

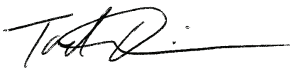
Dear MBC Member:

The MBC staff has been even busier than ever lately. We have been working hard on the broadband stimulus grant that was awarded to MBC. That means construction contracts, federal reporting requirements and a laundry list of other items on that “to do” list. We have also been finalizing the extensive paperwork and due diligence responses for our Round Two application for funding.

Of course, we have other “to do” lists as well. This time of year is quite popular for industry meetings. MBC has been well represented at a number of them. You can read more about the different meetings in this newsletter issue. We enjoy sharing the story about MBC – and the presentations quite often lead to new business for the network.

We’re excited about new opportunities that continue to present themselves. We continue to evaluate those that provide the most benefit to MBC and fit within our mission. This will add to MBC’s success and that of our Members.

Best Regards



Tad Deriso, President & CEO

MBC Success Story– Host.Net

Many of MBC’s members provides telecommunications services to businesses and residents in southern Virginia. Others, like Host.net, enjoy the advantages of being an MBC Member by utilizing the MBC long haul network. They also provide IP transit services to MBC Members.

Founded in 1996, Host.net, a BroadbandONE company, is a multi-national provider of network infrastructure services. They focus on colocation, cloud computing and network transport and transit for carrier, education, enterprise, finance, government, healthcare and wholesale clients.

The company operates an extensive fiber-optic backbone that delivers Internet, MPLS and layer 2 solutions using a wide array of last-mile options. They also have multiple data centers encompassing nearly 45,000 square feet of enterprise-class space.



This photo was taken in Host.net’s Phase III collocation facility at their headquarters in Boca Raton, Florida

MBC and Host.net

Host.net joined MBC via an acquisition they made a few years ago. They use MBC’s long haul network between northern Virginia and Atlanta, Georgia.

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MBC Success Story (continued)

Plans for the Future

They plan to continue to expand markets and additional vPDC sites. At this time, they are not looking to expand additional services beyond their core competencies.

“Host.net is a multinational network infrastructure provider headquartered in Boca Raton, Florida. MBC’s long haul network has the low latency and redundancy we need to serve a wide range of clients from right here.”

--Jeffrey Davis, CEO and President

For more information about Host.net, visit their website at www.host.net or contact Mark Wilson at mwilson@broadbandone.net or 404.606.7898.



MBC Website Facts and Figures

Through the use of Google Analytics, MBC is able to track certain information about the visitors to the MBC website (www.mbc-va.com). Here are some statistics on the folks who visited the website between April 19, 2010 and May 19, 2010.

- There were 1,231 visits to the website, with 4,053 pages viewed.
- On average visitors to the site viewed 3.29 pages per visit.
- The majority of the visitors used Internet Explorer to access the site. The next largest group used Firefox as their web browser.
- Almost half of the website visitors came directly to the MBC website; 36 were referred from the GigaPark website.
- The visits came from 32 countries. The majority of the viewers came from the United States. We also had visits from people in India, the United Kingdom, Canada, Portugal, Israel, the Philippines, Ireland, Germany and Tunisia.



GigaPark Website Facts and Figures

MBC also created and maintains the website for GigaParks (www.gigapark-va.com). During the April 19, 2010 – May 19, 2010 time period, the statistics show the following:

- There were 639 visits to the website, with 1,234 pages viewed.
- The website visitors came from 87 countries. Along with the United States, visitors came from Argentina, Mexico, Taiwan, Colombia, India, Thailand, Germany, Spain and China.
- A majority of the visitors used Internet Explorer as their browser; the next most popular browser was Firefox.

If you haven't visited both websites, we encourage you to do so. There is a lot of interesting information to be found on both sites.



Welcome New MBC Member

Giles-Craig Communications, Inc.

Giles-Craig Communications is a wholly-owned subsidiary of Pembroke Telephone Cooperative which provides Cable-TV services. Pembroke Telephone Cooperative provides local telephone service, long distance reselling, cellular services, and call waiting/forwarding services in southern Virginia. They also offer cable TV and Internet access. For more information, visit their website at www.pemtel.com.



