

Broadband USA Applications Database

Applicant Name: Oklahoma Telephone & Telegraph, Inc.

Project Title: Oklatel Broadband Infrastructure Program

Project Type: Last Mile Non-Remote

Executive Summary

a.) Opportunity the proposed system seeks to address. Oklahoma Telephone and Telegraph, Inc., (OTT) proposes the development of a fiber data network throughout its ILEC area. This network will complement its existing voice network, and it will provide broadband Internet access to currently underserved communities within its ILEC coverage area and upgrade the data traffic capabilities throughout the entire ILEC coverage area. OTT also proposes implementation of a strategic plan to accelerate adoption of broadband Internet use by all its customers. This strategic plan (with proposed funding from BTOP programs) targets specific outreach efforts to unserved, underserved and minority communities while simultaneously working closely with the local schools to leverage resources and support their technology plans for their student populations. b.) General description of the proposed funded service areas (location, number of communities, etc.). The proposed service area is the ILEC service territory of OTT. The ILEC territory includes portions of Hughes, McIntosh, Muskogee, Okfuskee, Okmulgee and Pittsburg Counties (Area). It is entirely rural. The population of these counties in the 2000 Census was over 147,014 people, and the calculated population of the proposed funded service area is approximately 70,000. This proposed service area also contains four census-designated communities with a combined population of 885. Data from the 2000 Census indicates that the average per capita income across this area is approximately 84% of the Oklahoma state average. Portions of the proposed service area lie in the tribal lands of the Muscogee Creek Indian nation, and Native Americans compose the largest minority group in this area. The proposed service area lies approximately 100 miles east of Oklahoma City and 25 miles southwest of the city of Muskogee. c.) Number of households and businesses passed. Per the 2000 Census, there are 69,972 households and 2,305 businesses located in the six counties, and the calculated number of households in the proposed funded service area is 35,000. The calculated number of businesses in the proposed funded service area is 375. d.) Number of community anchor institutions, public safety entities and critical community organizations passes and/or involved with the project (e.g., health care, education, libraries, etc.). There are 5 school districts in this proposed service area. There are also 5 community centers, 5 fire departments and rescue squads, 5 post offices, 2 rural water district offices and 2 city halls. e.) Proposed services and applications for the proposed funded service areas and users. The OTT Broadband Plan is focused on upgrading the data transmission capability of its ILEC to true broadband speed across its entire coverage area. This will result in providing access to the highest possible speeds to 100% of the service area. OTT will aggressively promote this increased broadband service to its current customer base. OTT proposes offering two tiers of service: entry-level 768K service and a higher bandwidth 6.0 Mbps service. In order to ensure that the maximum number of customers subscribe to broadband, OTT is also submitting an

additional application for broadband stimulus funding for a community-wide outreach effort that will work with all constituencies within the communities and leverage the parallel efforts of local schools to accelerate their students' use of the Internet. f.) Approach to addressing the non-discrimination and interconnection obligations. OTT will comply with all non-discrimination and interconnection requirements in the NOFA. As a regulated ILEC, OTT currently has policies and procedures in effect to comply with NOFA-level non-discrimination and interconnection requirements for service within the ILEC, so pledging to do so for BIP or BTOP is consistent with its operating business philosophy. g.) Type of broadband system that will be deployed. Under this Proposal, OTT will build approximately 61 miles of fiber optics to connect to every DLC. Every DLC will be converted to DSL capable of utilizing ADSL2+ technology. Every customer served by these DLCs will have true broadband connectivity that would be capable of increased customer bandwidth consumption in the future. The fiber build out will also connect two central offices that are currently copper fed and allow customers in those locations broadband connectivity. Each DLC will have an OC12 (622Mb) fiber backhaul. The two central offices converted to fiber would have 1 Gigabyte fiber backhaul capability. Currently, OTT has an ISP consisting of a Cisco core router with dual power supplies, daily backup memory and spare chassis and cards. The core router has connections of 10 Megabytes Ethernet to the internet backbone and 1 Gigabyte to a Tellabs 7345 24 port Gigabyte switch. OTT has seven central offices consisting of 2 Nortel DMS-10s and 5 Nortel remotes. Five of these offices are connected through fiber and have 1 Gigabyte of Internet backhaul. These offices offer true broadband services utilizing ADSL2+ technology. Two offices have 1.5 Mb copper backhaul and offer limited DSL service. h.) Qualifications of the applicant that demonstrate the ability to implement and operate a broad band infrastructure, and/or be a sustainable broadband services provider. OTT has a 48 year track record as a provider of telecommunications services in this rural part of Oklahoma. OTT has a strong management team in place as well as a seasoned and dedicated work force. Over the course of its existence OTT has continually enhanced its service offerings, with upgrades in digital, wireless and data services. OTT has already deployed DSL to some of its subscribers, and this broadband project will allow all of OTT's subscribers to receive true broadband service from an experienced locally-owned provider. In addition to OTT's proven technical capability, the organization is financially stable. i.) Overall infrastructure cost of the broadband system. The total cost of the project is \$3,924,000. j.) Overall expected subscriber projections for the project. OTT has estimated that subscriber growth for broadband Internet service will occur on a straight-line basis over the next five years. Specifically, it is forecast that 60 new wireline customers will be added annually. Similarly, OTT forecasts 28 new business accounts annually for the first two years following project build-out, dropping to 16 in the third year and 8 annually in years 4 and 5. k.) Number of jobs estimated to be created or saved as a result of this project. The present 33 employee work force at OTT will be fully engaged in the timely completion of this broadband project. In addition approximately 10 temporary jobs will be created for engineering and contracting services for construction and deployment of the broadband infrastructure, with estimates that the 10 jobs would equal about 1½ years of employment per job. Indirectly, this project would also lead to possible new jobs related to economic development initiatives, agriculture and tourism.