\$6,028.85
Jay Adams	Project/Tribal Coord.	160	\$39.63	\$6,341.54
Alan Stevenson	ITS Engineering	210	\$34.47	\$7,237.73
Duane Cranford	ITS Mapping	110	\$23.49	\$2,584.15
Siv Sundaram	Asst. Division Engineer	65	\$39.00	\$2,535.00
Jeff Pearl	Hazardous Waste	60	\$35.00	\$2,100.00
Jeri Anderson	Water Specialist	55	\$35.00	\$1,925.00
Julie Hoagland	Archeologist	48	\$35.00	\$1,680.00
<b><u>Budgeting State Team</u></b>				
Joseph Fleckinger	Deputy Director of IT / Dir of ISD	207	\$48.80	\$10,101.20
Richard Clark	Operations & Application Mgr	230	\$45.29	\$10,416.35
<b><u>Legal Team</u></b>				
Nancy Connally	Legal Counsel	60	\$47.45	\$2,847.12
<b><u>Writing Team</u></b>				
Susan Savage	Secretary of State	145	\$45.43	\$6,587.74
Sonja Wall	ARRA Assistant to Secretary of State	435	\$21.62	\$9,404.71
<b><u>Other</u></b>				
Travel				
Out of Pocket				
Rentals of Conference				
<b>Total Pre-Application Expenses</b>				<b>\$128,803.18</b>

## **GOVERNMENT AND KEY PARTNERSHIPS**

The purpose of the Oklahoma Community Anchor Network (OCAN) is to extend broadband and advanced network services and offerings to 32 community anchor institutions both directly and through targeted public/private partnerships. Community anchor institutions which will directly benefit from OCAN include community colleges, universities, hospitals and public safety organizations. The key partners in the implementation of OCAN are as follows:

### **Oklahoma Department of Transportation**

200 N.E. 21<sup>st</sup> Street  
Oklahoma City, Oklahoma 73105

State Government  
Tim Gatz  
Director of Capital Programs and  
Information Systems  
405-522-6000

The mission of the Oklahoma Department of Transportation (ODOT) is to provide a safe, economical and effective transportation network for the people, commerce and communities of Oklahoma. With 2,300 employees statewide, coordination of transportation projects and safety is paramount. Currently, ODOT has 3 Field Division Headquarters that only have 1.54 mbps and 12 county maintenance facilities that have DSL or 56kbps speeds. Connection to the Fiber Backbone would greatly enhance ODOT's capability to do their work with efficiency as well as save money with greater communications. ODOT's contribution will be providing engineering services for OCAN, and providing access to highway right-of-ways for the Fiber Backbone and construction management for the State.

### **Oklahoma State Regents for Higher Education**

655 Research Parkway, Suite 200  
Oklahoma City, Oklahoma 73104

State Government  
Glen Johnson  
Chancellor  
405-225-9100

The State Regents are the coordinating board of control for all institutions in the State System of Higher Education and prescribe academic standards of higher education, determine functions and courses of study at state colleges and universities, grant degrees, and approve each public college's and university's allocations, as well as tuition and fees within the limits set by the Oklahoma Legislature. The State Regents also maintain oversight of OneNet, Oklahoma's official telecommunications network for education and government.

### **OneNet**

655 Research Parkway, Suite 150  
Oklahoma City, Oklahoma 73105

State Government  
Kurt A. Snodgrass  
Vice Chancellor for IT &  
Telecommunications  
405-225-9444

OneNet, Oklahoma's official telecommunications and information network for education and government, is an operational division of the Oklahoma State Regents for Higher Education operated in cooperation with the Office of State Finance. It became operational in 1996 – evolving from the statewide microwave-based talk-back television system established and operated by the State Regents from 1971 to the mid-1980s. OneNet currently provides high-speed telecommunications connectivity to more than 1,800 constituents statewide including,

but not limited to, public schools; vocational-technical schools; colleges and universities; courts; libraries; and local, county, state, tribal, and federal government agencies throughout Oklahoma. Built upon an advanced research network core and 42 hub sites throughout the state, OneNet is the primary gateway to the Internet for educational and governmental institutions within Oklahoma.

**Office of State Finance**  
2300 N. Lincoln, Suite 123  
Oklahoma City, Oklahoma 73105

State Government  
Michael Clingman  
Director  
405-522-0012

The Office of State Finance (OSF) is responsible for producing the Governor's Executive Budget and the Comprehensive Annual Financial Report, partnering in the implementation of the State of Oklahoma's Integrated Central Financial System (CORE), establishing fiscal policies and processing the State's financial transactions, including payroll, vendor payments and federal aid; and managing OK.gov, the State's Internet portal and the State's transparency site.

OSF maintains and operates the state's Central and Management Information System (CORE). This system will be used for accounting for all grant funds, project cost, customer billing, preparing monthly and annual financial reports for NTIA and partners. OSF will contribute as in-kind match the cost to set up the system to process all grant and operating transactions. The OSF accounting department will be responsible for ongoing accounting and reporting activities.