MBC Member Surveys

MBC appreciated receiving a number of responses to our recent survey which was sent to all MBC members in April. The feedback was very valuable for future planning. The results of the survey will be shared later this year at the MBC Annual Meeting.

All survey respondents were automatically entered in a prize drawing for a \$100 American Express gift certificate. The lucky winner was Rob Williams of DataCare Computer Sales & Service, Inc., located in Victoria, Virginia.



Meetings and Presentations

As mentioned by MBC President and CEO Tad Deriso in his Member note, the spring and summer months are quite busy with industry meetings.

Region 2000 Awards Dinner

One of the recent MBC presentations was at the Region 2000 Technology Council's 9th Annual Awards Night on May 11. Tad Deriso was the keynote speaker for the awards dinner. The awards recognized the best and brightest in the region's technology sector.

Virginia Telecommunications Industry Assn. (VTIA) Annual Meeting

The VTIA Annual Meeting was held May 25-27 in Roanoke, Virginia. MBC participated in a panel discussion entitled "Broadband Initiatives" with Karen Jackson, Deputy Secretary for Technology under Governor Bob McDonnell, and Ray LaMura who is Executive Director of the Virginia Cable Telecom Association. It was a well attended event and many attendees learned about MBC and broadband initiatives in Virginia.



Tad Deriso delivers the Keynote Presentation at the Region 2000 Technology Council Awards Night

Meetings and Presentations *(continued)*

A BIG Check Presentation to MBC

A BIG check was presented to MBC on June 2 in Rustburg, Virginia by Congressman Tom Perriello (D-VA). The large foam check represented the \$16 million NTIA award for the MBC broadband project.

MBC Board Member Bryan David graciously accepted the check on behalf of MBC. Delegate Kathy Byron also attended, representing the Virginia Tobacco Commission.



Pictured, left to right: Holding a \$16 million check is Delegate Kathy Byron (Virginia Tobacco Commission), R. Bryan David (Mid-Atlantic Broadband and Region 2000), Congressman Tom Perriello (D-VA) and Rustburg Elementary School Principal and Assistant Principal Lee Shearer and Deidre Washington.

Other Upcoming Meetings and Presentations

MBC will be participating at these industry meetings:

June 7-8

7x24 Data Center Exchange Annual Meeting (Attending)
www.7x24exchange.com

June 17-19

2010 Carolina-Virginias Telephone Membership Assn. Summer Conference (Speaking)
www.cvtma.org

June 28-30

IIR Telecom Events, Managed Services & Network Sharing (Speaking)
www.iir-conferences.com

September 12-15

Comptel PLUS Fall 2010 Convention & Expo (Attending)
www.comptel.org

September 19-22

National Telecommunications Cooperative Association (NTCA) Fall Conference (Attending)
www.ntca.org

October 3-6

AFCOM Data Center World Expo (Exhibitor/Sponsor)
www.datacenterworld.com

October 21

Web Host Industry Review (WHIR) Networking Event (Sponsor)
www.whir.com/whir-events

October 26-27

Capacity North America Wholesale Telecommunications Conference (Attending)
www.capacityconferences.com



Federal Broadband Stimulus Update

On April 26, 2010, The National Telecommunications and Information Agency (NTIA) announced its final awards for Round 1 of the Broadband Stimulus Program. With this announcement, funding for Round 1 program was officially closed.

The nine new grants brought the total value of awards made by the NTIA in Round 1 to \$1.2 billion, leaving \$3.5 left for the second round of funding. The final Round 1 award winners included a few MBC members:

- DigitalBridge Communications was awarded three separate awards totaling \$4.3 million for wireless broadband infrastructure projects in Idaho.
- *Buggs Island Telephone Cooperative received \$19 million for a broadband project.

*See the "MBC Member in the News" section for more details on this Virginia project.



