

Rural Telco Evolution - Surviving the Future Through Mergers and Acquisitions

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10.0

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2014





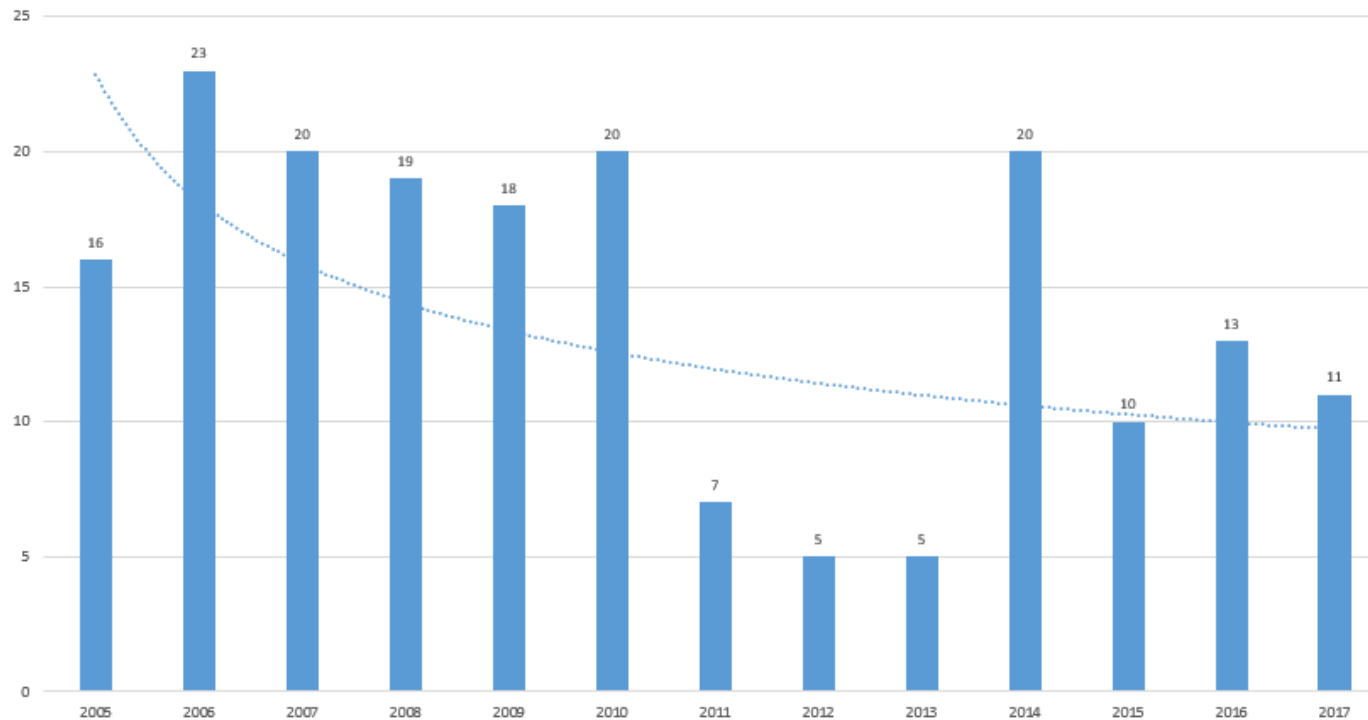




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Deal Flow | Picking up Some Steam

ILEC Deal Closings
2005 - 11/2017



- Significant slow-down in deal flow pending and immediately after issuance of the National Broadband Plan.
- 2014 unleashed some “pent-up” demand!
- Does 2014 – 2017 represent a new “normal”?
- Cooperatives are playing a larger role as market makers for RLECs.
- Will A-CAM companies flood the market over the next few years?
- Deal interest is increasing!

Increased Deal Activity in:

- Partnerships
- Mergers and Consolidations
- Managed Services Companies
- Network Assets
- Wireless Assets
- Data Management such as Data Centers
- Everything Broadband!!







Rural Telco Evolution – Surviving the Future Through Partnerships

Brian Ford
Senior Regulatory Counsel
NTCA-The Rural Broadband Association

Why Partner?

