

## C. Executive Summary

### Executive Summary of Project for BIP and BTOP:

#### 8. Infrastructure Projects Executive Summary

Halstad Telephone Company will provide wireless WiMax broadband services capable of up to 10 Megabit speed to underserved Crookston Minnesota town, population 8,200, and unserved rural locations in a roughly 314 square mile area surrounding Crookston, [REDACTED], all located in western Polk County, Minnesota. This service will utilize the FCC License granted Halstad Telephone in January 2008 in the 2500 MHz band.

The households to be served by the project receive clinic and hospital health care from facilities located in the town of Crookston. Crookston has two public elementary schools, one public high school, one public library, and two faith-based K-6 schools. It is also the county seat and location of a large correctional facility, among other county and state department facilities.

The proposed project would allow easy customer self-install in their homes or businesses, and would facilitate any combination of in-building networked wireless facilities for which Halstad Telephone Company is capable and would be available for consultation and on-site installation, if required.

Halstad Telephone Company's proposed project will be conducted and the management, staff, and any contracted services of Halstad Telephone Company will conduct themselves in a manner that is consistent with the program's Nondiscrimination and Interconnection Obligations. Such conduct will:

- adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005);
- give no favoritism of any lawful Internet applications and content over others
- include the display of any network management policies in a prominent location on Halstad Telephone Company's web page and notice will be provided to customers on any changes to these policies
- include connection to the public Internet directly or indirectly, such that the project is not an entirely private closed network
- include the offer of interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties.

The project will implement state of the art wireless WiMax technology, with two serving tower/antennas to be installed and fed by Halstad Telephone Company's existing fiber backbone plant that is connected to its existing Internet serving facility in Halstad, Minnesota. This Halstad Minnesota facility is connected to 3 major Internet gateways on diverse fiber routing. Synergies will be gained by extending these existing services and systems to bring new services to underserved and unserved areas. The concept with this program is easily duplicated in other geographic and demographic areas with efficiencies gained by extending existing service sources.

Halstad Telephone Company has provided telecommunications since its incorporation in 1904, providing broadband service capabilities since 2000 to 2,400 customers and high speed data services to small and large businesses and interexchange carriers. Halstad Telephone Company has extensive

experience in the construction, maintenance and provision of wireless services, having operated an IMTS (Improved Mobile Telephone System), the pre-cursor to cellular telephone service, in the 1970's through 1990's. It currently provides 512 Kbps unlicensed wireless service in Crookston town and rural areas and leases and maintains portions of a 2500 MHz wireless system to complement other areas of rural Crookston, such systems to be replaced with the 10 Megabit WiMax system proposed in this application.

Overall infrastructure cost of the proposed broadband system is \$634,500, which would connect to existing support infrastructures earlier defined.



One full time Technician at Halstad Telephone Company is projected to be added as a result of this project, when combined with another successful broadband project of the company.

Also, the following statistics exist regarding potential for jobs creation in the affected community:

Wireless Weighted Average Multiplier: Job per Million \$ Invested=14.7412

[Source: Economic Effect of Tax Incentives for Broadband Infrastructure Deployment, Empiris LLC, prepared on behalf of the FTTH Council, January 2009]

In addition, the following statistics demonstrate that such project has potential to stimulate short-term economic activity, as follows:

Every \$1 million of construction costs supports:

12.4 total jobs = 7.1 direct jobs + another 5.3 jobs through indirect and induced activities

An additional \$825,858 of output through indirect and induced activities

[Source: Stimulus Calculation Tool, SRRI, <http://srri.net/AboutUs/StimCalcTool.pdf>]