**Information Services Division**  
2209 North Central  
Oklahoma City, Oklahoma 73105

State Government  
Joseph M. Fleckinger  
Deputy Director of Information Technology  
and Director of ISD  
405-522-4026

The Information Services Division (ISD) is an operational division of OSF and is responsible for the State's Data Center and Central Communication System, implementing and processing the State's integrated financial and management information system (CORE) and managing the State Portal System. ISD is responsible for coordinating the information technology and telecommunication long-range planning through analysis of technology plans for agencies, for establishing minimum mandatory information technology and telecommunication standards and for coordinating the annual information security risk assessment and reporting the results of the state agency risk assessment. Annually, ISD receives, reviews and publishes a 1-year operating technology plan for all agencies. Additionally, the division approves acquisitions of information technology and telecommunication hardware, software, services and equipment for executive branch agencies.

The ISD cabling department staff manages the outside and inside plant installation for state agencies. ISD has existing construction contracts for outside and inside plant and contracts with suppliers of fiber conduit and associated accessories. Currently, ISD provides telecommunication connectivity to 45 state agencies in the Capitol Complex in Oklahoma City and Tulsa. ISD operates the central telephone system with more than 13,000 connections and is in the process of converting the SL100 switch to a VoIP system.

To whom it may concern:

Pine would be willing to work in conjunction with the State of Oklahoma and One-net (group) on a middle mile grant application project to bring service to ET Dunlap Center for Higher Education. Pine would be willing to work with and assist the group in submitting grant application for NTIA.

With this being said, Pine's participation and support of the grant application would be contingent upon certain general stipulations by the group. Pine would want to explore the possibilities of what restrictions the group and Pine could agree to as far as end user usage. As part of these possibilities an agreement would have to be drafted to cover last mile operations, targeted customers/end users and any resale capabilities of the group. These agreements would facilitate a clear understanding of the duties and rights of both Pine and the group. We believe these covenants can be satisfied in the time remaining and Pine does not believe that these covenants would be a hindrance to the overall success and goals of the project.

Pine is excited about the possibilities of this venture and looks forward to participating in the grant process. Should the group desire to further explore the participation by Pine please feel free to contact us. Thanks for your time and consideration of Pine in this process.

Jerry Whisenhunt

Pine Telephone Company



### BUDGET INFORMATION - Construction Programs

OMB Approval No. 4040-0008  
Expiration Date 07/30/2010

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
2. Land, structures, rights-of-way, appraisals, etc.	\$ <input type="text" value="23,724,315.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="23,724,315.00"/>
3. Relocation expenses and payments	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
4. Architectural and engineering fees	\$ <input type="text" value="1,777,170.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="1,777,170.00"/>
5. Other architectural and engineering fees	\$ <input type="text" value="600,000.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="600,000.00"/>
6. Project inspection fees	\$ <input type="text" value="3,834,807.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="3,834,807.00"/>
7. Site work	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
8. Demolition and removal	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
9. Construction	\$ <input type="text" value="52,600,000.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="52,600,000.00"/>
10. Equipment	\$ <input type="text" value="27,996,536.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="27,996,536.00"/>
11. Miscellaneous	\$ <input type="text" value="226,803.00"/>	\$ <input type="text" value=""/>	\$ <input type="text" value="226,803.00"/>
12. SUBTOTAL (sum of lines 1- 11)	\$ <input type="text" value="110,759,631.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="110,759,631.00"/>
13. Contingencies	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
14. SUBTOTAL	\$ <input type="text" value="110,759,631.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="110,759,631.00"/>
15. Project (program) income	\$ <input type="text" value=""/>	\$ <input type="text" value=""/>	\$ <input type="text" value="0.00"/>
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ <input type="text" value="110,759,631.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="110,759,631.00"/>
<b>FEDERAL FUNDING</b>			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter eligible costs from line 16c Multiply X <input type="text" value="66.8"/> % Enter the resulting Federal share.			\$ <input type="text" value="73,988,268.00"/>

## INSTRUCTIONS FOR THE SF-424C

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0041), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.  
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This sheet is to be used for the following types of applications: (1) "New" (means a new [previously unfunded] assistance award); (2) "Continuation" (means funding in a succeeding budget period which stemmed from a prior agreement to fund); and (3) "Revised" (means any changes in the Federal Government's financial obligations or contingent liability from an existing obligation). If there is no change in the award amount, there is no need to complete this form. Certain Federal agencies may require only an explanatory letter to effect minor (no cost) changes. If you have questions, please contact the Federal agency.

*Column a.* - If this is an application for a "New" project, enter the total estimated cost of each of the items listed on lines 1 through 16 (as applicable) under "COST CLASSIFICATION."

If this application entails a change to an existing award, enter the eligible amounts *approved under the previous award* for the items under "COST CLASSIFICATION."

