



3196 County Hwy 55 \* Hamilton, AL 35570 \* Phone: 205-921-6712 \* Fax: 205-921-6738

## **2018 Alabama Broadband Accessibility Fund Grant Application**

Project Name:	Whitehouse Community
Legal Name of Entity:	Tombigbee Communications, LLC
Mailing Address:	3196 County Hwy 55 Hamilton, AL 35570
Name and Title of CEO:	Steve Foshee, CEO
Name and Title of Contact:	Brenda Overton, CFO
Phone Number and Email of Contact:	205-921-6741 boverton@tombigbee.org

### **Application Budget**

The proposed project will provide Internet speeds of at least (check one):

Project Type A: ☐ 10 Mbps download and 1 Mbps upload

Project Type B: ☒ 25 Mbps download and 3 Mbps upload

Total Project Cost	\$1,128,876.00
20% of Total Project Cost	\$225,775.20
<b>Total Grant Amount Requested</b>	<b>\$225,775.00</b>

### **1. Eligible Project Expenses**

See Attachment B - Project Budget – Whitehouse.pdf

### **2. Financial Resources**

#### **a. Sustainability**

In 2011, the management and board of Tombigbee were approached by local governments, school officials, and cooperative members with an interest in broadband services for this rural area of the state. After years of review, deliberate consideration and waiting for the existing communication companies in the area to fill this need, the board determined the scenario with broadband is much like electricity was in the late



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1930's. If an organization such as Tombigbee, whose only interest is bettering the lives of those they serve, doesn't build and provide this broadband service, no one else will.

In February 2017, the board determined the best legal and operating structure for Tombigbee Electric Cooperative, would be to create a wholly owned subsidiary, Tombigbee Communications, LLC (TCL) for this express purpose. Tombigbee Communications is an extension of its parent Tombigbee Electric Cooperative, and was created to operate and provide broadband services in Marion, Lamar and portions of Winston and Fayette Counties.

Since its inception, Tombigbee Communications has borrowed private capital and has invested its own resources to provide services in several communities of Northwest Alabama with the ultimate goal of providing every household and business in Marion, Lamar and portions of Winston and Fayette Counties, with the best possible Internet services available. To date, Tombigbee has invested \$20 Million of private capital into their fiber to the home network. There has been a take rate of 38% of homes passed with fiber and this number climbs each month. There are more than 3000 people still in pre-registration waiting on Tombigbee to get service to them.

The management team and consultants work very hard to make sure Tombigbee seeks to get as much additional funding, such as grants like this one, to help fund their project. The Tombigbee team understands the needs to reduce the overall risk of the project as much as possible to make this sustainable for decades to come.

Because Tombigbee Communications is a wholly-owned subsidiary of Tombigbee Electric Cooperative, Inc. (TEC), Tombigbee Communications has the full backing of the cooperative, an electric co-op with more than 75 years of experience providing vital infrastructure for rural NW Alabama. The board, management team, and entire staff of Tombigbee are dedicated to the people of this area. They live by the cooperative principal "Concern for the Community." This is a community that is dying and without the help of those who care and who have the knowledge and tools to help – like the staff and board of Tombigbee - there is no chance of that changing.

Tombigbee has an experienced group of consultants, vendors and contractors assisting in every aspect of their project. There is community involvement and desire. There is a fiscally sound business plan, which has been reviewed by their lender as well as outside auditors to make sure that the project is not overly leveraged. Tombigbee Communications is building a network - not just for today or the next decade - but for the next generation and perhaps even beyond.



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## **Partnerships**

Tombigbee Communications assembled an experienced team of consultants, vendors, and contractors to assist their dedicated team with this very worthwhile endeavor. No project like this can be completed on schedule and effectively without an experienced team to successfully navigate the many challenges that take place in building and maintaining a broadband network.

1. Joseph D. Fail Engineering has been selected by Tombigbee for their Fiber Optic Network engineering experience. Fail has provided telecommunications engineering consulting service continuously since its inception in 1967. Their expertise spans all facets of telecommunications including, but not limited to, engineering, design, and supervision of construction covering the areas of inside and outside plant, broadband delivery, and private networks. The bios of the key employees are attached (see B11 – Joseph D Fail Profile.pdf).
2. TEC has contracted with FiberRise to assist in construction and with managing the network. FiberRise has extensive experience in this field as its employees have provided broadband and communications service to customers across the United States for several decades. The bios of the key employees are attached (see B10 - FiberRise Bios.pdf).
3. Heritage Construction has over 16 years of communications experience with the last twelve years solely focused on fiber to the home installations and plant construction. Heritage Construction's projects have included high profile municipalities including EPB of Chattanooga, electric cooperatives including North Alabama Electric Cooperative, large cable companies including Comcast, mobile providers including Verizon, and traditional telephone companies such as TDS Telephone. Heritage services include a full suite of outside plant expertise including material planning, project management, quality assurance, best practice recommendations, and subcontractor sourcing and management.
4. Tombigbee Electric Cooperative (TEC), has provided decades of service and knowledge to the area since 1941. The board, management team, and employees of TEC are 100% committed to finding the best local employees to undergo training and gain hands on experience alongside the FiberRise employees in order to take over operations at the appropriate level. TEC is providing immediate assistance on installation, billing, customer service, outages, accounting, and executive management. Tombigbee Communications will not only benefit from the corporate operations assistance but will also take advantage of the customer satisfaction provided by TEC over years of service.



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The name of both entities starts with Tombigbee. This highly recognized and respected brand is well known throughout the Proposed Funded Service Area as well as all surrounding areas and will provide instant credibility to Tombigbee Communications as it operates and markets the broadband service. In the eyes of consumers within the proposed area, Tombigbee Communications and Tombigbee Electric Cooperative are considered the same entity, providing high quality, reliable, and affordable service to its members and customers.

### **Federal Funds**

Whitehouse Community, the proposed funded service area in this application, does not have any other federal funds associated with it. However, this area is just a small portion of a very large project being completed by Tombigbee Communications. In other areas of the project, Tombigbee has been awarded \$2.98 Million through the 2017 Community Connect Grant. This grant was for the Pea Ridge area of Marion County. Tombigbee has also been awarded \$1.5 Million from ARC to serve the city of Haleyville. Tombigbee participated in the CAF II Reverse Auction and won the bids for 100 census blocks located throughout Marion, Lamar and Fayette Counties. The 10-year total award from CAF II is \$1.7 Million.