



APPLICANT: LCB Communications LLC



CONTACT PERSON: Elise Brentnall, Cofounder

PROJECT TITLE: Light Saber

PROPOSED PROJECT LOCATION: Unincorporated South Santa Clara County

PROJECT TYPE: Last Mile

CASF FUNDING REQUESTED: Grant \$2,801,023.00

LCB COMMUNICATIONS LLC LIGHT SABER PROJECT SUMMARY

LCB Communications LLC (LCB) is headquartered in San Martin, CA with its commercial office at 95 E. San Martin Avenue San Martin, CA. LCB in conjunction with South Valley Internet Incorporated (SVI) proposes to construct a Fiber to the Premise (FTTP) broadband network in the rural unincorporated part of southern Santa Clara County commonly referred to as San Martin and Paradise Valley. According to the 2010 census, San Martin had a population of 7,027 and 2,122 homes. The median household income was approximately \$92,575.00 and the median age was 44.8 years old. Residents of San Martin are educated with 79% having a high school diploma and 24% having a bachelors or higher. San Martin seems to have the extremes of wealth and poverty. According to the 2010 census Paradise Valley had a population of approximately 400 people and 150 homes. The median household income was \$73,575.00 and the median resident's age was reported to be 38.5 years old. The residents of the area are generally well educated with approximately 75% having a high school diploma or higher degree and approximately 45% having received a Bachelor's Degree or higher. Many of the residents of Light Saber Project area or the Proposed Fiber Service Area (PFSA) commute to Silicon Valley and work for a variety of hi-tech companies. The number of technology focused individuals, the age and the income demographics, combine to create an environment with a much higher demand for high speed broadband services and the ability to pay for it. LCB Communications is asking for a grant from the California Advanced Services Fund to help deliver FTTP to this unserved and underserved area. The total cost of the build out of the Light Saber Project is \$4,681,672.00



South Valley Internet, LLC
 CASF Proposed Funded Service Area
 Service Area & Block Groups

