Executive Summary

Statement Of Problem and Opportunity South Central Wireless (SCW) proposes a broadband video project that will address two problems and one opportunity for improved broadband penetration in our service area of south central Kansas. The first problem is the low adoption rates of amongst low income families and senior citizens. The second problem that has been expressed to us by the community and schools is need for a community channel for our service area. In conjunction with the community channel arises an opportunity to assist the youth and local high schools with advanced communications equipment for broadband usage also providing an educational opportunity not readily available in our portion of rural America. The proposed broadband solution will not only increase the need and sustainability for the identified groups but also for the proposed area as a whole. Overall approach and how it is innovative This project takes one of the top five necessities of Americans according to pew Internet research, television, and makes it a broadband based product. Broadband video combines local television channels, the 50 most popular cable channels, Internet, voice, and online video-on-demand - all deliverable through a broadband connection. This content can be viewed through several different methods to include laptops, PC's, televisions and eventually mobile devices. Televisions can be used to view this content via set-top-boxes, which will also enable the option to view Internet content including services such as Netflix, shopping, and other varied Internet content. Laptops and PC's can also be used to view this content through licensed software provided with the service which enables customers to view this content anywhere a sufficient broadband connection is available. To increase availability to low income and senior citizens on fixed budgets, equipment necessary for this service will be made available at low or no cost to the customers. Through the SBA program SCW will be providing six regional schools comprehensive sets of mass communications equipment to produce content for the community channel that will also be created as a result of this project. The local schools partnering with SCW in the program have agreed to create a club or add this equipment to an existing curriculum to produce and manage local content. Overall this project provides a cost effective solution for increasing broadband penetration in rural America. Areas to be served; population of the target areas, including demographic information The areas identified to be served include current exchanges served by SCW to include Medicine Lodge, KS, Pratt, KS., Kiowa, KS., Hazelton, KS., Iuka KS., Sun City, KS., Lake City KS., Sharon KS., Turon KS., Attica, KS., Burlington, OK., Diftwood. OK. Byron, OK., and Amorita, OK. The total population of these areas is 11034 with a senior citizen population of 2402 or 21 percent while individuals below the poverty level make up 10 percent of the population at 1163. Eighty percent of the population is 18 years or older with a population of 8,890. It is expected that approximately 5,461 potential broadband subscribers will be immediately reached by this project. This number will continue
to grow as SCW is continually expanding its fiber network offering speeds of up to 20Mbps and having the capability of delivering dedicated 100Mbps connections to each customer without network upgrades. Qualifications of the applicant to achieve the intended result Our ability to achieve and sustain this broadband communication project is unequivocally solid. The management team has been substantially consistent since 2004 when Steve Davis, the General Manager, joined the company. His prior management experience is extensive and consists of executive positions with FairPoint, MJD, and Contel/GTE. Under his leadership the company developed 24x7 call center capabilities specifically for our data and voice customers. We created a specialized Business Customer Sales/Service unit. We consolidated all engineering and infrastructure expansion functions by bringing them in-house. In this capacity we successfully completed all purposes of the USDA/RUS Infrastructure Program 'H' Loan and with RUS approval used some of the remaining funds to expand Fiber-to-the-Home substantially into some of the rural areas of our regulated territory. Our highly qualified and experienced network operations center staff has been installing and maintaining like equipment, to this project, regularly since 2004. A portion of the project staff also has experience installing and maintaining satellite equipment and providing video to service members during military service providing support with a 99.9999 percent up time rate. The existing accounting and finance team averages over ten years of service and experience with South Central Wireless utilizing efficient software to maintain the accounting needs of the company. The sales staff is continually trained on current company products, services and selling techniques. The marketing department continually researches potential products and services while creating ad campaigns and educational material on existing products and services. Our experienced install and service technicians pride themselves in customer satisfaction and also contribute significantly in products sold. This well established team demonstrates every quality necessary to insure the proposed broadband project will be properly implemented and sustained for many years to come. Jobs saved or created Jobs saved or created are estimated to be a total of 21. This number was calculated as a result of the methodology used by The Council of Economic Advisors in the document titled Estimates of Job Creation from the American Recovery and Reinvestment. SCW determined that six job years would be created during this project however the technology and approach used for this project expects to retain the two direct hires for an excess of ten years with the potential for additional hires as the project grows. The nine indirect jobs saved or created are expected as a result of suppliers who make the project materials and equipment. The six induced jobs are expected as a result of direct increase in income resulting from government spending on this project. Overall Cost of project The total cost of the proposed project is $2,319,842.81 of this amount $1,384,229.31 is requested federal funding while $935,613.50 are contributed matching funds by South Central Wireless. These contributions by BTOP and Applicant create a sustainable project that is projected to have a funding period program income of $1,797,770 and an annual positive net income and cashflow in year three of $120,678 and $234,719 respectively.