

## Broadband USA Applications Database

**Applicant Name:** Oklahoma Western Telephone Company

**Project Title:** Last Mile Broadband for Unserved Areas in Rural Oklahoma

**Project Type:** Last Mile Remote

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### Executive Summary

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a) Opportunity the proposed system seeks to address. This project is vital to the residents of rural Southeastern Oklahoma. Due to the prohibitive costs of deploying fiber in remote areas, Oklahoma Western does not currently provide broadband service to any customers in its service territory. As detailed in response to Question 17, based on its knowledge of the area and research of other providers, Oklahoma Western is unaware of any other company provides broadband service at the minimum broadband transmission speed in Oklahoma Western's service territory. Thus, Oklahoma Western's service territory is completely unserved. Additionally the service will be affordable as Oklahoma Western proposes the same pricing structure that it currently provides its customers for non-broadband DSL service. b) A general description of the proposed funded service area. Oklahoma Western's service territory in Southeastern Oklahoma is 1,591 square miles and includes the communities of Clayton, Red Oak, Muse, Fanshawe, Summerfield, Le Flore, Albion, and Nashoba. It also includes a number of extremely remote areas that are unincorporated and not designated by the Census. The project proposed in the instant application offers an effective solution to the lack of broadband service in these areas and the rest of Oklahoma Western's service area. Oklahoma Western, as the incumbent local exchange carrier, is in the best position to provide broadband service. The proposed service area is rural and remote by any reasonable definition of those terms. The proposed service area, which corresponds to Oklahoma Western's ILEC service territory, is 1,591 square miles consisting of only 4,164 households. This is a population density of 2.61 households per square mile. The nearest Oklahoma city of any size is Muskogee, which has fewer than 39,000 residents. To be sure, small portions of the proposed service area are less than 50 miles of Muskogee as well as Paris, Texas (population 25,898) and Ft. Smith, Arkansas (population 80,268). However, of the 4,164 households in the proposed service area, 2,589 households (62.2%) are more than 50 miles away from any urban area. In fact, 3,599 households (86.4%) are at least 40 miles from any urban area. Oklahoma Western desires to bring broadband to all of the households and businesses in its ILEC service territory but to do so without incurring additional debt. While Oklahoma Western could have arbitrarily drawn its proposed service area to exclude the 1,575 households that are within 50 miles of an urban area, Oklahoma Western elected not to do so. Oklahoma Western is committed to bringing broadband service to rural Oklahoma and to ensuring that all of its customers have the opportunity to enjoy the benefits of broadband. If Oklahoma Western does not make broadband available to its customers, it is unlikely that anyone else will, given the demographics and rural nature of the area. c) Number of households and businesses passed. By this application Oklahoma Western proposes to rectify this situation by providing broadband service throughout its entire service territory, which includes approximately 8,318 persons and 4,164

households according to the 2000 U.S. Census and the Broadband Mapping Tool. This project will allow residents to enjoy the benefits of broadband for the first time. The project will also allow 510 businesses, and 29 community anchor institutions and critical care facilities to have broadband service.

d) Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with the project. Oklahoma Western's service area includes a number of schools, hospitals, and other community support organizations, some of which currently lack access to broadband services. Because Oklahoma Western plans to provide broadband service to its entire service territory, these organizations will have access to broadband service or increased competition for broadband service. These organizations include the Clayton Public School system, the Pushmataha County Family Medical Center, the Albion Public School system, the Buffalo Valley Public School system, the Nashoba Public School System, the Fanshawe Public School system, the Tuskahoma Public School system, the Le Flore Public School system, and the Red Oak Public School system. One of the cornerstones of this project is construction fiber to the home in the towns of Clayton and Red Oak, Oklahoma. These are the major towns in Oklahoma Western's service territory and both towns endorse Oklahoma Western's application for funding. Collectively, these organizations all support this project and have signed letters of support which are attached to this application at Attachment 41.

e) Proposed services and applications for the proposed funded service area and end users.

g) Type of broadband system that will be deployed (network type and technology standard). As detailed in response to Question 29, Oklahoma Western is proposing to (i) construct Fiber-to-the-Home within roughly three miles of their Red Oak and Clayton central offices, (ii) construct inter-office fiber optic facilities between the Clayton and Nashoba and the LeFlore to Summerfield offices, and (iii) deploy digital loop carrier cabinets throughout the entire service area. In summary, Oklahoma Western will utilize GPON or active FTTH, xDSL and SONET technologies to deploy broadband service to 100% of their territory. The system has the capability of providing download speeds up to 24 Mbps. Oklahoma will start by offering three tiers with download speeds of 3, 6, and 9 Mbps. These tiers will be offered at the current prices of Oklahoma Western's existing DSL service. As demand warrants, Oklahoma Western will increase speeds.

f) Approach to addressing non-discrimination and interconnection obligations. As detailed in response to Question 22, as an incumbent local exchange carrier and Internet access service provider, Oklahoma Western currently provides interconnection consistent with existing legal requirements and complies fully with the broadband principles set forth in the FCC's Internet Policy Statement.

h) Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a broadband services provider. Oklahoma Western Telephone Company (Oklahoma Western) is a family owned company that was founded in 1932. As an incumbent local exchange carrier (ILEC), Oklahoma Western has provided reliable telephone service to remote Southeastern Oklahoma for almost eight decades. With an experienced management team that has been in place for well over 20 years, Oklahoma Western is capable of implementing this project in a timely and cost-effective manner and consistent with the statutory purposes of the program.

i) Overall infrastructure cost of the broadband system. Oklahoma Western projects that the overall infrastructure cost of this project will be \$15,934,747. As demonstrated in response to Question 46, this is a reasonable amount to deliver the proposed services to the proposed service area.

j) Overall expected subscriber projections for the project. Oklahoma Western has projected that by the end of year 5 of the project, it will have 1,723 residential subscribers and 278 business subscribers.

k) Number of jobs estimated to be created or

saved as a result of this project Finally, if its project is funded, Oklahoma Western will hire 4 new employees on a permanent basis. Three of these employees will be responsible for installation and maintenance of the broadband system and one will be an office administrator for the broadband system. This project is also well-positioned to stimulate the overall economy in the proposed funded service area as the many small businesses in the area will benefit greatly from access to broadband. Provisioning broadband in the proposed service area will allow these businesses to compete more effectively, with the result that they can expand and hire more employees and retain existing employees.