

## Surf - Livingston

### Applicant

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Version # \_\_\_\_\_

APP # 230136

#### Applicant Information

- a. Applicant Name Surf Air Wireless, LLC
- b. Does Business as Surf Internet
- c. Address 228 Waterfall Dr.
- d. Address 2
- e. City Elkhart State IN Zip 46516
- f. Federal ID Number 47-1887017 DUNS Number 079767282 Unique Entity Id. 801879615
- g. Agency Type

- Licensed under the Michigan Telecommunications Act (1991 PA 179, MCL484.2101 to 484.2603)
- Franchise holder under the Uniform Video Services Local Franchise Act(2006 PA 480, MCL 484.3301 to 484.3315)
- Broadband Service Provider currently providing service in Michigan
- Public private-partnership between a governmental entity and an internet service provider
- Private, Non-Profit

**As an applicant to the ROBIN Program I certify that I have read and understand the ROBIN Program Guidance and any linked or accompanying information in its entirety and understand the program guidelines, restrictions, reporting, compliance, and regulations.**

- Agree  Disagree

Please provide additional details on how you are eligible for this program

Surf Internet is registered with the State of Michigan as an Internet Service Provider. The ITSP registration was recently updated to include the name of Surf Internet, as the legal name of the company is Surf Air Wireless, LLC. Surf acquired the assets of FreedomNet Solutions in November of 2018, and has updated all required documentation with the state. Sales tax license is attached.

Please provide evidence of eligibility [433\\_\\_scan.pdf](#)

Are you registered with the Michigan Public Service Commission's Intrastate Telecommunications Service Providers Registry (ITSP)?

- Yes  No  Unsure

Have you provided broadband availability data to the Federal Communications Commission within the last two years?

- Yes  No  Unsure

Applicant Identification Numbers: Please provide the following identification numbers for the applicant (if available):

Michigan Tax Identification Number: 47-1887017

Michigan Vendor Identification Number (SIGMA ID): 801879615

Federal Communications Commission Registration Number (FRN): 0024049215

Service Provider Identification Number (SPIN): 143034896

#### Project Information

- a. Project Name Surf - Livingston
- b. Is implementing agency same As Applicant  Yes  No
- c. Implementing Agency Name

## Facesheet for Realizing Opportunities with Broadband Infrastructure Networks Grant - 2023

Agency: Surf Internet  
Application: Surf - Livingston

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d. Project Start Date	Sep-01-2023	End Date	Dec-31-2026
e. Amount of Funds Requested	\$18,801,786.24	Project Cost	\$26,868,786.63

Facesheet for Realizing Opportunities with Broadband Infrastructure Networks Grant - 2023  
 Agency: Surf Internet  
 Application: Surf - Livingston

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**Contacts**

## a. Application Author

Name Adam Bates  
 Title Administrator  
 Mailing Address 7991 N Nicholson Rd  
 City Fowlerville State MI Zip 48836  
 Telephone (517) 375-1693 Fax  
 E-mail Address abates@surfinternet.com

## b. Primary Grant Contact

Name Steve Pastorkovich  
 Title Consultant  
 Mailing Address 228 Waterfall Dr.  
 City Elkhart State IN Zip 46516  
 Telephone (202) 650-7181 Fax  
 E-mail Address spastorkovich@surfinternet.com

## c. Financial Officer

Name Ryan Delack  
 Title Chief Financial Officer  
 Mailing Address 228 Waterfall Dr.  
 City Elkhart State IN Zip 46516  
 Telephone (219) 326-5252 Fax  
 E-mail Address rdelack@surfinternet.com

## d. Authorized Official

Name Gene Crusie  
 Title Chief Executive Officer  
 Mailing Address 228 Waterfall Dr.  
 City Elkhart State IN Zip 46516  
 Telephone (219) 326-5252 Fax  
 E-mail Address gcrusie@surfinternet.com

## Project Overview

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### Project Overview

**Please provide a Project Summary not exceeding 250 words**

Surf Internet has already invested over \$6,000,000 in the construction of a fiber optic network in Livingston County, Michigan. The proposed project leverages the network we have already established to deliver symmetric gigabit internet, and up to 10Gigabit in newly constructed areas. We have already established much of our own backbone needed to deliver broadband services to additional areas and have planned ahead for this expansion in our engineering, design, and construction. This project would allow residents to have access to reliable, affordable, and extremely fast internet where no, or very limited services exist. **IMPORTANT:** Not shown in the overall plan is our commitment to build out the entire Village of Fowlerville, in-whole, at our own cost, a designated Opportunity Zone.

**Please briefly describe why this project needs funding from the ROBIN Grant Program and why the project could not proceed without this funding. (250 words max.):**

Surf uses an industry standard calculus for determining the Internal Rate of Return (IRR) for an investment. It is a generally accepted practice that the IRR should exceed the associated cost of capital. In the case of this project the average cost per home passed is \$6,607 which yields an IRR of 2% against a presumed cost of capital in the 10-14% range depending on the time of funding and the then current interest rates. Surf utilized aggressive customer penetration (50% in year 3), churn (less than 1%) and revenue per subscriber (ARPU = \$69) criteria to arrive at the 2% IRR. In terms of positive cash flow, this project without grant funding does not generate positive cash flow net financing activities until the 20th year. This financial return profile, without the grant, would not meet our return threshold for an attractive construction investment. With the addition of the grant funding using the same criteria the project generates positive cash flow in the 6th year with an IRR of 24%. This financial return profile, with the grant, is more in line with our average rate of return for construction projects and meets our threshold for commencing investment.

