

COOPERATIVE CONNECTION

Mid-Atlantic Broadband Cooperative Newsletter

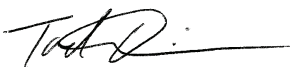
Dear MBC Member:

It seems like we're busier than ever with member pricing requests, fiber lateral builds, expansions of electronics, recruiting activities for new business coming to the region and the ever present Federal grant reporting and compliance requirements for our recent Broadband Stimulus award. Even in a slow economy, we still see MBC members expanding their coverage for broadband services to business and residential customers.

We recently completed our annual MBC Board Retreat in South Boston. We learned about new industry and technology trends. We also discussed how to position MBC to take advantage of those trends to create value for our Members and our communities.

We are very proud that MBC continues to be seen as a model of how rural regions can benefit from an open-access middle mile fiber optic network. Many NTIA/BTOP broadband grant awardees have asked us how we were able to succeed as a wholesale provider of optical transport services, hoping to follow our example. Without the strong support of our Members, our Board, the Virginia Tobacco Commission and our other Federal Funding partners, MBC would not exist as a model to emulate. For that we are always thankful.

Best Regards



Tad Deriso, President & CEO

MBC Success Story

As the Shentel website states, "The history of Shenandoah Telecommunications Company is one of progressive growth coupled with prudent fiscal management. What began as a small, non-profit telephone cooperative for farmers weathered the many cultural storms that wiped out thousands of other independent telcos. Today, Shentel's footprint extends along the Mid-Atlantic and southeastern United States from Florida to Pennsylvania. Shentel is now an advanced telecommunications company with 13 distinct operating subsidiaries."

Shentel has quite a long history that began back in 1902. In that year, Farmers Mutual Telephone System (FMTS) incorporated as a non-profit to serve customers -- all of whom owned stock in the business. Most telephones featured eight and 10-party lines.

The company's name officially changed to the Shenandoah Telephone Company in 1960. They reached a major milestone in 1969 when the company's revenue exceeded \$1,000,000.

In 1980, the Shenandoah Telephone Company introduced cable TV service. That led to a new company structure in 1981, when Shenandoah Telephone Company and Shenandoah Cable Television Company became subsidiaries of a new holding company -- Shenandoah Telecommunications Company (Shentel). A few years later, Shentel established a new revenue streams by selling discounted long distance service and non-telephone equipment, including computers and alarm systems. They also started a fiber optic network.

Shentel reached another milestone in 2006 when 100 percent of their local exchange subscribers had access to high-speed broadband service.

In 2008, Shentel purchased a group of franchised cable assets located in Virginia and West Virginia from Rapid Communications.

There have been other exciting moments in the company's history, too numerous to mention. Shentel is continually expanding their service offerings to meet customer demands. In addition to wide area networking and high capacity Internet access, Shentel offers carrier collocation and virtual private lines. In the near future, Shentel will offer VOIP based services, such as Hosted IP Centrex, over their fiber network utilizing their class 5 softswitch.

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MBC Success Story (continued)

Shentel and MBC

Shentel has been a member of MBC since early 2007. They use the MBC network to extend the reach of their Shentel network based services.

MBC's vision to enable access for rural areas is a natural fit for Shentel. Shentel has developed a substantial wholly owned fiber network within its primary footprint and is seeking to leverage other networks to deliver Internet access and networking services. MBC's fiber enables Shentel to offer services that are competitive to the large national carriers but still retain Shentel's commitment to customer service.

Shentel's Services in Virginia

Shentel currently provides service through subsidiaries in Farmville, Blacksburg and Covington, Virginia.

Shentel's Economic Impact in Southern Virginia

MBC's network enabled Shentel to extend services to Longwood University. Without MBC, Shentel would not have been able to provide a competitive rate to the university.

The resulting Shentel Point-Of-Presence (POP) in Farmville is being used to provide residential and business services to the area.

Shentel's future plans

Shentel has focused additional assets to expand its fiber optic service offerings. Through these additional offerings, Shentel will be better able to provide robust optical services to deliver applications needed for growth in the region, such as high bandwidth Internet access, wide area networking, connectivity to research networks and data centers, as well as global connectivity. The expansion of the MBC network is an integral part of enabling Shentel to provide these services.

"Shentel has really enjoyed our relationship with MBC. They have a state of the art network, great pricing and, just like Shentel, they are dedicated to outstanding customer service."

--Willy Pirtle, Vice President of Sales

For more information about Shentel, contact Matt Krueger, Manager of Marketing, at 540.984.5390 or Matt.Krueger@emp.shentel.com. You can also visit their website at www.shentel.com.



