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NEW MAINE COMPANY FORMED TO BUILD STATE AND FEDERALLY APPROVED, HIGH CAPACITY, OPEN ACCESS RURAL BROADBAND NETWORK

Maine Fiber Company's Three Ring Binder will "help put people back to work immediately and lay the groundwork for sustainable economic growth for years to come" according to U.S. Department of Commerce Secretary Gary Locke

PORTLAND, MAINE – Chief Executive Officer Dwight Allison announced the formation of Maine Fiber Company – an unaffiliated Maine-owned and operated private company which will oversee the construction, maintenance and leasing of an open access, 1,100-mile, high capacity fiber-optic network that won \$25.4 million in stimulus funding from the U.S. Department of Commerce.

“As a Maine-based company, we are proud to be building a network that will have such an immediate and lasting positive impact on our State’s economy,” said Allison. “This Spring, Three Ring Binder we will create jobs as we begin installing 1,100 miles of fiber optic cable.” Allison added, “And going forward, as Commerce Secretary Locke said in Orono, Maine this fall, businesses that have lacked access to reliable high speed internet service will be able to find consumers for their products or services virtually anywhere around the world.”

The Three Ring Binder was reviewed, along with other proposals, in a rigorous application process at both the State and federal level. Along the way, based on the substance of the proposal, Three Ring Binder won the strong support and endorsement of Maine’s 11-member Broadband Strategy Council, the State’s Connect ME Authority, Maine Governor John Baldacci and all four members of Maine’s Congressional Delegation – Senator Olympia Snowe, Senator Susan Collins, Representative Mike Michaud and Representative Chellie Pingree.

After scrutiny at the federal level, U.S. Commerce Secretary Gary Locke came to Orono on December 17, 2009 and announced that Three Ring Binder had won \$25.4 million in stimulus funding “to bring high speed broadband access to communities that currently have little or no access to the technology.”

“Maine Fiber Company’s Three Ring Binder will deliver high speed broadband access and economic opportunity to the areas in Maine that have been waiting and deserve it most,” said Maine Fiber Company partner and investor Robert CS Monks. “And the construction and maintenance will provide badly needed jobs for the state. This is good for Maine.”

How Maine Fiber Company’s Three Ring Binder Benefits Maine Communities

The Three Ring Binder will provide “dark fiber” broadband service within more than 100 rural Maine communities with 110,000 households, 600 anchor community institutions, and 38 government facilities that are not served today. Maine Fiber Company will offer its service to other carriers on an open access,

non-discriminatory basis, and these other carriers will in turn be able to provide services to end use customers within these communities.

Specific benefits:

- ▶ Education-Maine's Rural Universities – The Three Ring Binder will link 10 University of Maine campuses in a 21st century, high-speed data network, including the Machias, Presque Isle, Farmington and Fort Kent campuses as well as Northern Maine, Eastern Maine and Washington County Community Colleges. The lack of such broadband access severely restricts important university research and economic growth opportunities at Maine's rural campuses.
- ▶ Health Care-Maine's Rural Hospitals – The Three Ring Binder will benefit Maine people by giving rural health care providers like Eastern Maine Medical Center and other hospitals throughout the state the high-speed connectivity needed to diagnose injuries and illnesses in rural communities from hundreds of miles away. Additionally, high-speed broadband will allow rural medical professionals to greatly expand the use of telemedicine. The New England TeleHealth Consortium and Franklin County Health Care Network will benefit significantly during the FCC Rural Healthcare Pilot Program they are currently pursuing.
- ▶ Veterans' Health Care – As Congressman Mike Michaud noted, the Three Ring Binder will make it easier for many of the State's 150,000 military veterans "to receive the rural healthcare that they need" through telemedicine and local visits on occasions where costly, time consuming trips to VA hospitals can be avoided.
- ▶ Government Institutions – The Three Ring Binder will improve communications and service for 38 government facilities including 13 county courthouses, 11 county jails, and 14 Department of Health and Human Services district offices.
- ▶ Small Business – Thousands of Maine small businesses in over 100 rural communities will no longer depend on painfully slow dial-up connections – or trips to the post office to "snail mail" discs of information that will easily be shared in seconds at their computer.
- ▶ Maine People – The Three Ring Binder will connect more than 100 rural Maine communities with over 110,000 Maine households.

How Maine Fiber Company's Three Ring Binder Will Benefit Maine Consumers

As Commerce Secretary Locke said when he visited Orono in December, "Too many American communities today are stuck with 20th century information tools that leave them ill-equipped to compete in today's global economy." The Secretary added, "That is simply unacceptable, and it hampers our economic growth."

That is certainly true in Maine where many rural communities are routinely denied broadband access or otherwise depend on a sole provider with very limited, low capacity fiber that does not reach significant portions of their communities

Announcing the grant, the Secretary noted the Three Ring Binder "has the potential to connect one-fifth of all Maine households to a high-speed, 21st century Internet backbone."

The Maine-owned and operated Three Ring Binder will, within three years, provide high-speed broadband access within more than 100 rural Maine communities with 110,000 households, 600 anchor community institutions, and 38 government facilities.

