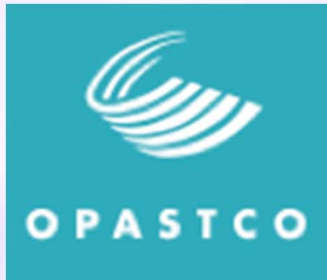


Not Your Father's Broadband

Russell Ramsey – Vice President – The Toledo Telephone Co., Inc.

A one page history:

- Founded in 1906 as Home Telephone Company
- Located in Toledo, WA, about 100 miles south of Seattle, along the I-5 corridor
- A privately owned Company, owed and operated by the Ramsey Family since 1938
- 150 Sq Mile ILEC Exchange, currently with 2,000 POTS & 1,000 DLS lines.
- 1996 ToledoTel launches its ISP under the Non-Reg Brand, Toledo Telenet
- 2000 Completes DLC deployment, and makes ADSL available to 100% of ILEC exchange
- 2007 launches GPON based CLEC offering in neighboring communities.
- 2008 turns up OC-48 links via regional network to Seattle & Portland Carrier Hotels
- 2008 launches Residential VoIP CLEC Services
- 2009 launches VoIP/Asterisk Business Systems to ILEC & CLEC Customers
- Distribute Directv & Wildblue Sat Internet via NRTC
- July 2010 turns up first ILEC customer to GPON, starting complete ILEC conversion to GPON
- Major Platform Vendors: MetaSwitch, Calix, Dell, & Cisco



- Started Providing Vudu boxes in June 2008 with our \$55/mo. 5/1Mbps Premiere DSL
- Strengths of Vudu: A grade content, Peer-to-Peer Torrenting Architecture eases backbone congestion.
- Weaknesses Vudu: Lack of broad brand awareness, compared to Apple, “Top 100” Titles well covered, but more obscure titles lacking.
- Interestingly, only about half of the Premiere users opt to try the Vudu Service
- February 2010 Walmart acquires Vudu.
- Vudu discontinues the selling of their Set-top boxes, focuses on streaming Apps bundled with TV’s, Bluray Players, and Game Consoles. With our PON deployment, we also now offer Vudu with our \$75/mo 10/5Mbps Platinum PON Service.
- At this point, we can provide any \$150 Bluray Player with Netflix or another OTT service, to drive higher tier adoption, to make customers “sticky”.
- Directv’s On-Demand drives Broadband as well.
- Still exploring more lucrative OTT opportunities that generate more retail revenue.