



Date: March 7, 2014

From: Lonnie Lawson, President & CEO
The Center for Rural Development
2292 South Highway 27
Somerset, KY 42501

To: Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington D.C. 20554

Subject: WC Docket No. 10-90
Rural Broadband Experiment – Expression of Interest

Background

The Center for Rural Development (hereafter, The Center), established in 1996 as a 501(c)3 community and economic development organization, serves 45 counties throughout Southern and Eastern Kentucky largely consisting of distressed rural Appalachian communities. Originally developed by a group of community leaders including Kentucky 5th District Congressman Harold Rogers, The Center has, for eighteen years, led the way in developing new and innovative programs to serve the citizens in this region.

Headquartered in Somerset, KY, The Center's mission is to provide leadership that stimulates innovative and sustainable economic development solutions and a better way of life for citizens in our service region. The Center's programs and services center around four Focus Areas: Public Safety, Arts & Culture, Leadership, and Technology.

While The Center's programs largely serve residents in our primary service area, we are also committed to constantly expanding our capabilities in order to deliver a range of key services throughout Kentucky and the nation.

The Center is a leader in rural access to emerging technology. We operate a Network Operations Center (NOC) at our headquarters facility in Somerset. We offer low cost co-location services, managed hosting and access to high bandwidth and internet capabilities. Our NOC is a model state-of-the-art datacenter with zoned security protocols. Our infrastructure supply and support systems are fully redundant backup systems. Data connectivity is fiber-based multi-vendor, multi-path capable.

The Center's publically available conference facilities are also fully "technology ready". High bandwidth (1 gigabit) internet access, both wired and wireless, can be accessed from anywhere in the facility. Our digital video control room can link to and receive audio/video feeds from anywhere on the planet with internet access. We also have analog satellite uplink and downlink systems, to and from any of our meeting spaces. Our facilities offer a wide range of origination and deliver choices in the dissemination of information.

Geographic Territory

The Center is proposing to provide the rural communities of Southern and Eastern Kentucky with a dark fiber network to provide high-speed broadband service to spur economic development. Although our primary concern includes the following census tracts, we expect many regions of our nation to gain from the opening of a third of Kentucky to remote service providers and their offerings.

State	County	CountyName	TractID	Eligible High Cost Locations	Extremely High Cost Locations	Annual Support
KY	21001	Adair	21001970100	204	12	\$ 189,619.72
KY	21001	Adair	21001970200	36	0	\$ 60,707.90
KY	21001	Adair	21001970300	200	0	\$ 107,439.53
KY	21001	Adair	21001970401	2	0	\$ 7,349.70
KY	21001	Adair	21001970402	29	0	\$ 11,633.69
KY	21001	Adair	21001970500	62	0	\$ 38,781.12
KY	21001	Adair	21001970600	23	4	\$ 28,630.89
KY	21011	Bath	21011970100	99	10	\$ 131,440.46
KY	21011	Bath	21011970200	186	12	\$ 272,865.59
KY	21011	Bath	21011970300	59	0	\$ 50,918.25
KY	21013	Bell	21013960100	224	3	\$ 97,285.91
KY	21013	Bell	21013960200	172	5	\$ 25,372.78
KY	21013	Bell	21013960300	189	2	\$ 27,255.62
KY	21013	Bell	21013960400	280	7	\$ 84,035.44
KY	21013	Bell	21013960500	69	10	\$ 17,465.94
KY	21013	Bell	21013960600	13	8	\$ 3,676.36
KY	21013	Bell	21013960800	62	3	\$ 21,392.17
KY	21013	Bell	21013961100	130	6	\$ 54,193.74
KY	21019	Boyd	21019031100	162	3	\$ 131,385.94
KY	21019	Boyd	21019031200	40	0	\$ 23,280.73
KY	21025	Breathitt	21025920100	152	9	\$ 76,742.05
KY	21025	Breathitt	21025920200	114	1	\$ 71,327.20
KY	21025	Breathitt	21025920300	97	2	\$ 27,262.25
KY	21025	Breathitt	21025920400	308	27	\$ 123,672.99
KY	21025	Breathitt	21025920600	46	0	\$ 24,223.51
KY	21025	Breathitt	21025920700	140	20	\$ 45,711.39
KY	21043	Carter	21043960100	55	0	\$ 72,461.65
KY	21043	Carter	21043960200	26	0	\$ 51,109.58
KY	21043	Carter	21043960300	47	3	\$ 227,167.21
KY	21043	Carter	21043960400	84	14	\$ 305,436.50
KY	21043	Carter	21043960500	15	0	\$ 96,298.76
KY	21043	Carter	21043960600	41	0	\$ 83,004.81
KY	21043	Carter	21043960700	40	2	\$ 302,072.92
KY	21045	Casey	21045950100	120	11	\$ 267,577.91
KY	21045	Casey	21045950200	66	1	\$ 129,203.98
KY	21045	Casey	21045950300	182	4	\$ 165,653.62
KY	21045	Casey	21045950400	137	0	\$ 247,526.29

