

CPUC Greenlights Bright Fiber Network Internet Project

SAN FRANCISCO, CA - JANUARY 10, 2019

Today, the California Public Utilities Commission (Commission) voted to approve the purchase of Bright Fiber Network, Inc. (Bright Fiber) by Race Telecommunications, Inc. (Race), giving the green light to a \$26.8 million dollar fiber-to-the-home build, servicing 1,941 households in western Nevada County. The project was approved with a unanimous 4-0 vote.

The original Commission California Advanced Services Fund (CASF) grant for the project was awarded to Bright Fiber in December 2015 but was delayed by other federal grant developments and Bright Fiber's search for financing for required matching funds. In June 2018, Race announced its planned acquisition of Bright Fiber, which it will operate as a wholly-owned subsidiary of Race to complete and manage the project. A successful Internet Service Provider that has received ten and completed nine Commission rural broadband projects in the state, Race will provide all necessary financing and bring deep technical and managerial expertise to the Bright Fiber project.

"It's been a ten-year journey to arrive at the point where construction can finally begin on this transformational gigabit fiber project in an area of rural Nevada County, where broadband Internet access is severely limited," said John Paul, the President of Bright Fiber. "My neighborhood champions, the hundreds of project supporters and I are simply thrilled and grateful that the Commission approved Race taking the helm and completing Bright Fiber's vision to bring our community into the Information Age."

To contain costs that steeply rose since the project's original application in 2013, Bright Fiber and Race proposed an amended project that is 25% underground with 75% aerial installation, meaning that the fiber will be attached to existing poles similar to telephone and electric facilities. The Commission reviewed and approved these changes to the broadband project, including a \$69,534 reduction in the CASF grant, now amended to \$16,086,789. The revised total cost of the project will be \$26,811,315. The Commission found that the lack of reliable and affordable broadband in the project area remains the case today, and this transfer allows the project to be completed. Under Assembly Bill 1665, the Commission is working to provide broadband to 98% of the residents in the state by region.

The Commission granted an extension of the original deadline for construction to May 2020. Race has already completed the engineering for the amended project and said it will immediately begin the permitting process with the local authorities and seek to complete the project within the required timeframe.

"Race is humbled and grateful that the Commission has moved quickly to approve this transfer of control of Bright Fiber and review the needed CASF project changes so that Race can construct this important project for the community," said Raul Alcaraz, President of Race. "Our team at Race has been blessed to have a successful track record of CASF projects, and we feel

confident we can deliver a reliable, fast and affordable broadband system.”

Race and Bright Fiber will hold a Town Hall meeting for the community in the evening on Wednesday, January 30th to describe the amended project to interested community members and to answer any questions. The location and time of the Town Hall will be announced shortly.

Founded in 1994, Race Telecommunications, Inc. has a successful track record of delivering high-speed fiber solutions to rural and disadvantaged communities that are both affordable and sustainable. Working in partnership with the California Public Utilities Commission and non-profit community advocacy groups, Race has made it its mission to bridge the Digital Divide in California.

Bright Fiber Network, Inc. is an independent internet service provider in Nevada County. The company began as Spiral Internet in May 2006. Since its inception, Bright Fiber has evolved its business and service offerings in the rural broadband market and has worked tirelessly to bring a state-of-the-art fiber network to western Nevada County. After the sale of BFN to Race, BFN will work exclusively on the fiber-to-the-home CASF project. A separate company, Spiral Internet LLC, has been spun off from BFN and will offer web hosting, dial-up, email, and DSL resale services under the leadership of John Paul.