

IFNformer

INDIANA FIBER NETWORK, LLC

IFN's 2009 in Review

2009 was not a banner year for the US economy. Unemployment was in double digits, and many of the most respected businesses in America were not producing the revenues or profits that were projected. Cut expenses, maintain revenue, and hunker down was the plan for most companies. IFN was a bright exception to that trend.

IFN expanded its network to nearly 2,100 miles of fiber in the ground. We were able to hire 6 new employees, 2 in the sales department and 4 in operations. Additionally, we added partner relationships to expand our "indirect" marketing efforts which were very successful in 2008. Our sales efforts during the past year saw very strong growth in the wireless and educational markets. 2009 was not a year of "home run balls", but rather a constant stream of business wins based on meeting our competitors head-on; and

winning. "Home grown" growth is what we call it. We maintained a healthy balance of transport and service sales, and added about 30 new customers. At year end we are billing about \$1M/month in recurring revenues.

From an operations standpoint, we have augmented our staff with experienced professionals, and we are in the process of implementing several new software systems. These systems are designed to provide constant network status management reporting, automate and track trouble tickets, provide more accurate network record-keeping, and improve order tracking. In combination these new systems take IFN to the next level with increased productivity, and growth management. The building that we thought we would never outgrow is filling up quickly, and major renovations to the HQ building are now taking place to accommo-

date new employees. We are continuing to augment our network growth with leading edge xWDM, and switching equipment to increase our overall network capacity and revenue generation capability.

We look forward to 2010, along with the rewards and challenges it will bring. As we sharpen our marketing skills, and improve our ability to execute network growth plans, we are very confident that not only will IFN survive in a modest economy, we will flourish.

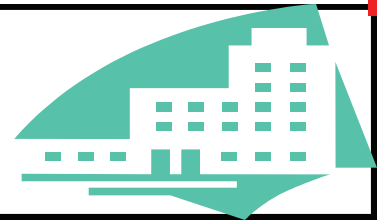
Quarterly Newsletter Volume 4

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Critical Access Hospital Grant Update:



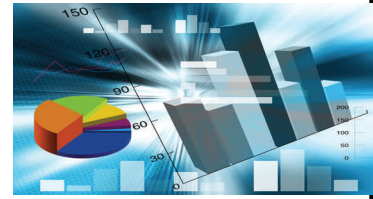
There were a total of 58 locations in the original RFP. 10 sites opted out for various reasons, but mostly because they currently have SONEC services in the Indianapolis Metro area (Clarian, St. Vincent, and St. Francis). There were 9 locations where Members were selected as a finalist, and 47 where IFN was selected. With the finalists being selected, site visits have been taking place over the past month, and the “best and final” pricing is due to IRHA by January 14th. As I’ve been performing the site

visits, most Hospitals are very interested in the Phase II connectivity back to Indianapolis’ shared platform. IFN is bidding on this portion of the network as well, including collocation space. Once pricing is provided to the Hospitals, negotiations will begin and contracts are anticipated to be signed in the March/April timeframe. The overall Grant was \$18,986,200, and we are hopeful that our Members and IFN are awarded a substantial number of sites.

Article by: Rob Ramsey



Sales and Marketing Update



It was another great year for the sales team in 2009. Total sales were once again over 100% of quota for the year. As we all know there were many challenges in 2009. This included pricing pressures, competition, the economic slowdown, etc; any of which could have led to lower sales numbers. However, the sales team rose to the occasion, worked past the issues, and surpassed the goals set before us.

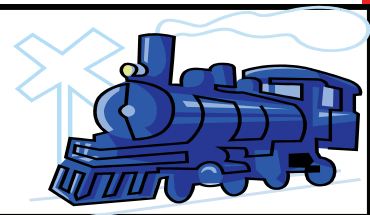
As much as we may want to sit back and reflect on the successes of the past year, there is no time for that. We are looking for continued growth in 2010, and we are seeing some very positive things early on that make us think that 2010 will be our best year yet.

Stay tuned for updates along the way.

