

Broadband USA Applications Database

Applicant Name: Surry County, Virginia

Project Title: Surry County, VA Middle Mile Broadband Initiative

Project Type: Middle Mile

Executive Summary

The project represents an effort to service a sparsely populated community, average density of 25 persons per square mile, with vast land area, 280 square miles. These characteristics render deployment of broadband infrastructure through the efforts of a private for profit provider cost prohibitive because the return on investment would be both limited and lengthy. Multiple private industry representatives have reported no interest in providing broadband service in our rural community for these reasons. The private sector hesitancy in providing broadband services in Surry County are surmounted by partnering with public entities agreeable to absorbing a portion of the significant infrastructure cost to implement such an effort. The proposed project would serve the incorporated towns of Dendron, Claremont, Surry and the unincorporated areas of Surry County. The total population served by the proposed project is 3,066 representing 1,186 households. The service area will include nine critical facilities. Namely, three public schools, two health care facilities, two public libraries, local municipal buildings and facilities and one tourism venue. Upon deployment Countywide of broadband infrastructure via a combination of fiber and wireless technology, 86 businesses will be served. The proposed project will put into place infrastructure capable of transporting data at a maximum rate of 1 Gbps and supporting last mile delivery via fiber of up to 100 Mbps per user with typical bandwidth offered to subscribers of 10-100 Mb/sec at a cost of \$50-\$100 per month for transport. Wireless providers will have the opportunity to lease tower access to offer backhaul services over the network, thereby reaching the balance of the community's residential and business constituents. Services available to subscribers may include internet access, remote billing interfaces, high speed communications between schools, municipal facilities and other users and wide area networks independent of the Internet. Surry County's efforts to deploy a broadband network community wide has been a multi-year effort commenced in 2007 with a rural planning grant from the Virginia Department of Housing and Community Development (VDHCD). (VDHCD) and local funds of approximately \$75,000 supported the development of a market feasibility study and implementation plan. The County's efforts to move forward with the implementation plan have included establishment of a broadband authority to manage the broadband infrastructure assets and resources, procurement of consultant support for assistance in the areas of infrastructure design, contractor procurement and selection, construction management and solicitation of bid responses for parties interested in partnering with the Surry County Broadband Authority for delivery of services to subscribers. Additionally, Surry County's executive and administrative staff include parties with extensive public experience, greater than thirty years combined, in the areas of public administration, grant management, information technology, budgeting and financial management. The overall costs of the proposed project are \$988,791.00 and would deliver services to households and business users at an

average middle mile cost of \$834 per home passed. While the deployment costs are significant, the expected return on investment is equally significant. We anticipate expanded long term employment growth as a result of the project. Specifically, marketing for the Surry West Industrial Park can tout the presence of broadband infrastructure to support potential business users that would otherwise discount the community as a business location. The park host more than 141 undeveloped acres and at build out could support an estimated thirty new industrial business starts with average five acre sites supporting seventy to one hundred employees each. This would equate to net new jobs of 2,100 to 3,000. The methodology established by the President's Council of Economic Advisors' document entitled "Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009", published by the Council of Economic Advisers in May 2009 was used to estimate the direct jobs created through the deployment of this proposed network. Their methodology was used on a quarter by quarter basis to calculate the number of jobs created or saved. That number changes over each quarter of the project peaking at 2.1 jobs per year in quarters 3 and 4 of the one year buildout.