**Is the proposed project a last-mile or middle-mile infrastructure proposal as defined in the ROBIN Grant Program Guidance?**

- Last-Mile
- Middle-Mile

## Project Service Delivery

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### Proposed Service Area Information

**PLEASE READ THE FOLLOWING CAREFULLY**

**ENTER INFORMATION IN THIS SECTION ONLY IF YOU SELECTED 'LAST-MILE' AS A PROJECT TYPE**

**Please provide a brief description of the proposed service area (250 words max.):**

Surf Internet has already heavily invested in Livingston County with FTTH services. With the additional funding from ROBIN, Surf will be able to construct FTTH services to unserved and Underserved residents within the county that are not economically feasible. The attached map illustrates the proposed service area on page one, while page two shows the proposed area as it would look with areas that Surf has already constructed. The proposed area encompasses the rural regions of Livingston county, specifically within the townships of Deerfield, Cohoctah, Conway, Oceola, Handy, losco, and Unadilla.

Please upload a PDF overview map of proposed service area

[436\\_Surf Internet - ROBIN - Proposed Map.pdf](#)

### Proposed infrastructure to be deployed including route locations

Please upload a GIS-compatible file(s) of the proposed infrastructure to be deployed including route locations and other supportive infrastructure to be deployed as a result of the grant. This file(s) should contain the actual proposed locations of infrastructure to be deployed including, but not limited to: fiber transport, fiber to the premise, coaxial, or other similar network routes, cabinets, nodes, pedestals, splice enclosures, towers, huts, etc.

**Acceptable file types:** ESRI Geodatabase (.gdb), ESRI Shapefile (.shp, .shx, .dbf, .sbn or .sbx, .fbi or .fbx, .ain or .aih, .atx, .ixs, .mxd, .prj, and .xml), Google Earth files (.kml or .kmz).

**Please refer to the Application guidance to view an example of the output from such a GIS-compatible file**

Name	Attachment
Proposed Network Route	<a href="#">437_0_SURF-ROBIN Proposed Network Expansion.zip</a>
PE Stamp Certification	<a href="#">437_1_Surf_MI_PE_Cert.pdf</a>

### Spreadsheet of street addresses

Please upload a spreadsheet of street addresses/locations within the proposed service area. Spreadsheet should include full address string (number, street, city, state, zip), location type (residential, business, institution, other), latitude and longitude (if available), and whether the address is currently unserved at 25/3 Mbps or 100/20 Mbps or unknown.

[278\\_Surf - Livingston-ROBIN-Proposed Locations.xlsx](#)

### Locations by Type

Locations Passed: Please indicate the total number of locations by type that will be able to receive improved broadband services as a result of the proposed project:

Type	Locations
Households	3,569
Businesses	378
	16

Community Anchor Institutions	
<b>Total Locations Passed</b>	3,963

**Please list the jurisdictions impacted by the proposed service area:**

**City(ies)/Village(s):** Fowlerville  
**Township(s):** Oceola, Deerfield, Cohoctah, Conway, Handy, Iosco, Unadilla, White Oak, Locke, Leroy, Stockbridge

**County(ies):**  
 Ingham       Livingston

**State House District(s):**  
 State House District 50       State House District 73

**State Senate District(s):**  
 State Senate District 21       State Senate District 22       State Senate District 28

**Description of the broadband service to be provided**

Does the proposed service area include (wholly or partially) a Qualified Opportunity Zone?       Yes       No

If yes, please list the Census Tract numbers for the impacted Qualified Opportunity Zones

Please provide a brief description of the broadband service to be provided including, but not limited to, the technology to be used, will bandwidth be dedicated or shared, etc. (250 words max.):

Surf Internet is proposing a 100% GPON, or XGS-PON fiber optic network. Each user will have a dedicated connection and all plan speeds are symmetric. Surf Internet will deploy the Adtran TA-5000 platform. Speeds of up to 10Gbps will be available to each user, with immediate advertisement of 100/100Mbps, 500/500Mbps, and 1Gbps/1Gbps plans immediately on launch. Surf will also offer an ACP Plan of 100/100Mbps at no charge for households that qualify for the ACP program.

**Minimum Mbps**

Are you able to provide the minimum 100/100 Mbps required service speed to all locations identified in the proposed service area?       Yes       No

If No, the ROBIN Program allows for a minimum service speed of 100/20 Mbps in cases of extreme geographical, topographical, or financial impracticability of delivering 100/100 Mbps. Such connections must be scalable to 100/100 Mbps. Applicants must provide substantial evidence as to the impracticability of delivering 100/100 Mbps and the justification for providing a connection speed of 100/20 Mbps instead.

**Affordability and Service Limitations**

Using the table, please indicate the download and upload speeds of the services to be offered in the proposed service area, the non-discounted or rack rate monthly pricing of unbundled internet-only service should be included for each service offered, as well as the monthly data allowance for customers (if applicable). Applicants must certify their commitment to providing the proposed level of service and cost for at least one (1) year after grant closeout. After this period, grantees are expected to maintain pricing and speed levels for the ROBIN project area consistent with those found in the grantee's non-ROBIN service areas elsewhere in the

state.

Download Speed (Mbps)	Upload Speed (Mbps)	Monthly Cost \$	Monthly Data Allowance (GB)
1,000	1,000	85.00	
500	500	70.00	
100	100	30.00	

**Affidavit of commitment**

[442\\_\\_Affidavit to provide service for one year post grant.pdf](#)

**FCC's Affordable Connectivity Program (ACP)**

Do you participant in the FCC's Affordable Connectivity Program (ACP)?  Yes  No

If No, applicant must participate in ACP within 6 months of receiving a ROBIN grant award. Please attach evidence that they are pursuing ACP participation.

