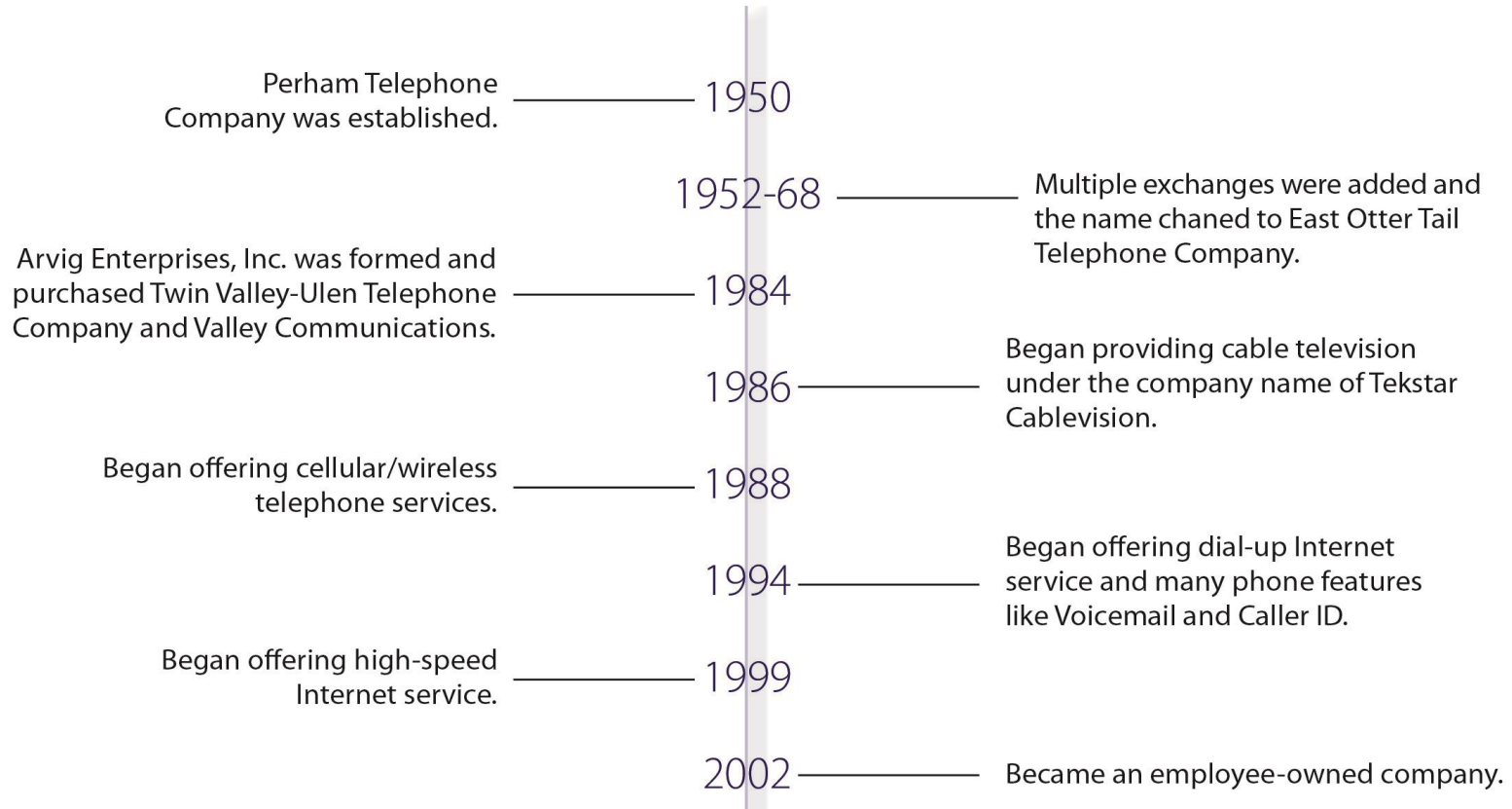


# High-Speed Internet (Broadband) Delivered to the Premise

## The Arvig Story

# Our History



# Our History

Midwest, Osakis and Peoples Telephone Companies and Unitel Communications became a part of Arvig.

