

Broadband USA Applications Database

Applicant Name: Panhandle Telephone Cooperative, Inc.

Project Title: Western OK BB Infrastructure Development

Project Type: Last Mile Non-Remote

Executive Summary

Panhandle Telephone Cooperative, Inc. (PTCI) serves the portion of the state of Oklahoma known as the "Panhandle" because of its unique geographic shape. This is semi-arid ranch country, with homesteads scattered miles apart in some cases and small communities plopped across the landscape at distances that harken back to the time when communities served as rest stops on the western migration. Despite a rural location, PTCI is a technologically advanced company offering telephone, wireless telephone, video and broadband services to its customer base. PTCI has extended these services to as many of its rural customers as it has been able to over the years, bringing advanced services to areas where small town life is not an aspiration, but a reality. Broadband service was recognized as an important technological breakthrough by PTCI leadership back in 1999, when the first ADSL service was deployed in their serving areas. Expansion of the service has happened slowly but steadily, but increasing customer demand, prevalence of high-bandwidth content, and more complex applications have meant the most rural of the PTCI areas have not been feasibly buildable. With the availability of the ARRA stimulus funds through the RUS BIP initiative, PTCI hopes to bring broadband connectivity via a fiber-based infrastructure to the most remote of its service areas, and to increase backhaul capacity for improving the speeds of services available to all PTCI subscribers. Nearly 2800 residents are covered by this project scope, but because of the remoteness of the areas, no businesses or community anchor institutions are included. Rural reaches of 15 towns are included in the aggregate serving area. PTCI proposes to upgrade 37 existing copper fed Carrier Serving Areas (CSAs) to an active Ethernet FTTP distribution network using funds available from the broadband stimulus program. With the proposed funding level, PTCI will double the existing upgrade plan, thereby bringing a higher level of broadband services to many more of PTCI's rural customers that are not currently in the upgrade plan. The proposed system will be capable of providing service levels in excess of 20 Mbps to all subscribers in the proposed funded service areas. PTCI plans to manage the network with the openness required by the FCC. PTCI manages its network in accordance with the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005). PTCI does not discriminate or favor any lawful Internet applications, content, or services where lawfully used. Also, as an Incumbent Local Exchange Carrier and a member of the National Exchange Carriers' Switched and Special Access Services Tariff, PTCI provides retail and wholesale access to the public Internet through its facilities. Construction of the network is able to be started immediately, and facilities are in order to manage the network and any increased subscribers or capacity needs. Current management, all experienced telecommunications professionals with backgrounds in broadband expansion and deployment plans are in place to direct the project, and operations, billing and customer care processes are well-established and applicable to the project at

hand. Project costs, equipment and network designs, and build out schedules all conform to standards set forth by the ARRA stimulus legislation and the NOFA governing this application. Project costs for this infrastructure build and deployment are \$36,762,347. Affordability and adoptability of the service offerings related to this project were of the utmost importance. The new construction will not only enable broadband, but video service provision as well. Because of this, market studies were done to support take rates and projections of subscribers, and compared to existing service area penetration levels. Estimates for new or upgraded broadband subscribers number 675 over three years, with an additional 170 video subscribers due to new availability over the same period. It is estimated the total economic job creation impact of this project is approximately 55 jobs, according to the formulations espoused by OMB memo 09-21.