Do you provide a low-cost service offering in conjunction with the ACP that provides ACP eligible households with a net \$0 monthly cost of service?  Yes  No

If yes, please describe the low-cost service offering.

Surf Internet provides a 100Mbps/100Mbps symmetric connection for \$30.00 monthly, free to households that qualify for the ACP program.

## Project Costs and Budget

### Project Costs and Budget

Please complete the following table with project cost information.

<b>Total Project Cost:</b>	26,868,786.63
<b>Total Grant Request:</b>	18,801,786.24
<b>Total Match Amount:</b>	8,067,000.39
<b>Total Match Percentage:</b>	30.02

Total matching funds: Please complete the table below summarizing the source, amount, and type of matching funds contributed to the project. Applicants should also indicate if the match is secured or not.

Source	Amount	Type	Secure
Unadilla Township - General Fund	100,000.00	Cash	Yes
Cohoctah Township - ARPA	75,000.00	Cash	Yes

### Match commitment letters or evidence

Name of Attachment	Match commitment letters or evidence
Cohoctah Township Board Resolution of matching funds	<a href="#">319_0_Cohoctah Resolution.pdf</a>
Unadilla Township Board Resolution of matching funds	<a href="#">319_1_Unadilla Surf ROBIN Support.pdf</a>

If matching funds or in-kind contributions listed above are not yet secured, please describe the process remaining to secure the funds and the anticipated timeline to do so. (250 words max.):



Budget Summary for Realizing Opportunities with Broadband Infrastructure Networks Grant - 2023  
 Agency: Surf Internet  
 Application: Surf - Livingston

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	Category	Total	Requested	Cash	Inkind	Narrative
1	Building and Labor	0.00	0.00	0.00	0.00	
2	Last Mile Construction Labor	16,916,445.84	13,280,107.82	126,475.24	3,509,862.78	
3	Middle Mile Construction Labor	2,985,255.15	2,347,306.12	22,090.89	615,858.14	
4	Last Mile Construction Material	2,263,666.83	1,775,485.18	16,751.13	471,430.52	
5	Middle Mile Construction Material	399,471.00	316,450.00	610.00	82,411.00	
6	Customer Premise Equipment	1,282,450.00	0.00	0.00	1,282,450.00	
7	Customer Premise Installation	1,677,050.00	0.00	0.00	1,677,050.00	
8	Electronics	118,380.00	118,380.00	0.00	0.00	
9	Permits	58,500.01	45,998.56	432.90	12,068.55	
10	Professional Services and Engineering	1,167,567.80	918,058.56	8,640.00	240,869.24	
11	Other	0.00	0.00	0.00	0.00	
<b>TOTAL EXPENDITURES</b>		<b>26,868,786.63</b>	<b>18,801,786.24</b>	<b>175,000.16</b>	<b>7,892,000.23</b>	

## Budget Additional Information

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### Budget Narrative

Please provide a brief narrative to accompany your project budget (max 400 words).

**Surf Internet has used the budget template and engineering calculations for this project as it has for its current 72,000 plus households that it passes with fiber optic broadband today. Since a majority of Surf’s network is underground today, it can take advantage of all of the lessons it has learned since the company started building fiber networks in 2017.**

**Surf uses Vetro Fiber mapping software for the engineering of its routes. Surf partners with CHR engineering to assist with engineering support.**

**Since Surf has experience working in the various townships throughout Livingston County it is accurately able to forecast permitting costs.**

**After mapping out each address and verifying the address is underserved and eligible for the grant, Surf designed a fiber optic network to serve each address and interconnect its existing fiber assets in the region. The final output from the design was a bill of materials that included all components of infrastructure. The project as designed has 1,297,298 feet of underground construction. Surf’s engineering team arrived at an average cost per foot of construction in this area at \$17.39 per foot which includes Davis-Bacon wage rates, all materials, etc.**

**CHR has provided turnkey engineering services at \$0.9 per foot for a total of \$1,167,568 with permitting costs of \$58,500. To complement Surf’s existing fiber optic head end to meet the additional customer count Surf will add \$118,380 for additional Adtran OLT equipment. When summing all of the expenses the project cost is \$26,079,586. Surf will contribute an in-kind contribution of \$700 per home passed for customer premise equipment totaling \$2,762,200 and will match that with an additional \$4,932,500 and a local \$175,000 match for a total local match of 30%. The project will allow Surf to generate a positive return on investment in 6 years while offering very compelling rates to its customers ensuring that Surf is able to continue to maintain and support those customers for many years to come.**

Attach additional information as necessary

### Five-year stand-alone project financial plan/forecast.

Please use the table to complete a five-year stand-alone project financial plan/forecast.

**Five-Year Stand-Alone Project Financial Plan**

Project Name	Year 1	Year 2	Year 3	Year 4	Year 5
Anticipated Revenue	901,830.00	1,194,666.00	1,307,136.00	1,419,606.00	1,532,076.00
Anticipated Expenses	15,356,428.94	3,735,357.24	0.00	0.00	0.00
Anticipated Grant Funds	22,586,568.66	2,708,121.84	336,313.12	355,433.02	374,552.92
Cash Flow	-6,328,309.72	2,281,901.40	970,822.88	1,064,172.98	1,157,523.08

Budget Additional Information for Realizing Opportunities with Broadband Infrastructure Networks Grant - 2023  
 Agency: Surf Internet  
 Application: Surf - Livingston

Cummulative Cash Flow	-	-	-	-	-853,889.38
	6,328,309.72	4,046,408.32	3,075,585.44	2,011,412.46	

Please provide a brief narrative to accompany your five-year stand-alone project financial plan/forecast (400 words max.):

Surf has used its internally developed IRR model as its foundation for the 5 year financial plan. We are assuming an initial take rate of 40% of the households passed and increasing that each year by 5% additional subscribers until the 6th year when the growth flattens out and then proceeds to add only 1 percent per 5 year period. Surf has assumed a \$69 average revenue per user which is derived from our existing subscribers in this same market. We assumed that 80% of the construction portion of the project would substantially complete within one year of start with 80% of the cash capital expense and the remainder would occur during the second year.