2005

Purchased Time Communications, a call center, and Home Telephone Company.

2006

Partnered with Blue Earth Valley Communications and New Ulm Telecom to purchase Hector Communications.

2009

Purchased All State Communications, and Alliance Companies, including Arrowhead Communications, Eagle Valley Telephone, Felton Telephone and Loretel Systems.

2010

Purchased Redwood and Clements Telephone Companies and Diversicom, including Melrose Telephone Company and Mainstreet Communications.

2012

Purchased Security Plus Alarms, Inc.

Completed construction of fiber data transport infrastructure in Minneapolis, St. Paul, Rochester and St. Cloud

2013

Began offering high-speed Internet and telephone services to Bemidji businesses.

Purchased Data Communications and expanded further into North Dakota with business services.

2014

Purchased CD Communications, Inc. and became an authorized Toshiba Communications dealer.

# ***ALL STATE*** ***COMMUNICATIONS***

An Arvig® Company

## Connecting people, data and information systems:

- Structured Cabling
- Fire Alarm Systems & Inspections
- Outside Plan Construction
- And more
- More than 70 employees based in St. Cloud

*Your low voltage systems specialists.*



## Customized phone answering service:

- Business process outsourcing (BPO)
- Medical answering service
- Inbound call center
- Help desk solutions
- Virtual call center
- Live chat answering service
- Customer support call center
- Answer calls for National and International Companies
- Over 100 employees

*Courteous, professional 24-hour LIVE answering services*

# SMARTSEARCH

*The Book People Love.*  
An Arvig® Company

We publish 25 directories and print more than 1 million directories in four states (MN, ND, SD, IA).

- Yellow Page Advertising
- Online Directories
- Custom Website Design & Hosting
- Text Marketing

*Advertisers say it's the best directory they've advertised in and it makes all other directories obsolete.*

# Phone Systems

## Customized systems with:

- All-in-one solutions
- Anytime, anywhere access
- Seamless integration
- Remote management
- Hosted PBX Systems
- Panasonic & Toshiba Phone Systems



# Security Systems

- Intrusion Detection
- Video Surveillance
- Access Control
- Identity Management
- Honeywell & Lenel Products



# Construction Services

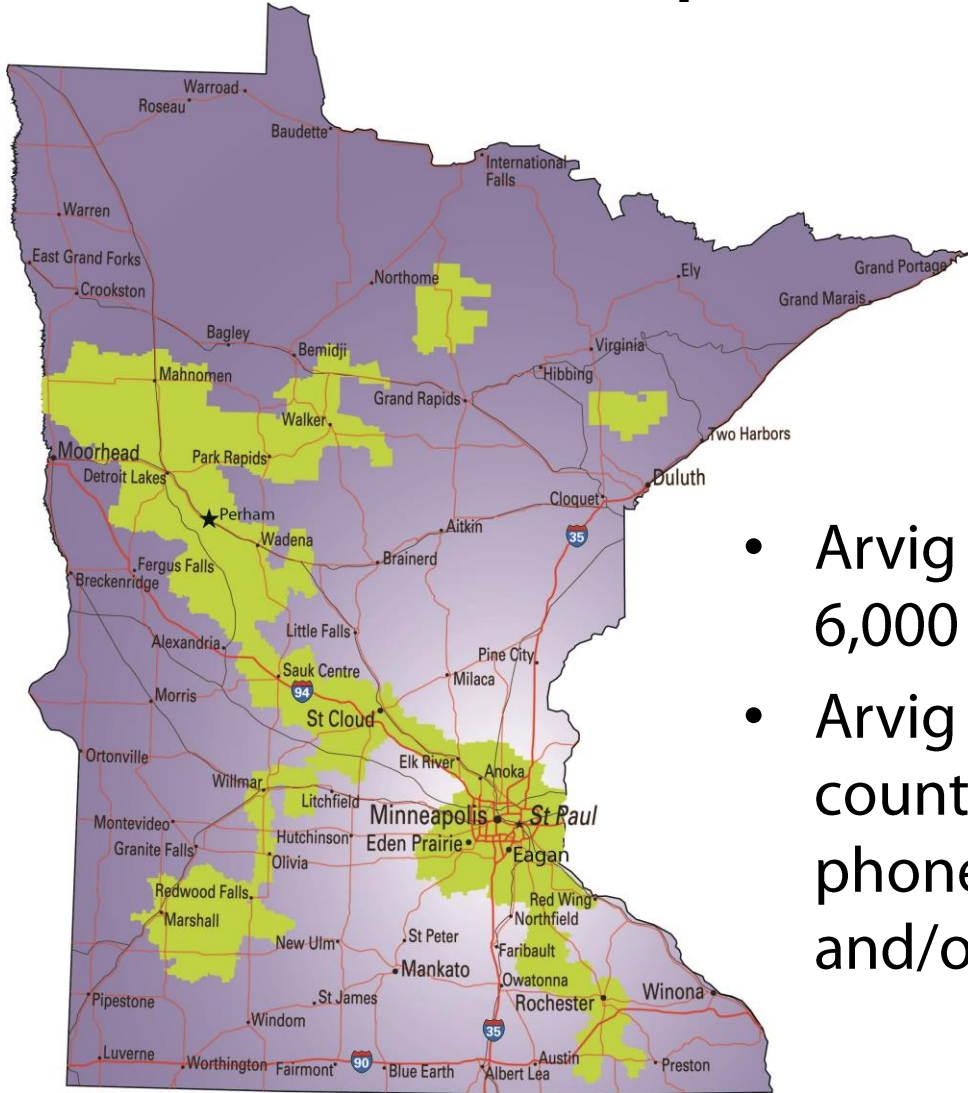
- Offices in Brooklyn Park & Perham
- Serves a 5-state area
- Over 200 employees