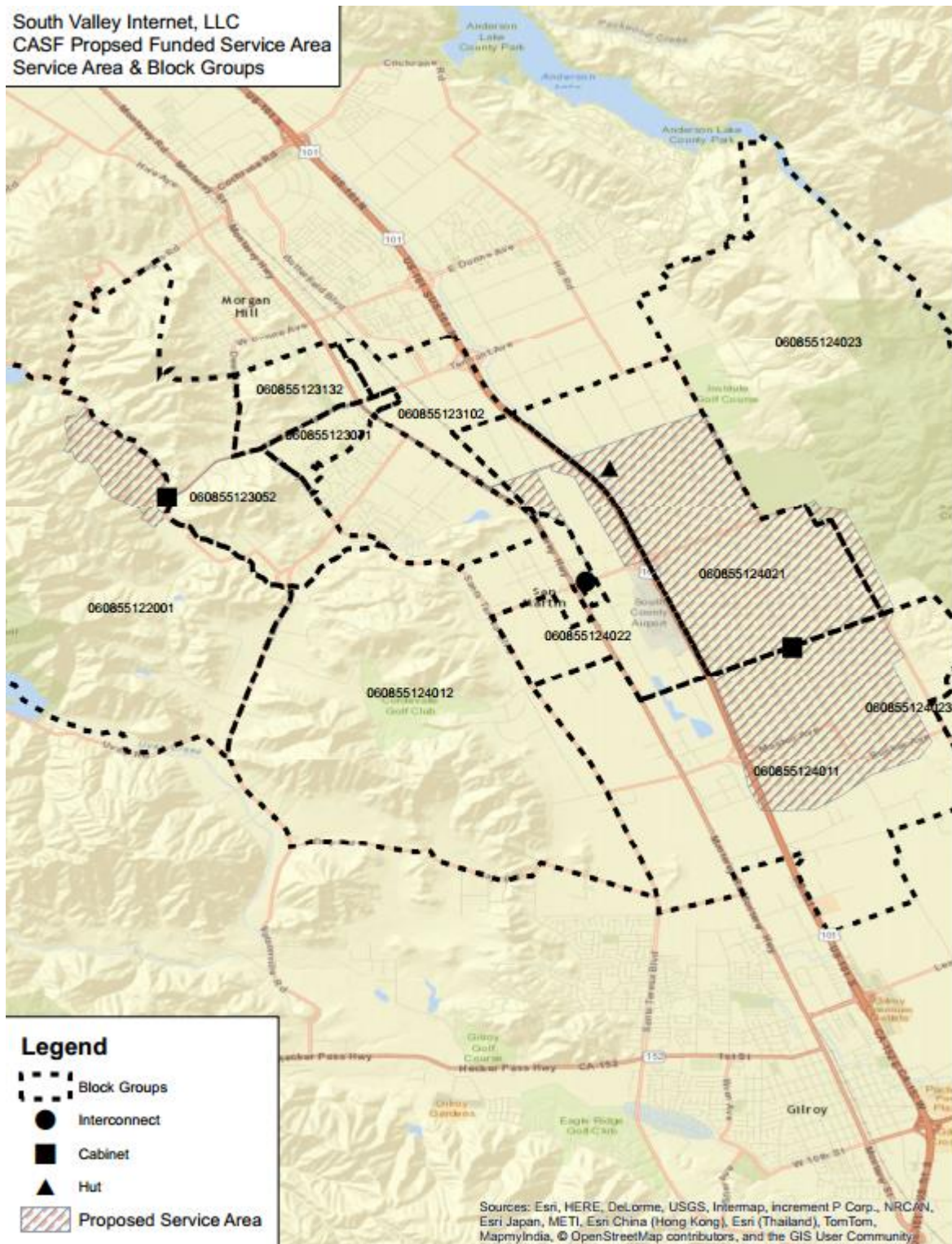


Figure 1: Map of LCB's Light Saber Project Location



LCB Communications LLC was founded in October of 2011 and was granted a facilities based CPCN shortly thereafter allowing LCB to collocate and complete outside plant construction. LCB Communications LLC and South Valley Internet Incorporated have a common owner.. LCB was created to be the CLEC arm of South Valley Internet, which allows LCB/SVI to provide faster facilities based broadband solutions to its customers. Originally founded in 1994 as a traditional Internet Service Provider SVI, has grown into a communication solutions company specializing in data and voice. As one of the oldest ISP's in the state of California, SVI's roots are embedded in connectivity innovation. It is these roots that have pushed the team at SV Ito identify FTTP to be the next step in providing the best internet and phone service possible to this unserved and underserved area.

LCB/SVI has conducted a competitive analysis to the proposed project area to determine who the other providers are in the proposed service area. This competitive analysis included extensive market surveys which indicated that 100% of the proposed service area residents have internet access speeds less than 6Mbps Download and 1.5Mbps Upload speed that is defined by the CASF as the speed that makes an internet service into high speed broadband.

Verizon and AT&T are the Incumbent local exchange Carriers providing telephone and DSL based internet services to the proposed service area, although their DSL plant is limited and does not reach many of the residents. Charter Communications is the local Cable television provider, however, LCB/SVI research indicates that DirecTV and DISH Network have the largest market share of video services. Charter offers a cable modem based broadband service, but much like AT&T and Verizon their physical plant limitations inhibit their ability to serve this market in any way. Satellite Providers and two other small fixed wireless internet providers with a very limited coverage area have a small presence.

LCB/SVI provides DSL and Wireless broadband services in Morgan Hill, San Martin, Gilroy and Hollister. Through arrangements with other carriers LCB/SVI provides broadband



communication services to its customers nationwide. LCB/SVI has had great success in acquiring both DSL and Wireless subscribers due to the ability to deliver higher speeds more reliably.