Surf budgets approximately 17% of Gross Revenues towards COGS (Cost of goods sold) which includes various operating and marketing expenses. In addition, Surf has also included the customer premise equipment costs each year as the subscribers are added.

Cash inflows (Anticipated Revenue) in the model are revenues calculated based on subscriber growth over time multiplied by the \$69 ARPU.

Anticipated Grants is the anticipated timing of the cash inflow from the state of Michigan. In this case it is estimated that 80% of the grant funding will be received in year one and 20% will be received in year 2.

Anticipated Expenses is the capital expense related to construction plus the 17% COGS and customer premise equipment which is installed as customers are added. Our construction timeline indicates that at least 80% of the construction will be completed in the first 12 months and the remaining 20% in the first part of the second year.

Cash Flow is the cash flow for the particular year calculated by adding the grant revenue inflow to the revenues generated by the subscribers and subtracting the anticipated expenses.

Cumulative Cash Flow is the cumulative cash flow for the period.

In this case, Surf is generating positive cash flow the 6th year after construction starts which is in line with our other privately funded fiber projects. As would be expected the project has large cash outlays during the early years as the construction project is in full swing. By midway through the second year the substantial subscriber growth generates cash flow that begins to turn positive and then catch up to the outflows eventually generating positive cash flow.

Additional forecast information

[450\\_\\_ROBIN - Surf Livingston IRR Model.pdf](#)

## Project Readiness

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### Engineering designs, diagrams, and maps

Budgetary engineering designs, diagrams, and maps that show the proposed project. Design documents must clearly demonstrate the applicant’s complete understanding of the project and ability to provide the proposed solution. This information must be certified by a professional engineer.

Name of Attachment:	Budgetary engineering designs
SW Handy Township Addition	<a href="#">353_0_Mapbook_SW_Handy.pdf</a>
Greater Northern and Western Livingston County	<a href="#">353_1_Mapbook_North-West Livingston County.pdf</a>
Additional Deerfield and Oceola Additions	<a href="#">353_2_Mapbook_Addition_Deerfield-Oceola.pdf</a>
PE Certification	<a href="#">353_3_Surf_MI_PE_Cert.pdf</a>

Please provide a brief statement to accompany your attached engineering designs, diagrams, and maps indicating your readiness to build, manage, and operate the proposed network.

**Surf Internet has been actively constructing its fiber to the home network to Livingston County residents for the past 24 months and currently has 1,749 fiber to the home customers. This project will provide fiber optic broadband service available to an additional 3,946 households and provide a substantial network interconnect via Middle Mile segment to interconnect Surf’s existing fiber optic networks in Cohoctah, Unadilla and Iosco townships with its fiber network in Howell and Fowlerville. Surf has an established 100Gb IRU fiber route from Howell to South Field Data center and this project will allow Surf to interconnect that to its existing network as well as expanding to serve additional homes. Surf has a second fiber feed in Fowlerville that connects to a regional data center in Byron Center. This project brings additional transport connectivity into the region that suffered for a long time with few transport fiber optics. Surf is already established in the region with local employees ready to engage in new construction, customer care, and overall community support.**

**Surf Internet has existing MetroActs in place in the various jurisdictions as well as established permitting relationships.**

**Surf has already partnered with CHR Solutions for engineering and design, and they have been a proven partner for us in larger projects.**

**Surf will utilize 100% underground construction by placing 1.25” conduit below ground at various elevations required by local soil and utility conditions and in compliance with local code. Iosco township has introduced a change to their ordinance that requires all new telecommunications to be placed underground.**

**Surf Internet has proactively planned around supply chain challenges to ensure all construction materials will be readily available for this project.**

**Surf’s existing contractors have extensive experience in Livingston County, making this project nearly shovel ready!**

**Evidence of network scalability**

Evidence of network scalability

Adtran TA5000 Platform	<a href="#">357_0_ta-5000-chassis-ansi.pdf</a>

Please provide a description and evidence that the proposed infrastructure is scalable to meet the anticipated future connectivity demands of the proposed service area. Please indicate the end-user connection speed to which the proposed network is designed to scale. This information must be certified by the equipment manufacturer or a professional engineer. (250 words max.):

Surf has chosen to utilize Adtran's TA5000 Platform, which is modular and upgradeable in design. Initial design will support 1Gbps end-user connections but is easily expanded to 10Gbps and higher as network demand increases. We will be able to support residential uses as well as business-critical locations that require a SLA.

"With a pure Ethernet core, our Total Access 5000 (TA5000) Series is a 10Gbit/s fiber access platform that supports 10G Combo PON, GPON, XGS-PON, point-to-point, Active Ethernet and dedicated Carrier Ethernet services, among others. It easily scales to support even the most bandwidth-intensive applications. The TA5000 Series provides the bandwidth and Ethernet switching capabilities needed to deliver a highly profitable service offering and bridges the gap between existing and next-generation networks – like 10G PON. Our Total Access 5000 10Gbit/s fiber access platform supports 20,000 subscribers and more than seven fiber access technologies. It easily scales to support even the most bandwidth-intensive applications in a 9RU form factor. In addition, the Total Access 5000 provides highly scalable, integrated aggregation utilizing multiple 10GbE, 40GbE, and 100GbE interfaces."