KY	21045	Casey	21045950500	164	1	\$	183,729.82
KY	21051	Clay	21051950100	337	7	\$	126,089.12
KY	21051	Clay	21051950200	305	1	\$	185,704.22
KY	21051	Clay	21051950300	23	0	\$	21,499.03
KY	21051	Clay	21051950400	85	1	\$	43,426.68
KY	21051	Clay	21051950500	33	1	\$	25,707.79
KY	21051	Clay	21051950600	35	5	\$	46,967.17
KY	21053	Clinton	21053970100	164	4	\$	76,674.79
KY	21053	Clinton	21053970201	71	0	\$	24,168.28
KY	21053	Clinton	21053970202	115	3	\$	102,536.30
KY	21057	Cumberland	21057950100	105	10	\$	70,702.85
KY	21057	Cumberland	21057950200	4	0	\$	72.63
KY	21063	Elliott	21063920100	24	0	\$	127,896.87
KY	21065	Estill	21065920100	61	4	\$	99,856.81
KY	21065	Estill	21065920200	56	1	\$	89,068.15
KY	21065	Estill	21065920300	103	3	\$	49,421.27
KY	21065	Estill	21065920400	64	21	\$	139,180.99
KY	21071	Floyd	21071920100	65	2	\$	27,365.70
KY	21071	Floyd	21071920200	106	22	\$	39,995.59
KY	21071	Floyd	21071920600	11	0	\$	1,549.39
KY	21071	Floyd	21071920700	4	0	\$	781.09
KY	21071	Floyd	21071920800	11	0	\$	360.97
KY	21071	Floyd	21071920900	2	0	\$	794.44
KY	21071	Floyd	21071921000	71	0	\$	27,064.85
KY	21079	Garrard	21079970100	74	0	\$	95,220.67
KY	21079	Garrard	21079970200	277	10	\$	209,544.48
KY	21079	Garrard	21079970300	30	4	\$	26,386.13
KY	21079	Garrard	21079970400	308	6	\$	319,847.55
KY	21087	Green	21087930100	209	5	\$	235,463.62
KY	21087	Green	21087930200	75	4	\$	73,946.17
KY	21087	Green	21087930300	151	2	\$	94,979.84
KY	21087	Green	21087930400	229	7	\$	156,371.88
KY	21095	Harlan	21095970100	17	0	\$	2,963.19
KY	21095	Harlan	21095970200	33	0	\$	33,543.55
KY	21095	Harlan	21095970300	14	1	\$	72,935.81
KY	21095	Harlan	21095970400	70	2	\$	54,405.54
KY	21095	Harlan	21095970500	1	1	\$	-
KY	21095	Harlan	21095970600	111	0	\$	14,018.40
KY	21095	Harlan	21095970700	42	0	\$	8,517.84
KY	21095	Harlan	21095970800	16	0	\$	6,861.84
KY	21095	Harlan	21095970900	90	8	\$	27,709.15
KY	21095	Harlan	21095971000	3	1	\$	32,912.98
KY	21095	Harlan	21095971300	309	25	\$	90,812.18
KY	21109	Jackson	21109960100	2	1	\$	17,207.67
KY	21109	Jackson	21109960200	6	0	\$	22,411.34
KY	21113	Jessamine	21113060101	5	0	\$	257.99