Article by: Bart Saunders



Industry News: I Hear That Train A Comin'



Interesting 2009...From one of the monthly telephony rags "AT&T asked the FCC to abolish regulations that require the telecom giant to support and maintain landline infrastructure. Taking things a step further, AT&T asks the FCC to set a deadline for completely phasing out wireline services". The good news is, the FCC is not about to grant such a petition today. There are too many little old ladies still out there on corded phones. However, in another AT&T petition to the FCC; "AT&T filed a petition for declaratory ruling that its Internet protocol (IP) telephony services are exempt from the access charges applicable to circuit-

switched interexchange calls". Effectively, the shift to IP Voice will abolish access charges; the not-so-good-news part. How much of your annual revenue is access charge based? Can you begin to move your voice services to IP? Do you have a revenue replacement plan? Are there new services you could offer to your subscriber base?

Funny thing about change, you always think you have enough time to get ready, create a transition plan, prepare for unknowns, right up to the point that the doorbell

rings...and then "they're here".

Article by: John Vess



Rob Mason Receives Support of Sales Award



This quarter's recipient of the "SOS" award is Rob Mason. As one of the "original" group of IFN employees, his experience with our network, and his sincere desire to always go the extra mile has helped make IFN the best fiber provider in Indiana. His promotion to Lead Network Technician is well de-

served, and his expertise has helped make IFN the success it is today.

From all of us at IFN, "thank you Rob."



New Faces at IFN



As IFN continues to grow and expand we have added new staff to the team. Please welcome our newest team members:

Dustin Miles is currently our NOC Technician, working the second shift. Dustin's previous background includes 4 years of working as a Network Administrator for Lincoln Bank. Since starting in October, Dustin has fit right in with the team here at IFN.

Trish Hall is our new Sales Administrator. In this newly created position, she will provide sales support, handle order processing, and generally help make the sales team more efficient. Trish brings a wealth of experience from her time with Brightpoint and Reverse911. She has gotten off to a great start, and made us realize how much we needed this position filled.

Tom Bechtel has accepted the position of Vice President Network Planning and Operations.

He had a lengthy career with TDS Telecom where he held multiple positions including Manager Network Operations, and most recently Network Architect. We are excited to have Tom's experience and expertise on the IFN team.

Bryan Choisser is starting as the VoIP Switch Engineer/Supervisor. He has spent the last 5 ½ years with Cinergy Communications in Evansville. His skills and talents will be put to work immediately.

There will be more additions in the New Year as we continue to grow. If you have a chance to stop by the office please introduce yourself to the new employees.

“Welcome to the IFN team everyone!”





With our roots in the past and our vision in the future, Indiana Fiber Network is the fiber optic choice for Indiana.

Indiana Fiber Network, LLC is a consortium of 20 independent telephone companies. Formed in 2002, the purpose of IFN is to provide advanced telecommunication services throughout the state via private line, Ethernet, or Clear Channel transport.

Since completing our initial build out in early 2005, we have a 2100+ mile fiber optic network that connects rural Indiana with the larger cities around the state. Our initial focus was to provide for the member companies' infrastructure needs (toll trunks, SS7, Internet, video, etc.). These services are now available to the Enterprise market as well. In addition, all services will be available to the public, from DS1 level to OC192 and Ethernet up to Gig-E.

Member Spotlight of the Quarter: Pulaski/White Rural Telephone Cooperative



Pulaski/White Rural Telephone Cooperative is a member-owned company founded in 1954. The Cooperative serves portions of Pulaski and White counties with two central offices located in Star City and Buffalo. In addition to telephone and long distance service, PWRTC offers high-speed DSL and wireless internet connections and satellite television (both Dish NETWORK and DirecTV). PWRTC is a Dell Registered Partner and has a Microsoft Certified Systems Engineer on staff.

The Cooperative offers computer repairs and network assessment and development. PWRTC is on schedule to provide services to the membership via 100% buried outside plant facilities by the end of 2010.

In late 2009, PWRTC purchased Aardvark Electronics, LLC in Monticello. Aardvark offers AT&T cellular plans and telephone; broadband PC cards for mobile, high-speed internet access; mobile stereo systems,

starters and alarms for cars and boats; home stereo and surround sound; and HD and 3D televisions with home theater options.

PWRTC and Aardvark together have 20 skilled and dedicated employees serving the membership. This includes the company's President/CEO, Chris Bonner.