**Project Schedule**

28. Please use the table below to complete a project schedule outlining individual tasks and their timing by quarter and year. All projects must be complete by December 31, 2026. (If you need to add additional lines, click on 'Save' and the system will add an additional five lines each time.)

	2023			2024			2025			2026		
Final Engineering and Design	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Permitting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction within Conway Township	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction within Handy Township	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction within Deerfield & Oceola Township	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction within Iosco Township	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction within Unadilla Township	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Anticipated completion date**

Project Readiness for Realizing Opportunities with Broadband Infrastructure Networks Grant - 2023  
 Agency: Surf Internet  
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Please indicate the anticipated date upon which service to the last location in the proposed project area will be made available. 06/30/2025

Please list any factors that would change or delay the proposed schedule.

The largest factor in any delay is weather. With so much of the planned construction in rural areas, we anticipate plowing at least 30-40% of the infrastructure in the ground. Severe cold, which would freeze the surface of the ground would slow progress using this method. We will however plan accordingly and will utilize directional drilling if the need arises to keep the project on schedule.

Have all the required local/city/county/state approvals and/or permits necessary for this project to proceed been obtained?  Yes  No

If No, what remains to be done and what is required for completing the process of obtaining approvals? Include any permitting timeline in the project schedule.

Railroad, state (MDOT), and county drain crossings. Although we have tried to avoid most obstacles that cause delays, the size of the project dictates that there will be permits required for these types of crossings. We have an outstanding relationship with Livingston county and will work diligently for any remaining permits, which generally take less than 10 days. Railroad permits generally take the longest, around 60days. Enough permits are in place to begin construction immediately however.

Will this project require state or federal environmental review, approval, or permits?  Yes  No  Unsure

If Yes, what remains to be done and what is required for completing the process of obtaining approvals? Include any permitting timeline in the project schedule.

Will this project require state or federal historic, architectural, or archeological review, approval, or permits?  Yes  No  Unsure

If Yes, what remains to be done and what is required for completing the process of obtaining approvals? Include any permitting timeline in the project schedule.

**Project Readiness**

Additional evidence of project readiness

Name of Attachment:	Evidence of project readiness
Permit Cohoctah Twp	<a href="#">390_0_Cohoctah_Metro_Act_unilateral_permit_Surf_BB.pdf</a>
Permit Handy Twp	<a href="#">390_1_Handy_Township - Metro Act Agreement 4-2021.pdf</a>
Permit Iosco Twp	<a href="#">390_2_Iosco_Township_Metro_Act.pdf</a>

Please provide any additional evidence of your project's readiness. This evidence can include, but is not limited to, letters of intent, memorandums of understanding, land/tower lease agreements, right-of-way agreements, permits, etc. Provide a short narrative to accompany this additional evidence.

Metro Acts are already established with the townships listed above. The Conway township board has approved a new Metro Act for Surf at their February 2023 board meeting but they have not produced the executed agreement yet.

## Applicant Capacity

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### Brief history of your organization

Please provide a brief history of your organization including experience relevant to the proposed project and your technical, financial, and managerial capabilities to complete the project within the designated project period. (250 words max.):

**Surf Internet has been operating in Michigan for over 10 years including a 2018 expansion through acquisition of Byron Center and Fowlerville based FreedomNet solutions. In January 2022 Surf closed a \$100M debt facility with Digitalbridge Capital to fund our fiber to the home expansion efforts. Our founder and CEO Gene Crusie who has over 25 years of telecom experience has recruited and hired top national fiber to the home talent to round out the executive team including our COO Deborah Crawford who has experience scaling fiber to the home construction to over 100,000 households per year, CMO Lana Frank who has experience leading sales and marketing to rapidly scaling broadband companies, as well as CTO Patrick Wheeland with over 25 years of ISP experience.**

**Surf built over 27k households in 2021, 45k households in 2022 and plans to maintain that cadence with an additional 50,000 households in 2023.**

**Surf has invested heavily in our team, building systems and processes that can efficiently support fiber to the home construction at scale while reliably communicating with the homeowners and communities. Our construction marketing communication is highly automated and gives each household at least 6 points of contact with Surf during construction.**

**Surf has a project manager, construction manager and fiber engineer working out of the Byron Center office and additional construction manager resources in Fowlerville.**

**Surf exceeds 4000 Homes reached monthly, exceeding this project.**

### Organization Chart & Resumes

Applicant organizational chart

Name of Attachment	Organizational chart
Surf Org Chart	<a href="#">329_0_Org Chart 3-7-2023.pdf</a>

Resumes of key officers, management personnel, and proposed project management team

Personnel Name	Resume
Chelsea DeVries	<a href="#">332_0_Chelsea DeVries Resume 3.10.23.pdf</a>
Lana Frank	<a href="#">332_1_LanaPFrank_L F 2023.pdf</a>
Ryan Delack	<a href="#">332_2_Ryan Delack Resume 2023.pdf</a>
Deborah Crawford	<a href="#">332_3_Deborah Crawford Resume.pdf</a>
Gene Crusie	<a href="#">332_4_Gene Crusie Resume.pdf</a>
Patrick Wheeland	<a href="#">332_5_Patrick Wheeland CTO Resume.pdf</a>
Adam Bates	<a href="#">332_6_Adam Bates</a>

	<a href="#">Resume.pdf</a>
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**Audited Financial Statements**

Three years of audited financial statements

Attachment Name	Audited Financial Statements
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Please provide a brief statement to accompany your attached audited financial statements and documentation.

