

Broadband USA Applications Database

Applicant Name: Home Town Cable TV, LLC

Project Title: St. Lucie Active Optical Critical Facilities Fiber Network

Project Type: Middle Mile

Executive Summary

This Middle Mile Project would accomplish two principal goals: 1. Open access for competitive broadband service providers to interconnect and obtain backhaul to the Internet as an alternative to overpriced special access services from the incumbent provider, to provide competitive broadband services to underserved and other portions of St. Lucie County, Florida, which has been specially designated a "Recovery Zone" under the Recovery Act; 2. Free use by community anchor institutions and public safety agencies of a 10 gbps+ capable underground fiber ring that would initially connect 129 of their locations to the Internet and each other. HTC will guarantee free use of the fiber to connect to any broadband service provider of their choice, and if they choose HTC for their lit services, HTC will offer discounts of at least 25% on top of the free local loop. This would reduce their broadband costs by millions of dollars and provide a reliable, next-generation replacement for unreliable legacy above-ground facilities. We have attached letters of support from all of the County's public safety agencies, endorsing HTC's Application because the Project would establish a platform for secure, reliable interagency communication and broadband access that will remain in service during future storms. In prior hurricanes, our first responders, rescue and relief centers, hospitals and other essential personnel lost access to their primary broadband services when they were most needed. By contrast, HTC's existing underground fiber network remained completely operational throughout the three major hurricanes that have struck the area in the past five years. A) Opportunity the proposal seeks to address: In recent years, City and County leaders have sought to promote the construction of underground fiber-to-the-premises (FTTP) facilities to deliver next generation broadband service. Unlike the aerial wires and towers used by the area's other wireline and wireless broadband providers, underground facilities have been proven to be the only reliable option to withstand hurricanes. The incumbents failed to commit to this objective, so at the City's urging, local investors founded HTC. Community leaders persuaded Congress to pass special legislation making non-rural areas in St. Lucie County eligible for RUS Broadband loans for underground FTTP construction. HTC then obtained RUS funding to build a last mile FTTP network that serves seven communities with the area's fastest residential broadband speeds. However, most of the County remains served only by slower above-ground facilities. As HTC learned in launching its own last mile network, competitive providers lack affordably-priced middle mile alternatives needed to compete effectively. This lack of competition has contributed to several portions of the County having broadband adoption rates of under 40%. This Project would deliver that competitive middle mile alternative, including at interconnection points in every one of the County's five underserved census block-group areas, and could support lower prices and better and faster broadband service to more than a quarter of a million people. In addition, the Project would provide affordable

Internet connectivity to a middle mile project being developed by the Florida Heartland Rural Economic Development Initiative in the second tranche to serve a predominantly underserved six-county area adjacent to St. Lucie County that is home to another 250,000 people. The second major element of the Project is to deliver free local access to emergency and government agencies and anchor institutions that they can use to connect to any Internet Service Provider and to each other. This free access, guaranteed by 99-year leases, will save these institutions millions of dollars over the life of the project. Local, state and the federal government will save more than \$5 million alone over ten years in connection with the schools served by the Project. Port St. Lucie's Mayor filed her "strong support" for this Application, exhorting that "it is no understatement that lives could be saved" by HTC's Project. St. Lucie is in one of the most hurricane-prone areas of the nation, and has been struck by three major hurricanes in the past five years. In these recent storms, our first responders, the County Emergency Operations Center (EOC), rescue and relief centers, hospitals and other essential personnel lost access to their primary broadband services, and the incumbents' residential systems went out of service for as long as one month. HTC's underground system remained fully operational and online throughout these hurricanes. HTC made its network available to emergency and relief personnel and to community residents at temporary public access locations. HTC was commended by the Mayor for its outstanding performance and public service, and that experience led the City and all its public safety agencies to support this Application to assure the same level of reliability for its core public safety facilities that HTC had delivered to its residential users. The Project would produce significant benefits to education and health care services in the area. It would create an interconnected network enabling schools to collaborate and share information on joint educational projects. It would connect universities, public schools, libraries and the Torrey Pines Institute for Molecular Studies (TPIMS) to the National LambdaRail Internet2 network that enables researchers and educators to collaborate with colleagues around the world. TPIMS is a world-renowned § 501(c)(3) biomedical research center, and its connection to LambdaRail would be a major accomplishment and benefit to the public health of the entire nation. B) General description of the proposed funded service areas. St. Lucie County has suffered a significant economic downturn and has a 13.1% unemployment rate. In the first quarter of 2009, the Port St. Lucie MSA had the tenth highest foreclosure rate in the nation. The County was therefore designated as a federal "Recovery Zone" under Section 1401 of the Recovery Act. One of HTC's two proposed funded service areas is underserved because of low broadband adoption, and the other includes a state-designated Enterprise Zone. C) Number of households and businesses passed: The fiber routes would directly pass approximately 1,800 commercial businesses and 25,000 residential homes, but are strategically positioned as a middle mile network to be able to support the provision of broadband to all of the estimated 265,000 residents and 14,000 businesses in St. Lucie County, and some beyond. The Project will directly pass or be within one mile of 30 communication towers that can be used to support wireless broadband throughout the County, and we estimate that it will pass within one mile of more than a majority of the County's households and businesses. D) Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project: The Project will directly connect all of the 129 such locations that it will directly pass. Attached are letters of support from the St. Lucie fire and police departments, the City Council of Port St. Lucie, and the Economic Development Council of St. Lucie County. The Project would also extend to a new interconnection point to provide access to the Martin County municipal network, which would connect

additional schools, libraries, hospitals, police, fire, EMS, and county offices. E) Proposed services for the proposed funded service areas and users: The Project will provide broadband Internet access and communications at speeds of the customer's choice, including 100 mbps, 1 gbps, and 10 gbps. F) Approach to non-discrimination and interconnection obligations: HTC will comply with and exceed the non-discrimination and interconnection obligations. The community institutions may use Project fiber at no charge to receive service from any service provider, so HTC's Project will enable them to receive service even from competing service providers at significantly reduced prices. Thus, competing providers effectively have open access to serve these customers on an even footing with HTC. HTC's customers, and not HTC, will determine how, if at all, to manage their services. HTC will offer interconnection on reasonable and nondiscriminatory terms and thereby facilitate a multiple service provider environment in which consumers can choose from more than one provider. G). Type of broadband system: An underground fiber ring with a diverse, redundant path to ensure reliability. H) Qualifications of the applicant: HTC operates one of the most advanced residential broadband networks in the country, an FTTP platform offering the fastest speeds available in its service area. The St. Lucie School Board reports that "The service provided by HTC has been nothing short of outstanding" with "zero service interruptions." RUS determined that HTC is highly qualified in awarding a loan to HTC in 2006. HTC's management team has a combined 200+ years of experience in broadband, cable, and telecommunications. HTC's founders have been major figures in the communications industry for two decades as the founders of the Sci-Fi Channel. HTC possesses the core network infrastructure necessary to operate the Project. I) Overall infrastructure cost of the broadband system: \$ 40,996,185 J) Overall expected subscriber projections for the project: 1300 Hi-Capacity Broadband Users, Networks, and Community Anchor Institution Locations, and other direct customers within 5 years K) Jobs Created: 74 (this does not include a larger number of jobs created indirectly; see Question 10) Jobs Saved: 80