

2500 E. Belle Terrace, Suite 100 • P.O. Box 42230 • Bakersfield, CA • 93384-2230 Phone: (661) 834-7700 • Fax: (661) 834-7771

DUCOR TELEPHONE COMPANY GRANT APPLICATION

Document No. 1: Project Summary

Applicant's Name
Ducor Telephone Company
Contact Person
Eric Wolfe, Executive Vice President
Ducor Telephone Company
2500 E Belle Terrace, Suite 100
P.O. Box 4223
Bakersfield, CA 93384-2230
(661) 834-7700
egwolfe@ducortelco.com

Project Title

Rancho Tehama FTTH Network

Proposed Project Area Location (Community/County)

The accompanying area maps show the region and specific construction areas.

The community of Rancho Tehama was developed in 1969 and was originally designed to be a camping resort/retirement community. As time passed, more people moved to Northern California and Rancho Tehama blossomed. Located in Tehama County the current population according to the 2010 Census is 1,547.

Rancho Tehama is a very small, primarily residential community. The only anchor institution being the Rancho Tehama Elementary School. Rancho Tehama relies on Red Bluff and Redding communities for most of their primary services, which require distant commutes to reach services most people would consider essentials.

According to the 2010 Census, the average per capita income in Rancho Tehama is well below the poverty line at \$22,283.00. Due to the limited availability of commercial services in Rancho Tehama, the economy is virtually non-existent and most people commute to one of the neighboring communities for work. By implementing FTTH in this area, fiber capacity would allow locals the opportunity to telecommute/work from home, as well as participate in online educational opportunities.



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Project Type (Last Mile or Middle Mile)

Last Mile

CASF Funding Requested (Amount of Grant/Amount of Loan)

Total Project Cost of: \$5,179,510.00

60% Grant Request of: \$3,107,706.00

40% Matching Funds of: \$2,071,804.00 to be provided by Ducor Telephone Company from

capital budget

Description of the Project

Ducor Telephone Company is an independent local exchange carrier, and has provided telecommunications services to the Rancho Tehama area since 1975. Ducor is a leader in innovation and has a proven reputation for deploying facilities and applications that increase services and improve customer satisfaction. Led by experienced management and staff, Ducor can manage its established organization to successfully implement and operate the proposed broadband infrastructure.

Ducor Telephone Company has ongoing relationships and consults regularly with local residents and organizations. In our position as the local telephone company, we are aware of and intimately involved in local efforts for economic development and enhancements to the quality of life for the residents. The proposed network upgrade will deploy affordable broadband, create jobs and economic growth, allow innovation and investment, and improve education, health care, and energy efficiency. The project will also enhance public safety.

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Currently, telecommunications services in the Rancho Tehama area include wireline based voice services and DSL services (Ducor Telephone) and limited wireless services (other providers). These existing facilities have some significant broadband limitations. The proposed network upgrades will use optical fiber to the home (FTTH) to provide voice and data services to the residents of the area, at data speeds starting at 10 Mbs downstream and 2 Mbs upstream. The equipment used in this proposed upgrade could provide subscribers with service speeds up to 1 Gbs with minimal added expense or delay. The proposed network upgrades will provide broadband services to all residents and businesses, and community anchor institutions, including government facilities. As noted above, there are essentially no major businesses in the area currently, and the elementary school is the only anchor institution. Service could also be easily provided for telemedicine applications, locally and to remote health care facilities. Based on data provided by the California Interactive Map, the residents are currently underserved.

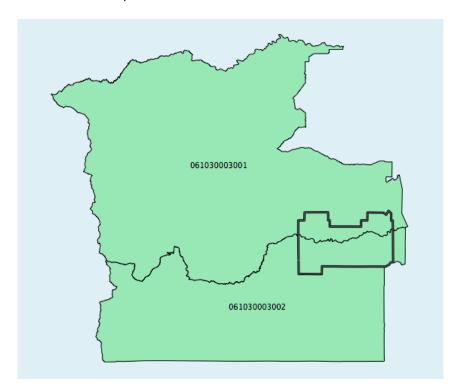
The proposed FTTH network will provide a "home run" fiber connection from the Rancho Tehama central office to each premise. The costs of a home run network are marginally more than a shared network but the capabilities of the home run network, now and especially in the future, justifies any additional cost. Additionally, the upgraded network will also be more reliable and easier to maintain than the existing network facilities.



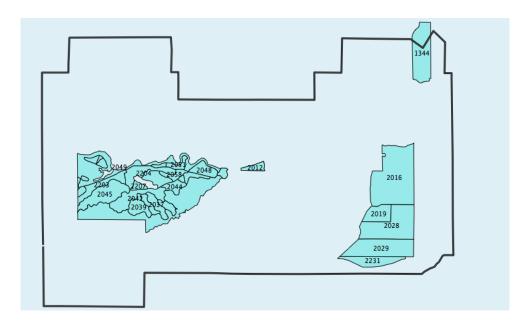
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Maps of the Proposed Project

Census Block Groups



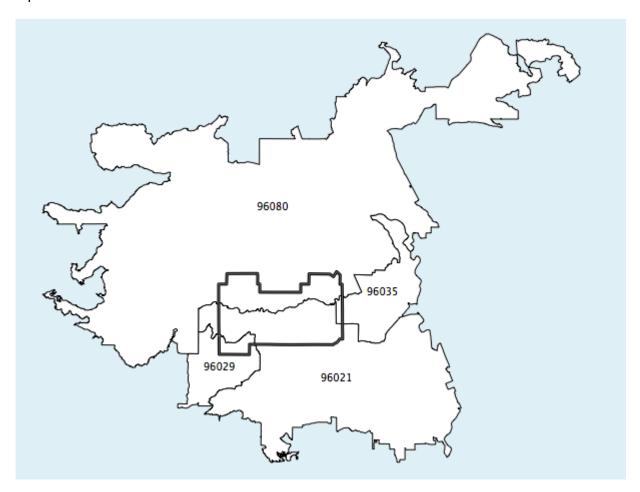
Census Blocks





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Zip Codes



List of Census Block Groups

Full Census Block Group Code Census Block Group Name

061030003002 Block Group 2, Census Tract 3, Tehama County, California 061030003001 Block Group 1, Census Tract 3, Tehama County, California

List of Zip Codes

Zip

Code

96029

96080

96035

96021