**Partners, subcontractors, or vendors associated with the project's deliverables**

Describe any partners, subcontractors, or vendors associated with the project's deliverables, including but not limited to adoption, deployment, and service delivery. Describe each party's role in the project. This should include a discussion of whether and to what extent the applicant, as well as its anticipated partners, subcontractors, or vendors are organizations incorporated, headquartered, or with a principal place of business in Michigan.

Commstar Supply is the primary materials supplier for Surf. While not a Michigan based business, they are headquartered near our corporate offices in South Bend, IN. Commstar is also our primary warehousing location, where over \$27M of inventory is ready to be shipped to construction crews.

Millennium is a secondary supplier for Surf with a location in Morrice, MI.

For construction, Ruff Restoration & Excavation (St. Johns, MI), Ott's Excavating (Fowlerville, MI) and NC Underground (Merrill, MI) are the primary contractors. Most if not all underground construction will be completed by contractors or subcontractors headquartered in Michigan.

Additional construction resources can be used from DLCI (Direct Line Communications, Inc), based out of Michiwaka, IN, of which they generally subcontract to Michigan based companies.

Management of all construction, OSP design, and other operations will be handled by Surf Internet Employees, based out of the Byron Center, MI office or the Fowlerville, MI office and are all Michigan residents. Customer installations will be handled by our in-house employees, also residents of Michigan. It may become necessary to bring in additional installation crews from our other offices in northern Indiana depending on schedule loads. This project will drive the need to hire additional installers, which will primarily be Michigan residents for this project.

**Safety and training standards**



Describe the safety and training standards in place for your employees, including professional certification, licensure, and/or robust in-house training opportunities.

Surf requires all construction and installation staff to be OSHA-10 certified with their managers being OSHA-30 certified. Surf has adopted a train the trainer methodology. Annually, key managers within the organization are certified to train new staff and refresh existing staff. Safety training is not limited to OSHA but extends into all reaches of our organization from customer service to our tower professionals.

For all new construction builds, a kick-off meeting is held, where all involved parties, including other utilities, are encouraged to join. Both DTE and Consumers Energy provide safety training and awareness of existing utilities for all employees and subcontractors involved with construction following any kick-off meeting.

#### Violations of federal or state labor and employment laws

Have there been any recent violations of federal or state labor and employment laws by your organization?  Yes  No  Unsure

If Yes, please describe in detail.

#### Labor standards

Does your company incorporate strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate?  Yes  No

If Yes, please describe.

For any portions of this project, funded in part or in whole by the ROBIN program, and by written agreement, any non-exempt employee or subcontractor shall work under applicable safety and training standards, and be paid wages at rates not less than those prevailing in accordance with subchapter IV of chapter 31 of title 40, United States Code ("Davis Bacon Act") or any applicable Michigan laws and regulations.

#### Hiring Policy

For this project, will additional labor force needs be met by hiring staff directly with your organization or contracted through another entity?

- Directly with company
- Contracted through another agency

If direct hire, please estimate the total number of new, directly hired staff needed to complete this project. 7

If this project will be completed using contracted labor, describe your policies and practices that ensure contractors and subcontractors meet high labor standards.

For any portions of this project, funded in part or in whole by the ROBIN program, and by written agreement, any non-exempt employee or subcontractor shall work under applicable safety and training standards, and be paid wages at rates not less than those prevailing in accordance with subchapter IV of chapter 31 of title 40, United States Code (?Davis Bacon Act?) or any applicable Michigan laws and regulations.

#### Prioritization efforts to hire local workers

Describe any prioritization efforts to hire local workers and/or workers from historically disadvantaged communities for this project.

**Surf Air Wireless, LLC (d/b/a Surf Internet) is committed to providing a skilled workforce to ensure timelines for fiber broadband projects are met in accordance with the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA). In an effort to ensure all necessary timelines are met, Surf Air Wireless, LLC is committed to continuously developing its workforce of direct employees. This will be done through both hiring new direct employees, as well as developing current employees. Surf Air Wireless, LLC does not discriminate and is an equal opportunity employer.**

## Community and Economic Impact

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### Community Support for this project

Demonstration of interest/impact/support from communities **(If you need to upload additional support letters, click on 'Save' and the system will add an additional five lines.)**

Name of Community / Organization	Support Letters
Cohoctah Township Agreement	<a href="#">414_0_Cohoctah ARPA Agreement 20220405.pdf</a>
Cohoctah Letter of Reference for Surf	<a href="#">414_1_Cohoctah Letter of Reference for Surf 12-14-22_1_.pdf</a>
Deerfield Township ROBIN Surf Support	<a href="#">414_2_Deerfield ROBIN Surf Support.pdf</a>
Iosco Twp Surf ROBIN Support	<a href="#">414_3_Iosco Twp - Surf ROBIN Support.pdf</a>
Rep Bezotte Letter of Support	<a href="#">414_4_Rep. Bezotte Letter of Support for Surf.pdf</a>
Conway Twp Letter of Support	<a href="#">414_5_Surf Internet - Conway Support Letter.pdf</a>
Iosco-Surf Agreement	<a href="#">414_6_Surf-Iosco Partnership Agreement.pdf</a>
Iosco-Surft Crofoot Expansion Agreement	<a href="#">414_7_Surf-Iosco Agreement - Crofoot Expansion_20221118_0001.pdf</a>
Unadilla-Surf Partnernship Proposal	<a href="#">414_8_Surf-Unadilla Partnership Proposal_1_.pdf</a>
Unadilla-Surf APRA Agreement Executed	<a href="#">414_9_Unadilla ARPA Agreement - Executed.pdf</a>
Unadilla Twp Letter of Support	<a href="#">414_10_Unadilla Surf ROBIN Support.pdf</a>

Please provide a description of the community support for this project to accompany relevant attachments.