## Construction for

- Telecommunications
- Gas
- Electrical



# Statewide Transport and Area Served



- Arvig has more than 6,000 miles of fiber.
- Arvig serves half of the counties with Internet, phone, television and/or Ethernet service.

# Today Arvig Is

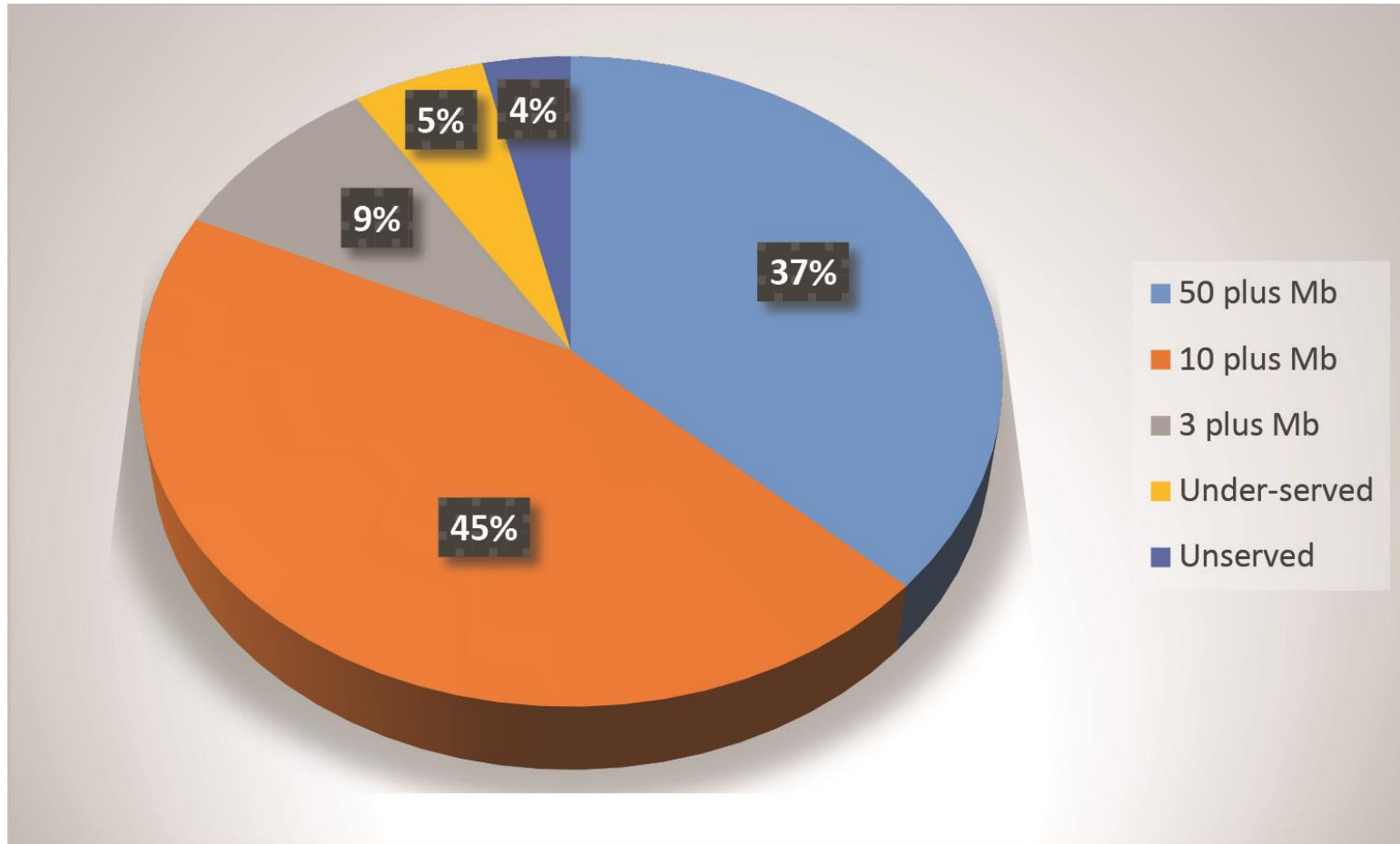
9,000  
43<sup>rd</sup> 74  
125,000<sup>17th</sup>  
700+

