

C. Executive Summary

Executive Summary of Project for BIP and BTOP:

8. Infrastructure Projects Executive Summary

Halstad Telephone Company will provide Fiber-to-the-Premise broadband services capable of 100 Megabit speed for both Internet and video applications to underserved town and rural locations in its six-exchange northwestern Minnesota service area, encompassing 5 towns ranging in population from 100 to 650 and approximately 334 square miles of rural, agriculture-based farmsteads and rural housing tracts. [REDACTED]

[REDACTED] located in all or portions of 13 townships in Norman and Polk Counties, Minnesota. The proposed project area is currently served local dial tone and long distance services by Halstad Telephone Company.

Approximately half of the households to be served by the project receive clinic and hospital health care from two of the towns served by Halstad Telephone Company, one town of which is included in this project. Three of the project towns each have one K-12 school and one town has a clinic, all of which are currently provided (but underserved) broadband by Halstad Telephone Company.

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 home using active Ethernet to provide broadband to households in a 334 square mile underserved area, to be fed from existing town-based central offices housing broadband servers already providing broadband to the project areas. New fibers will be placed from those central offices to each location in town and, in the rural areas, fiber cables will be placed from existing Fiber-to-the-Nodes placed in 2002 to each existing customer location. Synergies will be gained by extending these existing feeder services to bring new services to underserved 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.

[REDACTED], the cost of which is proposed as \$6,555,000. Project facilities would connect to existing support infrastructures (central offices and Fiber-to-the-Node locations) throughout the 6 exchange service area, which has an existing value of approximately \$17.9 million.

[REDACTED]

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. In addition, the following statistics prepared on behalf of the FTTH Council in January 2009 show that, for every \$1 Million invested in FTTH technology, there are 19.7437 (weighted average multiplier) jobs created in the affected community.[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>]