*Column b.* - If this is an application for a "New" project, enter that portion of the cost of each item in Column a. which is *not* allowable for Federal assistance. Contact the Federal agency for assistance in determining the allowability of specific costs.

If this application entails a change to an existing award, enter the adjustment [+ or (-)] to the previously approved costs (from column a.) reflected in this application.

*Column.* - This is the net of lines 1 through 16 in columns "a." and "b."

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Line 1 - Enter estimated amounts needed to cover administrative expenses. Do not include costs which are related to the normal functions of government. Allowable legal costs are generally only those associated with the purchases of land which is allowable for Federal participation and certain services in support of construction of the project.

Line 2 - Enter estimated site and right(s)-of-way acquisition costs (this includes purchase, lease, and/or easements).

Line 3 - Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

Line 4 - Enter estimated basic engineering fees related to construction (this includes start-up services and preparation of project performance work plan).

Line 5 - Enter estimated engineering costs, such as surveys, tests, soil borings, etc.

Line 6 - Enter estimated engineering inspection costs.

Line 7 - Enter estimated costs of site preparation and restoration which are not included in the basic construction contract.

Line 9 - Enter estimated cost of the construction contract.

Line 10 - Enter estimated cost of office, shop, laboratory, safety equipment, etc. to be used at the facility, if such costs are not included in the construction contract.

Line 11 - Enter estimated miscellaneous costs.

Line 12 - Total of items 1 through 11.

Line 13 - Enter estimated contingency costs. (Consult the Federal agency for the percentage of the estimated construction cost to use.)

Line 14 - Enter the total of lines 12 and 13.

Line 15 - Enter estimated program income to be earned during the grant period, e.g., salvaged materials, etc.

Line 16 - Subtract line 15 from line 14.

Line 17 - This block is for the computation of the Federal share. Multiply the total allowable project costs from line 16, column "c." by the Federal percentage share (this may be up to 100 percent; consult Federal agency for Federal percentage share) and enter the product on line 17.

## ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009  
Expiration Date 07/30/2010

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

*SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL <i>Joseph M. Steckberg, Jr.</i>	*TITLE <i>Deputy Director of Information Technology</i>
*APPLICANT ORGANIZATION <i>State of Oklahoma</i>	*DATE SUBMITTED <i>3/26/2010 0.00</i>

**ATOKA MEMORIAL HOSPITAL**

1200 W. LIBERTY ROAD, ATOKA, OKLAHOMA 74525 PHONE (580) 869-3333 FAX (580) 869-1948

March 22, 2010

Joe Fleckinger  
Deputy Director of Information Technology  
Office of State Finance  
2209 N. Central  
Oklahoma City, OK 73105

**RE: Letter of Commitment for Oklahoma Community Anchor Network (OCAN)**

Dear Mr. Fleckinger:

*Atoka Memorial Hospital* wishes to express its commitment as an Anchor Institution in Oklahoma's proposal to develop a broadband middle mile fiber route throughout the state. We understand the state will apply for a Broadband Technology Opportunities Program ARRA grant to help fund this project, and we are happy to offer support to this grant application which will enhance health care delivery throughout all of Oklahoma.

Once implemented, *Atoka Memorial Hospital* will benefit greatly from the direct fiber connection. Specifically, it will substantially upgrade our connectivity and provide more reliability that will enable us to better serve our constituents in a more efficient and effective manner and provide the requisite infrastructure to support telemedicine and electronic medical record applications.

In addition to enhancing our health and welfare mission, we anticipate this broadband middle mile route will provide the essential framework that can promote economic development in our area. Through open access to the funded infrastructure, key fiber assets can be made available to local telecommunications companies who can then provide the much-needed last mile component to our rural citizens and businesses.

Recognizing the long-term benefits both to *Atoka Memorial Hospital* and the surrounding community, I strongly encourage the NTIA to award grant funding to the State of Oklahoma for this very worthwhile project.

Sincerely,

  
David Burrage, CEO  
*Atoka Memorial Hospital*

## General Budget Overview

Budget	Federal Funding Request	Matching Funds (Cash)	Matching Funds (In-Kind)	Budget TOTAL	Last Mile Allocation	Middle Mile Allocation	Allocated TOTAL
Network & Access Equipment (switching, routing, transport, access)	\$8,604		\$5,000	\$13,604		\$13,603.60	\$13,604
Outside Plant (cables, conduits, ducts, poles, towers, repeaters, etc.)	\$62,588		\$26,224	\$88,813		\$88,812.50	\$88,813
Buildings and Land – (new construction, improvements, renovations, lease)	\$1,750			\$1,750		\$1,750.00	\$1,750
Customer Premise Equipment (modems, set-top boxes, inside wiring, etc.)	\$155			\$155		\$154.80	\$155
Billing and Operational Support Systems (IT systems, software, etc.)	\$18	\$80		\$98		\$98.00	\$98
Operating Equipment (vehicles, office equipment, other)				\$0		\$0.00	\$0
Engineering/Professional Services (engineering design, project management, consulting, etc.)	\$884	\$5,328		\$6,212		\$6,211.70	\$6,212
Testing (network elements, IT system elements, user devices, test generators, lab furnishings, servers/computers, etc.)				\$0		\$0.00	\$0
Site Preparation				\$0		\$0.00	\$0
Other		\$129		\$129		\$128.80	\$129
<b>TOTAL BROADBAND SYSTEM:</b>	<b>\$73,998</b>	<b>\$5,537</b>	<b>\$31,224</b>	<b>\$110,759</b>	<b>\$0</b>	<b>\$110,759</b>	<b>\$110,759</b>
<b>Cost Share Percentage:</b>	<b>66.81%</b>	<b>5.00%</b>	<b>28.19%</b>				