Community support can be expressed through public-private partnerships, letters of support, memorandums of understanding, community broadband plans, or other relevant and appropriate documents.

Surf Internet has been overwhelmingly accepted in the communities we serve. We are problem solvers. With the help of our local market manager, Surf Internet was able to look at the rural communities in eastern and northern Livingston county and fully understand the disadvantage many residents have without reliable internet. Through partnerships, several townships, including Iosco, Unadilla, and Cohoctah, bridged the digital divide with fiber to many rural residents. Surf's flexibility and ability to work with local governments to develop a fiber network quickly and efficiently has changed the lives of so many residents. These same communities and the surrounding communities are pledging overwhelming support for our efforts and we want to keep the momentum up. The areas that are economically feasible to reach are exhausted, but this doesn't mean we should leave anyone in a less-fortunate situation.

### Community Interest

Demonstration of customer interest

Name of Attachment	Customer Interest
Livingston Community Interest in Surf Internet Fiber	<a href="#">394_0_Livingston Interest Areas.pdf</a>

Please provide a brief statement to accompany the demonstration of customer interest you have attached to this application. This description should include the method used for gauging customer interest and the results.

Surf Internet uses a number of sources to gather interest, but the most effective method is the traffic through our website. When potential customers visit our website they are able to check to see if their address qualifies for fiber internet or other services that we offer. We collect this information to inform potential customers when a new build is about to begin and when services become available. Over the last 180 days, 3,904 potential customers have visited our site and have voluntarily given us details about themselves. As the map attached clearly illustrates, the level of demand in the grant requested areas is substantial.

**Community Anchor Institutions (CAI) served**

Please list the specific community anchor institutions (CAIs) to be served by the proposed project. Attach evidence of support for the project from impacted CAIs (if applicable). **(If you need to upload additional support letters, click on 'Save' and the system will add an additional five lines.)**

CAI Name	Address	Type of CAI	Letter of Support
Deerfield Township Offices	4492 Center Rd, Linden, MI	Other (Municipal)	<a href="#">458_0_Deerfield &amp; ROBIN Surf Support.pdf</a>
Conway Township Offices	8015 N Fowlerville Rd, Fowlerville, MI	Other (Municipal)	<a href="#">458_1_Surf Internet - Conway Support Letter.pdf</a>
Harland Area Fire Station #63	4500 Center Rd, Linden, MI	Other (Fire/Rescue)	

**SPIN Information**

Evidence of application for a SPIN (if applicable) **If the proposed project includes connections to schools or libraries, please ensure you have entered your SPIN at the beginning of this application. For applicants without a SPIN please provide evidence of your application for a SPIN.**

Name of Evidence	Evidence of Application for SPIN

If the proposed project includes connections to schools or libraries, please provide your SPIN or evidence of application for a SPIN from the FCC Universal Service Administrative Company (USAC) and demonstration of your knowledge of E-rate and working with the FCC/USAC.

**Need for improved broadband service for businesses**

Evidence of interest, impact, or support from businesses. **(If you need to upload additional Evidence of Interest, click on 'Save' and the system will add an additional five lines.)**

Name of Attachment	Evidence of interest
KW Corp Letter - Lack of Services	<a href="#">398_0_Broadband</a>

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	<a href="#">Letter.pdf</a>
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Please provide a brief description of the businesses needing improved broadband service in the proposed project area and the level of improvement needed. Attach statements or evidence regarding the benefits from the proposed connectivity solution and how it will impact those businesses.

As the majority of this application applies to the rural landscape, the businesses impact will mainly be that of farms. From automation of farming, livestock monitoring, USDA reporting, and many other aspects, many of our farmers struggle to stay up with the latest technology available to them because they lack reliable internet. Reliable internet can improve food safety, yields, and overall productivity of a farm if it is available. Reliable internet does create opportunity for business growth in small settlement areas within the townships and may make an area overlooked by manufacturers now, more appealing. Growth in many industries relies on the availability of reliable internet.

Within the village of Fowlerville, affordable and reliable internet is difficult to obtain, which has stifled growth. While the village of Fowlerville is not included in this grant, Surf Internet has committed to building the entire Village of Fowlerville and making Gigabit Fiber available to every household and business.

### **Direct job creation**

Evidence of job creation

[459\\_\\_Surf Job Creation.pdf](#)

Describe and account for any direct job creation in the proposed service area related to this project, if funded. Provide supplemental evidence if available. Job creation here means those jobs created in the community as a result of new internet connectivity being deployed, not any jobs created to deploy the proposed network.

Surf Internet's fiber optic broadband deployment efforts in Michigan through this application will create many local jobs throughout the construction process as well as ongoing maintenance and support of the fiber optic broadband network. Surf maintains a ratio of one customer service representative for every 800 fiber to the home customers, one field technician for every 1000 customers and one network engineer for every 8,000 customers. In addition, this project will enable Surf to hire two additional project managers and one additional network engineer. All in, Surf expects that this project will generate 12 new positions at Surf and countless additional roles for our contractors and partners.

