

March 27, 2019

I was recently was reading Consolidated Communications 2018 Annual report (https://ir.consolidated.com/static-files/d3bfac10-1d37-4b4d-b870-1c64017c6c8d) and I read the following excerpts from Risks Relating to Our Business (page 19)

A disruption in our networks and infrastructure could cause service delays or interruptions, which could cause us to lose customers and incur additional expenses. Our customers depend on reliable service over our network. The primary risks to our network infrastructure include physical damage to lines, security breaches, capacity limitations, power surges or outages, software defects and disruptions beyond our control, such as natural disasters and acts of terrorism. From time to time in the ordinary course of business, we experience short disruptions in our service due to factors such as physical damage, inclement weather and service failures of our third-party service providers. We could experience more significant disruptions in the future. Disruptions may cause service interruptions or reduced capacity for customers, either of which could cause us to lose customers and incur unexpected expenses.

We may be unable to obtain necessary hardware, software and operational support from third-party vendors. We depend on third-party vendors to supply us with a significant amount of hardware, software and operational support necessary to provide certain of our services and to maintain, upgrade and enhance our network facilities and operations, and to support our information and billing systems. Some of our third-party vendors are our primary source of supply for products and services for which there are few substitutes. If any of these vendors should experience financial difficulties, have demand that exceeds their capacity or can no longer meet our specifications, our ability to provide some services may be hindered, in which case our business, financial condition and results of operations may be adversely affected.

It was obvious to me that Service Providers recognize the issues and potential risks associated with legacy equipment. But the question I ask is -Have they planned for the risks associated with the legacy equipment, especially if the OEMS have decided to exit the support of legacy equipment or have raise the price of a maintenance contract so prohibitively that it can't be justified or are forcing you to buy upgrades to newer products?

ZT Technology Solutions has prepared a checklist (<u>Tips and Techniques to Manage End of Product Life Cycle</u>) to allow your engineers to determine the risks and plan accordingly. ZT can help your company solve these problems and minimize the risks. Call us 1-732-297-0695 or fill out the form http://zttechsol.com/contact-us/ for a free consultation.