C. Executive Summary

Executive Summary of Project for BIP and BTOP:

8. Infrastructure Projects Executive Summary

Halstad Telephone Company will construct 283 miles of fiber optic cables and install the electronics to provide Fiber-to-the-Premise enhanced broadband services capable of 100 Megabit speed to Internet and video applications to a geographic area of approximately 286 square miles located in all or portions of 12 townships in Traill County, North Dakota, and surrounding a main anchor community of Hillsboro, North Dakota. This area also includes three small non-census communities, each with under 20 households, with the remainder of households constituted as private domiciles on either working farm sites or individual tracts of rural (non-town) residential property. The average number of households per square mile is less than 1 ½ (one and one half).

Businesses located in this agriculture-based area include 3 grain terminals, one of which is the second largest in the state of North Dakota, a sugar beet processing plant, a federally funded airport, an agriculture-based lending institution, crop spraying service, and the numerous individual farmers who produce large quantities of grains and other consumables in the heart of the Red River Valley, often referred to as the breadbasket of the nation. 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 fiber optics to the premise using active Ethernet to be fed from an existing town-based central office which houses broadband servers already providing broadband to the town of Hillsboro. Synergies will be gained by extending these existing feeder services to bring new services to a technology-starved area. The concept with this program is easily duplicated in other geographic and demographic areas with efficiencies gained by extending an existing service source.

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.
Overall infrastructure cost of the proposed broadband system is $4,685,200, which would connect to existing support infrastructure located in the town of Hillsboro having a value of approximately $4.5 million.

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 application of the company. This project promises to create and save a number of jobs, including jobs required for the construction of the project's outside plant network and installation of the network electronics. The broadband services will provide opportunities for businesses and organizations to grow within the funded service area. An estimated 91 new jobs will be created by the project. (Source: Economic Effect of Tax Incentives for Broadband Infrastructure Deployment, Empiris LLC, prepared on behalf of the FTTH Council, January 2009). 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, equaling 7.1 direct jobs plus another 5.3 jobs through indirect and induced activities, and an additional $825,858 of output through indirect and induced activities. (Source: Stimulus Calculation Tool, SRRI, http://srri.net/AboutUs/StimCalcTool.pdf)