

TIDEWATER TELECOM



Shirley Manning
President / General Manager

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

Re: Grant Round 7 Pre-Application Letter – New Harbor Project

Dear Mr. Lindley:

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

1. We propose to upgrade service in Bristol on 330-484 Old County Road, 175-227 Quail Run Road, 544-590 Route 32, 32 Tibbitts Road, 198-259 Foster Road, 206-263 Elliott Hill Road, 20 Cleaves Drive, 111-147 Luces Spring Road, 214-221 Browns Cove Raod and 58-98 Browns Head 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 \$102,235, 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 \$69,520, representing 68% of the estimated Project cost.

5. The Company will fund \$32,715, or 32% 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 57 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 Tidewater Telecom, 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, appearing to read "Shirley Manning".

Shirley Manning
President/General Manager
Tidewater Telecom, Inc.