**DETAIL OF PROJECT COSTS**

**Oklahoma Community Anchor Network (OCAN)**

PLEASE COMPLETE THE TABLE BELOW FOR THE DIFFERENT CATEGORIES OF EQUIPMENT THAT WILL BE REQUIRED FOR COMPLETING THE PROJECT. EACH CATEGORY SHOULD BE BROKEN DOWN TO THE APPROPRIATE LEVEL FOR IDENTIFYING UNIT COST

SERVICE AREA or COMMON NETWORK FACILITIES:		Match (Cash/In-kind)	Unit Cost	No. of Units	Total Cost	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
<b>NETWORK &amp; ACCESS EQUIPMENT</b>					<b>\$13,603,600</b>	<b>\$0</b>	<b>\$13,603,600</b>	<b>\$13,603,600</b>		
<b>Switching</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Routing</b>	Router Card		\$20,100.00	42	\$844,200		\$844,200.00	\$844,200	10. Equipment	Based on information provided by vendors
	Router Optics		\$2,700.00	80	\$216,000		\$216,000.00	\$216,000	10. Equipment	Based on information provided by vendors
	Routers & Switches	In-kind Match	\$5,000,000.00	1	\$5,000,000		\$5,000,000.00	\$5,000,000	10. Equipment	Based on information provided by vendors
<b>Transport</b>	DWDM Node		\$215,000.00	35	\$7,525,000		\$7,525,000.00	\$7,525,000	10. Equipment	Based on information provided by vendors
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Access</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Other</b>	Equipment Racks		\$320.00	47	\$15,040		\$15,040.00	\$15,040	10. Equipment	Based on information provided by vendors
	Misc Fiber Jumpers		\$42.00	80	\$3,360		\$3,360.00	\$3,360	10. Equipment	Based on information provided by vendors
					\$0		\$0.00	\$0		
<b>OUTSIDE PLANT</b>					<b>\$88,812,491</b>	<b>\$0</b>	<b>\$88,812,491</b>	<b>\$88,812,491</b>		
<b>Cables</b>	96-SMF FOC		\$5,280.00	322	\$1,700,160		\$1,700,160.00	\$1,700,160	10. Equipment	Based on information provided by vendors
	48-SMF FOC		\$3,432.00	683	\$2,344,056		\$2,344,056.00	\$2,344,056	10. Equipment	Based on information provided by vendors
	24 SMF FOC		\$2,376.00	47	\$111,672		\$111,672.00	\$111,672	10. Equipment	Based on information provided by vendors
<b>Conduits</b>					\$0		\$0.00	\$0		
	2" HDPE Conduit		\$5,544.00	1005	\$5,571,720		\$5,571,720.00	\$5,571,720	10. Equipment	Based on information provided by vendors
	2" HDPE Conduit		\$5,544.00	47	\$260,568		\$260,568.00	\$260,568	10. Equipment	Based on information provided by vendors
<b>Ducts</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Poles</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Towers</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Repeaters</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Other</b>	Construction Cost, Middle mile		\$50,000.00	1005	\$50,250,000		\$50,250,000.00	\$50,250,000	9. Construction	Based on information provided by vendors and ODOT & OSF recent experience
	Construction Cost, Last Mile		\$50,000.00	47	\$2,350,000		\$2,350,000.00	\$2,350,000	9. Construction	Based on information provided by vendors and ODOT & OSF recent experience
	ODOT Right of Way	In-kind Match	\$22,263.00	1005	\$22,374,315		\$22,374,315.00	\$22,374,315	2. Land, structures	limited and non-controlled access highways.
	OneNet Existing Fiber	In-kind Match	\$3,850,000.00	1	\$3,850,000		\$3,850,000.00	\$3,850,000	10. Equipment	Based on recent OneNet IRUs