KY	21113	Jessamine	21113060200	6	0	\$	8,605.53
KY	21113	Jessamine	21113060300	68	0	\$	89,559.97
KY	21113	Jessamine	21113060400	51	0	\$	24,734.92
KY	21113	Jessamine	21113060504	15	2	\$	8,729.08
KY	21113	Jessamine	21113060600	35	0	\$	14,207.37
KY	21115	Johnson	21115960100	8	0	\$	1,626.46
KY	21115	Johnson	21115960300	6	0	\$	14,119.98
KY	21115	Johnson	21115960400	6	0	\$	912.82
KY	21115	Johnson	21115960500	247	9	\$	47,689.01
KY	21115	Johnson	21115960600	151	19	\$	53,592.52
KY	21119	Knott	21119960500	1	0	\$	82.05
KY	21121	Knox	21121930100	37	0	\$	48,669.14
KY	21121	Knox	21121930200	91	2	\$	124,962.66
KY	21121	Knox	21121930300	69	0	\$	60,245.85
KY	21121	Knox	21121930400	126	6	\$	30,044.20
KY	21121	Knox	21121930500	58	0	\$	93,025.22
KY	21121	Knox	21121930601	32	0	\$	28,809.85
KY	21121	Knox	21121930602	8	0	\$	10,791.15
KY	21121	Knox	21121930700	86	1	\$	187,267.46
KY	21125	Laurel	21125970100	137	5	\$	92,793.51
KY	21125	Laurel	21125970200	67	5	\$	47,769.03
KY	21125	Laurel	21125970300	16	6	\$	2,792.10
KY	21125	Laurel	21125970400	2	0	\$	31.89
KY	21125	Laurel	21125970700	7	0	\$	3,088.54
KY	21125	Laurel	21125970800	23	0	\$	6,341.01
KY	21125	Laurel	21125970900	108	1	\$	52,768.15
KY	21125	Laurel	21125971001	1	0	\$	2,551.33
KY	21125	Laurel	21125971002	6	0	\$	3,564.19
KY	21125	Laurel	21125971101	92	24	\$	40,266.85
KY	21127	Lawrence	21127930200	22	2	\$	54,068.03
KY	21129	Lee	21129950100	504	27	\$	228,819.05
KY	21129	Lee	21129950200	297	31	\$	96,949.98
KY	21129	Lee	21129950300	553	18	\$	179,106.13
KY	21133	Letcher	21133950200	64	0	\$	6,939.50
KY	21133	Letcher	21133950300	27	0	\$	5,597.02
KY	21133	Letcher	21133950401	15	0	\$	2,833.68
KY	21133	Letcher	21133950402	4	0	\$	1,002.98
KY	21133	Letcher	21133950500	5	0	\$	2,709.09
KY	21133	Letcher	21133950600	279	6	\$	139,693.56
KY	21137	Lincoln	21137920101	29	0	\$	7,096.21
KY	21137	Lincoln	21137920102	86	5	\$	38,883.00
KY	21137	Lincoln	21137920103	101	11	\$	36,563.32
KY	21137	Lincoln	21137920200	96	1	\$	143,783.67
KY	21137	Lincoln	21137920300	406	3	\$	185,197.98
KY	21137	Lincoln	21137920400	655	12	\$	278,153.33
KY	21147	McCreary	21147960100	1	1	\$	-