- Telcos, electric coops, and municipalities have a strong commitment to community
- Telcos and electric coops have overlapping members
- Telcos and electric coops have fiber and will build more
- Telcos and electric coops need additional sources of revenue
- The business case for building broadband networks is much harder in a competitive market
- The customer may not care who provides it as long as someone does
- Partnerships allow each entity to do what it does best

Key Elements to a Successful Partnership

- Recognize the need for a partnership
- Clear and agreed purpose and objectives
- Commitment and ownership
- Trust between partners
- Sometimes pride needs to be checked at the door
- Create clear and robust partnership arrangements
- Good communications with all partners
- Mutual benefits for all partners
- Conflict resolution and mediation
- Systems to monitor, measure and learn
- Outcomes that live on beyond the life of the partnership

Key elements from JSI

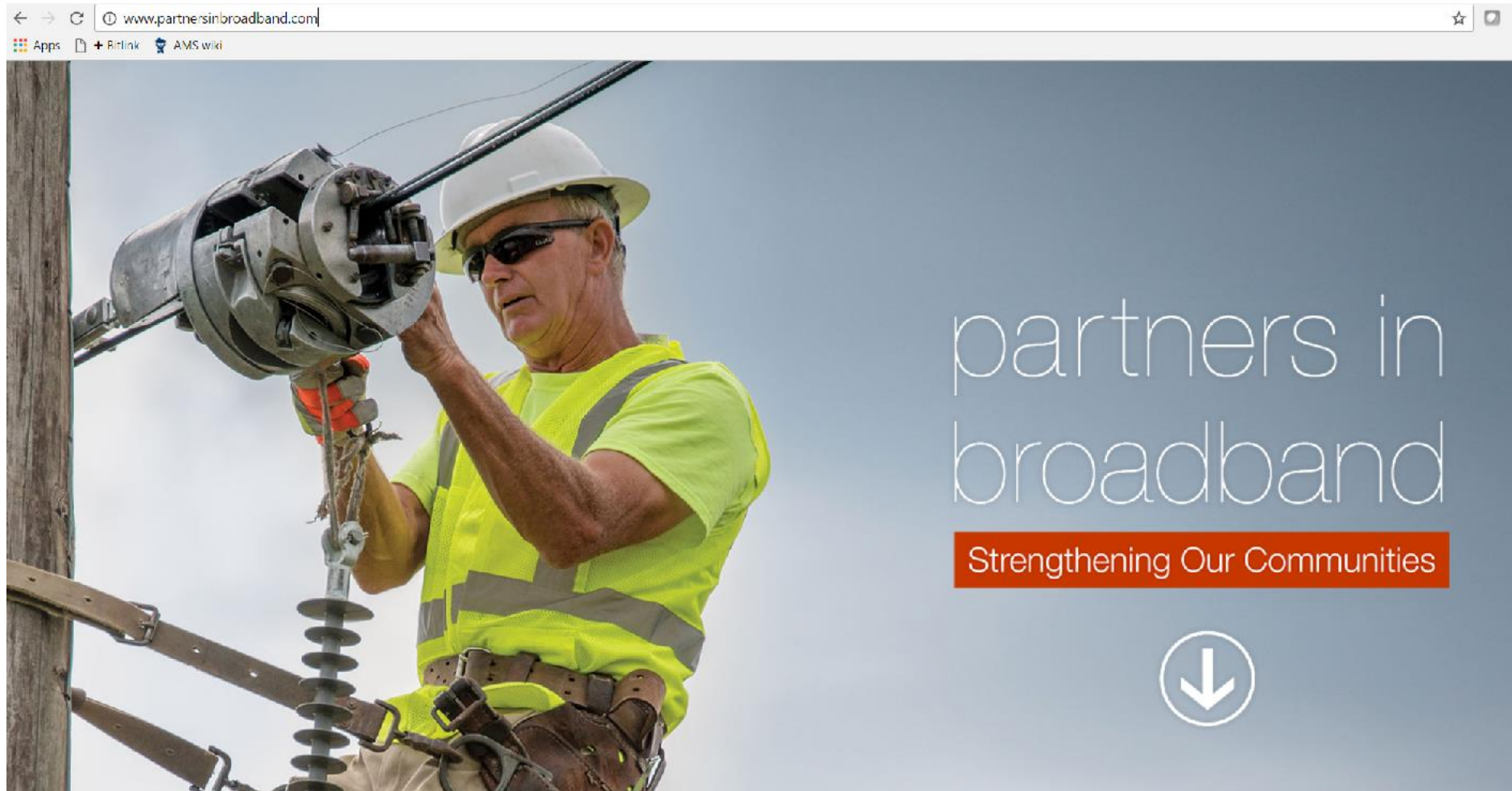


Partnerships Can Take Various Forms

- Leveraging Network Assets
 - Fiber Swaps
 - Connectivity, Customer Support
- Operation and Maintenance Agreements
 - Someone owns it, someone else runs or sells it
- Joint Ventures
- Public-Private Partnerships
 - Telco + Electric working together yielded state broadband funding



