



Lincolnville Telephone Company
Family of companies
serving Maine's
Telecommunications needs since 1904



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207-563-9911

- April 2, 2012
ConnectME Authority
Phil Lindley, Executive Director
78 Statehouse Station
Augusta, ME04333-0078

Re: Grant Round 7 Pre-Application Letter – Hope Project

Dear Mr. Lindley:

In response to the ConnectME Authority's announcement of its seventh grant round, Lincolnville Networks, Inc. ("Company") submits this pre-application letter for the above named Project ("Project").

1. We propose to upgrade service in Hope on 10-122 Morey Hill Road, 71-145 Woster Farm Road, 1069-1073 Camden Road, 96 Blueberry Hill Road, and 579 Alford Lake Road, in Camden on 753 Hope Road and 31-91 Carle Farm Road, in Lincolnville on 77-217 Moody Mountain Road, and in Appleton on 265-883 Camden Road, 1510-1627 Searsmont Road, 29-396 Magog Road, and 36-143 Lime Kiln Road.. As the incumbent provider for this area, we currently provide broadband service to the proposed service area at less than the ConnectME Tier 1 standard, leaving the area unserved by the ConnectME standard. Expansion of broadband service at or above the ConnectME Tier 1 standard is cost prohibitive in the proposed service area due to distance and low population density.
2. We've inquired with Midcoast Internet Solutions and found that MIS does not have plans to provide service via terrestrial wireless in the Project service area; and the Project service area is unserved by cable television broadband service.
3. The Company will install latest technology DSLAMs and related equipment, connected by fiber optic cable to our existing fiber optic network. We will deploy VDSL2 technology, allowing us to provide up to 100Mbps service to some customers, dependent upon distance from the equipment, and at minimum 6Mbps to all customers within the serving area. Allowing for weather, supply chain, and other issues affecting construction, we are planning to bring our customers on-line between 8 and 10 months from confirmed funding of the Project.
4. The current estimated Project cost is \$217,682, subject to revision at the time of our formal application. In light of the challenges of providing adequate bandwidth to this unserved area, and in light of the Authority's adopted broadband standard, we are requesting funding for \$139,316, representing 64% of the estimated Project cost.
5. The Company will fund \$78,366, or 36% of the estimated Project cost. Our CLEC affiliate has successfully carried out a project funded by the Authority in a prior grant round, and the

Company is strongly committed to expanding broadband service, as evidenced by our large current broadband service area. The balance sheet and income statement from the Company's most recent Annual Report to the Maine Public Utilities Commission is attached.

6. Fully 100% of the potential customer locations in the Project's service area will have access to the Project service. Our initial survey indicates that 63 households and businesses will be served within the Project boundaries. Our experience in expanding service into formerly unserved areas suggests a take rate of approximately 55%.

7. We are working with interested homeowners and business owners to gather support for this Project. We will provide evidence of community support as needed with our formal application.

8. Relevant experience: Our CLEC affiliate has successfully carried out a project funded by the Authority in a prior grant round, and Lincolnville Networks, Inc. is well capable of providing broadband service, as evidenced by its provision of up to 6 Megabit broadband service in most of its service area.

Thank you,

A handwritten signature in cursive script, reading "Shirley Manning".

Shirley Manning
President/General Manager
Lincolnville Networks, Inc.