KY	21147	McCreary	21147960400	12	0	\$	16,700.61
KY	21159	Martin	21159950100	41	0	\$	8,460.39
KY	21159	Martin	21159950200	132	15	\$	25,320.49
KY	21159	Martin	21159950300	54	4	\$	10,495.15
KY	21169	Metcalfe	21169960200	3	1	\$	2,794.98
KY	21169	Metcalfe	21169960300	3	3	\$	-
KY	21171	Monroe	21171930100	4	1	\$	50,212.26
KY	21171	Monroe	21171930300	8	1	\$	9,873.46
KY	21171	Monroe	21171930400	239	38	\$	229,642.41
KY	21193	Perry	21193970500	13	0	\$	19,021.76
KY	21193	Perry	21193970600	1	0	\$	9,837.70
KY	21193	Perry	21193970700	2	0	\$	2,295.32
KY	21193	Perry	21193970800	10	0	\$	20,005.37
KY	21193	Perry	21193970900	61	2	\$	51,723.59
KY	21193	Perry	21193971000	8	0	\$	16,205.21
KY	21195	Pike	21195930100	174	8	\$	64,475.75
KY	21195	Pike	21195930200	17	0	\$	5,882.45
KY	21195	Pike	21195930400	4	0	\$	459.74
KY	21195	Pike	21195930600	3	0	\$	18.97
KY	21195	Pike	21195930700	10	0	\$	4,581.56
KY	21195	Pike	21195930800	2	0	\$	3,750.65
KY	21195	Pike	21195930900	4	0	\$	269.26
KY	21195	Pike	21195931000	58	2	\$	29,901.38
KY	21195	Pike	21195931100	76	0	\$	20,135.14
KY	21195	Pike	21195931300	20	0	\$	3,330.45
KY	21195	Pike	21195931500	1	0	\$	46.50
KY	21195	Pike	21195931600	17	0	\$	8,252.41
KY	21195	Pike	21195931700	55	11	\$	17,607.88
KY	21195	Pike	21195931800	11	0	\$	5,942.99
KY	21195	Pike	21195931900	31	3	\$	11,688.57
KY	21199	Pulaski	21199930100	255	1	\$	180,794.83
KY	21199	Pulaski	21199930200	142	4	\$	68,431.69
KY	21199	Pulaski	21199930300	292	7	\$	172,591.44
KY	21199	Pulaski	21199930402	2	0	\$	2,721.56
KY	21199	Pulaski	21199930502	1	0	\$	1,005.90
KY	21199	Pulaski	21199930600	13	0	\$	7,942.39
KY	21199	Pulaski	21199930800	67	2	\$	20,207.45
KY	21199	Pulaski	21199930900	255	6	\$	191,066.45
KY	21199	Pulaski	21199931000	92	8	\$	108,457.27
KY	21199	Pulaski	21199931101	4	0	\$	1,801.63
KY	21199	Pulaski	21199931102	3	0	\$	4,686.50
KY	21203	Rockcastle	21203950100	138	0	\$	146,426.43
KY	21203	Rockcastle	21203950200	62	1	\$	66,171.93
KY	21203	Rockcastle	21203950300	148	13	\$	139,080.99
KY	21203	Rockcastle	21203950400	87	15	\$	184,356.37
KY	21205	Rowan	21205950100	37	0	\$	24,209.39

KY	21205	Rowan	21205950200	15	0	\$ 7,664.83
KY	21205	Rowan	21205950300	14	1	\$ 31,478.25
KY	21205	Rowan	21205950400	2	0	\$ 22,865.80
KY	21207	Russell	21207960400	18	0	\$ 2,417.65
KY	21217	Taylor	21217920100	194	6	\$ 154,389.61
KY	21217	Taylor	21217920200	270	5	\$ 232,809.41
KY	21217	Taylor	21217920300	4	0	\$ 2,185.56
KY	21217	Taylor	21217920400	2	0	\$ 4,535.23
KY	21217	Taylor	21217920500	96	4	\$ 64,207.35
KY	21231	Wayne	21231920100	239	0	\$ 107,468.00
KY	21231	Wayne	21231920200	4	0	\$ 7,137.07
KY	21231	Wayne	21231920300	4	0	\$ 11,028.23
KY	21231	Wayne	21231920400	196	1	\$ 241,872.17
KY	21231	Wayne	21231920700	336	53	\$ 316,111.43
KY	21235	Whitley	21235920200	4	0	\$ 1,217.91
KY	21235	Whitley	21235920400	64	5	\$ 33,503.49
KY	21235	Whitley	21235920500	111	4	\$ 44,466.85
KY	21235	Whitley	21235920600	172	29	\$ 70,491.58
KY	21235	Whitley	21235920700	79	2	\$ 34,360.19
KY	21235	Whitley	21235920800	311	26	\$ 94,275.87