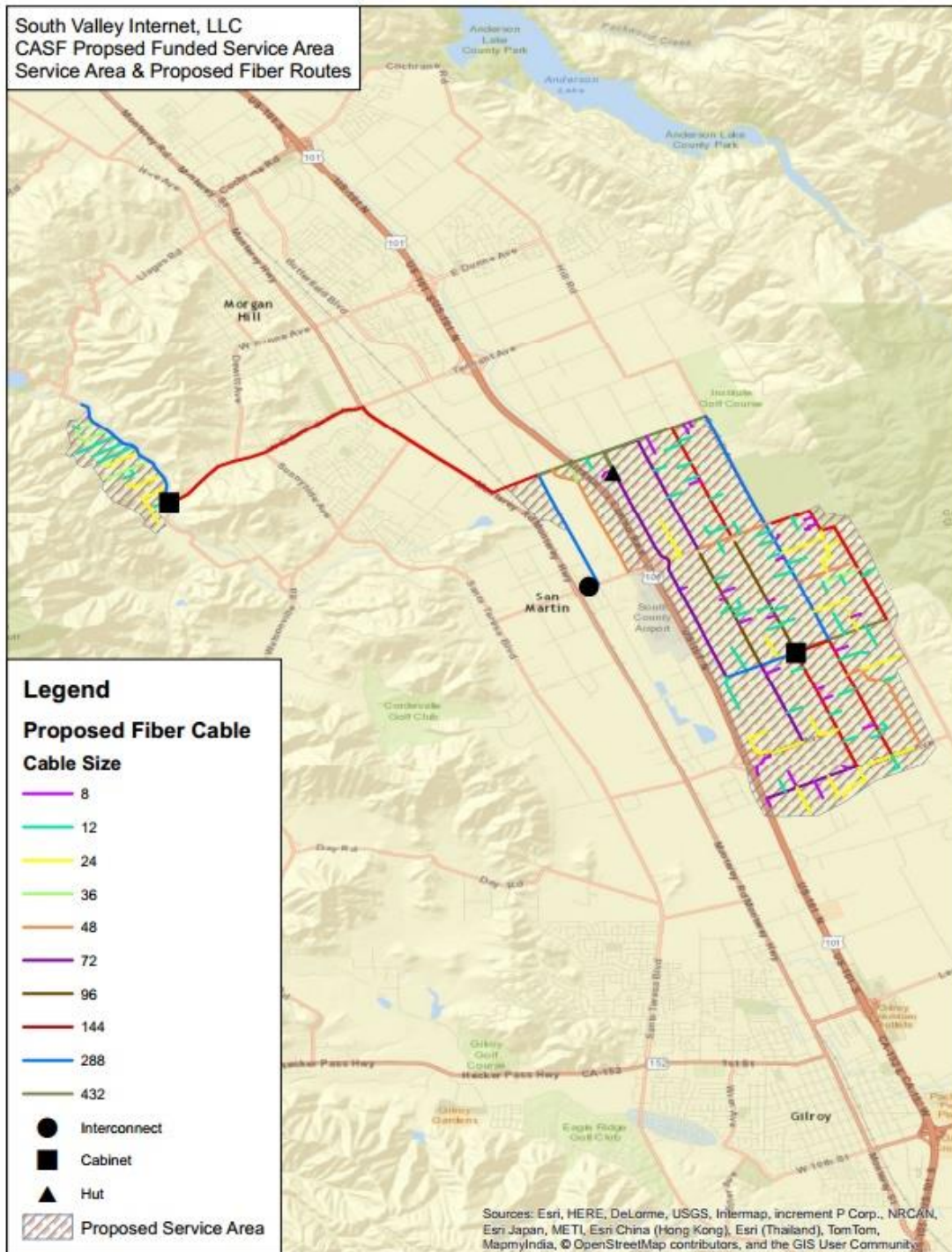


Figure 2: Map of Project with Route Detail



The map in figure 2 shows the extent of the fiber buildout . The new Central office otherwise known as the Hut will have a direct connection to LCB/SVI and the internet via our connection to a tier 1 data center in the South Bay Area. LCB/SVI plans to construct a fiber optic network consisting of approximately 59 miles of fiber optic cable to serve the proposed service area in Southern Santa Clara County as depicted on the proposed service area map included in the application. LCB/SVI will utilize this network to offer fiber to the home based solutions providing 50Mbps, 100Mbps and 1Gbps synchronous service. The deployment of a fiber optic solution will allow LCB/SVI to continually increase the speed of its service offerings to meet subscriber demand over the next thirty plus years.