# Evolution of Internet - Platforms

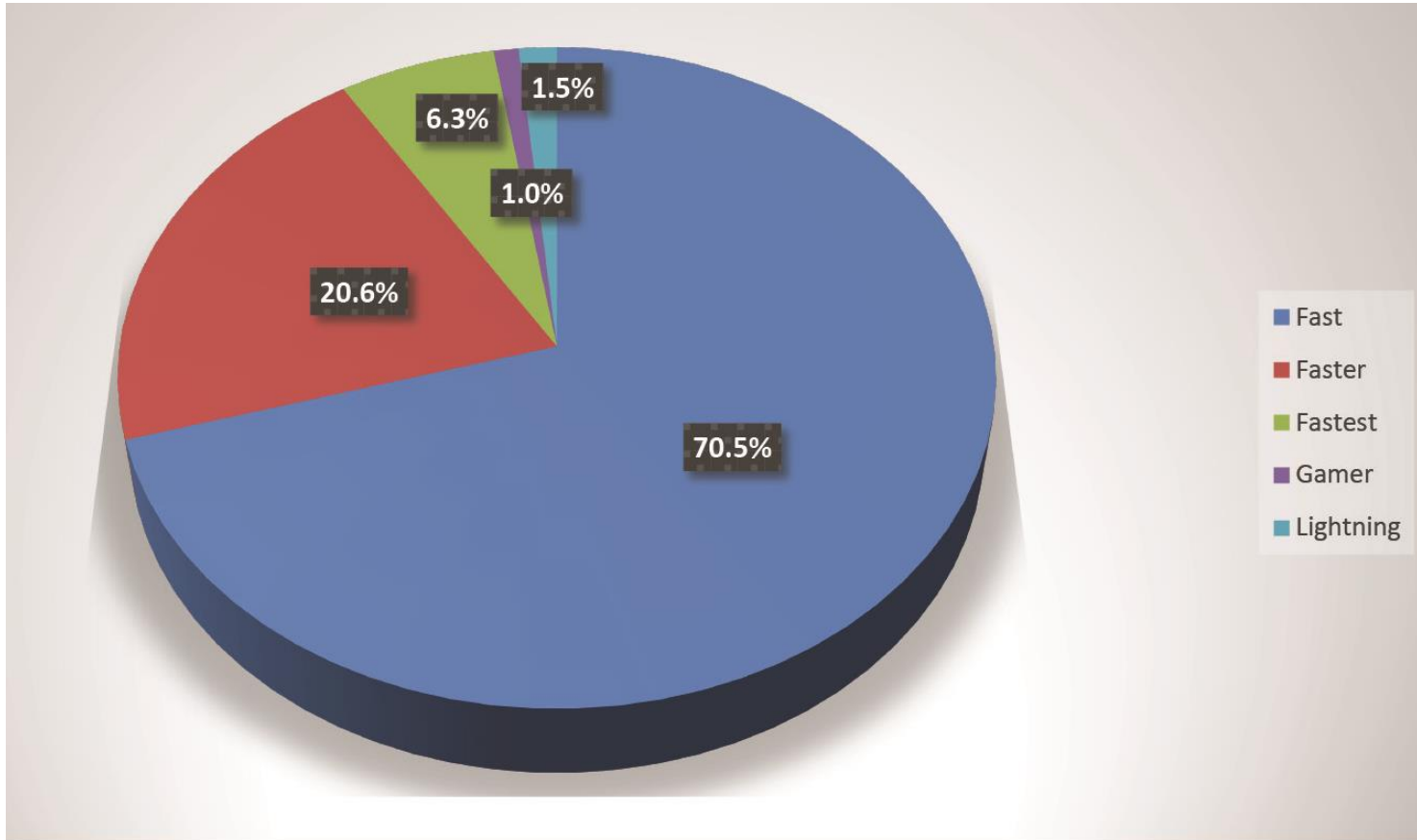
- DSL – 59.5%
- Cable Modem – 31.4%
- FTTH – 7.3%
- Wireless – 1.3%
- Ethernet – .4%