List of anchor Institutions

Table 1 – Proposed CAIs

CAI Name	Address	City	Zip
Morehead State - Ashland	1400 College Drive	Ashland	41101
Berea College	101 Chestnut St	Berea	40403
Western Kentucky University	1906 College Heights Blvd	Bowling Green	42101
Lindsey Wilson College	210 Lindsey Wilson St	Columbia	42728
Maysville Community and Technical College - Cynthiana	319 Webster Ave	Cynthiana	41031
Fleming Mason Cooperative	1449 Elizaville Road	Flemingsburg	41041
Gateway Community and Technical College	500 Technology Way	Florence	41042
Northern Kentucky	22 Spiral Drive	Florence	41042
Georgetown College	400 E College St	Georgetown	40324
Hazard Community and Technical College	One Community College Drive	Hazard	41701
Kentucky River	917 Perry Park Road	Hazard	41701
Northern Kentucky University	1 Nunn Drive	Highland Heights	41099
University of Kentucky	10 Administration Dr	Lexington	40508
Bluegrass Community and Technical College	470 Cooper Dr	Lexington	40502
Bluegrass	699 Perimeter Drive	Lexington	40517
Kentucky Utilities	1 Quality St	Lexington	40507
Cumberland Valley	342 Old whitley Road	London	40743
American Electric Power	23000 U.S. 23	Louisa	41230
Eastern Kentucky University - Manchester	50 University DriveStivers Building	Manchester	40962
Jackson Energy Cooperative	115 Jackson Energy Lane	McKee	40447
Morehead State University	150 University Blvd	Morehead	40351
Gateway	110 Lake Park Drive	Morehead	40351
Bluegrass Energy Cooperative	1201 Lexington Road, P.O. Box 990	Nicholasville	40340
Owen Electric Cooperative	8205 HWY 127 North PO Box 400	Owenton	40359
Maysville Community and Technical College - Paris	Paris Extension 525 High Street Suite 009	Paris	40361
University of Pikeville	147 Sycamore St	Pikeville	41501
Alice Lloyd College	100 Purpose Rd	Pippa Passes	41844
Big Sandy Community and Technical College	1 Cs-1057	Prestonsburg	41653
Big Sandy	110 Resource Court	Prestonsburg	41653
Eastern Kentucky University	521 Lancaster Ave	Richmond	40475
Somerset Community and Technical College	808 Monticello Street	Somerset	42501
Lake Cumberland	255 S Maple St	Somerset	42501
South Kentucky RECC	925 N Main St # 929	Somerset	42503
Duke Energy	6293 Beaver Rd	Union	41091
University of the Cumberlands	6178 College Station Drive	Williamsburg	40769
Clark Energy Cooperative	2640 Ironworks Rd	Winchester	40391
East Kentucky Power	4775 Lexington Rd	Winchester	40391