## Training and Awareness

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### Proposed digital literacy training events, materials

Please describe any proposed digital literacy training events, materials, and/or resources that will be provided to residents or businesses impacted by the proposed connectivity. Include the number and type of events, including commitments from any partners included in the digital literacy training and the anticipated outcomes from related activities. The description must provide clear detail and contain measurable metrics for the proposed programs or partnerships.

- **The Surf local team will meet regularly with the city leaders and make presentations at gatherings, such as City Council meetings, to educate residents and local businesses as to the improvements they stand to experience in their daily lives with the introduction of fiber Internet.**
- **Once Surf receives approval from the City officials a cadence of 8 to 12 communications in various mediums is kicked off to educate the residents of the benefits of fiber internet over the service they currently experience.**
- **The flow of communication directs residents to a dedicated web page for their community with information and updates about the construction progress in their specific area.**
- **The dedicated web page directs to a collection of educational videos illustrating how high-speed, reliable internet service can transform the future of our region in the communities where we live, work, and serve. The educational videos give residents an idea of what to expect during the construction process along with providing information on subjects such as Streaming TV, Whole-Home WiFi and other relevant topics.**
- **The Surf Marketing team will seek out sponsorships and attend local events and festivals where a Surf representation can educate attendees and hand out printed information to residents.**
- **The Surf local team will constantly be working to develop partnerships with libraries, community groups and non-profit organizations to help distribute educational materials and deliver in-person presentations.**

Please upload evidence of training partnership, materials, etc.

[508\\_Surf Fiber Present.pdf](#)

### Materials and Method(s) to be used

Please describe the materials and method(s) to be used for providing residents and businesses with information promoting the use of an internet connection for improving quality of life, access to resources, economic opportunity, etc., in the proposed service area. Partnerships with local CAIs that build awareness for enriching online opportunities for residents and businesses are highly encouraged.

Examples of these opportunities include, but are not limited to, telehealth applications, access to government services, e-learning, job and career readiness programs, public safety information, cybersecurity training, etc. This description must provide clear detail and contain measurable metrics.

### Information is presented to city leaders and community members in a variety of formats.

- **One-on-one meetings in person, phone calls and emails**
- **Slide presentations describing the benefits of fiber internet for daily life**
- **Printed information packets**
- **Community Center presentations to residents and senior audiences**

**Construction and Coming Soon Communications are part of a comprehensive cadence of communications that build trust and educate the residents about the services and what to expect during construction.**

- **Notification letter – Alerts residents to the upcoming internet construction and the importance of fiber internet**
- **Direct mail postcards**
  - **Coming Soon notification message**
  - **Encourages residents to sign up for notifications**
  - **Educates residents about the benefits of fiber internet to improve daily life**
  - **Promotes entry level internet package price and the Affordable Connectivity Program**
  - **Notice that service is available**
- **Emails or SMS messages**
  - **Notifies residents that contractors will be working in their neighborhoods**
  - **Directs them to more information about the project and the process**
  - **Directs them to where they can report issues, if needed**
- **Outbound calling**
- **Ongoing social posts**
- **Signage**
  - **Outdoor signs placed at every street intersection, approximately 1 sign for every 100 homes in each neighborhood as a way to notify residents**
  - **Small signs posted near the entrance of each home, most often staked into the ground near each mailbox**
- **Door tags – Placed on every door when permits allow**
  - **Coming Soon messages**
  - **Now available messages**
- **Printed brochure - The benefits of fiber internet in brochure format available from construction crews when approached for information about the fiber internet**
- **Educational videos posted on the Surf Internet YouTube channel at <https://www.youtube.com/@surfinternet740>**

Evidence of awareness activities

[511\\_\\_Surf Fiber Presen.pdf](#)

#### **Commitment to improving the adoption rate of broadband services**

Describe how the project commits to improving the adoption rate of broadband services, including, but not limited to, special service rates, internet-enabled devices that meet the needs of the user, and digital skills training.

- **Surf Internet provides discounts to deserving groups including:**
  - **Teachers currently employed by a K-12 educational organization**
  - **Active duty service personnel and retired veterans**
  - **1-month free is offered through Door-to-Door marketers and at community events**
- **Presentations are delivered at senior and community centers to educate residents on the savings of switching to streaming TV instead of paying for programs they don't watch on traditional cable channels**
- **Each resident in a newly connected area will receive marketing communications**
  - **Direct mail postcards and emails**
    - **Promoting fiber internet**
    - **Promoting select discounts**

- **Explaining the availability of the Affordable Connectivity Program (ACP)**
- **Explaining the benefits of switching to Streaming TV**
- **Promoting Whole-Home WiFi for extended coverage and added security**
- **The Affordable Connectivity Program (ACP) that subsidizes monthly internet costs up to \$30/mo is promoted in all printed mail pieces, in all email marketing and on the Surfinternet.com website.**

**Promotion of customer take rate**

Explain how you plan to promote customer take rate, including marketing activities, outreach plan, and other actions to reach the identified serviceable units within the project area. Provide the anticipated take rate and describe the basis for the estimate.

- **The increase in customer take-rate is promoted through participating in**
  - **Community Events**
  - **Festivals**
  - **Farmers Markets**
  - **Fairs**
  - **Food Truck Gatherings**
  - **Special offers**
- **Surf Internet provides discounts to deserving groups including**
  - **Teachers currently employed by a K-12 educational organization**
  - **Active-duty service personnel and retired veterans**
  - **1-month free is offered through Door-to-Door marketers and at community events**
- **The anticipated take rate is estimated at**
  - **15% Penetration after 90 days**
  - **20% penetration after 180 days**
  - **40% penetration after 12 months**