New Benefits for MBC Members

MBC is always looking for new ways to increase our value to our Members. Here are two new benefits that have been developed exclusively for MBC Members:

#1 An Interactive Mapping Tool Is Now Available to MBC Members

A number of MBC Members have had an interactive mapping tool on their "Wish List" for MBC. We are now able to deliver on that wish.

MBC is pleased to announce the addition of an interactive mapping tool to our website that will provide MBC Members with the ability to determine MBC facility locations relative to an opportunity you may have to serve a potential customer.

An email has been sent to all MBC Members with the details on accessing this Members Only benefit. If you have any questions about this valuable mapping tool, contact the MBC office at 434.570.1300.

#2 COMING SOON: A State-of-the-Art TelePresence System for Use by MBC Members

The Halifax County Industrial Development Authority now has a Cisco TelePresence system in the MBC headquarters building in the Riverstone Technology Park Building One, in South Boston, Virginia.

This TelePresence system delivers a unique "in person" real-time communications experience with remote participants. It makes interaction and collaboration faster and more effective. The system integrates advanced audio, high-definition video and interactive elements with the power of the underlying network to deliver an immersive meeting experience. The funding for the system was generously provided by the Virginia Tobacco Commission.



New Benefits for MBC Members (continued)

There are several Cisco TelePresence models. The one in Riverstone is the Cisco TelePresence 3000 which can accommodate business meetings for up to 6 participants per room. It provides boardroom-style table that seats 6 participants on each side, providing a virtual table for 12 participants in a point-to-point meeting, or up to 372 participants in a multipoint session. The clarity of the CD-quality audio allows for natural conversation with no perceivable latency.



This photo may appear to have 9 attendees in the room, but only five are present. The other four appear in the three 65-inch plasma screens.

This system can be used for a variety of purposes, including workforce and economic development, corporate or sales meetings, etc. With travel budgets still limited in many companies and organizations, this system can provide huge savings over face-to-face meetings.

Mike Sexton, the Executive Director of the Halifax Economic Development Authority, is excited to be able to offer this resource to MBC and our Members. He stated that “Support of The Virginia Tobacco Commission and the Mid-Atlantic Broadband Cooperative is important to our Energy Center, the Riverstone Technology Park and to Halifax County. We want to maximize assets like this TelePresence Center to attract businesses to the area.”

MBC will let our Members know when the TelePresence Suite is ready for use.



Look For The GigaPark Signs



Signs for the official business and technology parks designated as GigaParks have been going up in southern Virginia. These signs support the GigaPark branding campaign by providing a presence at each of the GigaParks. With strategic funding from the Virginia Tobacco Commission, these signs will be another tool for our local economic developers when marketing their available sites to prospective commercial and industrial customers.

If you want to know more about GigaParks, visit the website at www.gigapark-va.com.



Seneca Commerce Park, Campbell County



Brosville Industrial Park, Pittsylvania County



Airport Industrial Park, Mecklenburg County

Another State Builds On The MBC Model

MBC Member RCN Metro Optical Networks recently received an operations contract with OpenCape in Massachusetts, who was awarded a \$32 million NTIA Federal Broadband Stimulus grant. RCN will be using these funds to build, design and operate a 350-mile fiber broadband backbone that will run from the south coast of Massachusetts onto Cape Cod and the surrounding islands. Like MBC's successful business model, this new network will be a public-private partnership.

NITA Broadband Stimulus Grant Update

MBC is rapidly adding staff resources and completing Federal forms and assessments to begin construction of the new \$20 million capital project awarded by the NTIA/Federal Broadband Stimulus program and the Virginia Tobacco Commission. As you can imagine with a large project, there are many compliance, reporting and procurement requirements. The MBC staff is ensuring that our internal management processes comply with the grant requirements, and provide the most benefit for each dollar invested in the new fiber optic backbone builds.

Welcome New MBC Member

Global Telecom & Technology (GTT), through its Dec 2009 acquisition of WBS Connect, is the newest MBC Member. GTT is a global network integrator, delivering Dedicated Internet Access, WAN Access including Ethernet Transport, colocation, and managed data services to carriers, system integrators, and enterprise customers. GTT partners with major carriers, utilizing excess capacity in their massive networks, to deliver cost competitive solutions to over 80 countries worldwide. For more information about GTT, visit their website at www.gt-t.net.