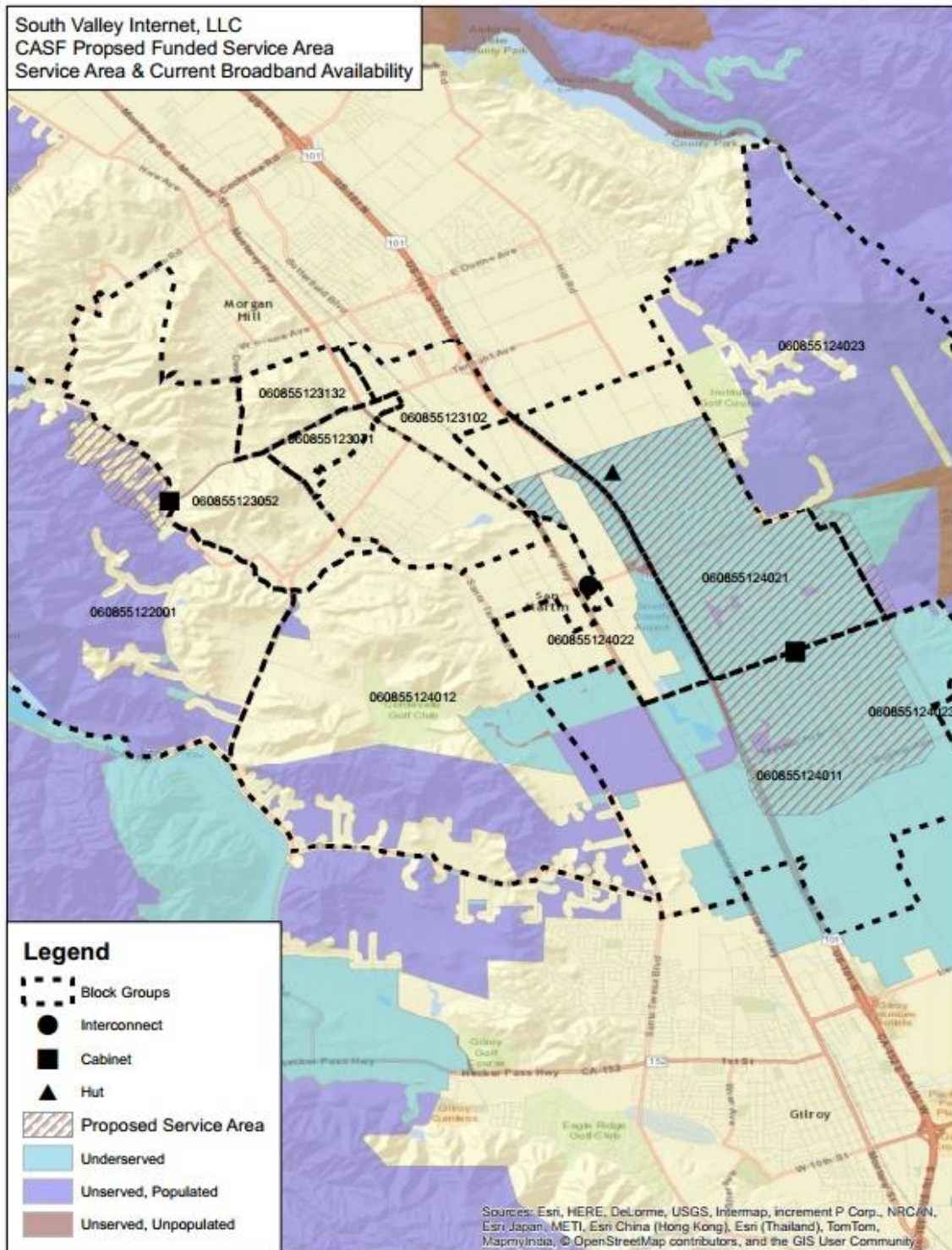


Figure 3: Map of the Proposed Project with Census Blocks



List of census Block Groups:

060855124011	060855123052
060855124021	060855122001
060855124022	060855124023
060855123102	060855124012
060855123132	060855123071

List of Zip Codes:

95037, 95046, 95020

The team at LCB/SVI understands as market demand is forecasted to skyrocket for high speed broadband services, the company must expand the network to be able to provide the services necessary. The implementation of the Fiber to the Premise network described in this application will allow LCB/SVI to meet and exceed market demand over the next thirty plus years in this unserved and underserved market.

FUNDING REQUEST

LCB/SVI is asking for a CASF grant in the amount of \$2,801,023.00 to provide FTTP to unserved and underserved residents in unincorporated South Santa Clara County. The total cost of the proposed project is \$4,681,672.00. LCB/SVI will be providing forty percent of the total cost of the buildout totaling \$1,880,649.00



PROPOSED PROJECT AREA

The Light Saber project area has both unserved and underserved included in the Proposed Fiber Service Area (PFSA). With that being said the majority of those who will be served are currently underserved. LCB/SVI is applying for a grant for an underserved area.