Table 2 – Communities on Routes

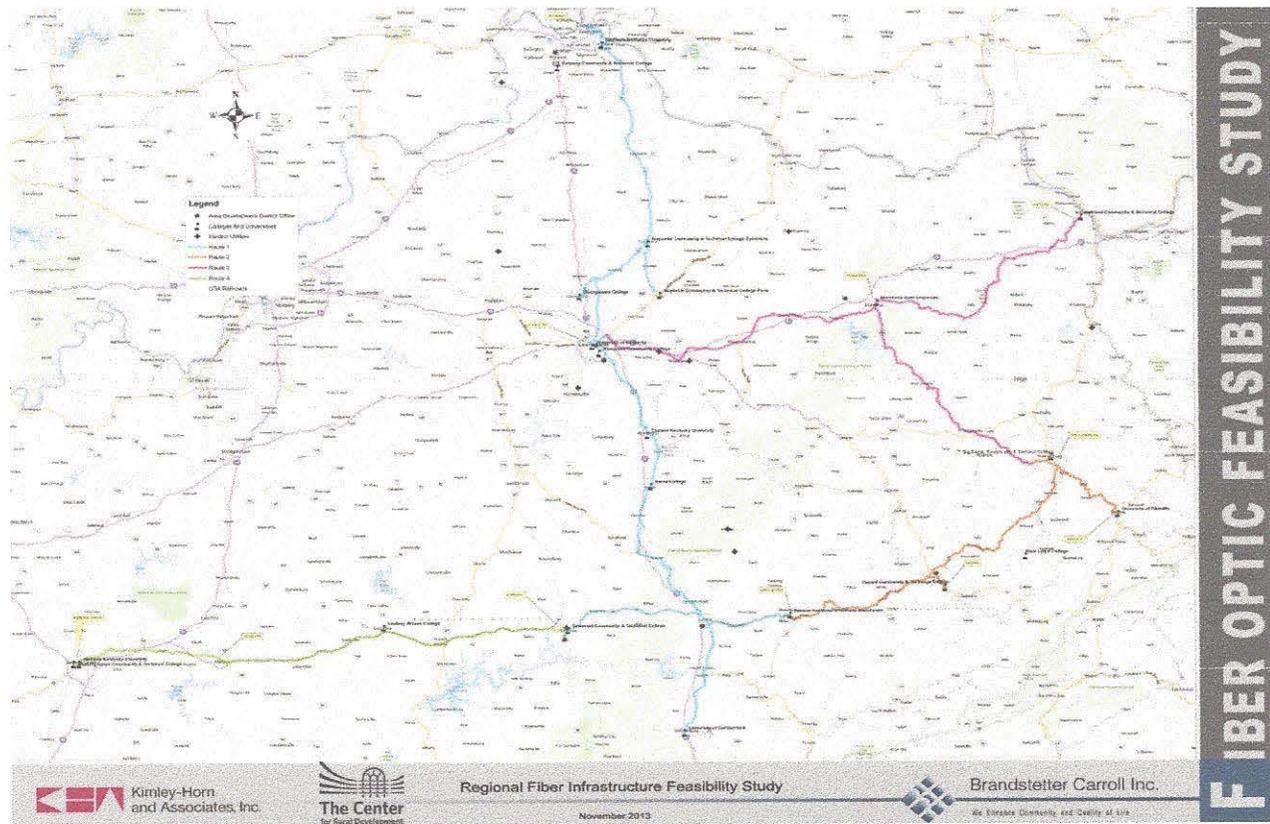
County	Community	Route	CAI	Notes
Boyd	Ashland	3	Ashland Community & Technical College	Ohio River passes through city Ashland Regional Airport Huntington Tri-State Airport
Madison	Berea	1	Berea College (w/HUT)	I-75 passes by city
Warren	Bowling Green	4	Western Kentucky University Bowling Green Technical & Community College	Bowling Green Airport Barren River passes through city I-65 passes by city
Hamilton, OH	Cincinnati, OH	1	Level 3 Fiber Hotel HUT	Ohio River crossing into KY I-71, I-75, I-471 passes through city
Adair	Columbia	4	Lindsey Wilson College (w/HUT)	Columbia-Adair County Airport
Harrison	Cynthiana	1	Maysville Community and Technical College - Cynthiana (w/HUT)	Cynthiana-Harrison County Airport just south of city
Metcalfe	Edmonton	4		Edmonton is county seat
Pendleton	Falmouth	1		Licking River crossing
Boone	Florence	1	Gateway Community and Technical College	Greater Cincinnati Airport north of city I-75/I-77 passes through city
Scott	Georgetown	1	Georgetown College	Kentucky River crossing I-75 passes by city
Barren	Glasgow	4		Glasgow Municipal Airport I-65 just west of city
Carter	Grayson	3		I-64 passes by city
Perry	Hazard	2	Hazard Community and Technical College (w/HUT)	County seat
Campbell	Highland Heights	1	Northern Kentucky University	Ohio River crossing into KY
Leslie	Hyden	2		County seat
Fayette	Lexington	1, 3	University of Kentucky (w/HUT) Bluegrass Community and Technical College	Blue Grass Airport west of Lexington Route 1 and Route 3 branch Kentucky River crossing south of Lexington I-75, I-64 pass by city
Laurel	London	1	HUT	I-75 passes by city London-Corbin Airport Magee Field
Clay	Manchester	1, 2	Eastern Kentucky University - Manchester (w/HUT)	County seat
Rowan	Morehead	3	Morehead State University (w/HUT)	City in Olympia State Forest Cave Run Lake south of city I-64 passes by city
Montgomery	Mount Sterling	3		Mt Sterling-Montgomery County Airport I-64 passes by city
Rock Castle	Mount Vernon	1		Lake Linville just north of city I-75 passes by city
Bath	Owingsville	3	HUT	I-64 passes by city Licking River passes south of city
Bourbon	Paris	1	Maysville Community and Technical College - Paris	Lies on the Stoner Fork of the Licking River
Pike	Pikeville	2	University of Pikeville	Levisa Fork passes through city
Knott	Pippa Passes	2	Alice Lloyd College	Mine-Made Adventure Park northwest of city
Floyd	Prestonsburg	2, 3	Big Sandy Community and Technical College (w/HUT)	Levisa Fork passes through city Dewey Lake east of city
Madison	Richmond	1	Eastern Kentucky University	I-75 passes by city
Russell	Russell Springs	4		Russell County Airport
Magoffin	Salyersville	3		Licking River passes through city
Elliott	Sandy Hook	3		County seat
Pulaski	Somerset	1, 4	Center for Rural Development (w/HUT) Somerset Community and Technical College	Lake Cumberland Regional Airport Cumberland River just south of city
Morgan	West Liberty	3	HUT	West Liberty Airport
Whitley	Williamsburg	1	University of the Cumberlands	Eastern edge of Daniel Boone National Forest Cumberland River passes through city I-75 passes through city
Clark	Winchester	3		I-64 passes through city