MBC 2010 Board Retreat

The MBC Board of Directors, along with the MBC senior staff, held their annual Board Retreat in late March in South Boston, Virginia. The meeting allowed the MBC board and staff to look at industry and technology trends, discuss MBC's success and growth plans to ensure that MBC can continue to solidify our mission of job creation and economic development.

At this year's Retreat, a wide range of topics was addressed, including energy information, the smart grid, automated meters, TeleHealth, remote monitoring and network engineering. Stay tuned for some exciting developments that MBC is planning that will serve our members and our communities, and leverage the Cooperative's success for more job creation and investment in Southern Virginia.

MBC Job Center

The MBC Member Job Center is part of the "Membership" section on our website. The Job Center provides two services for Members. The "Submit Jobs" section allows your company/organization to advertise your available positions, at no charge. The "Search Jobs" section lists the jobs that are available to any visitor to our website. The content is supervised by MBC.

Only MBC members have the opportunity to post available positions.

We hope you will take advantage of this MBC Member benefit. Visit www.mbc-va.com and click on the Membership section to check out the Job Center. Then just follow the submission instructions. If you have any questions, contact Ann Weinberg at ann@mbc-va.com or 804.562.5114.



MBC Meetings and Presentations

MBC has already participated in a number of industry meetings in the first quarter of 2010. More industry events are planned for the rest of the year.

MBC has found that attending, exhibiting and speaking at these industry meetings provides the best visibility for the MBC Network and the GigaPark initiative. They also allow for an excellent opportunity for networking with MBC members and prospective members. Visit the MBC website, www.mbc-va.com, for links to the meetings and events listed.

January 26-27

Capacity Metro Connect Conference

MBC spoke on a panel that discussed "Build vs. Buy vs. Lease vs. Acquire vs. Outsource."

February 11

Infinera Meeting with Broadband Leaders and California Officials

MBC provided a presentation on the MBC network model and experience.

March 1-2

Channel Partners Conference & Expo

March 3

Datacenter Dynamics New York Conference & Expo

March 14-17

Comptel Spring Convention & Expo

March 18

Virginia Rural TeleHealth Summit

March 22-24

EDA Regional Economic Development Training Conference

MBC participated on a panel discussing "Steering Jobs and Economic Opportunities to Underserved Communities."

April 19-21

IIR Managed Services & Network Sharing Conference

April 22-23

IIR Telecom Cloud Services Summit

MBC will provide a presentation on lessons learned from a regional telecom operator's expansion into the cloud.

April 29

Internet 2010 Conference: The Next Billion Users

MBC will speak at this conference to discuss technologies that can be used to reach the unconnected, and the challenges to accomplishing this goal.



MBC In The News

MBC was interviewed for an article in the March 2010 issue of *Capacity Magazine*, which is read by the global carrier industry. In an article about the United States' Broadband Stimulus Plan, the article featured MBC's experience with the Application process and a new focus by RUS and NTIA on middle mile projects. MBC is quoted as saying "Instead of looking at getting fiber or wireless to the home, or increasing the residential broadband speeds, they have identified the real problem is getting affordable backhaul and middle-mile fibers to serve those unserved and underserved communities."

MBC's \$16 million NTIA grant award is mentioned, indicating that MBC can now expand its middle-mile infrastructure with 464 miles of new fiber, which will bring 75 new jobs to southern Virginia.



MBC Members In The News

- **Verizon Communications** is offering its certified carrier Ethernet services to its global wholesale customers via the CENX carrier Ethernet exchange in New York City.
- **Hibernia Atlantic** will work with XO Communications to offer high capacity circuits throughout the United States and Europe.
- **CenturyLink** posted much higher revenue and earnings in the 4th quarter of 2009 compared to the same quarter a year ago. They are experiencing strong customer demand for broadband services.
- **Level 3 Communications** was awarded \$13.7 million in Broadband Stimulus Grants from the National Telecommunications and Information Association (NTIA). Level 3 will add another \$4.2 million to the project. Level 3 will use the grant money for middle-mile projects that will give local phone, cable and wireless companies faster backbone access.
- MBC's newest Member, **Global Telecom & Technology** (GTT), was profiled in the March 2010 issue of *Capacity Magazine*.
- **AboveNet** has launched a low latency end-to-end transatlantic connection between financial centers in London and New York. Seeing a demand for low latency transatlantic connectivity, AboveNet says it can now offer latency guarantees on this premium service as low as sub-1ms round-trip for access to hundreds of buildings in the New York and London metro markets.



