In this application, Iowa Telecommunications Services, Inc. ("Iowa Telecom") proposes one middle mile infrastructure project to build interoffice fiber optic facilities between its central offices in Cylinder, IA and Swea City, IA. The project will extend fiber facilities to three intermediate unserved or underserved communities – Armstrong, Depew and Dolliver – where Iowa Telecom will deploy digital subscriber line ("DSL") equipment capable of providing up to 15 mbps connectivity to the Internet. [redacted] Iowa Telecom and other service providers will gain the ability to offer broadband access for consumers in these communities to the Internet. [redacted] Iowa Telecom will incorporate this fiber optic infrastructure into its evolving statewide broadband network. Generally, Internet bound traffic will be transported over Ethernet electronics and voice traffic with flow over time division multiplexed circuits. [redacted] Iowa Telecom proposes to offer DS-1, DS-3, OC-3, OC-12, and OC-24 transmission speeds over its middle mile facilities and also proposes to offer retail DSL service to residential and business customers in the unserved and underserved communities at download speeds of 768 kbps, 1.5 mbps, and 3 mbps to 15 mbps within 15,000 feet of the service point.

Iowa Telecom is an incumbent local exchange carrier that offers local telephone, long distance, Internet, broadband and network access services to business and residential customers in Iowa. Iowa Telecom currently serves over 450 Iowa communities and offers broadband access to nearly 300 of these communities. From 2004 to 2007, Iowa Telecom undertook a multi-million dollar initiative - Connect Rural Iowa - to upgrade or install new switching in every exchange and to connect isolated strands of fiber transmission facilities to begin creation of its own statewide fiber interoffice network. Among these efforts, Iowa Telecom committed to deploy DSL in each of its central office locations. Iowa Telecom met its commitment six months ahead of schedule. These improvements allowed Iowa Telecom for the first time to offer the same range of products and services, including high-speed broadband service, in each of its rural exchange areas. [redacted] Iowa Telecom is highly qualified to implement and operate the project proposed above. Iowa Telecom is certificated to provide telephone services in Iowa by the Iowa Utilities Board. While its intrastate services are largely deregulated, its interstate services are tariffed at the Federal Communications Commission. Although it does not yet have right-of-way agreements in place, Iowa Telecom has long standing good relationships in the communities it serves and expects no difficulty in procuring the necessary local permits if it is awarded a grant.

[redacted]

[redacted]

Today, customers located in the unserved areas Iowa Telecom now proposes to serve have access only to dial-up or satellite Internet service. In underserved areas, they typically have access to 1.5 mbps or lower speed DSL service. Under the proposed project, Iowa Telecom will deploy fiber to a node between the serving central office and the end user premises. This often is referred to as a fiber-to-the-node ("FTTN") network design. Iowa Telecom will deliver end user broadband services utilizing well known DSL technology. The minimum backhaul speed from each DSL is expected to be DS-3 or equivalent (approximately 45 mbps). [redacted]

Iowa Telecom's middle mile span will be capable of delivering speeds at or well above 100 mbps between central offices and up to 15 mbps for its broadband services to residential and business customers. The speeds and pricing will match the speeds and prices Iowa Telecom offers in other markets. Iowa Telecom already has successfully deployed such architecture in other areas in Iowa and is providing these services where facilities are available. Upon receipt of federal funding, the company would be able to start this proposed project promptly and to complete it within three years.

Iowa Telecom already adheres to the FCC's *Internet Policy Statement* principles (FCC 05-151) and does not favor any lawful Internet applications or content over others. In addition, Iowa Telecom will display non-discrimination and interconnection practices on its website and provide notice to customers about changes to such practices for the proposed funded facilities. Upon completion of this project, Iowa Telecom will provide interconnection to the proposed funded network where technically feasible without exceeding current or reasonably anticipated capacity limitations on reasonable rates and terms to be negotiated with requesting parties. Pursuant to its obligations to provide unbundled network elements to other carriers, Iowa Telecom will offer wholesale prices for interoffice transport to qualified carriers.

The areas that Iowa Telecom will serve with this project are small residential communities. [redacted]

[redacted]

[redacted]