COMMON		Match	Unit Cost	No. of	Total Cost	Last Mile	Middle Mile	Allocated Total	SF-424C Budget	Support of Reasonableness
<b>BUILDINGS</b>					<b>\$1,750,000</b>	<b>\$0</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>		
<b>New Construction</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Pre-Fab Huts</b>	Co-Locate Comm Huts		\$90,000.00	15	\$1,350,000		\$1,350,000.00	\$1,350,000	2. Land, structures	Based on information provided by vendors and ODOT & OSF recent experience
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>Improvements &amp;</b>	Electrical System Upgrades		\$3,000.00	20	\$60,000		\$60,000.00	\$60,000	10. Equipment	Based on information provided by vendors
	DC Power Systems		\$17,000.00	20	\$340,000		\$340,000.00	\$340,000	10. Equipment	Based on information provided by vendors
					\$0		\$0.00	\$0		
<b>Other</b>					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
					\$0		\$0.00	\$0		
<b>CUSTOMER PREMISE EQUIPMENT</b>					<b>\$154,760</b>	<b>\$0</b>	<b>\$154,760</b>	<b>\$154,760</b>		
<b>Modems</b>	Anchor Switches		\$3,500.00	15	\$52,500		\$52,500	\$52,500	10. Equipment	Based on information provided by vendors
	Anchor Optics		\$700.00	30	\$21,000		\$21,000	\$21,000	10. Equipment	Based on information provided by vendors
					\$0		\$0	\$0		
<b>Set Top Boxes</b>					\$0		\$0	\$0		
					\$0		\$0	\$0		
					\$0		\$0	\$0		
<b>Inside Wiring</b>	Inside Wiring Anchor Facilities		\$2,500.00	32	\$80,000		\$80,000	\$80,000	10. Equipment	Based on information provided by vendors
					\$0		\$0	\$0		
					\$0		\$0	\$0		
<b>Other</b>	Misc Fiber Jumpers		\$42.00	30	\$1,260		\$1,260	\$1,260	10. Equipment	Based on information provided by vendors
					\$0		\$0	\$0		
					\$0		\$0	\$0		
<b>BILLING SUPPORT AND OPERATIONS SUPPORT SYSTEMS</b>					<b>\$98,000</b>	<b>\$0</b>	<b>\$98,000</b>	<b>\$98,000</b>		
<b>Billing Support</b>					\$0		\$0	\$0		
					\$0		\$0	\$0		
					\$0		\$0	\$0		
<b>Customer Care</b>					\$0		\$0	\$0		
					\$0		\$0	\$0		
					\$0		\$0	\$0		
<b>Other Support</b>	Computers		\$1,200.00	5	\$6,000		\$6,000	\$6,000	11. Misc.	Based on State Std. PC contract Price
	Furniture		\$3,000.00	4	\$12,000		\$12,000	\$12,000	11. Misc.	Based on State Std furniture contract Price
	Accounting System Set Up - OSF	Cash Match	\$80,000.00	1	\$80,000		\$80,000	\$80,000	11. Misc.	Based on OSF cost to configure system

COMMON		Match	Unit Cost	No. of	Total Cost	Last Mile	Middle Mile	Allocated Total	SF-424C Budget	Support of Reasonableness
<b>OPERATING EQUIPMENT</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>Vehicles</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Office Equipment /</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Other</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>PROFESSIONAL SERVICES</b>					<b>\$6,211,977</b>	<b>\$0</b>	<b>\$5,611,977</b>	<b>\$6,211,977</b>		
<b>Engineering</b>					\$0			\$0		
	Preliminary Design - ODOT	Cash Match	\$331,770.00	1	\$331,770		\$331,770.00	\$331,770	4. Architectural and engr.	Preliminary Design team - 4600 hrs.
					\$0			\$0		
<b>Project</b>					\$0			\$0		
	Project Inspection - Consultants	Cash Match	\$3,834,807.00	1	\$3,834,807		\$3,834,807.00	\$3,834,807	6. Inspection fees	Project inspection team - 47944 hrs .
					\$0			\$0		
<b>Consulting</b>										
	Project Plan Development - Consultants	Cash Match	\$1,161,668.00	1	\$1,161,668		\$1,161,668.00	\$1,161,668	4. Architectural and engr.	Project Plan Development Team - 14235 hrs.
	Final Design - Consultants		\$283,732.00	1	\$283,732		\$283,732.00	\$283,732	4. Architectural and engr.	Design Team - 3467 hrs.
					\$0			\$0		
<b>Other</b>					\$0			\$0		
	Railroad Permits - Fees		\$600,000.00	1	\$600,000			\$600,000	5. Other archit. and engr.	\$4,000 per Crossing.
					\$0			\$0		
<b>TESTING</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>Network</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>IT System</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>User Devices</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Test Generators</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Lab</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
<b>Servers/Computer</b>					\$0			\$0		
					\$0			\$0		
					\$0			\$0		

COMMON		Match	Unit Cost	No. of	Total Cost	Last Mile	Middle Mile	Allocated Total	SF-424C Budget	Support of Reasonableness
<b>OTHER UPFRONT COSTS</b>					<b>\$128,803</b>	<b>\$0</b>	<b>\$128,803</b>	<b>\$128,803</b>		
Site					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
Other					\$0			\$0		
	Pre- Application Expenses	Cash Match	\$128,803	1	\$128,803		\$128,803	\$128,803	11. Misc.	
					\$0			\$0		
<b>PROJECT TOTAL:</b>					<b>\$110,759,631</b>	<b>\$0</b>	<b>\$110,159,631</b>	<b>\$110,759,631</b>		

