

PROPOSED SERVICE OVERVIEW, PRODUCT OFFERS AND ARCHITECTURE

- Service Overview
 - Product Offer
 - Service Delivery/Connection Method

Service Overview

The all IP based Network will enable provision of a feature rich and fully competitive cable television offering. The major components of the cable television services which Consolidated Communications will offer to consumers will include:

- Basic tier, including local and Public, Educational and Government (PEG) channels as requested by and as negotiated with the community
- Expanded Service tiers
- Premium channel tiers
- Pay Per View (PPV)
- HDTV channels
- Digital music channels
- Digital Video Recorder (DVR)
- Interactive programming guide (IPG)
- Inside installation with wireless capabilities

Product Offers

For residential customers, Consolidated Communications will initially offer Broadcast Television, High Definition TV (HDTV), Digital Video Recorders (DVR), Interactive Programming Guide (IPG) and Pay Per View (PPV) Movies and Events. The Broadcast Television offering will consist of both a Basic Service tier and an Expanded Service tier. The Basic Service tier will include local, public and educational/government (PEG) channels and select cable channels. The Expanded Service tier will include all channels carried on the Basic Service tier as well as additional cable channels, premium cable channels, Spanish language channels, international channels, digital music channels, an interactive program guide (IPG), HDTV programming (for subscribers with an HD STB) and PPV programming. Customers will be charged a monthly recurring fee for each set top box (STB) based upon model. The customer will be offered the

Exhibit 1

option to upgrade STBs to include support for HDTV, or a combined HD DVR STB for additional monthly fees. In addition to organizing and informing the customer of the programming line-up, the system is designed from its outset to be an active two-way system for subscriber interaction, if any, required for the selection or use of cable service. The IPG will support on-screen program control, parental controls, timers, search, and ordering of PPV services. Pay Per View allows subscribers to pay for and watch prescheduled programming events on an on-demand basis. PPV movies or events will be selected from the IPG. Authorization for billing will occur at the time of purchase. Events begin at pre-scheduled intervals (i.e., programming is not immediately available). Customers will purchase PPV either as discrete events or in pre-defined packages.

Service Delivery

Connection Method

At initial deployment, an installation and maintenance (I&M) technician will connect the Network Interface Device (NID) to a central point of demarcation where a television I&M technician will make final connections to provide the television service. After the installation of the NID, a television field technician will test the existing in-home connection to determine if it is technically acceptable and will connect the service. If no sufficient cable exists or the cable is unacceptable, the technician will install wiring to the first cable outlet, and will use wireless devices for other locations identified by the customer.

Set Top Box

The technician will have a set top box that will need to be installed near the TV. The technician will connect a cable from the wall outlet or wireless device to the set top and another cable from the set top box to the TV. The technician will also connect the customer's VCR and/or DVD device and check for proper operation. A fee may be charged for non-standard installations involving multiple components such as surround sound systems or other electronic equipment. This process will be followed for any boxes installed. When a set top box is installed the technician will activate the customer's service by registering the customer's account number with each identified set top box. A remote command will be issued to the set top box in real time to turn the purchased service(s) on.

System Architecture

Figure 1 describes the process by which video signals are delivered across the network to the end user subscriber. For this franchise area the video content will be provided via a super-regional head end located in Gibsonia, PA with backup head ends located in Charleston, IL and Conroe, TX. Local television signals will be provided from BCC's analog headend located in Kinderhook, NY. Network transport is provided by BCC's own fiber and augmented by leased facilities where required. All core network video related transport facilities are provisioned on self-healing fiber network rings.

Additional detail regarding the detail of video service delivery is available upon request.

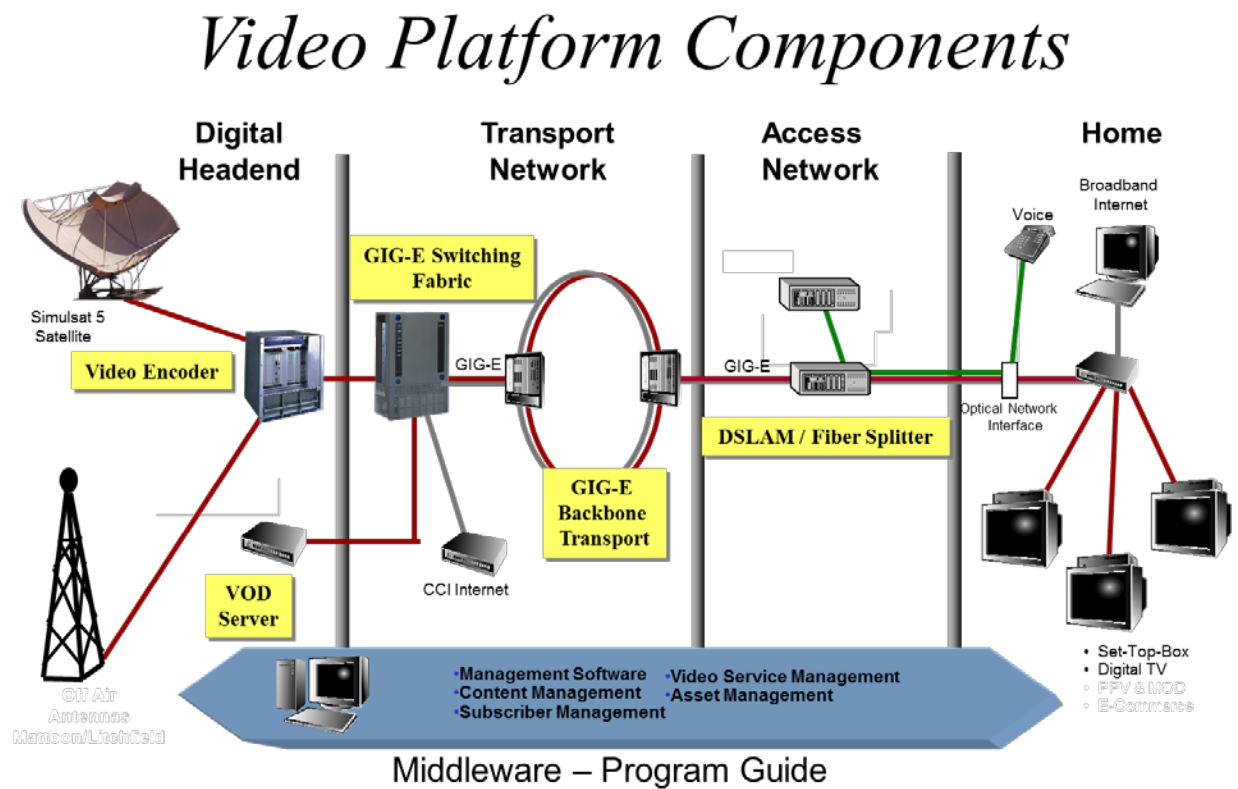


Figure 1