Proposed Technology

We propose to create a Fiber Optic infrastructure covering over 700 miles. Beginning in Cincinnati, it will extend to Williamsburg, KY at the southern border of our state, then coming from Bowling Green in the mid-west of Kentucky and running into the far Eastern communities of Kentucky to Pikeville, then on to Morehead, Ashland and closing our loop in Lexington, KY. This project will enhance the communications capabilities of government, education, public safety, and healthcare entities, while providing the foundation for ubiquitous and robust communications services for underserved residents and businesses. This fiber optic network will have a focus on providing gigabit internet speeds to the distressed counties in Southern and Eastern Kentucky.

The benefits of this interconnection are numerous and substantial, especially as they relate to sharing connectivity, resources and knowledge among government, education, public safety, and healthcare entities. The management team at The Center will leverage the extensive capabilities and the decades of experience of its participating members in designing and operating a robust fiber optic network.

Figure 1: Proposed Fiber Network Map



State and/or Local or Tribal Government Participation in and/or Support for Project

This is a public-interest, non-profit initiative, managed by The Center for Rural Development and supported by our Rural Electric Cooperatives, East Kentucky Power, American Electric Power, Kentucky Utilities, regional economic development organizations, state and local governments, and our congressional delegation. Support for the project was announced by Governor Steve Beshear in his televised 2014 budget address and also during a follow up joint news conference with Kentucky Congressman Hal Rogers.