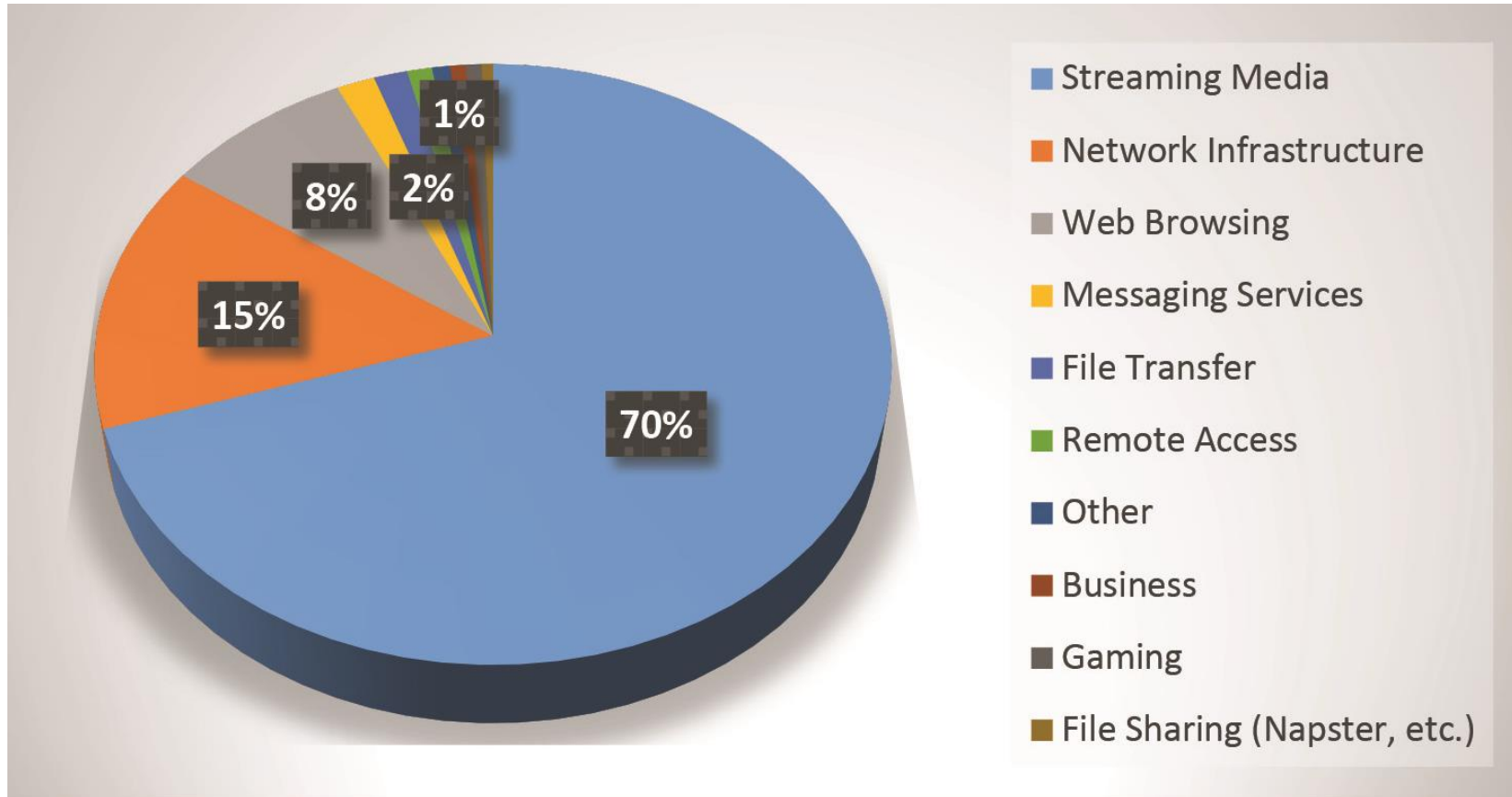
# Today's Network High-Speed Capability



# What Speeds Are We Selling?

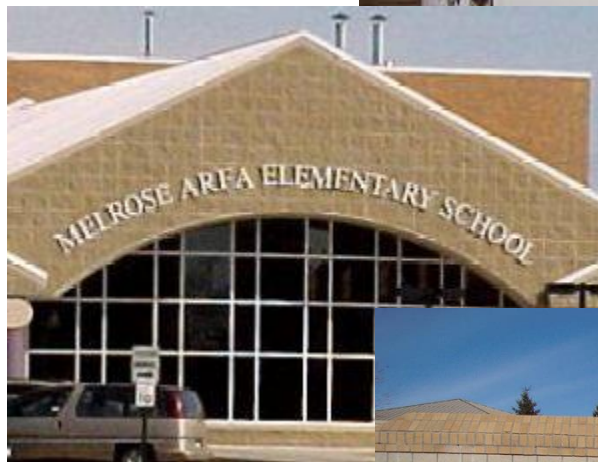


# What Are We Using The Internet For?



# Schools & Libraries

We serve 54 area schools and libraries with high-speed Internet service.



# Upload Speeds – Meeting the Market

- 2% of our customers value and pay for additional upload speeds.
- Majority of business customers have available upload speeds above the Task Force goal.



# Our Customers Want

- The Keyboard Effect.
- Wi-Fi inside their premise that equals speed to the side of their house
- Faster downloads
- Wired HS service no matter where they live



# Our Customers Want

- Secure connections – VPNs
- HealthCare & Home/Security monitoring
- Online Education, Job Opportunities
- Positive Community Economic Impact



# Our Customers Want



# By 2015, the Governors Broadband Task Force Has Set Their Goal

- 10/20Mb download
- 5/10Mb upload



Table 1 – Estimate Of Broadband Service Availability In The State Of Minnesota –  
By Speed Tier Among Fixed Platforms

SBI Download/Upload Speed Tiers	Unserved Households ('000)	Served Households ('000)	Percent of Served Households by Speed Tier
At Least 768 Kbps/200 Kbps	28	2,061	98.78
At Least 1.5 Mbps/200 Kbps	29	2,058	98.62
At Least 3 Mbps/768 Kbps	70	2,017	96.66
At Least 6 Mbps/1.5 Mbps	148	1,940	92.93
At Least 10 Mbps/1.5 Mbps	200	1,888	90.43
At Least 10 Mbps/3 Mbps	224	1,863	89.27
At Least 10 Mbps/6 Mbps	523	1,564	74.93
At Least 25 Mbps/1.5 Mbps	297	1,790	85.77
At Least 50 Mbps/1.5 Mbps	389	1,698	81.36
At Least 100 Mbps/1.5 Mbps	422	1,665	79.78
At Least 1 Gbps/1.5 Mbps	2,086	1	0.07

Source: Connect Minnesota, May 2014.

