Executive Summary

a) Problem: Rural community anchor institutions lack access to broadband. Within Hilbert Communications’ (Hilbert of HC) proposed Funded Service Areas, there are currently 3 unserved and 1,103 underserved Community Anchor Institutions. These institutions desire broadband connectivity, but it is simply not available.

b) Innovative Solution: HC will provide rural community anchor institutions with discounted broadband internet service – offering these institutions a 25% discount on HC’s already affordable rates. HC is coordinating its Sustainable Broadband Adoption (SBA) project along with its Broadband Infrastructure and Public Computer Center projects. Together, these projects will leverage off the fiber backbone and broadband sites erected through BTOP funding to provide discounted broadband access to community anchor institutions. HC utilizes an innovate approach to address broadband needs in rural communities. HC utilizes an advantageous network cost structure that allows it to capture opportunities not pursued by other providers. Hilbert uses existing, non-traditional structures (silos, flag poles, roof tops) to mount antennae at significant cost savings. Additionally, HC uses a rapid deployment platform that allows it to deploy state-of-the-art cost saving technology as it become available. This allows HC to respond to and capitalize on changes in technology quickly and effectively.

c) General description of areas to be served: Hilbert’s proposed funding service areas are located in Central and Northern Wisconsin. Details of HC’s aggregate proposed funding service areas is as follows: Total # of service areas: 5; Total # of counties: 27; Total # of municipalities: 560; Total population: 495,377; Total # of households: 190,709; Total # of businesses: 13,423; Total # of community anchor institutions: 1,106; Total # of households with avg. income less than $15,000: 26,670; % of households with avg. income less than $15,000: 14%; Total # of people with avg. income less than $15,000: 68,830. Hilbert’s SBA project will focus on serving the 3 unserved and 1,103 underserved community anchor institutions within HC’s proposed service area.

d) Applicant qualifications: Hilbert’s qualifications are demonstrated in two key areas: 1) an experienced management team with a proven track record and 2) a proven business model. 1) Hilbert’s leadership has a proven record of building rural communication firms. The management team prides itself on knowledge of rural markets and access to industry resources. Hilbert’s management team is composed of industry veterans with extensive experience building rural communication firms. The management
team has completed approximately $400 million in telecom transactions and the combined team has over 50 years of executive level experience in the rural business environment. Hilbert was initially formed to provide “white space” services in areas where AT&T Mobility, Cingular and T-Mobile could not cost-justify providing services. As such, Hilbert’s wireless subsidiary moved very quickly to deploy sites to meet the specific needs of AT&T. Hilbert has constructed 167 sites previously in a 3 year period with a staff of 9 people. 2) HC’s approach to addressing the needs of rural communities is truly innovative. HC utilizes an advantageous network cost structure that allows it to capture opportunities not pursued by other providers, while promoting a creative and collaborative platform to serve the unserved or underserved rural customer. HC partners with rural communities in a manner that allows for efficiency and low cost capital deployments. Using this strategy, HC’s infrastructure costs are estimated at 25-40% below the national average.

e) Jobs to be saved or created: Hilbert currently employs 35 people and anticipates adding a minimum of 217 sustainable jobs over the next 5 years with over 100 hired in the first 12 months of the project. Hilbert also projects 149 short-term contractor jobs during construction. Hilbert will be coordinating its Public Computer Center project along with its proposed Infrastructure and Sustainable Broadband Adoption projects.

f) Overall cost of the proposed project: Hilbert is proposing to build 410 broadband sites in 26 counties in Wisconsin at a total cost of approximately $35,000,000. Hilbert also proposes to build 1,649 miles of fiber optic plant in Wisconsin for a total cost of approximately $37,000,000. To support both the fiber optic middle mile project and the last mile wireless broadband project, a total of 1,658 fiber optic miles and 218 connecting microwaves would be constructed at a cost of approximately $46,000,000.