SF-424C Cross-check Totals	
1. Admin and Legal	\$0
2. Land, structures	\$23,724,315
3. Relocation expenses	\$0
4. Architectural and engr.	\$1,777,170
5. Other archit. and engr.	\$600,000
6. Inspection fees	\$3,834,807
7. Site work	\$0
8. Demolition/removal	\$0
9. Construction	\$52,600,000
10. Equipment	\$27,996,536
11. Misc.	\$226,803

Matching Contribution Cross-check Totals	
Federal Funding Request	\$73,998,268
Cash Match Contribution	\$5,537,048
In-kind Match Contribution	\$31,224,315

Total Match

\$36,761,363

Approach to allocating Last Mile and Middle Mile costs:

**Broadband Subscriber Estimates**  
Oklahoma Community Anchor Network (OCAN)

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				Year 8			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Tired Gigabit Ethernet	Community Anchor Inst.		Cumulative					5	14	26	29	32	32	32	33	35	38	42	43	45	48	52	53	55	58	62	63	65	68	72	73	75	78	82	
			Net Add	5	9	12	3	3	0	0	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Dark Fiber IAU	Third Party Service Provider		Cumulative					1	2	2	3	3	3	3	3	4	4	4	4	5	5	5	5	7	7	7	7	9	9	9	9	12	12	12	
			Net Add	1	1	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	2	0	0	0	2	0	0	0	3	0	0	0	
			Cumulative																																
			Net Add																																
			Cumulative																																
			Net Add																																
			Cumulative																																
			Net Add																																
Cumulative Totals (excluding Indirect)	Residential/Individual		Total																																
	Business		Total																																
Cumulative Totals (including Indirect)	Community Anchor Inst.		Total					0	1	2	2	3	3	3	3	4	4	4	4	5	5	5	5	7	7	7	7	9	9	9	9	12	12	12	
	Third Party Service Provider		Total																																
	Residential/Individual		Total																																
	Business		Total																																
	Community Anchor Inst.		Total					0	1	2	2	3	3	3	3	4	4	4	4	5	5	5	5	7	7	7	7	9	9	9	9	12	12	12	

**Table of Customer Types**

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business
Indirect - Com. Anchor Inst.

**Explanation of Methodology:** These estimates were based on the plan build of the fiber route and connection of the original 32 anchor. Beginning in year 4 ten anchors within 5 miles of the built fiber will be added each year for a total of 82 anchors at the end of year 8.

**MARY HURLEY HOSPITAL  
PO BOX 326  
COALGATE, OK 74538-0326**

March 22, 2010

Joe Fleckinger  
Deputy Director of Information Technology  
Office of State Finance  
2209 North Central  
Oklahoma City, OK 73105

**RE: Letter of Commitment for Oklahoma Community Anchor Network (OCAN)**

Dear Mr. Fleckinger:

Mary Hurley Hospital wishes to express its commitment as an Anchor Institution in Oklahoma's proposal to develop a broadband middle mile fiber route throughout the state. We understand the state will apply for a Broadband Technology Opportunities Program ARRA grant to help fund this project, and we are happy to offer support to this grant application which will enhance health care delivery throughout all of Oklahoma.

Once implemented, Mary Hurley Hospital will benefit greatly from the direct fiber connection. Specifically, it will substantially upgrade our connectivity and provide more reliability that will enable us to better serve our constituents in a more efficient and effective manner and provide the requisite infrastructure to support telemedicine and electronic medical record applications.

In addition to enhancing our health and welfare mission, we anticipate this broadband middle mile route will provide the essential framework that can promote economic development in our area. Through open access to the funded infrastructure, key fiber assets can be made available to local telecommunications companies who can then provide the much-needed last mile component to our rural citizens and businesses.

Recognizing the long-term benefits both to Mary Hurley Hospital and the surrounding community, I strongly encourage the NTIA to award grant funding to the State of Oklahoma for this very worthwhile project.

Sincerely,

Dan A. Clements, CEO  
Mary Hurley Hospital

## Comprehensive Community Infrastructure Key Metrics Dashboard

Please refer to the CCI Grant Guidelines for instructions on completing this form.

