

Benefits of A-CAM Funding at Initial Offer Amount

Table 1: TDS Telecom Comparison of August 2016 Offer (Initial Offer) to November 2016 Offer (Accepted Offer).

	Annual Revenue (w/o transition)	Fully-Funded Locations	Partially Funded Locations	25/3 Buildout Obligation	10/1 Buildout Obligation	4/1 Buildout Obligation	Reasonable Request Buildout Obligation	Additional Locations that get at least 10/1 in non-eligible areas
Accepted Offer (\$146+)	\$75,142,854	146,740	12,872	105,717	41,023	5,610	7,262	378,497
Initial Offer (\$200)	\$82,304,225	154,309	5,303	110,959	43,350	2,164	3,139	400,396
Difference	(\$7,161,371)	(7,569)	7,569	(5,242)	(2,327)	3,446	4,123	(21,899)

DISCUSSION: For TDS Telecom, we would receive an additional \$7.1M per year if the A-CAM is funded at the initial offer's funding cap of \$200. With this additional funding, the following benefits could be realized —

- **More locations would get higher speeds:**
 - We would be obligated to provide over 7,500 more locations with speeds of 25/3 and 10/1 because they would now be considered as fully-funded locations instead of partially-funded.
 - These additional locations would also get a new vectoring capable modem with advanced Wi-Fi – 802.11ac, and many of them will be able to get a 50Mbps or better product.
 - By providing higher speeds to these 7,500 locations there will be an additional 22,000 locations that will benefit in non-A-CAM eligible areas in that they will be able to get 10/1 or better service.
- **Build the network faster:** The more funding we get in the initial years will provide us the opportunity to buildout broadband quicker than taking up to 10 years, i.e., the more money we get externally allows us to increase our capital spend in the earlier years.