And, importantly for consumers, Maine Fiber Company will make its network available to all interested and qualified service broadband providers on an open-access, nondiscriminatory basis. This will enable robust competition among providers of broadband service within these communities, which in turn will translate into lower costs for Maine people.

Commerce Secretary Locke highlighted the importance of this open, independent, competitive model during his December 17th trip to Maine, noting that “10 different Internet service providers have already expressed interest in buying capacity on this network that will allow them to deliver service to consumers and businesses.”

About Maine Fiber Company

Maine Fiber Company was formed as a result of discussions with a group of stakeholders including State officials, representatives from the University of Maine and Maine telecommunications companies. One thing became clear: telecom carriers were unable to expand broadband to homes and businesses in Maine when they were repeatedly denied access to dark fiber.

The answer from those stakeholders was to pursue a federal stimulus grant intentionally creating a private company (Maine Fiber Company) to oversee the construction, maintenance and leasing of a high capacity network – and then make it available to *all* qualified telecom companies requesting access on behalf of customers on a nondiscriminatory basis. The resulting Three Ring Binder proposal won a \$25.4 million Department of Commerce grant. Maine Fiber Company’s investors are providing a private match of approximately \$7 million (20%) to complete project funding.

Many stakeholders helped develop the winning proposal. By design, none of the parties involved, including GWI or the University of Maine, are owners of the Maine Fiber Company network. They, along with all other carriers will compete to provide broadband internet service. In accordance with the federal grant application, the University of Maine system and the State of Maine are also able to lease dark fiber from the network but the University does not and will not own, operate or have a stake in Maine Fiber Company.

Work on the Three Ring Binder has already begun, and full-scale construction of the project will get underway in the spring of 2010. The federal grant requires the project be complete within three years, however, portions of the network could be operational by the end of 2010.

Dwight Allison, a partner and investor in Maine Fiber Company (MFC), will also serve as CEO. He is joined as partner by **Robert CS Monks**, a real estate developer, entrepreneur, and private equity investor. Monks and Allison have been partners for over 25 years. Each was a part owner and board member of Institutional Shareholder Services, the leading proxy services company in the world, until it was sold in 2007. In 1991, Monks founded, and both served as, Directors of Atlantic Bank which was purchased by People’s Heritage Bank in 1997. Monks and Allison have also been partners in successful Maine-based real estate development companies such as Dirigo Management Company and The Eagle Point Companies.

For more information or to speak with Dwight Allison, please contact Tom Janenda at tjanenda@elevate-cc.com or 207/590-8815.

Support for Maine Fiber Company's Three Ring Binder

U.S. Secretary of Commerce, Gary Locke

▶ “The idea for high-speed Internet expansion has been advocated by consumer groups, Maine telecommunications providers and state agencies working on expanding rural broadband in Maine for years. But private companies just didn't think this type of basic infrastructure investment would be profitable. This grant changes the game. As a direct result of this investment, over \$70 million in private-sector capital will be spent over the next three to five years to build additional high-speed Internet infrastructure that branches out from the network being built with government funding. And 10 different Internet service providers have already expressed interest in buying capacity on this network that will allow them to deliver service to consumers and businesses.” [Commerce Secretary Gary Locke's speech in Orono, 12/17/09 (emphasis added)]

Maine Governor John Baldacci

▶ “(The Three Ring Binder) will help people across the state access technologies that are critical to our educational aspirations, our health, and our workforce development and economy... We know the people of Maine can successfully compete anywhere in the world, but to realize opportunities and grow jobs, we need to ensure they have access to the latest technology. We need to enhance these Internet connections to compete in the global economy.” [MaineInsights.com, 1/ 3/10]

Senator Olympia Snowe

▶ “(The Commerce Department) award to Three Ring Binder will benefit the state of Maine by creating an open access, high-speed fiber optic network and improving the 21st century infrastructure essential to support Maine's existing and emerging industries.” [U.S. Department of Commerce press release, 12/17/09]

Senator Susan Collins

▶ “Maine has the lowest rate in New England for households with Internet access, and the areas of northern, western and central Maine are particularly underserved... Extending access to communities that are otherwise technologically isolated opens up a world of information, resources and services. This information is particularly beneficial to encouraging business expansion and job growth in rural areas.” [U.S. Department of Commerce press release, 12/17/09]

Rep. Mike Michaud

▶ “I am writing to confirm my support for the Three Ring Binder Project...(T)he Project will help eliminate the digital divide that has left the most rural portions of Maine, including much of the Second Congressional District, without adequate access to the Internet... The Three Ring Binder Project will create an information superhighway linking most of the towns and key community anchor institutions throughout my District. ” [Congressman Michaud's letter to the Department of Commerce, 11/16/09]

Rep. Chellie Pingree

▶ “The (Three Ring Binder) project will have a significant impact on the economic development for the regions it serves... Living on the island of Vinalhaven, I know how important the Internet is to our community, schools, health care, and businesses. This will give economic development a needed boost.” [MaineInsights.com, 1/3/10]