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September 17, 2010

Phillip Lindley, Executive Director
ConnectME Authority
Cross State Office Building
State House Station 78
Augusta, Maine 04333-0078

Re: Pre-Application Letter – Bradford Road Broadband Project

Dear Phil:

In response to the ConnectME Authority's announcement of its fifth grant round, Cornerstone Communications is pleased to submit this Pre-Application letter for our Bradford Road Broadband Project.

1. The **Bradford Road Broadband Project** will serve the households along Bradford Road and a portion of Main Road, both in the town of Charleston, along with short spurs on side roads. Homes on these roads are at present unservable by any form of terrestrial broadband – FairPoint can't serve these residents with DSL service from their Corinth central office; Cornerstone's DSL service from our Charleston Village and West Charleston remote terminal collocations doesn't extend to them; and both Cornerstone's and Premium Choice Broadband's wireless internet services from their radios on the Charleston Hill tower fail to reach them. And there is no cable franchise in Charleston. This area presents a classic "*pocket problem*" of *unserved customers* beyond the reach of all existing service providers; factors including terrain contours, foliage cover, and the physical arrangement of FairPoint telephone cables put them out of the reach of traditional service methods. In short, the area to be served by this project is unserved. Cornerstone proposes to solve this "pocket problem" by installing fiber optic cable along the roads in question and connecting the area to our existing network nearby.
2. Existing possible service providers to Bradford Road area residents are limited to FairPoint, Premium Choice, and Cornerstone. FairPoint could only serve the project area by a significant change to its network topology, such as introducing a new remote terminal in the southern Charleston area. FairPoint has given no indication of near-term or long-term plans to change the way they serve this area; and this is confirmed by the fact that FairPoint has not identified the southern Charleston area as a location scheduled for network upgrades in their FCC-mandated "Short-Term Public Notice of Planned Network Modifications" letters. I have contacted Bill Varney of Premium Choice Broadband, and he confirms that Premium Choice does not object to Cornerstone's proposed project, as the area in question presents geographical obstacles to his company's service. And Charleston town officials confirm that no cable company has approached them for a franchise to serve the town.
3. We intend to place fiber optic cable passing the homes and businesses within the service area, with fiber drops, optical network terminals, and battery backup installed at customer premises. Backhaul links to Cornerstone's existing networks will be provided over a fiber optic link to our network node in Dover-Foxcroft. A ten-mile section of this fiber optic link will be provided by contract with the Maine Fiber Company over a portion (to be constructed) of their Three-Ring Binder network. Broadband plans with speeds of up to 10.0Mbps/2.0Mbps will be offered, with an expected standard service plan of 1.5Mbps/512Kbps. We believe that the Bradford Road Broadband Project can bring our first customers on-line within 8 months of confirmed funding of the project, with final completion within 13 months.

4. Current *estimated project cost* is **\$224,953**, subject to revision at the time of our formal application as the project details are worked out. In light of the extremely rural nature of the project, we are requesting *ConnectME grant funding* for **\$146,219**, representing 65% of the estimated project cost. (It should be noted that some parts of this project will support future “pocket problem” project proposals in the towns of Atkinson, Bradford, Charleston, Garland, and Hudson, making broadband service available to approximately 260 additional unserved households; inevitably, some of these costs must be borne by the first project put forward.)
5. *Cornerstone will fund* **\$78,734**, or 35% of the estimated project cost. Cornerstone has successfully carried out projects funded by the Authority in prior grant rounds, and we are committed meet our financial, management, and operational obligations with respect to the Bradford Road Broadband Project.
6. Fully 100% of the households in the project's service area will have access to Cornerstone's new service. By actual count, 82 business and residential structures will be within the scope of the project, including two business structures and a working dairy farm. Every one of the customers that will benefit from the project are currently unserved, and they have no reasonable prospect of service being extended to them by any means other than a project of the sort we are proposing.
7. We are working with Charleston town officials and citizens to gather support for this project. We will provide evidence of community support with our formal application.
8. Cornerstone Communications has established a strong track record in providing broadband service in rural Maine. Cornerstone has offered competitive DSL-based broadband service since establishment of our first collocations in Verizon central offices in 2003; at this time Cornerstone serves our more than 900 Maine customers from 9 central office collocations in FairPoint switching centers, 31 interconnections of our equipment at FairPoint remote-terminal locations, and wirelessly from 3 radio sites. We thus have a well-established record of using hard work and ingenuity in order to bring our services to rural Maine communities. We will be happy to provide more detailed evidence of our experience upon request.

We at Cornerstone Communications look forward to the formal application process, and we welcome the opportunity to accomplish the ConnectME Authority's objectives in the service area of the Bradford Road Broadband Project. If you have any questions about this Pre-Application letter, please give me a call or e-mail me; my contact information appears below. I'll be happy to respond. Thank you for your consideration of our proposed application.

Cornerstone Communications

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