This project is also seen as an anchor project for the “Saving our Appalachian Region” SOAR initiative which is a grassroots effort to create a better place to work and live. This initiative’s kick-off event brought together over 1,700 concerned citizens and civic leaders.

Existing Providers

While some providers like Windstream and AT&T do provide data services to the area’s population centers, at substantially limited and low broadband speeds, we have found the availability of “dark” fiber to be non-existent. The fiber infrastructure that exists is dated and being used, for the most part, at capacity. Furthermore, it has been expressed to us, by our telco business community, that a viable business case for a fiber build-out does not exist and that none is anticipated to be undertaken in the foreseeable future.

For our existing providers to thrive and grow, we must have a stable and sustainable fiber network infrastructure that will focus on connecting anchor institutions that serve vulnerable communities and the public interest, while creating the middle mile infrastructure necessary to enable these private operators to develop innovative last-mile networks throughout the state.

This project seeks to identify new opportunities for competitive commercial service providers, while bridging the gaps between areas with significant resources and those in need of access to those resources.

Project Timeline

The need for this project is immediate and preliminary planning has begun. With funding assistance from the Appalachia Regional Commission, The Center engaged a consulting firm to develop a Feasibility Study. This study, which recently concluded, is a comprehensive report, with supporting documentation, related to the feasibility and cost of building a regional fiber infrastructure over the proposed fiber routes. We are using these documents as a planning tool for funding and engineering. We consider this project to be “Shovel Ready”.

Our expectation, upon securing sufficient funding, would be to immediately begin design, permitting, engineering and then construction. We would want construction activities to commence by early fall 2014. Our projected build time is 18 to 24 months.

Scalability

This project, although local to Southern and Eastern Kentucky, also seeks to unite rural, urban, and suburban-based telecommunication systems and datacenters, supporting the public good, into one contiguous network reaching across the state of Kentucky and into the heart of Appalachia.

In cooperation with state government, The Center’s effort is being considered a vital component in an ambitious Kentucky statewide plan to deploy a statewide public/private fiber infrastructure. This

network will connect the entire Commonwealth on a common platform for the delivery of services, information and enhanced communications.

The Kentucky state government anticipates a consolidated network for all of Kentucky k-12, higher education, public health and public safety activities, as well as government functions and communications. Even more far-reaching is the desire to provide low cost, high speed (up to 1 gig up and down) broadband access to the internet for our communities and private businesses, and through strategic partnerships, to individual households.

This endeavor would be a tremendous step forward in providing high speed broadband access to those without hope of ever getting access through a strictly private means. Much like the early efforts of rural electric cooperatives to provide electricity to rural communities, this effort, if funded, can overcome the financial barriers that large and difficult geography spans with low population densities have created.

One time Capital Infrastructure Investment needed

Depending on construction method, aerial or underground, our estimate for construction ranges from \$47 million to \$57 million. The Center would be contributing considerable staff and resources for project deployment and management.

Continuing Funding investment needed

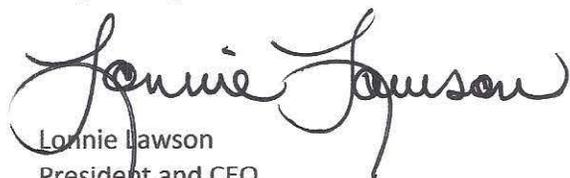
Although we expect, thru service agreements and the leasing of excessive capacity in the form of long-term IRUs, to be a self-sustaining endeavor, it would be our desire to have ongoing support for a period of two years to provide for maintenance and operational costs while sustainability models are fully realized. This would require approximately \$1.5 million per year.

Total Project Cost

Total project cost is expected to be \$60 million.

The Center for Rural Development appreciates the opportunity to submit this expression of interest. Please feel free to contact us for any clarification or questions regarding this project.

Respectfully Submitted,



Lonnie Lawson
President and CEO
The Center for Rural Development

LL/lrc