VTIA Announces New Contracts for Telecom Services

The Virginia Information Technology Agency (VITA) recently announced new contracts for telecom services. Eight MBC Members successfully received contracts under that agreement:

1. Cavalier Telephone LLC
2. Citizens Telephone Cooperative, Inc.
3. Comcast
4. COX Communications - Virginia
5. GCR Telecommunications
6. Jet Broadband
7. nTelos, Inc.
8. Sunset Digital Communications, Inc.



Just Press Play

Visit the MBC website at www.mbc-va.com to see some videos about MBC. Just click on the "Just Press Play" button that can be found on the home page.



Commonwealth of Virginia
Office of Governor Bob McDonnell

Governor Bob McDonnell Makes His First Economic Development Announcement in Charlotte County
~ Morgan Lumber creates 25 new jobs with expansion ~

RED OAK – February 26, 2010- Governor Bob McDonnell traveled to Red Oak today to announce that Morgan Lumber Company will invest \$4.2 million to expand in Charlotte County. The company plans to install a new dry kiln technology known as the “Continuous Dry Kiln,” enabling 100 percent increased production and increased energy efficiency. The project will create 25 new jobs and bolster the Commonwealth’s forest products industry. Virginia successfully competed with North Carolina for the project.

“I am pleased that my first economic development announcement since taking office is new jobs and investment for Charlotte County,” said Governor McDonnell. “A major priority for my Administration is energizing the economy in Southside. The expansion of Morgan Lumber with its 25 new jobs is especially meaningful in this rural community. This is the kind of positive job-creation announcement we need to see taking place all across the Commonwealth. Creating good jobs and getting our economy moving again is the focus of my time in office, and I want to thank Morgan Lumber for their investment in the future of Charlotte County and the people of Virginia.”

Morgan Lumber Company was started in Charlotte County in the 1940s by J.C. Morgan and his two sons, W.C. and Billy. What began as a small sawmill now stands as a leader in the processing of southern yellow pine. It has grown to a modern, state-of-the-art operation complete with computerized sawmill, dry kiln, and planer mill.

“We consider our relationship with Charlotte County as a partnership,” said Ken Morgan, Owner of Morgan Lumber Company. “The County promotes a friendly and cooperative work environment along with a readily available workforce of good people with strong work ethics. For these reasons it was a logical decision for us to continue to strengthen our roots here in Southside Virginia.”

The Virginia Economic Development Partnership worked with Charlotte County to secure the project for Virginia. Governor McDonnell approved a \$100,000 grant from the Governor’s Opportunity Fund to assist Charlotte County with the project. The Virginia Tobacco Indemnification and Community Revitalization Commission approved \$125,000 in Tobacco Region Opportunity Funds for the project. The Virginia Department of Business Assistance will provide training assistance through its Virginia Jobs Investment Program.

“The Charlotte County Industrial Development Authority provided invaluable assistance to make this project possible,” said Susan Adams, Charlotte County Deputy County Administrator. “This project not only provides needed employment, but greatly impacts the future of the local economy and the wood products industry in Southside Virginia.”

“Morgan Lumber has been a strong Charlotte County employer for many decades,” said Senator Frank Ruff, a Commissioner of The Virginia Tobacco Indemnification and Community Revitalization Commission. “I am glad that the Tobacco Commission was able to play a role in this expansion, and look forward to the company’s continued success in Charlotte County. It is doubly good when we can assist a locally owned company that has been a proven employer in the region for decades.”

About the Virginia Economic Development Partnership
The Virginia Economic Development Partnership (VEDP), a marketing organization, was created by the Virginia General Assembly in 1995 to encourage, stimulate, and support the development and expansion of the economy of the Commonwealth. The Partnership is a state authority, which is governed by a 22-member Board of Directors appointed by the Governor and the Virginia General Assembly. To accomplish its objectives of promoting economic expansion within the Commonwealth, the Partnership focuses its efforts on business recruitment, expansion and international trade. VEDP has offices in Virginia, Belgium, Hong Kong, Mexico and Japan.



Commonwealth of Virginia
Office of Governor Bob McDonnell

Governor McDonnell Announces 160 New Jobs in Danville

~EcomNets to invest \$1.9 million in green computer manufacturing operation~

RICHMOND-April 13, 2010- Governor Bob McDonnell today announced that EcomNets, a company dedicated to advancing energy efficiency in data centers and business computing ecosystems, will invest \$1.94 million to establish a green computer, server and storage area network manufacturing operation in Danville. The project will create 160 new jobs.