Applicant Profile	
Applicant Name	State of Oklahoma
Title	Oklahoma Community Anchor Network (OCAN)
Easygrants ID	4544
Headquarters	<b>Oklahoma City, OK</b>
Size (2009 Data) of Applicant Entity	<ul style="list-style-type: none"> <li>• Current Year Revenues:</li> <li>• Employees:</li> </ul>
Technology Type	<b>Wireline – Fiber Optic Cable</b>
Key Partners	<b>OSF, ODOT, OSRHE, OneNet</b>

Project Economics			
Budget Information		Project Financials	
Project Budget	<b>\$110,759,631</b>	Project Revenues (Yr 8)	<b>5,674,800</b>
Federal Contribution (%)	<b>66.8%</b>	Net Income and Margin (Yr 8)	<b>-7,762,950 (-136.8%)</b>
Cash Match Amount (%)	<b>5.0%</b>	EBITDA and Margin (Yr 8)	<b>4,422,893 (77.9%)</b>
In Kind Match Amount (%)	<b>28.2%</b>	Rate of Return (w/o BTOP Funds)	-13%
Middle Mile/Last Mile Budget Allocation		Rate of Return (w/ BTOP Funds)	n/a
Middle Mile Percentage (%)	100%	Cost Efficiency	
Last Mile Percentage (%)	n/a	Cost per Mile (MM)	<b>\$62,277</b>
Rural Last Mile Percentage	n/a	Cost per Household (LM)	<b>n/a</b>

Market Territory	
Geographic Area(s)	The Oklahoma Community Anchor Network (OCAN) proposes to deploy a fiber backbone that, when combined with the state's existing network, strategically passes through 77% of the counties in Oklahoma. It is estimated that this combined middle mile broadband route will be accessible to 89% of the population in Oklahoma.
Middle Mile Network Composition	
Total Proposed Network Miles (MM only)	<ul style="list-style-type: none"> <li>• Total Miles: <b>2212</b></li> <li>• Backbone Miles: <b>2212</b></li> <li>• Lateral Miles:</li> </ul>
New Construction Network Miles (MM only)	<ul style="list-style-type: none"> <li>• Total Miles: <b>1005</b></li> <li>• Backbone Miles: <b>1005</b></li> <li>• Lateral Miles:</li> </ul>
Existing Applicant Network Miles Utilized (MM only)	<ul style="list-style-type: none"> <li>• Total Miles: <b>1100</b></li> <li>• Backbone Miles: <b>1100</b></li> <li>• Lateral Miles:</li> </ul>
Leased Network Miles Utilized (MM only)	<ul style="list-style-type: none"> <li>• Total Miles: <b>107</b></li> <li>• Backbone Miles: <b>107</b></li> <li>• Lateral Miles:</li> </ul>

## Comprehensive Community Infrastructure Key Metrics Dashboard

Underserved/Unserved	<ul style="list-style-type: none"> <li>Percentage of Backbone Miles in Underserved/Unserved Areas: 71%</li> <li>Percentage of Lateral Miles in Underserved/Unserved Areas:</li> </ul>
<b>Existing Customer Base</b>	
Existing Residential/Individual Customers within PFSA	<b>None</b>
Existing Business Customers within PFSA	<b>None</b>
Existing Community Anchor Institution Customers within PFSA	<ul style="list-style-type: none"> <li>Total CAI's: 355</li> <li>Community Colleges: 12</li> <li>Public Safety Entities:</li> </ul>
Existing Third Party Service Provider Customers within PFSA	<b>Unknown</b>
<b>Potential Customer Base</b>	
Market Potential Households (within PFSA)	<ul style="list-style-type: none"> <li>Total HH's: 943,859</li> <li>Located in Underserved/Unserved Areas: n/a (most)</li> </ul>
Market Potential Businesses (within PFSA)	<ul style="list-style-type: none"> <li>Total Businesses: 55,926</li> <li>Located in Underserved/Unserved Areas: n/a (most)</li> </ul>
Market Potential Community Anchor Institutions (within PFSA)	<ul style="list-style-type: none"> <li>Total CAI's: 1,154</li> <li>Located in Underserved/Unserved Areas: n/a (most)</li> <li>Community Colleges: 12 (all are being connected in this proposal)</li> <li>Public Safety Entities: 384</li> </ul>
Market Potential Third Party Service Providers (within PFSA)	<ul style="list-style-type: none"> <li>Total Third Party Service Providers in PFSA: Unknown</li> <li>Expressing Commitment or Letter of Interest: 3</li> </ul>
<b>Funded Network Coverage</b>	
Households Connected to Network (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> <li>Total Households Connected: <b>n/a</b></li> <li>Located in Underserved/Unserved Areas:</li> </ul>
Businesses Connected to Network (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> <li>Total Businesses Connected: n/a</li> <li>Located in Underserved/Unserved Areas:</li> </ul>
Community Anchor Institutions Directly Connected (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> <li>Total Directly Connected CAI's: 32</li> <li>Located in Underserved/Unserved Areas: <b>32</b></li> <li>Community Colleges: 12</li> <li>Public Safety Entities: 3</li> </ul>
Projected Subscribers by Year Five	<p><b><u>Directly Served by Applicant</u></b></p> <ul style="list-style-type: none"> <li>Community Anchor Institutions: 52</li> <li>Households: 0</li> <li>Businesses: 0</li> <li>Third Party Service Providers: <b>5</b></li> </ul> <p><b><u>Served by Proposed Network Via Third Party Service Provider</u></b></p> <ul style="list-style-type: none"> <li>Community Anchor Institutions: n/a</li> <li>Households: n/a</li> <li>Businesses: n/a</li> </ul>