The MBC Website Job Center

Don't forget – send us your employment listings. If you have jobs to be posted, send the information to Ann Weinberg at ann@mbc-va.com. This is a free service available only for MBC Members



MBC In The News

- ◆ The ***Cape Cod Today Blog Chowder*** online blog on May 10, 2010 wrote about the OpenCape regional middle mile open access infrastructure project. In the blog, MBC was mentioned as an example of a successful middle mile project.
- ◆ MBC was mentioned in the May 26 online newsletter ***delmarvanow.com*** in an article about broadband construction across the Chesapeake Bay Bridge Tunnel. MBC, in cooperation with the Eastern Shore of Virginia Broadband Authority (ESVBA), has completed construction of a 144-strand fiber optic backbone cable that goes across the Tunnel. This project now connects major carriers in Virginia Beach and the Hampton Roads areas to the new ESVBA network.
- ◆ The June 1, 2010 online publication, ***capecodonline.com***, ran a story on the OpenCape high-speed network project. They described MBC's success story and its impact on economic development — creating jobs and bringing investment to southern Virginia. OpenCape consulted with MBC while developing its plans for the Cape Cod network.
- ◆ The June 2, 2010 Lynchburg ***news.advance.com*** covered Rep. Tom Perriello's visit to the Rustburg Elementary School for a presentation of a large (foam) check to MBC. The article mentioned that the \$16 million grant to MBC will add 465 miles of fiber to connect 121 schools in southern Virginia to a high-speed network.
- ◆ The June 2, 2010 publication of ***Connected Planet*** included an interview with MBC President and CEO Tad Deriso regarding actions MBC has taken as a result of the NTIA \$16 million grant. Tad mentioned that three new staff members to support the project have been hired, including a project manager, associate project manager and grant administrator. Construction bids have also been sent out while MBC waits for the NTIA to approve our environmental impact plan.



MBC Members In The News

As mentioned in the *Federal Broadband Stimulus Update*, MBC Member Buggs Island Telephone Cooperative received a broadband stimulus award at the end of NTIA's Round 1 process. Here are a few more details:

Buggs Island Telephone Cooperative (BIT)

Buggs Island Telephone Cooperative of Bracey, Virginia received \$19 million to build, operate and maintain a rural broadband and voice network in a 15-county area of south central Virginia, extending from Amelia County to Halifax County and then east to Southampton County.

The BIT Wireless project plans to offer wireless broadband at speeds of up to 10 Mbps to as many as 100,000 households, 14,800 businesses, and 800 community anchor institutions. In addition, the project will promote broadband adoption by discounting the cost of the equipment necessary to subscribe at home.

The grant will fund a project that lays the groundwork to bring enhanced high-speed Internet access to thousands of households and businesses and link schools, hospitals, libraries, and public safety offices to the information superhighway. The project will create 80 new jobs for the area via this expanded operation.

In other news about MBC Members...

• **Shentel buys Jet Broadband**

MBC member Shentel will be buying another MBC member, Jet Broadband, in a deal valued at \$148 million. The deal enables Shentel to grow its cable business, especially in the rural communities of Virginia and West Virginia. Jet's cable operations pass approximately 114,000 homes in a region that is underserved by industry standards. The deal will also give Shentel some much-needed diversification.

The deal, which is subject to regulatory approval, is expected to close in the next three to four months.