www.PartnersInBroadband.com

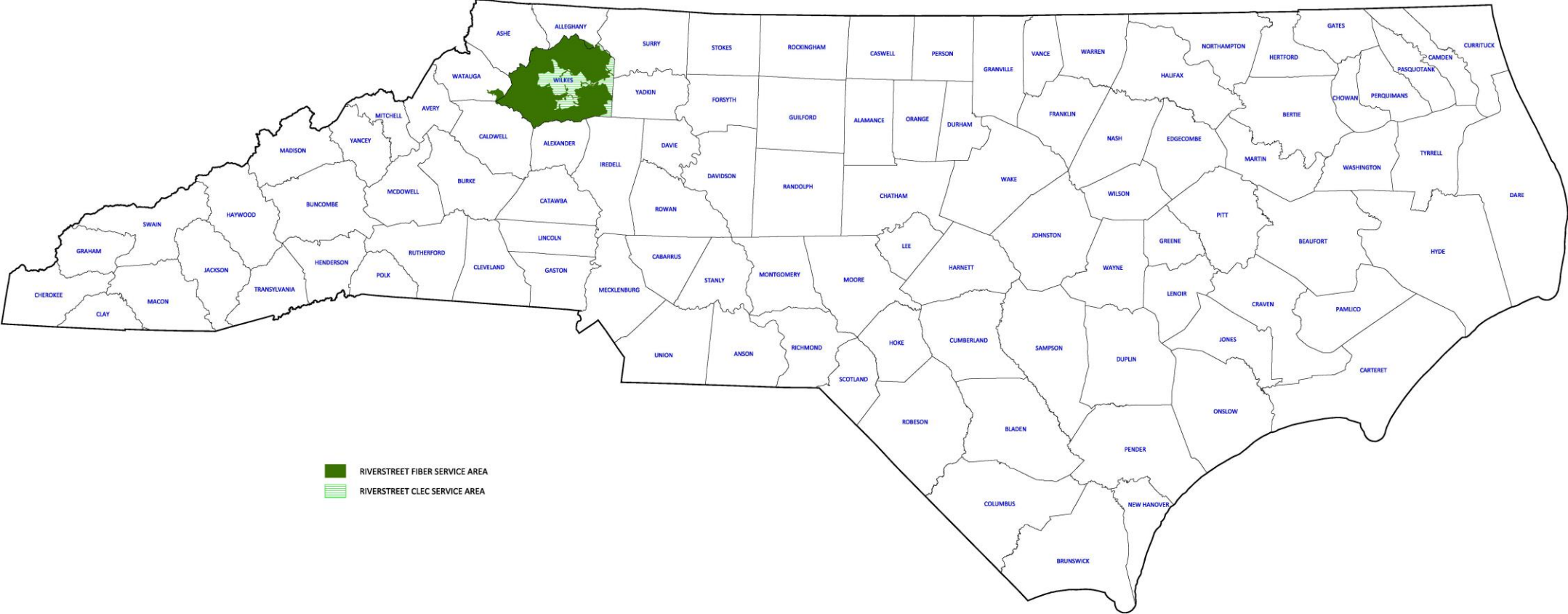




ERIC CRAMER – PRESIDENT & CEO
NARUC PANEL
NOVEMBER 2018

WILKES COMMUNICATIONS NETWORKS SERVICE AREAS

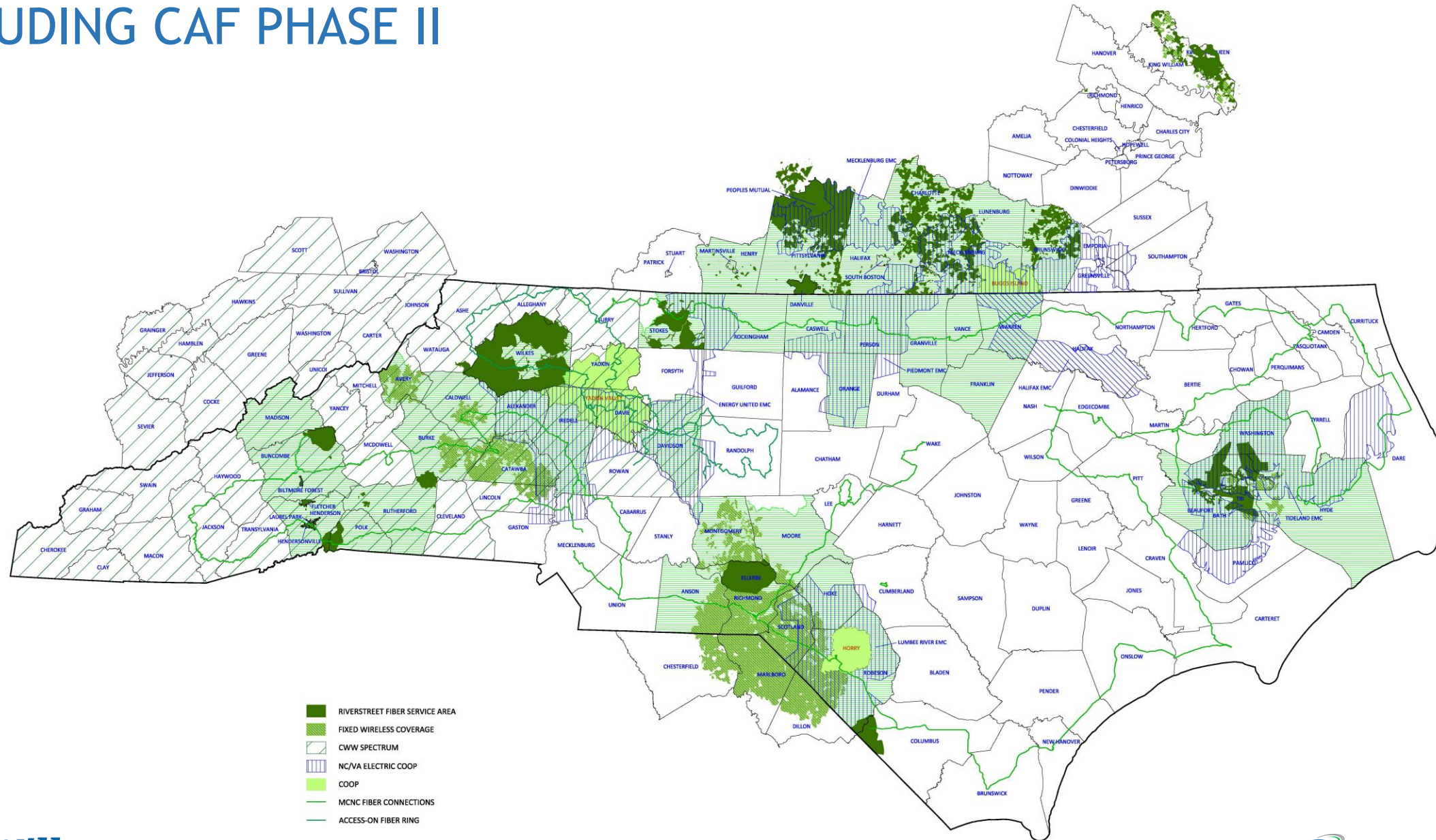
2014



■ RIVERSTREET FIBER SERVICE AREA
▨ RIVERSTREET CLEC SERVICE AREA

WILKES / RIVERSTREET NETWORKS SERVICE AREAS - 2018

INCLUDING CAF PHASE II



RIVERSTREET NETWORKS

PUBLIC PRIVATE PARTNERSHIPS - NORTH CAROLINA
ELECTRIC MEMBERSHIP CORPORATIONS

North Carolina Electric Cooperatives

QUESTIONS?

THANK YOU!

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