

Attachment B, Project Budget

1. Itemize eligible project expenses. Generally, eligible expenses will be limited to construction and construction related costs of broadband infrastructure. Operating expenses will not be eligible expenses. Any additional expenses associated with the project, but not part of the grant budget, should be included.

**Total project cost of \$510,889.00 breaks down to \$394,663.00 in labor costs and \$116,226.00 in material costs. An itemized ledger will be provided upon project completion.**

2. A discussion of the applicant's necessary financial resources to:
  - a. sustain service to the project area (business model);

**Since 1993, Charter has invested billions of dollars in infrastructure improvements, unleashing the power of an advanced, two-way, fully interactive fiber network. By moving to this all-digital network, today's Charter customers enjoy the more HD TV channels, more On Demand choices and the fastest standard internet speeds.**

**This level of investment gives Charter the ability to offer Spectrum Internet, which provides the fastest starting Internet speeds available at 200 Mbps, as well as Spectrum Internet Gig, in Trussville. With Spectrum Internet, customers can simultaneously stream videos, download music and more without sacrificing performance. Charter provides the fastest, most powerful in-home WiFi to do more on more devices. And because Charter doesn't limit internet with data caps, customers always have the freedom of ubiquitous internet service.**

**In Alabama, Charter has nearly 550,000 high-speed internet customers, more than 1,300 Alabama-based employees and more than 25,000 miles of fiber and cable infrastructure. Charter has a proven track record of maintaining, expanding and supporting the critical foundation necessary to operate an advanced broadband network.**

**Charter takes its role as a leading telecommunications provider seriously, which is why enhancing customer service is a fundamental philosophy that guides investment decisions and the daily work of all Charter employees.**

**Charter offers convenient evening and weekend customer appointments and has narrowed appointment arrival windows to one hour. We've also increased hiring in customer-facing positions and brought technical work in-house, lessening Charter's reliance on third-party contractors for customer relations. Charter has expanded U.S. call center operations and updated its facilities to provide streamlined operations that make it easier for customers to reach an agent to answer their questions and provide assistance.**

Across the board, business functions related to Charter’s people, processes and technologies uphold the goal of making ongoing enhancements to better serve customers. This philosophy starts with our executive leadership team and permeates throughout our company. It’s through our continued actions that we give meaning to Charter’s focus on enhancing customer service.

This contributed to Charter’s Spectrum residential broadband service recently receiving the 2017 J.D. Power award for overall customer satisfaction in the South Region.

Charter will continue to utilize this highly successful, award-winning business model to ensure proper network operation in the areas outlined by this application.

- b. provide adequate project financing (additional documentation may be requested by ADECA).

Charter is a Fortune 100, publicly traded company with a demonstrated ability to finance large projects and to operate enterprise networks on a national scale. As of the time of this grant submission, Charter’s market capitalization is approximately \$84 billion. The capital needed to complete this bid will not be separately financed. If approved, this project will be funded in the normal course of the capital budgeting process for the 2020 calendar year. For reference, please find attached a copy of the Charter Communications 2018 Annual Report.



Charter\_Annual\_Report\_2018.pdf

3. A discussion of any partners or subcontractors associated with the project’s deliverables including but not limited to adoption, deployment, and service delivery. Please describe each party’s role in the project.

Charter Communications uses contractors to complete all new buildout to areas we serve. These would include Ervin Cable Construction, Bigham Cable Construction, Broadband Technical Resources, CCU LLC, National OnDemand Inc. and Kennedy Network Services Inc.

- Ervin Cable Construction, LLC (ECC) began business in 1980 as a small construction company that performed TVRO installation, Cable TV design, engineering, aerial and underground construction work, primarily in Kentucky and Tennessee. Based on steady growth and continued reinvestment in the company, ECC has built or upgraded over 15,000 miles of plant over the past

few years in addition to completing a variety of engineering projects in 188 locations covering 27 states. ECC has provided construction services to Charter Communications for over 20 years.

- **Bigham Cable Construction Inc.** was established in the CATV industry in 1977 by Harold and Margo Bigham. Bigham has an outstanding reputation in the industry for new-build, rebuild and upgrade projects in cable television systems. Bigham has built over 175,000 miles of plant during the past 39 years of business with plans to continue. Bigham Cable Construction has provided construction services to Charter Communications for over 10 years.
- **Broadband Technical Resources (BTR)** was established in 2012 and focuses on new-build, rebuild and upgrade projects. BTR has built over 2,300 aerial miles and over 1,700 miles of underground construction. BTR has provided construction services to Charter Communications for 4 years.
- **CCU LLC** is evolving from a family operated business started in the 1960's which focused on the TV, antenna and telecommunications industry. CCU was incorporated in 1985 to provide high quality construction services to a single, large cable TV provider in the South Florida area. Over the last 30+ years, CCU has grown to be a leading turnkey telecommunications provider offering the most sophisticated cable and communications solutions, with locations and personnel throughout the Southeast. Specializing in Aerial and Underground Construction, Directional Drilling, Fiber Splicing and Technical Services, CCU offers a full range of services for CATV, Telephone and Power Construction. CCU's hand picked team of industry specialists supported by its state-of-the-art equipment, enables the company to provide the most cost effective, quality solutions available in today's marketplace.
- **National OnDemand, Inc.** is a company dedicated to providing OnDemand services Nationally, Anytime, Anywhere! Through the completion of multiple mergers, acquisitions and organic growth the company is continuing to grow rapidly across the country. There are 6 primary divisions of the company: Fiber Services, Construction Services, Structured Cabling Services, Home Services, Business Services, and Emergency Services. The various divisions of the company allow National OnDemand to provide full turnkey solutions to all customers.
- **Kennedy Network Services, Inc.** have over four decades of knowledge, experience, and expertise in our industry, offering a wide range of services for all outside plant, construction, maintenance and technical services, and have developed innovative tools for aerial construction with leading industry manufacturers. KNS is licensed to work throughout the United States. Some of the major contracts awarded to our company were in the large urban cities of Charleston, SC; Augusta, GA; Atlanta, GA; Chattanooga, TN; Clearwater, Pinellas County, and Tampa, Florida; Dallas, TX; Mecklenburg County, NC; Phoenix, AR; Sacramento, CA; numerous small towns throughout the southern and midwestern regions.

4. A discussion of any federal funds associated with the project.

**No federal funds will be used to complete this project.**

- a. Eligible projects may include projects that have received funds through other federal universal service funding programs designed specifically to encourage broadband deployment in an area without broadband access in an amount not exceeding 50% of the total project cost, provided, however, that any award of state funds may only be utilized to either:
  - i. fund project components that extend beyond the specifications supported by the federal funding, said eligible components being extension of service to unserved rural areas not otherwise served by the federally supported project; or
  - ii. ensure that areas being served by the federal funding at speeds less than 25 Mbps of download speed and 3 Mbps of upload speed will, in fact, receive faster speeds of not less than 25 Mbps of download speed and 3 Mbps of upload speed.
- b. Grants issued to projects receiving federal funds shall not exceed 40% of total grant funding, with such grants not exceeding 20% of total project costs.