• **CenturyLink Buys Qwest and Its 17 Data Centers**

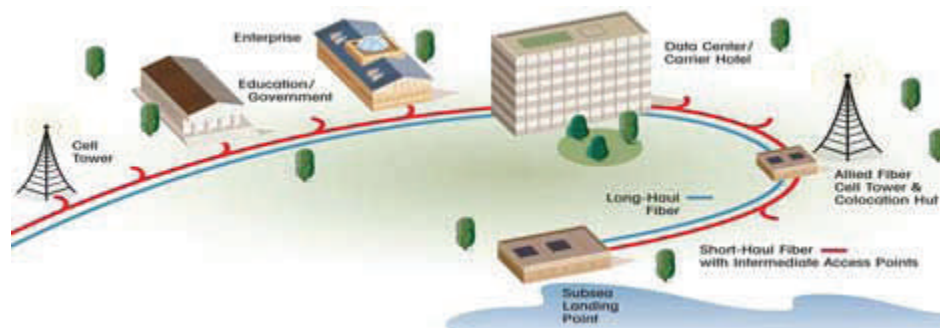
CenturyTel, (branded as CenturyLink), a provider of local phone and Internet services, said that it would acquire Qwest Communications in a \$10.6 billion stock swap. The deal is expected to help Century Tel boost its land-line voice business. The analysis on the deal has understandably focused primarily on its implications for the telecom industry.

There are no immediate changes expected for Qwest's data center operations (they have 17 CyberCenter hosting facilities).

• **Allied Fiber Announces a New Dark Fiber Ring**

Allied Fiber announced that it is investing \$140 million to build out Phase 1 of a network-neutral, high-count dark fiber, colocation and wireless tower integrated system running from northern Virginia to New York to Chicago. Phase One of the network is expected to be completed by the 4th quarter of 2010.

Here is a depiction of the Allied Fiber network concept – long-haul dark fiber connecting to local colo sites and wireless towers.





MBC Members In The News (continued)

- **Cox Communications** held its second annual E-Waste Collection Event on April 24 at the Roanoke Civic Center in Roanoke, Virginia. The event was free to the public.
- **Verizon** announced that it is negotiating with a number of rural telcos regarding partnership agreements to deploy a 4G LTE network in rural areas. Their new website, *LTE in Rural America*, offers more details about this project. Verizon plans to roll out LTE in almost 30 markets before the end of 2010.



Southern Virginia Economic Development News

On April 28, 2010, Governor Bob McDonnell announced that Faneuil, Inc., a provider of customer support solution for government and private sector customers, will invest \$2.4 million to establish a customer support center in Martinsville to service its Dominion Virginia Power contract. Faneuil will also supplement with additional contract work. Lieutenant Governor Bill Bolling joined business and government leaders on the Governor's behalf to announce the project, which will create 250 new jobs.

Faneuil, Inc. is a leading outsource provider of multi-channel customer contact services. Faneuil currently has more than 2,800 employees and is responsible for millions of customer transactions each day.

The Virginia Economic Development Partnership (VEDP) worked with the Martinsville-Henry County Economic Development Corporation to secure the project for Virginia. The Virginia Tobacco Indemnification and Community Revitalization Commission approved \$590,000 in Tobacco Region Opportunity Funds for the project. The Virginia Department of Business Assistance will provide training assistance through the Virginia Jobs Investment Program. The company is also eligible to receive a Major Business Facility Job Tax Credit as well as state benefits from the Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development.



Halifax County Green Energy Release

HALIFAX, VA – The Industrial Development Authority of Halifax County and Dominion Virginia Power announced plans to develop an initiative to build a pilot demonstration facility for solar power generation and battery storage. The facility would generate about 4 megawatts of power and be the largest integrated solar-battery facility in Virginia.

Solar energy holds enormous potential in Southside Virginia; however, the challenge is integrating this variable resource in a reliable way on the electric grid. Battery storage provides a means for effectively managing, storing and optimizing solar energy to regulate intermittency, enable peak shaving and increase grid reliability.

Dominion estimates that they will invest up to \$27.9 million dollars on the project and will create about 100 construction jobs to build the facility. The IDA of Halifax and Dominion submitted a \$5 million grant proposal to the Virginia Tobacco Indemnification and Community Revitalization Commission's (TIRC) Research and Development Fund to help support the project. Dominion plans to ask the Virginia State Corporation Commission (SCC) in Q4 2010 or Q1 2011 for permission to build the facility. If all approvals are received, the integrated solar and battery storage facility is expected to begin operating in 2012.

