In rural eastern Texas, many residents, business, and community facilities lack access to affordable broadband service. This area is tucked between larger urban centers, and while some of the larger towns have access to broadband, their surrounding rural areas are being left behind on the wrong side of the technological divide. In order to help these rural residents gain access to the technological resources their urban and suburban counterparts take for granted, Peoples Telephone Cooperative is proposing to construct the East Texas Medical and Educational Fiber Optic Network. Currently, the service available to the medical and educational facilities that will be served by the East Texas Medical and Educational Fiber Optic Network is prohibitively expensive. The limited availability of bandwidth in the area drives up the cost of last mile services, even at relatively low speeds. This network will bring affordable broadband service to the community anchor institutions, businesses, and residents in the area, thereby expanding access to the educational, medical, and economic resources the Internet has to offer. The proposed funded service area for the East Texas Medical and Educational Fiber Optic Network consists of 12 counties in eastern Texas: Camp, Delta, Fannin, Franklin, Hopkins, Hunt, Lamar, Rains, Smith, Titus, Van Zandt, and Wood. The network will serve the rural communities in the area and will pass 100,815 households and 10,326 businesses. The network will also provide middle mile service to 191 community anchor institutions, most of which are educational institutions or health care facilities. This service will allow local schools to improve the educational experiences of their students by integrating 21st century technology into their classrooms. It will also allow local medical facilities to improve the patient experience by giving them the capacity to send and receive electronic medical records, receive digital x-rays and other diagnostic images, and streamline their online Medicare billing. The East Texas Medical and Educational Fiber Optic Network will offer 100 Mbps transport service to community anchor institutions, businesses, and last mile service providers at rates much more affordable than what is currently available. Peoples Telephone Cooperative will solely manage the proposed funded network in accordance with the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005) and in compliance with any future Internet policy changes by the FCC. Currently, Peoples does not discriminate or favor any lawful Internet applications, content, or services where lawfully used, and these same practices will be continued for the proposed funded network. We promote our customers' ability to freely access and disseminate lawful content in a manner that respects others' use of the network and that complies with the law. While Peoples does not engage in blocking customer access to illegal or legal Internet content, Peoples supports industry practices for safeguarding children, intellectual property rights and our customers' privacy and security. Peoples Telephone Cooperative is proposing to build a 10 gigabit per second middle mile network connecting 55
towns and communities in northeastern Texas. The network will be constructed as a fault tolerant physically redundant ring with linear connections to communities not on the core rings. For reliability and bandwidth efficiency, the fiber ring is comprised of 3 primary overlapping rings. The two main POP locations for access to upstream Internet connectivity will remain at Dallas and a secondary will be acquired. Peoples will connect with multiple upstream providers using the Border Gateway Protocol (BGP) at those locations for service provider reliability. Each connection to the upstream Internet providers will be physically established over Gigabit Ethernet connections. The electronics network will be built using MPLS packet switching technology. MPLS was chosen to be able to offer carrier Ethernet services conforming to the Metro Ethernet Forum recommendations for service level agreement standards. Each community will have a new interconnection point for providing access to the MPLS network to the local community anchor institutions. The community anchor institutions will be connected using new lateral distributions to each location. The fiber sizing in each community is based upon the size of the community to accommodate future potential growth. Peoples Telephone Cooperative’s management team is well qualified to implement and operate the East Texas Medical and Educational Fiber Optic Network. General Manager Robbie Allen has been with Peoples for nearly 34 years and has served as GM for 9 years. During his tenure as GM, Mr. Allen has overseen a six-fold increase in DSL speeds and the introduction of an expanded array of custom calling features, resulting in increasing customer take rates. Project Manager Mike McQueen has been with Peoples for 35 years and is currently serving as Plant Manager. He oversees the Engineering, Outside Plant, and Installation/Repair Departments and is very familiar with Peoples’ existing network, having drawn up most of the routes himself. Chief Financial Manager Scott Thompson has been with Peoples for nearly 13 years and oversees the financial management of the parent company and its four subsidiaries. Regulatory Affairs Manager Sharon Hurley oversees the CABS billing process and works with the East Texas Learning Interactive Network Consortium, a group of schools and colleges that works to provide area students with expanded learning opportunities; Ms. Hurley has been with Peoples for nearly 26 years. In addition to its experienced personnel, Peoples Telephone Cooperative also has established systems and procedures in place for managing its existing network. As an established telecommunications provider with a long history and extant processes for handling customer care, provisioning, billing, and system repairs, Peoples Telephone Cooperative is well-suited to provide the organizational structure needed to ensure project success. Current processes will be augmented with additional staff as needed to provide for the new network facilities. All current sales, operations, and billing support systems and staff are robust enough to handle the increased network capacity, with the exception of the staff members added in and outlined in the pro forma. The overall infrastructure cost of the East Texas Medical and Educational Fiber Optic Network will be $36,031,695. Peoples Telephone Cooperative is requesting 80% of the total project costs, or $28,825,356, in grant funds and will provide matching funds for the remaining 20%. Peoples Telephone Cooperative projects the East Texas Medical and Educational Fiber Optic Network to have 191 community anchor institution subscribers by the end of year 3. They also project that eight last mile providers will use the network by the end of year 3; those last mile providers are projected to serve 71,536 residential customers using the East Texas Medical and Educational Fiber Optic Network by the end of year 3. The number of jobs estimated to be created or saved by this project is approximately 313 job years. The number of job years was estimated by dividing the amount of Recovery Act spending by $92,000; this method was taken from the Council of Economic
Advisors’ ARRA job creation estimation guidance. Of the total number of job years, 100 are estimated to be direct jobs, 100 are indirect jobs, and 113 are induced effects. The need for the East Texas Medical and Educational Fiber Optic Network has been well documented. Several elected officials, public servants, businesspeople, and educational and medical experts have written letters to express their support for Peoples Telephone Cooperative’s efforts to bring broadband to rural eastern Texas. A consistent theme across these letters is that, without affordable access to broadband, these communities risk the continued loss of local industries and jobs. In many of the counties the East Texas Medical and Educational Fiber Optic Network will serve, the unemployment rate has already exceeded 10%. This area needs to find new ways to grow its economy in the 21st century, and the availability of broadband service will undoubtedly play an important role in driving that economic development.