Speaking about today's announcement, Governor McDonnell commented, "Headquartered in Herndon, Virginia, and with another location in Sterling, EcomNets already has a strong presence in the Commonwealth, with this new facility in Danville the company will strengthen its operations in Virginia. The company's mission to manufacture energy efficient computers is vital to our efforts to decrease energy use and its effects on our environment. In addition, this investment and 160 new jobs will be important to the residents of Southern Virginia, who will welcome EcomNets with an available workforce.

EcomNets is recognized as a leading green Information Technology (IT) solutions provider, business process management and IT governance integration company that develops highly innovative, rapidly implemented, and extremely cost-effective enterprise integration solutions. These solutions are currently delivered to a wide range of IT clients within the Fortune 2000 and government agencies.

"The City of Danville welcomed us with open arms," said Raj Kosuri, CEO of EcomNets. "We met with the Mayor and the City of Danville Office of Economic Development on our first visit to Danville, and from there it has been nothing but smooth sailing. Their support, guidance, and incentives helped us come to a decision to move our green technology center to Danville. For every 500 Verdio Green PCs sold, we can create one job in Virginia."

The Virginia Economic Development Partnership worked with the City of Danville to secure the project for Virginia. The Virginia Tobacco Indemnification and Community Revitalization Commission approved \$500,000 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.

"This announcement is another example of how our region is working to provide cutting-edge opportunities for all of our people," said Danville Mayor Sherman Saunders. "The jobs that EcomNets is bringing to us will create a new source of employment and income, and help establish Danville as an up-and-coming location for green technology companies. This is an occasion for all of us to celebrate the rewards of hard work and creative vision. Danville began an economic development strategy a decade ago that incorporates technology as a way to address the future prosperity of the region."

On behalf of the Tobacco Commission, Delegate Danny Marshall stated, "Bringing new jobs to our region is always our number one priority. We are excited to be a part of EcomNets' decision to establish 160 green IT manufacturing jobs in Southside Virginia. It is a great day for our area and for our workforce."



In other Southern Virginia Economic Development News...

Danville had a lot of recent announcements:

- Allconnect and Telvista announced the opening of a new sales center in Danville, Virginia. The center expands the two companies' partnership and launches a new inbound sales and customer service program in Danville. The program is expected to employ more than 100 sales associates by mid-2010. The Danville Sales Center is located at 119 Cane Creek Boulevard, Danville, VA 24550-5609.
- *Site Selection* Magazine recently listed Danville, Virginia in their "Top Ten" annual award list. Danville tied for 6th place for metro areas with a population between 50,000 and 200,000. The magazine recognizes metro areas that have had the most newly constructed or expanded corporate facilities.
- A high-tech start-up, IRflex Corp., selected Danville as the site to manufacture fiber-optic devices. The president and founder of the company, Francois Chenard, found it was less expensive to locate his business in Danville than in Northern Virginia. He was offered opportunities in grant funding and local incentives. He hopes to have 10 employees by the end of 2010, and to grow the business in a few years.
- Danville Utilities recently became the first utility company in the Southside region to install a major solar power project. The Danville Community Market at the Crossing at the Dan now features new solar photovoltaic electric generation panels on the roof. These panels will power the lighting and electric components of the market during daylight hours. The solar power and the planned use of LED light fixtures at the market will enable Danville to save an estimated 50% on the building's total energy costs. The project is being funded by a grant from federal stimulus funds.



MBC Chamber News

To support our local business and communities in Southern Virginia, MBC recently joined 100% of the local chambers. We will be engaging with the chambers and their members to promote our member services and broadband availability for their businesses.

- Altavista Area Chamber of Commerce
- Appomattox Chamber of Commerce
- Bedford Area Chamber of Commerce
- Blackstone Chamber of Commerce
- Brunswick Chamber of Commerce
- Buckingham County Chamber of Commerce
- Charlotte County Chamber of Commerce
- Chase City Chamber of Commerce
- Clarksville Lake Country Chamber of Commerce
- Crewe-Burkeville Chamber of Commerce
- Danville Pittsylvania Chamber of Commerce
- Dinwiddie County Chamber of Commerce
- Emporia/Greensville Chamber of Commerce
- Farmville Area Chamber of Commerce
- Franklin County Chamber of Commerce
- Halifax County Chamber of Commerce
- Lunenburg County Chamber of Commerce
- Lynchburg Regional Chamber of Commerce
- Martinsville-Henry County Chamber of Commerce
- Patrick County Chamber of Commerce
- Petersburg Chamber of Commerce
- Smith Mountain Lake Chamber of Commerce
- South Hill Chamber of Commerce



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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 network from Atlanta, GA, to Washington, DC.

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