

Broadband USA Applications Database

Applicant Name: The Hancock Telephone Company, Inc

Project Title: Hancock Telephone FTTH

Project Type: Last Mile Remote

Executive Summary

Hancock Telephone Company has provided affordable, modern, reliable telecommunications services to its customers for over 100 years. It is one of the few remaining independently owned telecommunications companies in the region. The company proposes to replace its existing plant in the complete operating territory, which includes the Village of Hancock and surrounding hamlets with Dense Wave Division Multiplexing (DWDM) via a Fiber-To-The-Home network. The proposed service area is a small rural community located approximately 140 miles from New York City. The population of the Village of Hancock is made up primarily of local blue collar workers, but also has a significant population of New York City residents who have second homes in Hancock. The population of Hancock and the surrounding area also swells with tourists all months of the year. All three groups of people would benefit greatly from having access to high quality Broadband services at affordable rates. Telecommuting is a large priority for many of Hancock Telephone's customers, especially those who maintain a second home in the area and need to also connect to their work in the city. Keeping the rates affordable is more important than ever because the economic downturn has had a large negative impact in the area. Hancock was originally built upon, and today still relies on its natural resources. The major industries of the area are lumber mills, stone quarries, agriculture, and tourism. The traditional wood and stone industries in the Hancock area are also modern businesses with a world market, and continuously request the newest, fastest communication services available. The hardwood mills in the area ship fine hardwood products all over the world. The modern high tech lumber mills depend daily upon quality communications for advertising, sales and customer service. Hancock is also known world wide for its Bluestone quarries, which provides stone for purposes such as buildings, paving, and fireplaces. The base of the Statue of Liberty is made from Hancock Bluestone. Like the lumber mills, the stone quarries depend upon a modern state-of-the-art communications system to stay in touch with their growing customer base. Approximately 1700 households and 95 businesses and 6 strategic institutions will be passed in the proposed service area. Key anchor institutions in the Hancock exchange currently receive discounted or free services from Hancock Telephone Company. The new fire station in Hancock is a regional disaster command center, and will depend upon reliable telecommunications services in order to lead any possible disaster responses. The community library is an outreach location where citizens can come and use the library's computers. A new health clinic is currently being built, which will have a need to connect to the parent hospital for various telemedicine applications, such as diagnostic, electronic medical records, and research. The two local schools are currently connected by a T1 copper connection, but have demonstrated a need for more bandwidth in order to participate in distance learning opportunities and media-rich education resources. One aspect of the proposed project

involves serving all six cellular telephone towers with Ethernet in order to provide better access to cellular service in the area. The Village of Hancock and surrounding hamlets sit in the heart of The Gateway to The Upper Delaware Scenic Byway, and therefore tourism is a major industry of the service area. In the fall, thousands of people come to the area to see the fall foliage, and to hunt both large and small game. The area has heavy snowfall and brings thousands of skiers and snowmobilers to Hancock every week during the winter months. River rafting, golf, camping, and canoeing bring in visitors during the summer months. Many of these visitors desire to “stay connected” while Proposed services and applications include high speed access to the internet backbone in excess of 20 Mbps with capabilities of over 100 Mbps. This fiber fed last mile offering will allow any rural underserved subscriber within the proposed funded service area the highest possible speeds to provide for home or business based services that will allow for high definition television capabilities, video conferencing, media-rich file transfers, business-critical applications, all utilizing a very high speed internet connection. As has been proven in other FTTH build-outs, a subscriber can work from his/her home without bandwidth limitations. Hancock Telephone will adhere to the principles contained in the FCC’s Internet Policy Statement (FCC 05-151, adopted August 5, 2005). Hancock Telephone’s consumers have the opportunity to choose which device and lawful application they connect to Hancock Telephone’s broadband Internet access service provided that it does not harm the network. Consumers have the option of choosing amongst the available network providers, application and service providers and content providers without preferential treatment from the Hancock Telephone. Hancock Telephone will post its Broadband Internet policies in a publicly-available, prominent portion of its company website. Existing subscribers of its broadband Internet service will be notified of any changes in these policies. Hancock Telephone will provide access from its broadband Internet network to the public Internet to allow for the fair use of any application or service while respecting the needs of law enforcement and also not negatively impairing either its broadband Internet network or the public Internet. Hancock Telephone will offer interconnection for the purposes of connecting to the public Internet and exchange of traffic where it is technically feasible without exceeding current or reasonably anticipated capacity limitations. Interconnection will be offered at reasonable rates and terms to be negotiated with bona fide, requesting parties. Hancock Telephone will establish procedures incorporating the elements of interconnection and non-discrimination described above upon award of BIP funds. These procedures will allow for fair access for interconnection and non-discrimination of network services and applications flowing through Hancock Telephone’s broadband Internet access service. Hancock Telephone will employ generally accepted technical measures to provide acceptable levels of service to all customers including but not limited to caching, application-neutral bandwidth management, measures to reduce negative effects of spam, denial of service attacks, illegal content and other harmful activities. For additional details on Hancock Telephone’s Acceptable Use Policy, follow the following link: www.pronetisp.net/terms.html. The FTTH network will utilize dedicated fiber from the central office to each subscriber location. This cable design will permit Hancock Telephone to use either Passive Optical Network (PON) electronics or active electronics to provide at least 20 Mbps Internet access. The flexibility of this design will also smooth upgrades to high connection speeds in the future as FTTH electronics evolve to higher speeds. Hancock Telephone, founded in 1901, has demonstrated its ability to implement and successfully operate a broadband infrastructure, and to be a sustainable broadband services provider. The first REA (RUS) loan project was begun in 1976 and that project was completed by

1978. The company currently maintains copper, fiber and coaxial networks serving over 1700 telephone and 1000 video customers. Executive staff members are in place with over 125 years of experience in maintaining a broadband system. Billing and accounting applications are more than adequate to handle the increased customer load this project could bring. The proposed project cost is \$10 million and will give the Hancock Telephone the ability to provide bandwidth speed meeting the minimum 20 Mbps offerings, with the ability to grow well over 100 Mbps in the future with a landline based fiber-optic network. Hancock Telephone is projecting a conservative five-year growth in the number of residential subscribers in Hancock who purchase 512Kbps, 1Mbps and 3Mbps services. The financials do not include the positive impact of consumers migrating to newer, higher priced 20Mbps services. A negative growth is anticipated in the number of subscribers purchasing dial-up service due to the affordable pricing available on the higher speed services. Business subscriber projections show approximately 5% growth over the first five years of the project in Hancock. In 2011, no real growth is anticipated in business subscribers, which is mostly due to the low number of businesses in the town. The lumber industry in particular has been hit very hard by the economy and at least one lumber mill has announced that it will close this fall. Households dependent upon wages earned in this community would benefit from services that can be provided at lower cost and greater capabilities enabled by BIP funding. In addition, Hancock Telephone plans to add 1 more technical and customer service positions with the increased workload this project would produce.