Additionally, Dominion has reached a Strategic Alliance Agreement with a post proof-of-concept battery storage manufacturer to maximize the benefits of this unique project for Halifax County. The battery supplier has engineered a green battery and coupled it with an environmentally friendly chemistry for alternative energy power management and storage solutions. The unique battery design significantly reduces battery resistance, cost, size and weight while increasing efficiency and power. As a requirement of the Agreement and prospective battery systems purchase order, the supplier must locate and operate an advanced manufacturing facility in Halifax County. The manufacturing facility would create up to 150 jobs over 36 months.



Halifax County Green Energy (continued)

In addition to the alternative energy market for batteries, the manufacturer, in conjunction with the University of Virginia (UVa), is working on a family of battery products that meet the power storage requirements of several other rapidly growing billion dollar segments. The University of Virginia will work with both Dominion and the storage battery manufacturer through its Center for Electrochemical Science and Engineering and its Department of Systems Engineering, conducting all of its research related to this project in Halifax County.

“We are very excited that Dominion is considering Halifax County for this industry leading research facility,” said IDA executive director Mike Sexton. “To have parties such as Dominion and UVa conducting this ground breaking research here and the potential collaboration of our Clean Energy Center located at Riverstone will help bring the region to the forefront of energy storage research.”

Contacts: Mike Sexton (434) 572-1734 or Jim Norvelle/Dominion Director– Media Relations (804) 921-2618



Meet the Recent Additions to the MBC Staff

Doug Herrin, Senior Project Manager

doug@mbc-va.com

Doug comes to MBC with 37 years of telecommunications experience in outside plant engineering, network design, repair and maintenance, customer service, budgeting and cost control, contract administration, planning, and project management. MBC is sure to benefit from Doug’s diverse background where he has served as Project Manager, Manager of Engineering and Construction, Customer Service Manager, and Outside Plant Engineer just to name a few. His position is primarily responsible for overseeing the day-to-day operational and tactical aspects of extensive and complex fiber optic network projects.

Greg Lytz, CPA, CMA – Controller

greg@mbc-va.com

As the MBC Controller, Greg is primarily responsible for directing the finance, accounting, tax, control and financial reporting functions for MBC. His responsibilities include ensuring appropriate, cost effective management policies and procedures are in place that will control operations, protect corporate assets, meet corporate goals, and provide accurate and timely reporting to MBC Management and the Board. Greg’s expertise and background are well aligned for achieving these goals. Greg is a hands-on and detail-oriented financial leader with strengths in controlling operations and optimizing organizations by designing financial and operational models, driving cost effective financial processes, and championing continuous improvement initiatives. He comes to us with a background that includes public accounting, consulting, and VP and CFO roles in large and small organizations alike.

Stephanie Peters, Director of Human Resources

stephanie@mbc-va.com

Stephanie comes to MBC with a diverse background in human resources management. She previously served as Director of Human Resources for Virginia Baptist Homes; a large, multi-location, health care organization. For the past eleven years, as a consultant with SESCO Management Consultants, she delivered high-level human resources solutions to small and large organizations alike. Her experiences draw from all industries including telecom and utility related services. Until joining MBC in February 2010, Stephanie served as Executive Vice President at SESCO. Stephanie’s expertise includes organizational development, training and instructional design, HR governance and compliance, compensation development and administration and policy and practice development.

Liz Trickey, Project Manager I

liz@mbc-va.com

Liz is a recent graduate from Virginia Polytechnic Institute & State University where she received her BS in Marketing Management. Liz served her internship with MBC in 2009, where she was instrumental in the preparation of the application for the NTIA federal grant that was recently awarded to MBC. MBC is please to have her back on the team full-time as Project Manager I where her strengths can be fully utilized. Her position is primarily responsible for providing a range of technical and administrative day-to-day support to the Senior Project Manager and the project team in the implementation and coordination of various fiber optic network projects.



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MBC Mission Statement

The Mid-Atlantic Broadband Cooperative (MBC) provides the leadership and technology infrastructure necessary to assist in the economic revitalization efforts of Southside Virginia by providing high capacity optical transport services on MBC's regional and long-haul

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