## Comprehensive Community Infrastructure Key Metrics Dashboard

Other	
Proposed MM Network Capacity	<ul style="list-style-type: none"> <li>• Backbone: 1 Gigabit – 10 Gigabit</li> <li>• Laterals:</li> </ul>
Proposed LM Network Speed	<ul style="list-style-type: none"> <li>• Highest offered speed tier:</li> <li>• Estimated Average speed for highest speed tier:</li> </ul>
Total Points of Interconnection	<ul style="list-style-type: none"> <li>• Total Pol's: 110</li> <li>• Pol's in Underserved/Unserved Areas: ?</li> <li>• Environmentally-controlled, non-passive Pols: ?</li> </ul>
Jobs Created	<ul style="list-style-type: none"> <li>• <b>Direct Job-years: 863</b></li> <li>• <b>Indirect Job-years: 0</b></li> <li>• <b>Induced Job-years: 0</b></li> </ul>
Required Time for Project Completion (Number of Required Quarters to Fully Build-out and Test Network and Make Ready for Commercial Service)	<b>11</b>



### CERTIFICATION REGARDING LOBBYING LOWER TIER COVERED TRANSACTIONS

Applicants should review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying."

#### LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

NAME OF APPLICANT

Oklahoma Office of State Finance

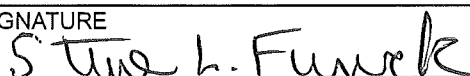
AWARD NUMBER AND/OR PROJECT NAME

Oklahoma Community Anchor Network (OCAN)

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Steve L. Funck, Deputy Comptroller

SIGNATURE



DATE

May 24, 2010

### CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

#### LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

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(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

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Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

NAME OF APPLICANT	AWARD NUMBER AND/OR PROJECT NAME
Oklahoma Office of State Finance	Oklahoma Community Anchor Network (OCAN)
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
Steve L. Funck, Deputy Comptroller	
SIGNATURE	DATE
<i>Steve L. Funck</i>	May 24, 2010

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**U.S. Department of Commerce**  
**Broadband Technology Opportunities Program**  
**Authentication and Certifications**

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1. I certify that I am the duly Authorized Organization Representative (AOR) of the applicant organization, and that I have been authorized to submit the attached application on its behalf.
2. I certify that I have examined this application, that all of the information and responses in this application, including certifications, and forms submitted, all of which are part of this grant application, are material representations of fact and true and correct to the best of my knowledge, that the entity(ies) that is requesting grant funding pursuant to this application and any subgrantees and subcontractors will comply with the terms, conditions, purposes, and federal requirements of the grant program; that no kickbacks were paid to anyone; and that a false, fictitious, or fraudulent statements or claims on this application are grounds for denial or termination of a grant award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. §1001 and civil violations of the False Claims Act.
3. I certify that the entity(ies) I represent have and will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders and programmatic rules and requirements relating to the project. I acknowledge that failure to do so may result in rejection or deobligation of the grant or loan award. I acknowledge that failure to comply with all federal and program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
4. I certify that the entity(ies) I represent has and will comply with all applicable administrative and federal statutory, regulatory, and policy requirements set forth in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements ("DOC Pre-Award Notification"), published in the Federal Register on February 11, 2008 (73 FR 7696), as amended; DOC Financial Assistance Standard Terms and Conditions (Mar. 8, 2009); the Department of Commerce American Recovery and Reinvestment Act Award Terms (Apr. 9, 2009); and any Special Award Terms and Conditions that are included by the Grants Officer in the award.
5. I certify that any funds awarded to the entity(ies) I represent as a result of this application will not result in any unjust enrichment of such entity(ies) or duplicate any funds such entity(ies) receive under federal universal service support programs administered by the Universal Service Administrative Corporation (USAC).
6. I certify that the entity(ies) I represent has secured access to pay the 20% of total project cost or has petitioned the Assistant Secretary of NTIA for a waiver of the matching requirement.

3/26/2010  
Date

Steve L. Funck  
Authorized Organization Representative Signature

Steve L. Funck  
Print Name

Deputy State Comptroller  
Title

## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input type="checkbox"/> NA a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> NA a. bid/offer/application b. initial award c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> NA a. initial filing b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: 4c 5th	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known:	
<b>6. Federal Department/Agency:</b> Department of Commerce	<b>7. Federal Program Name/Description:</b> Broadband Technology Opportunities Program CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b> N/A	<b>9. Award Amount, if known:</b> \$	
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI): N/A The Applicant is not involved in any lobbying activities.	<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI): N/A	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Joseph M. Fleckinger</u> Title: <u>Deputy Director of Information Technology</u> Telephone No.: <u>504-522-4026</u> Date: <u>6/23/10</u>	
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)