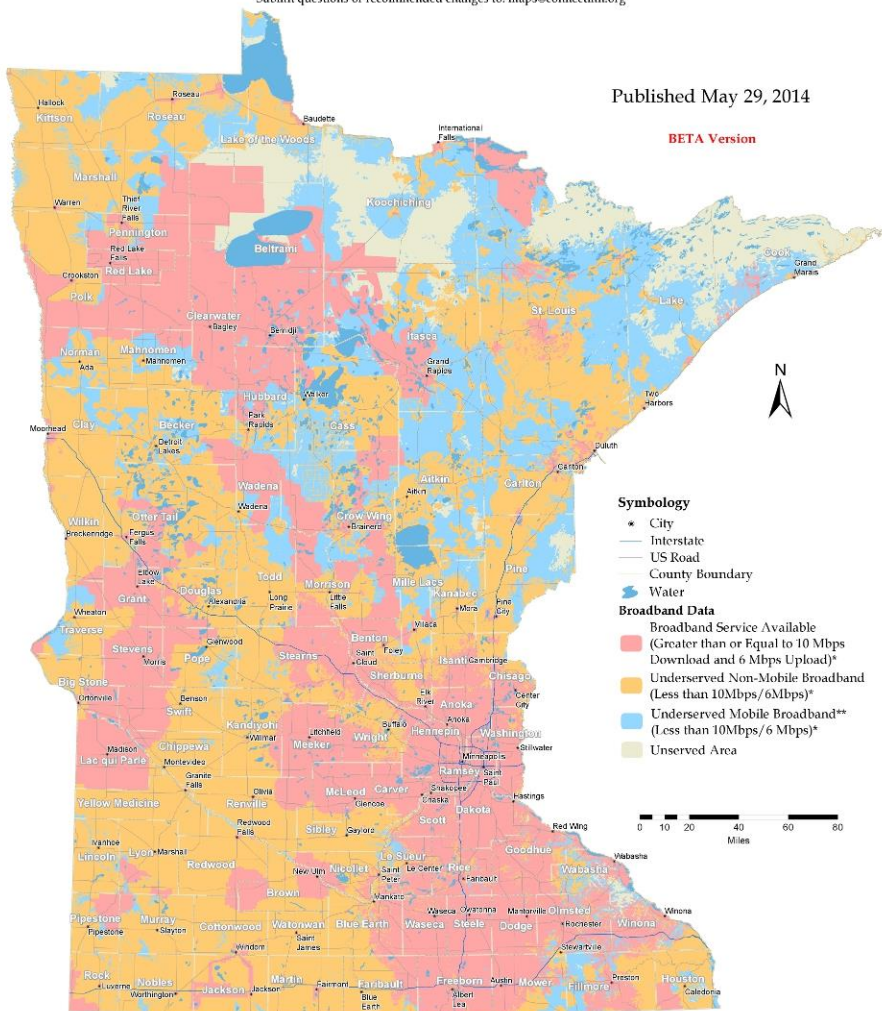


# Broadband Service Inventory for the State of Minnesota





Advertised Speeds of at Least 10 Mbps Downstream and 6 Mbps Upstream

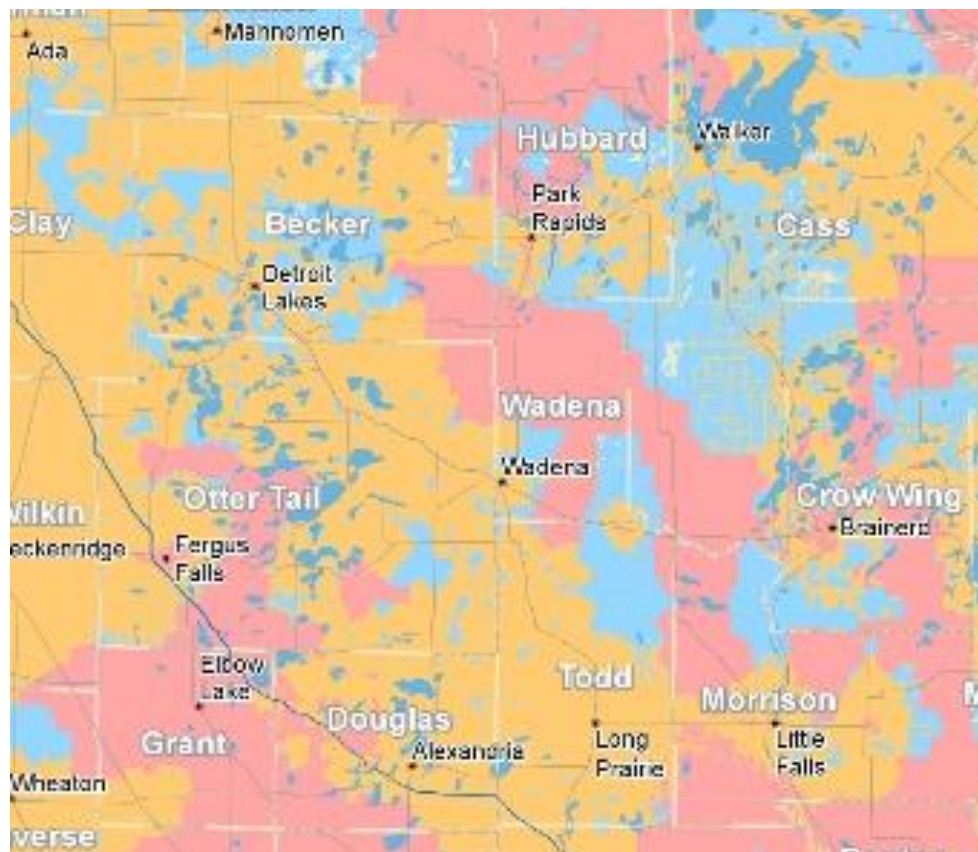
Submit questions or recommended changes to: [maps@connectmn.org](mailto:maps@connectmn.org)

Published May 29, 2014



## Broadband Data

-  Broadband Service Available  
(Greater than or Equal to 10 Mbps Download and 6 Mbps Upload)\*
-  Underserved Non-Mobile Broadband  
(Less than 10Mbps/6Mbps)\*
-  Underserved Mobile Broadband\*\*  
(Less than 10Mbps/6 Mbps)\*
-  Unserved Area



# Challenges

- Cost to build and upgrade networks
- The lack of density for population
- We serve numerous seasonal areas
- Adoption and use of higher speeds
- Regulation
- Competition



# Internet Competition

EOT	Twin Valley-Ulen	Tekstar (CLEC)	Midwest	Peoples	Callaway
Verizon, HughesNet, BlazeWIFI, Enventis	Verizon, HughesNet, BlazeWIFI	Charter, CenturyLink, Paul Bunyan (PR), Verizon, HughesNet, BlazeWIFI, WiFly Wireless (DL)	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI

Osakis	Main Street (CLEC)	Melrose	Redwood	Home	Clements
Verizon, HughesNet, BlazeWIFI	Charter, Verizon, HughesNet, BlazeWIFI, Mercury Satellite, Enventis	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI

Loretel	Arrowhead	Eagle Valley	Felton
Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI	Verizon, HughesNet, BlazeWIFI

# Pilot Programs

- Minnesota's Border to Border Broadband Development Grant Program
- FCC's Broadband Experiments



# Up to 1Gb Internet Speed



**MELROSE IS...**  
**GIG CENTRAL**



# Opportunity

- We are in the high-speed broadband service business and our past history is one that we “have always delivered”
- Not often is there a product or service that **virtually everyone will use everyday, everywhere.** That future date is very close.

