C. Executive Summary

Executive Summary of Project for BIP and BTOP:
8. Infrastructure Projects Executive Summary

Halstad Telephone Company will provide enhanced broadband services capable of 100 Megabit speed to approximately [redacted], enabling both Internet and video applications in the town of Hillsboro in extreme eastern Traill County, North Dakota. The last census shows Hillsboro with a population of 1,563. It is a growing community with new housing developments and several anchor institutions which serve the entire county. Present in Hillsboro and served by Halstad Telephone Company are a K-12 school with a public library and new event and sports center, a nursing home, clinic, hospital, courthouse and county support buildings and facilities, county sheriff, ambulance, three grain terminals, a sugar beet processing plant, among others, plus a federally funded airport within 4 miles.

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 electronics to enhance current Digital Subscriber Line (DSL) service to the homes and businesses using active Ethernet. Synergies will be gained by extending both the reach and capacity of existing services to an underserved area. The concept with this program is easily duplicated in other geographic and demographic areas with efficiencies gained by utilizing 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 system enhancement is $500,000, which would connect to existing support infrastructure in the town of Hillsboro, which has a value of approximately $4.5 million.
The enhancements will benefit 446 existing customers and will be available to approximately 300 additional homes, constituting 100% coverage of the town of Hillsboro. In addition to serving these 446 existing customers with the enhanced broadband, an additional cumulative take rate of 60 is estimated in Year 1, 120 by Year 2, 143 by Year 3, 165 by Year 4, and 188 by Year 5.

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.

Also, a report prepared on behalf of the FTTH Council in January 2009 states that an FDSL project, such as the one proposed by this project, will create 14.7 jobs for each million dollars invested in the community. (Weighted Average Multiplier - Source: Economic Effect of Tax Incentives for Broadband Infrastructure Deployment, Empiris LLC, prepared on behalf of the FTTH Council, January 2009] The $500,000 in this project and the existing support infrastructure of approximately $4.5 Million combine for a $5 Million basis for this calculation.

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